

PART OF THE PROCEEDS: WHAT DOES THIS MEAN TO COMPANIES AND STAKEHOLDERS TODAY?

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ABSTRACT

Consumers increasingly feel good about buying goods and services from companies where part of the proceeds go to a worthwhile cause – with the intention of helping people and other deserving beneficiaries. What are some representative examples of this “Cause Marketing” and what role is it playing in the overall Corporate Social Responsibility plan of companies? Do these contributions really make a difference or are they solely a way to sell more products and services? This is an ethical analysis of this issue considering both the stakeholder and company perspectives.

I. INTRODUCTION AND OVERVIEW

The Relationship between Business and Society

The often quoted Milton Friedman statement, “there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud,”ⁱ is one that is often used to promote the idea that business is in business to make money for the only stakeholder that matters – the shareholder. However, when you look at that famous quote you see there’s a caveat – that businesses should not engage in deception or fraud in order to increase those sought after profits; i.e., they must do things that are ethically, and not just legally, correct with regards to all of the stakeholders of their business and not just the shareholders.

Fast forward to forty-one years later – do the businesses of today actually take all of the stakeholders’ needs and issues into consideration, even when the stakeholders have competing interests and the company’s main goal is to increase profit? This paper is an attempt to explain and give examples of some of the ways that businesses address the social and legal implications that companies must consider when they are acting in a way they represent to be socially responsible. This is a survey paper that describes and comments on examples of current practice in companies today with a special emphasis on cause marketing in its many forms and variations; the multiple case studies presented here will illustrate in greater detail the secondary data collected, with content analysis throughout. However, before that happens, a little background is needed to define our terms and the context in which we will analyze this subject.

Corporate Social Responsibility (hereinafter referred to as CSR) is currently an important topic in our global businesses of today. Scholars and business leaders often have difficulty agreeing to a definition of the term, but the main presupposition is that it is a “view of the *corporation* and its role in *society* that assumes a *responsibility* among firms to pursue goals in addition to profit maximization and a *responsibility* among a firm’s stakeholders to hold the firm accountable for its actions.”ⁱⁱ The history of Corporate Social Responsibility is really an indicator of that process and shows the evolving relationship of Business and Society.ⁱⁱⁱ It wasn’t until the 1950s and 1960s that the companies felt much of a need to do more than look at the bottom line for shareholders, and it is clear that there has been a shift in the present day which has substantially altered the original view.^{iv} It is this contemporary view of the corporation that is our subject.

With firms the world over in constant competition not only for the consumer’s dollars, but also their trust, respect and approval, the study of business ethics is extremely complicated; and now, perhaps, more than ever, an updated ethical analysis of the situation regarding CSR is needed, with some clearer and more defined guidelines, including the concept of the triple bottom line with regard to CSR.

John Elkington, the founder of a British consultancy called SustainAbility, gives us perhaps the clearest paradigm to understand the concept of the triple bottom line and how it relates to CSR. He states that “companies should be preparing three different (and quite separate) bottom lines. One is the traditional measure of corporate profit—the “bottom line” of the profit and loss account. The second is the bottom line of a company’s “people account”—a measure in some shape or form of how socially responsible an organisation has been throughout its operations. The third is the bottom line of the company’s “planet” account—a measure of how environmentally responsible it has been. The triple bottom line (TBL) thus consists of three Ps: profit, people and planet. It aims to measure the financial, social and environmental performance of the corporation over a period of time. Only a company that produces a TBL is taking account of the full cost involved in doing business.”^v The goal here is to discuss some of the ways that businesses are socially responsible and give examples of multinational companies, private, public and non-profit, that have socially responsible programs and policies in place and what the impact of those programs will be on the present day stakeholders, including the shareholder.

II. CAUSE MARKETING TYPES: HOW DOES THIS FIT INTO THE EQUATION?

There are a number of forms of Cause-Marketing, (also referred to as Consumption Philanthropy) – where a company aligns itself with a cause – hopefully with the end result of making the stakeholders happy by creating what for them is a win-win situation; the company makes money by selling more goods or services and brands their goods or services, and the stakeholders see the company as promoting worthwhile social objectives.^{vi}

Of the several different types used by companies today, we will focus on three: *transactional, promotional and licensing*.^{vii} Sometimes these overlap because a company may do more than one approach with regards to their CSR policy, but here each one will be defined and discussed separately. The transactional model occurs when a consumer purchases a product and part of the proceeds benefit a particular cause. The Product Red example cited later will illustrate that type and evaluate the good and bad points of this type of philanthropy. The next type is licensing, where a company licenses the use of its name to promote a cause. Many non-profits will license their name to a credit card company, such as Visa, and in exchange, Visa will give them payment or donate part of their proceeds to that cause.^{viii} The last type is promotional, illustrated below in the table entitled “Companies and their Causes,” which lists several companies and the causes they are associated with. This is a form of CSR that many companies use – and often you think of their cause when you think of their product; in this approach, the company directly contributes funds or raises awareness of a cause using direct contributions or consumer support.^{ix} Clearly this type of cause marketing has often been widely successful and is in use by many multinational corporations today.

Companies and their Causes

Toys ‘R Us	Toys for Tots
Kentucky Fried Chicken	Buckets for the Cure-Breast Cancer
Starbucks	Fair Trade
Body Shop	Eliminate Animal Testing
McDonald’s	Ronald McDonald Charities
Safeway	Feed America
Tide Detergent	Loads of Hope
Avon	Breast Cancer Crusade
Yoplait	Save lids to save lives- Breast Cancer
Newmans’ Own	Various Charities
Green Mountain Coffee	Fair Trade

Table 2: Companies and their Causes

Marketing expert, Kim T. Gordon makes several good suggestions to businesses to help them to take steps to make this a win-win situation, such as: 1) to give from the heart; 2) choose a related cause; 3) contribute more than money; 4) formalize the affiliation, and 5) start a marketing campaign.^x This way the campaign is focused and

sincere. In addition, positive branding that actually is meaningful occurs when the cause is real and the company is genuine in their efforts and commitments to their cause; also when it is related to their business in some way.^{xi}

The first two suggestions are very important but it can be an either/or situation sometimes, as some of the most successful marketing campaigns have developed between donor and donee that have very little in common, but as long as the end result is for a good cause and comes from the heart of those responsible for the program, it seems to work very well. For example, Yoplait's "Save lids to save lives," is a win-win. In the last thirteen years, Yoplait has raised \$30,000,000.00 to support Breast Cancer Research.^{xii} And the ever popular, Newman's Own, has raised \$300,000,000.00 since its inception for various charities.^{xiii} Perhaps the company's belief and commitment combined with the fact that their product is promoting good health and therefore is a good cause in and of itself, overcomes the "related" issue for the consumer.^{xiv} Other companies such as Ben and Jerry's also make donations to various charities through their Ben and Jerry's Foundation, which gives out 1.8 million annually to various entities in Vermont and beyond, as part of their social mission, which in addition to their economic and product missions comprises their CSR policy.^{xv}

In any event, consumers seem to agree with this approach to business and it is becoming increasingly important in deciding where they spend their money. The 2010 Cone Cause Evolution Study states that 88% of Americans say it is acceptable for companies to involve a cause or issue in their marketing. This data represents a 23% increase since Cone began measuring this in 1993 (66%). In addition, 85% of consumers have a more positive image of a product or company when it supports a cause they believe in or care about. 90% of consumers want companies to tell them the ways they are supporting causes. In other words: more than 278 million people in the U.S. want to know what a company is doing to benefit a cause.^{xvi}

The examples cited above clearly show a desire on the part of these corporations to do something that has significant meaning and value, and consequently have an affect on more than just the bottom line; the outcome is that the contributions to causes are now positively affecting the triple bottom line and this automatically shifts the focus to include consideration of all of the other stakeholders. Even if it is not exactly an equal benefit to all of the stakeholders, the fact that it has the capacity to help to increase the triple bottom line is good because if a company continues to value its employees and the environment when they are working towards making a substantial profit (people, planet and profits,) then they won't have to choose between the three of these issues when a problem arises; as a result of this management decision and the subsequent action on the part of the corporation, everyone benefits. This is where Cause Marketing bridges the gap that can occur between stakeholder interests and helps corporations handle CSR in a way that works. Of course, there's always a question about the purity of the motives or intentions, and whether doing good in one area will be a distraction from other aspects of business, but these are issues that will be discussed in the concluding remarks.

Of course, this area is not without criticism, especially when the economics of it all can seem rather mushy and because it is difficult to calculate the effects using traditional accounting methods. Also, skepticism enters into the mix when people see instances where a smooth talking, silver-tongued executive or promoter of a cause, whose public image may actually hide a darker interior, makes true believers of everyone who thinks that all of these charitable efforts are true and then later it is discovered that in fact it was actually a smoke screen, and the truth is that the cause really didn't get that much at all or that the entire matter was a scam.^{xvii}

The next section will depict a more detailed story telling of four corporations, one public, two private, and one non-profit, and how each one of them hones their public image, views CSR, and chooses one or more types of cause marketing. This will give us some real world facts and fodder to try to make sense of all of this; by analyzing these diversity of approaches we will also see if they show a larger pattern despite their differences.

III. PRIVATE CORPORATIONS

Sierra Trading Post – their vision of CSR

Sierra Trading Post, Inc. is a company that purchases name brand merchandise from companies at a discount, usually overstocks or closeouts, and turns around and sells them to its customers at reduced prices. Most of its purchased inventory is sold on-line or through its catalog sales – their inventory includes, but is not limited to, a

variety of men's and women's outdoor apparel, along with dress, casual clothing and footwear. Their motto is "Save 35-70%, Every Day." The company is currently located in Cheyenne, Wyoming and consists of four retail stores and two customer call centers. The Cheyenne facility is 500,000 square feet with another 60 acres of land waiting for expansion.^{xviii}

Today they ship tens of millions of catalogs a year in the US. Their vendors have reached over 1000 in number with companies like The North Face, Columbia, Timberland, Rockport, etc. Their call centers handle over 150,000 calls a month and more impressively, they claim to answer most calls in under 30 seconds! Sierra Trading Post customers saved over \$320 million dollars over the retailers prices in 2009.^{xix}

Sierra originally started as a mail order catalog company. They are constantly diversifying those catalogs to meet customer needs and updating the web-site to make it more user friendly and flexible for the consumer; they continue to expand their warehouse for the sake of their employees and customers.

The company was founded in 1986 by Keith Richardson, after he was asked to step aside from his executive position at Sportif USA (now a vendor of Sierra Trading Post) to take a lesser position. He later quit and has said he credits God for giving him the idea to start the company. The founder truly believes that God still plays a major part in the ethical direction of the company. This point is emphasized on the statement of beliefs that the company follows as well as on their standard order form. The "We Believe" statement reads:

Every day, in all that we do, we vow to treat you the way we would want to be treated. If how we serve you does not match our "We Believe" statements, please write our founder, Keith Richardson. We will make it right!

1. We Believe our customers must be given the best possible service.
2. We Believe we must keep our operating costs as low as possible to keep your savings as high as possible.
3. We Believe our business ethics must be consistent with the faith of the owners in Jesus Christ and His teachings.^{xx}

Sierra Trading Post also pays particular attention to being environmentally responsible. They use 100% recyclable paper for all of their catalogs and use the most environmentally sound printers in the business. They will delete inactive customers and duplicate addresses from their mailing list so they are not wasting catalogs; at the same time, they encourage customers and prospects to recycle their catalogs. They also make it an option for customers to opt in and out of which catalog they wish to receive, thereby saving paper.

For one of their charitable causes, they teamed up with SockGuy, a performance sock manufacturer, in efforts to ship over 21,000 pairs of socks for the Haitian Relief Effort. The total value of the effort was close to \$200,000 and was distributed by Clothes4Souls.^{xxi} Presently, they continue to participate in local community events in the four retail stores that they own and operate.^{xxii xxiii}

Their efforts as a private company to make a difference are successful for them and are evident in their triple bottom line. While it is not possible to get their dollar figures because they are a private company, the company is nevertheless a success by considering profit, people and the planet as their social responsibility.

TOMS Shoes – one pair of shoes at a time

TOMS Shoes, which was initially christened "Shoes for Tomorrow", was an attempt by a highly business-oriented man named Mycoskie to make a difference in the world while simultaneously making a profit. In 2006, during Mycoskie's vacation in Argentina, he got word that there was a group of individuals who prided themselves on donating shoes to surrounding villages. This deed was deemed very significant as it was discovered that many shoeless individuals were prohibited from attending work or school and as a result lived in poverty and were prone to early death.

Mycoskie also learned of the various soil-transmitted diseases that can cause serious injury to people not wearing shoes. These types of infections and disease are most commonly reported in areas that are overly populated and do not have the appropriate sanitary processes in place. In regard to this finding, One WorldHealth stated that the parasitic eggs/larvae [STH - Soil Transmitted Helminthiasis] embedded in the soil eventually find their way into the gastrointestinal tract of the person(s) who comes in contact with them (See Table 1). These infections are “typically most intense and debilitating in school-age children, resulting in malnutrition, physical and intellectual growth retardation, and cognitive and educational deficits.”^{xxiv}

Worldwide estimates of number of STH infections by region (millions of cases).

Region \ Disease	Latin America & Caribbean	Sub-Saharan Africa	Middle East & North Africa	South Asia	India	East Asia & Pacific Islands	China	Total
Ascariasis	84	173	23	97	140	204	86	807
Trichuriasis	100	162	7	74	73	159	29	604
Hookworm	50	198	10	59	71	149	39	576

Table 1: <http://www.oneworldhealth.org/img/pdfdownloads/STH%20Fact%20Sheet.pdf>

Although TOMS is a for-profit private company, TOMS’ CEO, Mycoskie, understood and embraced the fact that TOMS movement to help provide children with footwear would afford the company great publicity because no other company had a social contribution as good as this one: “*buy one pair and give one pair free.*”^{xxv}

At the young age of 33, Mycoskie had been featured in many national speaking tours gaining the support and friendship of many renowned individuals such as: Bill Clinton, Ralph Lauren, etc. TOMS has also been “recently ranked #6 on Fast Company magazine’s list of most innovative retailers.”^{xxvi}

In 2007, Mycoskie told Time magazine that he “believes TOMS is going to give away millions of shoes one day.”^{xxvii} As of this past September, TOMS has graciously donated over 1 million pairs of shoes to disadvantaged youth around the globe. Mycoskie stated that, “when you incorporate giving into your model, we’re proving it to be good for business... My customers are my biggest evangelists.”^{xxviii}

In efforts to raise awareness about soil-transmitted diseases and other adverse effects of living without shoes, TOMS has launched a program called ‘One Day Without Shoes.’ This program helps to reiterate the positive effects that one pair of shoes can have on a person’s life – helping to reduce serious injuries and illnesses. The ‘One Day Without Shoes’ event on April 5, 2011 had an astounding 1000 events in 25 countries.^{xxix}

TOMS understands the influence of publicity. As a result, they have prided themselves in spending very little money on marketing – instead they invest more money into their cause. This type of work allows them to rely heavily on both word of mouth and corporate support. TOMS believes that the good news of this company spreads “because we incorporated giving [into our mission], customers help[ed] spread the word, [that] got media attention, and retailers even help[ed] market us.”^{xxx} Many people see this and will purchase a pair of TOMS Shoes because they see its benevolent implications and want to be a part of it.

In addition to their mission, all of TOMS’ products are backed by a promise of adherence to the human rights standard. They guarantee, via a written and signed code of conduct, that all of their facilities “operate under sound labor conditions, pay fair wages and follow local labor standards.”^{xxxi} Consequently, each of their facilities is inspected by an outside committee that reports TOMS’ adherence, or non-adherence, to the regulations of labor.^{xxxii}

TOMS Shoes states on their website that they “transform [our] customers into benefactors which allows us to grow a truly sustainable business rather than depending on fundraising for support. This model has enabled us to give more shoes at a rapid rate and created thousands of customer-philanthropists along the way.”^{xxxiii} With this in mind, they continue to add new initiatives to their lineup, gaining even more supporters for their efforts in that regard. In November 2010, for example, they designed a shoe faced with a moustache to help raise awareness of

cancer affecting men. TOMS went as far as to refer to 2010's month of November as MOverner – taking on the abbreviated 'MO' for moustache. There have been many supporters of this event and TOMS has delegated the funds raised to help benefit the Prostate Cancer Foundation and also LIVESTRONG. ^{xxxiv}

Since its inception, TOMS has accumulated a multitude of supporters which have been able to start campus clubs and internships that center on their benevolent work. In October 2009, Mycoskie spoke at Perdue University as part of the Purdue Series on Corporate Citizenship and Ethics. This event covered the "various aspects of business ethics and the role citizens play in corporate ethics, providing a well-rounded overview of the effects of corporate ethics upon business, the economy, and society as a whole." ^{xxxv}

Mycoskie also spoke at Mississippi State University on a forum entitled, 'Lectureship in Values and Ethics'. There he spoke about how his 'One for One' business model helped to reshape social entrepreneurship for the new generation; he encouraged the attendees to not be frightened to make a profit while following through with their passionate ideas/plans. He ended with a discussion of the more heightened sense of social awareness as compared to that of 30 years earlier. He believes that much of this heightened awareness derives from a variety of activities including, but not limited to "walks, food delivery programs, and outreach and education projects." ^{xxxvi}

TOMS mission leaves an overall positive impression with an approach that is meaningful to the global community. TOMS choice of product to give away is a clear example of using your own resources to promote social change. Their 'One for One' business initiative has set them apart from many of the other sneaker retailers and has prompted other efforts in the industry. ^{xxxvii} Mycoskie has managed to turn a profit, make great contributions to both the local and global communities and ride the wave of corporate citizenship and ethics. TOMS Shoes is helping to raise the [global] standard for the role that businesses have in today's society. ^{xxxviii}

IV. PUBLIC CORPORATIONS

Starbucks and the issue of Fair Trade

Fair trade has existed in products from coffee to cotton for over 40 years, with coffee being one of the highest sold certified fair trade products worldwide. ^{xxxix} Fair trade started to really take off in 1988 when world coffee prices began a sharp descent, triggering the birth of the first Fair Trade certification initiative. ^{xl} The characteristics of fair trade include: better practices regarding labor, local sustainability, and fair market prices to those farmers in developing countries who would normally receive sub-market prices. It is difficult for many consumers to think of Fair Trade without thinking of Starbucks.

According to the World Fair Trade Organization (WFTO), fair trade is the response to the failure of conventional trade to deliver sustainable livelihoods and development opportunities to people in the poorest countries of the world. ^{xli} Since it takes three to four years for a coffee plant to produce significant quantities of coffee, and up to seven years before the plant reaches peak productivity, it is difficult for coffee farmers to react quickly to price fluctuations. As a result, coffee supply often increases even as market prices plummet. Furthermore, this leads to a collective action problem, where each farmer has an incentive to increase production as prices fall in order to reduce per unit cost and increase his or her margins. In aggregate, this activity creates a positive feedback loop and further depresses the world price. ^{xlii}

Starbucks and Fair Trade are almost synonymous. Starbucks opened in 1971 in Seattle's historic Pike Place Market, a location picked to signify to people the "seafaring feel of coffee traders of old." Starbucks' mission: "to inspire and nurture the human spirit – one person, one cup, and one neighborhood at a time." ^{xliii}

Starbucks began purchasing Fair Trade Certified™ coffee in 2000, helping grow the market for Fair Trade Certified coffee in the U.S. And in 2009, Starbucks increased their purchases to 40 million pounds – making them the largest purchaser of Fair Trade Certified™ coffee in the world. ^{xliv} Starbucks utilizes the Coffee and Farmer Equity Practices (C.A.F.E.) in its coffee purchasing. ^{xlv} In summary, C.A.F.E. means that the product must meet Starbucks outlined level of quality, must be transparent in purchasing, must be socially responsible, and must take into consideration the issue of environmental waste. ^{xlvi}

Starbucks goes to great lengths to evaluate the quality of the purchased product. The company put together the C.A.F.E. practices with a one page checklist which outlines the following: how to ensure a quality product, financial viability, worker's conditions, environmental protection, and waste management. This is further broken down into a deeper discussion of the C.A.F.E. generic evaluation guideline which is currently posted on Starbucks website.^{xlvii}

The company takes full responsibility for their product, knowing that their success lies with the success of low income farmers. Thus, Starbucks has outlined a goal to increase their farmer loan guarantees to \$20 million by 2015 and provide farmers with incentives to reduce the environmental impact of coffee production.^{xlviii}

Some groups and individuals criticize the fact that Fair Trade is not always offered in their cafes and that Starbucks is not doing enough in the Fair Trade arena.^{xlix} But it appears that overall, Starbucks is truly committed to the Fair Trade issue in a way that is significant and is a good "cause marketing" match with their main product. Since they are now the third largest chain food restaurant, behind McDonald's and Subway, this will be a tremendous contribution to the Fair Trade cause.¹

Product Red – the future of cause marketing?

(Product) Red was co-founded by two men who are well known philanthropists, Bono (aka Paul David Hewson) of the rock group U2, and Bobby Shriver of the American Kennedy family. Together they set out to bring much needed attention and resources to the sub-Saharan areas in Africa that were most infected and affected by HIV and AIDS. The ultimate contribution of (Product) Red is to The Global Fund, which was created in 2002, to dramatically increase resources to fight three of the world's most devastating diseases (AIDS, Tuberculosis, and Malaria) and to channel the money to areas of greatest need. The end result is that their International humanitarian efforts span 6 countries in Africa: Ghana, Lesotho, Rwanda, South Africa, Swaziland and Zambia.^{li}

The strategy that drives the organization (Product) Red is to engage large well-known, well-coveted, for-profit corporations into raising funds through consumer purchasing of their unique products. This was probably not a hard sell for these corporations. Most for profit companies are concerned with selling differentiated products, making huge profits, and being admired by their customers and the general public.^{lii}

The hard sell was to convince the public that this organization is worthwhile to support, and that the products are: differentiated, wanted, desired, necessary, and/or needed. To date, (RED) and the private corporations they are affiliated with, have grown together. A percentage of sales from (Product) Red items have generated over \$160 million that has been given to The Global Fund.^{liii} The partnering companies that have given part of their proceeds include but are not limited to: American Express, Apple, Bugaboo, Converse, Dell, Giorgio Armani, The Gap, Hallmark, Nike, Starbucks, Beats by Dr. Dre, Vanity Fair, and Shazam (iPhone App). All products are distinguished as (Product) Red by having the color red on their label or other marking. The percentage of funds donated per sale of (Product) Red varies dramatically and is sometimes difficult to calculate.

Some examples: American Express Red card donates 1% of the total spent on their charge card. The GAP donates 50% of profits. Converse donates 5-15% of net wholesale prices. Apple's iPods and specially marked iTunes cards donate \$10 and 10%, respectively. Vanity Fair donated \$5 per subscription to the magazine. Nike donated 100% (\$4.00) of cost per shoes sold. However, one of the worst donors was Starbucks. Starbucks donated \$0.05 from every exclusive Red beverage sold, for a period of time. Because of these corporations and this initiative, (RED) is the largest private organization donating money to the Global Fund.^{liiv}

According to the join (red) website, (Product) Red is able to make donations because consumers purchase a (RED) item, then the company sends a percentage of the sale to The Global Fund. The Global Fund uses 100% of the funds for prevention, counseling and treatment of HIV/AIDS, and the contribution helps Africans in the sub-Saharan areas. It is a positive win-win situation because the shoppers feel good about the investment, corporations make greater profits and those in need can receive help that may save their lives.

Because of some of the disparities in corporate giving for (Product) Red, critics opine that this way of giving is just another example of the exploitation of corporate greed and taking advantage of consumers desire to overindulge in acquiring goods. Critics are also concerned about the disparity in the amount of money used to advertise

(Product) Red and the return on investment. Other criticisms of (RED) include: no real accountability- they state that "about 40 to 50%" of the profits goes to support the Global Aids Fund; it really isn't stated how much of each purchase actually goes to the Fund; and lastly, there are high overhead costs which lessen the amount of money donated to the Global Fund.^{iv}

However, Bobby Shriver and Bono should be commended for their ability and willingness to be a beacon of change and hope for the people suffering from AIDS in Africa and around the world.^{lvi} This is making it possible for millions of HIV/AIDS patients to receive their antiretroviral pills daily as it makes the cost of medications very low by USA standard, (\$.40 per day) which does alleviate the predicament that most of these patients are in; for the majority of them, it can be a hardship when they only make \$2.00 a day. This outpouring of relief is evident in *The Lazarus Effect*, and the HBO Documentary about the positive aspects of (RED) and The Global Fund.^{lvii}

V. CONCLUSION

The study of a corporation from a Business Ethics point of view can be complex; infuriatingly difficult to tell fact from fiction and simultaneously troubling and encouraging. Given this seemingly ever expanding influence of the national and multinational corporations, surely we must work from the premise that the corporation, private or public (along with the non-profit corporations) are in a unique position to do widespread good; their contributions can make a positive difference to organizations and people; very often with the result that both the company and the stakeholders benefit.

It is now a universal given that CSR is a standard operating procedure for those companies who wish to maintain their customer base, employee commitment and overall positive public image with regards to the environment and other issues. Indeed, there is a general consensus that corporations, at the very least, can take the following steps to effect social change in addition to donating all or part of the proceeds of sales: they can do no harm, they can contribute to public causes, treat their employees well, and voluntarily coordinate their activities with local governments and with non-government organizations.^{lviii} Consequently, the majority of multinational public companies do have these policies and codes of conduct, and their efforts are posted on their websites, right next to their products and services for sale; in addition, many companies have very elaborate integrative CSR reports.^{lix}

And I think we can safely say that most C.E.O.s have at the very least, a quantitative difference of opinion with Milton Friedman when they re-read his statement on the social responsibility of business, "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud."^{lx} At the very minimum, today's C.E.O. interprets "... so long as it stays within the rules of the game ..." in a more co-operative and socially aware spirit than Friedman may have had in mind.

The constant give and take between public policy and the business community on issues such as the environment, workplace safety, and due caution in financial markets, may be larger issues than the cause marketing we have investigated here. Yet they are related because ultimately there's both a debit and a credit side on the CSR score card. On the credit side are the vast social contributions of supplying goods, services and employment for people; and of course, the many sorts of causes supported in the ways outlined in this paper.

But in their persistent efforts to paint themselves in a positive light, businesses may go to excesses to have their good deeds overshadow questionable practices. Just as President Coolidge said, "...the chief business of the American people is business,"^{lxi} we now hear the notion that consumerism with good intentions can be the answer to our problems.

Maybe that's not the only answer or approach. In her article, *The Hidden Costs of Cause Marketing*, Angela Eikenberry states, "The primary goal of people in market-places is to make choices that fulfill their self-interested, individual material needs and desires. In this capacity, they generally have little impetus to consider 'the public' or 'the public good'"^{lxii} Even if they do consider the public good, how much do these individual attempts really matter? Basically, it seems that sometimes there is a sense that we can't see the forest for the trees. "The problem with the emphasis on changing individual behavior is this: it makes too many of us believe we have done our part. ... By believing that green shopping—or even recycling, turning down the thermostat, or carpooling—is enough, we

consent to the continuation of the same societal practices that got us into this mess. Compared with the scale of the disaster, changing individual behavior is pathetically inadequate.”^{lxiii}

Another side effect may be that the consumer may believe that there are too many requests to ‘save the planet,’ and they may just get fed up and not contribute – a condition termed “consumer fatigue.” Once again, this would make it an important factor, and maybe even one that should be required: that there be a natural relationship between the business and the cause instead of one where there is no common ground.^{lxiv} The consumer may also think that they have done enough because they purchase Newman Products, or Yoplait, which of course is not the total truth. We live in a society that is really contingent on people helping people and not just corporations helping people; the larger issues are not addressed if people throw money at a project or plan and do nothing more.

However, having said that, it is clear that those negative possibilities are outweighed by the fact that there are so many good results with regard to benefits to all of the stakeholders in the majority of cases where companies contribute to good causes and the fact that they are responsible for positive change in those causes is always a plus.^{lxv} Furthermore, “companies are more mindful that their reputation is a precious asset which today’s media can destroy [or build] in hours.”^{lxvi} As a result, most corporations support movements to “make a positive difference in society to cover their publically *suggested* social responsibility; however, there are some businesspeople who are determined to create a better society by “turn[ing] a buck while pushing for environmental and social goals, like helping people out of poverty or reducing the use of harmful pesticides.”^{lxvii}

So both dangers and possibilities lie ahead. With the decline of newspapers and true investigative reporting, those of us in the business ethics community have an unprecedented duty to keep any eye on that gap between what is said and what is done. But surely the raised consciousness in the international corporate world is welcome progress. The shift to corporations looking at the triple bottom line as part of their CSR has hopefully become more than just a passing fad – for many it is a strategic long term plan. Cause marketing and “giving back” is now an important part of that plan. In this global business community, the corporations’ future is a future that will substantially and sustainably depend on their contribution to all of the stakeholders: environment, consumers, shareholders, employees and society.

ENDNOTES

ⁱ Friedman, Milton, The Social Responsibility of Business is to Increase its Profits, The New York Times Magazine, September 13, 1970.

ⁱⁱ Werther, William B., Jr. and Chandler, David (2010). *Strategic Corporate Social Responsibility*, second edition, Thousand Oaks, CA: Sage Publishing, p. 5

ⁱⁱⁱ Archie B Carroll, *Business and Society*; Sep 1999; 38, 3; ABI/INFORM Global, pg. 268

^{iv} For an excellent current overview of the area of Corporate Social Responsibility from a Strategic Perspective, see Werther, William B., Jr. and Chandler, David (2010). *Strategic Corporate Social Responsibility*, second edition, Thousand Oaks, CA: Sage Publishing, Chapters 1 & 2.

^v This article is adapted from Tim Hindle's, "The Economist Guide to Management Ideas and Gurus", published in, The Economist Online, <http://www.economist.com/node/14301663>, November 17, 2009. Retrieved 6/29/11

^{vi} For a discussion of cause marketing in general, see Gordon, Kim T. (October 14, 2008), Cause Marketing Matters to Consumers, <http://www.entrepreneur.com/article/197820> Retrieved 4/18/11

^{vii} Ibid

^{viii} Id., p. 53

^{ix} Eichenberry, Angela. (Summer 2009). The Hidden Costs of Cause Marketing. Stanford Social Innovation Review, p. 53

^x Ibid

^{xi} Hill, Andrew, Society and the Right Kind of Capitalism, February 22, 2011, Financial Times, London Ed1, 14, Retrieved April 18, 2011, <http://finance.ninemsn.com.au/executivesuite/insight/8214520/society-and-the-right-kind-of-capitalism>, as quoted in Chandler, David, SCSR newsletter- Porter and Kramer, April 18, 2011. The library of CSR Newsletters are archived at: <http://strategiccsr-sage.blogspot.com/> For an overview of businesses and their contributions, see: Werther, William B., and Chandler, David, (2010) *Strategic Corporate Social Responsibility*, 2nd edition. Thousand Oaks, CA: Sage Publishing.

^{xii} For more information on their charitable donations, see their website, Retrieved 4/22/11 from Yoplait: <http://www.yoplait.com/Sls/default.aspx>

^{xiii} For more information on Newman's Own Foundation, Retrieved 4/22/11 from their website: <http://newmansownfoundation.org/>

^{xiv} In fact, Newman's Own is now going organic! <http://www.newmansownorganics.com/index.php> Retrieved 4/28/11

^{xv} For details regarding the contributions of Ben and Jerry's foundations, the company is now owned by Unilever, Inc. see: <http://www.benandjerrysfoundation.org>. Retrieved 4/22/11

^{xvi} 2010 Cone Cause Evolution Study, Retrieved 3/31/11, from Cone, Inc.: <http://www.coneinc.com>

^{xvii} Such as was the case with the fall of Greg Mortenson. The story of his capture by the Taliban and subsequent school building in Pakistan and Afghanistan was exposed as fraud and at the very least, has many gaping holes and

creates some trust issues. See, Sides, Hampton. Shattered Faith, What the fall of Greg Mortenson tells us about America's irrepressible longing for heroes. May 2, 2011. Newsweek, p. 5

^{xviii} To read more about Sierra Trading Post, see their website and their approach, <http://www.sierratradingpost.com>

^{xix} Ibid

^{xx} Ibid, Retrieved, October 14, 2011. The founder of Sierra Trading Post is a believer in the teachings of Jesus Christ and follows the Principal of Servant Leadership with regards to the way the corporation is run, based on moral principles of serving others first which is modeled after Jesus Christ- listening, empathy, healing, persuasion, awareness, foresight, conceptualization, commitment to the growth of people, stewardship, and building community. See also, Buchholtz, Ann K. and Carroll, Archie, B., *Business and Society, Ethics and Stakeholder Management*, 7th edition, Cengage 2008, pp. 301, 302

^{xxi} The event was actually supported by Sock Guy, Inc.. <http://reviews.mtbr.com/sockguy-supports-haitian-relief-effort-with-100-000-product-donation-to-clothes4souls>. Retrieved 4/12/11.

^{xxii} Retrieved 3/31/11 from Sierra Trading Post: <http://www.sierratradingpost.com>

^{xxiii} The material submitted on Sierra Trading Post was researched and written by Joe Halloran, Jr., M.B.A., as part of his individual project titled, "Sierra Trading Post," submitted Fall 2010, with permission to use in this paper.

^{xxiv} One WorldHealth. (2010). *Soil-Transmitted Helminth Infection Fact Sheet*, from Institute for OneWorld Health: <http://www.oneworldhealth.org/img/pdfdownloads/STH%20Fact%20Sheet.pdf>. Retrieved November 8, 2010

^{xxv} Mustafa, N. (February 5, 2007). A Shoe That Fits So Many Souls. *Time*, 169 (6), p.1

^{xxvi} Binkley, (2010), p. D.7.

^{xxvii} Mustafa, N., A Shoe That Fits So Many Souls, p. C.2.

^{xxviii} Binkley, (2010), p. D.7.

^{xxix} <http://www.toms.com>

^{xxx} Schectman, (2010), p. 1.

^{xxxi} [Http://www.toms.com](http://www.toms.com)

^{xxxii} Ibid

^{xxxiii} Shoes, T. (n.d.). *Faq*. Retrieved November 09, 2010, from TOMS Shoes: <http://www.toms.com/faq/>

^{xxxiv} Ibid

^{xxxv} University, P. (n.d.). Purdue Series on Corporate Citizenship and Ethics. Retrieved November 09, 2010, from Krannert School of Management: <http://www.krannert.purdue.edu/events/ethics/home.asp>

^{xxxvi} Lee, N., & Kotler, P. (2005).

^{xxxvii} "Bobs" by Skechers, for example. For an interesting story about that, see, <http://www.fastcompany.com/1696887/toms-vs-bobs-how-skechers-shot-themselves-in-the-foot>

^{xxxviii} The material submitted on Tom's Shoes was researched and written by Richard Antrom, M.B.A., as part of his individual project titled, "Tom's Shoes," submitted Fall 2010, with permission to use in this paper.

^{xxxix} Fair Trade Foundation, Retrieved 4/22/11:

http://www.fairtrade.org.uk/what_is_fairtrade/facts_and_figures.aspx.

^{xl} Fair Trade USA, Retrieved 4/22/11: <http://www.transfairusa.org/about-fair-trade-usa>.

^{xli} World Fair Trade Organization, Retrieved 4/22/11:

http://www.wfto.com/index.php?option=com_content&task=view&id=1082&Itemid=12.

^{xlii} Reynolds, Laura T., Murray, Douglas L. and Wilkinson, John (2007). *Fair Trade: The Challenges of Transforming Globalization*. Routledge Publishing, Page 86.

^{xliii} Retrieved 4/22/11 from Starbucks Coffee Company: <http://www.starbucks.com/about-us/our-heritage>.

^{xliv} Retrieved 4/22/11 from Starbucks Coffee Company: <http://www.starbucks.com/responsibility/sourcing/coffee>.

^{xlv} C.A.F.E. Practices Generic Evaluation Guidelines, Starbucks Coffee Company, Retrieved 4/22/11:

http://www.scs-certified.com/retail/docs/CAFE_GUI_EvaluationGuidelines_V2.0_093009.pdf

^{xlvi} Ibid

^{xlvii} Retrieved 4/22/11 from Starbucks Coffee Company: <http://www.starbucks.com/responsibility/sourcing/farmer-support>

^{xlviii} *ibid*

^{xlix} Some groups believe that Starbucks is not doing enough in this regard. The group, Organic Consumers Association (OCA), a 501 (c)(3) *organization, is an online and grassroots non-profit public interest organization campaigning for "health, justice, and sustainability." Fair trade is one of the issues covered by OCA. Retrieved 4/22/11 from Organic Consumers Association: <http://www.organicconsumers.org/starbucks/index.cfm>
*501 (c)(3) is a U.S. Federal Internal Revenue Service designation that allows non-profits to receive funds that are tax deductible (among other things). Information on the IRS code is found at: <http://www.irs.gov/charities/charitable/article/0,,id=96099,00.html>

^l The material submitted on Starbucks Coffee Company was researched and written by Akia Ruff, M.B.A., as part of her individual project titled, "Green Mountain vs. Starbucks Fair Trade Market Practices," submitted Summer 2010, with permission to use in this paper.

^{li} Retrieved 4/22/11 from Join Red: <http://www.joinred.com/aboutred>

^{lii} *Ibid*

^{liii} *Ibid*

^{liv} Gunther, Marc. (August 5, 2008). Better (Red) than Dead." CSRwire.com, Retrieved 4/22/11 from CSR Wire: http://www.csrwire.com/csrlive/commentary_detail/110-Better-Red-Than-Dead

^{lv} *Ibid*

^{lv} For more information see their website at: www.joinred.com

^{lvii} The material submitted on (Product) Red was researched and written by Thomasina Carrington-Robey, M.B.A., as part of her individual project titled, "(Product) Red," submitted Fall 2010, with permission to use in this paper.

^{lviii} Werther, William B., Jr. and Chandler, David (2010). *Strategic Corporate Social Responsibility*, second edition, Thousand Oaks, CA: Sage Publishing, Chapter 1

^{lix} In fact, it appears that due to the factors of globalization and consumer awareness alone, the companies have no choice but to give back to the community. There are multitudes of articles that propose this, too numerous to mention, but a great summary of the businesses and their causes is found in, Bies, Robert, Bartunek, Jean, Fort, Timothy, Zald, Mayer, "Corporations As Social Change Agents: Individual, Interpersonal, Institutional, and Environmental Dynamics," (2007) *Academy of Management Review*, Vol. 32, No. 3, pp. 788-793

^{lx} Friedman, Milton, The Social Responsibility of Business is to Increase its Profits, *The New York Times Magazine*, September 13, 1970.

^{lxi} Coolidge, Calvin (January 17, 1925). "[The Press Under a Free Government](http://www.calvin-coolidge.org/html/the_press_under_a_free_governm.html)". *Address before the American Society of Newspaper Editors Washington, D.C.* Calvin Coolidge Memorial Foundation. http://www.calvin-coolidge.org/html/the_press_under_a_free_governm.html Retrieved 6/29/11

^{lxii} Eikenberry, Angela, *The Hidden Cost of Cause Marketing*, p. 52

^{lxiii} Begley, Sharon. (April 21, 2010). On the 40th Anniversary of Earth Day, Let's Go . . . Shopping! Buying green and changing personal behavior won't save the planet, as quoted in Chandler, David, *CSR Newsletter-Earth Day*, April 25, 2011. For more discussion on Environmental Issues, refer to: Werther, Jr., and Chandler, David, *Strategic Corporate Social Responsibility*, Chapter 8.

^{lxiv} Swenson, Mike, The Day Cause Marketing Died: How to Keep Consumers from Getting Fed Up with Corporate Efforts, posted June 6, 2010, *Advertising Age*, <http://adage.com/article/goodworks/day-marketing-died/144166/> Retrieved 2/21/11

^{lxv} Eichenberry, Angela. *The Hidden Costs of Cause Marketing*, p. 52

^{lxvi} Lee, N., & Kotler, P. (2005). *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*. Hoboken: John Wiley & Sons, p. 103

^{lxvii} Schectman, J. (2010, October 11). *Good Business*. *Newsweek*, 156 (15), p. 1.

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