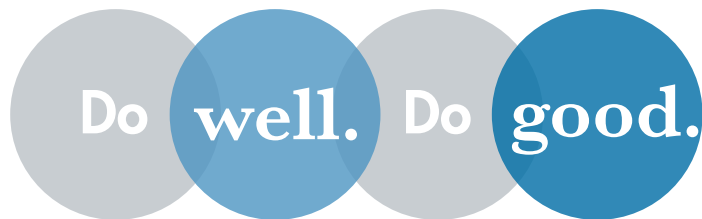


The Do Well Do Good Public Opinion Survey on

CAUSE MARKETING

SECOND
ANNUAL

Summary Report



Find the soul. Focus the message. **Tell the world.**

OVERVIEW

Americans are taking their concerns to the street. From “Occupy Wall Street” to the “Tea Party,” activists are expressing their discontent with the direction of the economy and the country. Whether the protestors represent the voice of the people or a fringe element remains to be seen. But one thing is certain, American consumers and employees expect companies to focus on more than just increasing profits. It is in this context that Do Well Do Good, LLC conducted its Second Annual Public Opinion Survey on cause marketing and sustainability. What do Americans expect of the companies they buy from, work for and invest in? How aware are they about what corporations are doing? Our intent with these surveys is to help identify not only what consumers and employees believe, but also how they say they would change their behavior in response to how companies operate.

Cause-marketing programs and sustainability initiatives are two modern business practices that promise opportunities for companies to do well financially by doing good in society. While cause-marketing initiatives and sustainability programs are fundamentally different, they can help a company enhance or create new approaches in the workplace, with the workforce, and in the marketplace. They are more than just the “right thing to do.” These tools can improve the bottom line and help a company meet the expectations of its customers, employees, and stakeholders.

To read the companion Summary Report on Sustainability, please visit www.DoWellDoGood.net.

CAUSE SUPPORT



I would buy a new brand if it supported a cause, regardless of my involvement with that cause:

—————○ **47%**

I would buy a new brand if it supported a cause that I care about:

—————○ **65%**

I be more likely to participate in a cause-marketing program if an employee tells me why a cause is important and why the company supports it:

—————○ **49%**

I would be more likely to participate in a cause-marketing program if I am allowed to choose which charity is selected in-store:

—————○ **49%**

Cause Marketing Defined

For the purpose of this survey, we define cause marketing as a potential profit-making program by an organization or brand to raise awareness, money, and/or consumer engagement in a social or environmental issue.

Vox Populi: The Voice of the People

The Second Annual Public Opinion Survey on Cause Marketing indicates that consumers feel that the world and the United States are headed in the wrong direction. Over 64% disagree with a statement that the world is “headed in the right direction,” and 62% disagree that the “United States is headed in the right direction.” This pessimism has grown by nearly 4% and just above 6%, respectively, over last year’s numbers.

In light of this pessimism, there is a large consumer demand for corporations to do their share for society and to reach out to charities and nonprofits to support causes.

Consider these top-level findings:

- **Consumer Participation:** 55% of consumers have purchased a cause-marketing product in the previous 12 months, down considerably from almost 71% last year.
- **Inconvenience Factor:** 56% of consumers would be willing to travel up to 10 minutes out of their way to purchase a product that supports a cause they care about.
- **Volunteerism:** 26% of consumers have volunteered with a nonprofit or charity that is not a religious organization, down from nearly 29%.
- **Personal Donations:** nearly 57% of consumers donated their own money directly to a non-religious charity/nonprofit, down from 67% last year.
- **Corporate Philanthropy Perceptions:** 75% of consumers believe that companies should support charities and nonprofits with financial donations, down from 83%.

Consumer Perceptions

Less than half of Americans, nearly 43% think that companies give enough money to charities. In addition, there is a significant divide between how much money consumers believe corporations should give to charities and nonprofits and how much they believe that corporations actually do give. Of the survey respondents, nearly 74% of consumers believe that corporations currently donate only 1%–5% of their profits to charity. However, 74% also believe companies should donate at a higher rate of 1%–10% of profits.

Consumer Attitude

Consumers remain largely supportive of cause marketing, although this support has dipped slightly since last year. Over 61% said they would buy a new brand if it supported a cause they cared about – down only slightly from last year at 65%. Some consumers (25%, up from 19%) indicated that they have cut back on regular donations because of their cause marketing participation although it should be noted that 41% disagreed.

In fact, 38 percent of consumers say they are willing to punish companies that give little or no money to charities by switching to a competitor and/or selling an investment. The percentages jump to 60% and 68% for companies that are perceived as harming the environment or employing child labor, respectively.

On the flip side, the majority of American consumers will travel out of their way to a specific store to purchase a product that supports a cause they care about:

- 32% of Americans said they would travel 1-5 minutes out of their way
- 24% of Americans said they would travel 6-10 minutes out of their way
- 13% of Americans said they would travel 11-15 minutes out of their way
- 9% of Americans said they would travel 16-20 minutes out of their way
- 12% of Americans said they would travel over 20 minutes out of their way

This year, only 8% of consumers said they would *not* be willing to travel out of their way.¹

¹ It is important to note that the answer choice, “none,” was moved from the top to the bottom of the response list in this year’s survey.

CONSUMER ATTITUDE



Consumers will travel farther and pay extra for products that support a cause.

56% of Americans will travel an extra:

1-10 minutes

71% of Americans will pay an extra:

\$2.28 extra for a \$10-product

The Price Elasticity for Cause-Marketing Products

Are consumers willing to pay extra for cause-marketing products and if so, how much? We call this “a proxy for price elasticity.” In economics, price elasticity measures marginal changes in quantity demanded as a response to marginal changes in price. Our proxy flips that equation and identifies specific dollar amounts American consumers would be willing to pay for products at different price points: \$1, \$5, \$10, \$50, \$100, or \$1,000. This year’s survey indicates that the majority of consumers are willing to pay more for products that support a cause:

Price Point	Percentage of Consumers Who Would Pay Extra	Average Extra Amount
\$1	57%	\$1.97
\$5	68%	\$1.97
\$10	71%	\$2.28
\$50	71%	\$3.81
\$100	71%	\$5.73
\$1,000	69%	\$17.76

BRAND AWARENESS



71% of consumers were able to identify the Komen Foundation with supporting breast cancer research

71%

12% were able to identify Pepsi as the beverage company that allows members of the public to nominate, vote, and select charities to receive the company's financial donations

12%

18% were able to correctly identify (RED) as supporting HIV / AIDS relief in Africa

18%

Consumer Behavior

On the subject of volunteering, consumers were just as charitable with their time last year as they were this year. About 24% of respondents volunteered with a religious organization and 26% had volunteered with a non-religious organization. These are in line with last year's findings.

Giving money, however, was a different matter. While individual financial donations to religious charities remained constant at just over 40%, donations to non-religious charities and nonprofits slipped notably, from 67% in last year's survey to 57% in this year's. In addition, purchases of caused-related products showed a large shift down this year, from nearly 71% to 55% in this year's survey.

Consumer Awareness

As the data indicates, consumers are willing to pay more and travel farther to buy products or services from companies that support a cause. However, how effective are major cause-marketing brands and initiatives in connecting with the hearts and minds of consumers?

In benchmarking a well-known brand, the Susan G. Komen Foundation, and two prominent cause-marketing programs, Product(RED) and the Pepsi Refresh Project, the survey found the following:

- 70% of consumers were able to identify the Komen Foundation with supporting breast cancer research, about the same as in last year's survey
- Nearly 12% were able to identify Pepsi as the beverage company that allows members of the public to nominate, vote, and select charities to receive the company's financial donations, down slightly from last year
- Consumers seemed to confuse Product(RED), which primarily supports HIV/AIDS relief in Africa with the American Heart Association's Go Red for a Day initiative. This year, 18% correctly associated Product(RED) with

its mission versus 36% last year. Meanwhile, 23% associated Product(RED) with the Go Red for a Day initiative. To be fair, the two programs are similar in their brand identity and the option "heart disease and prevention" was added as one of the survey answer choices this year.

Employees Speak

Survey respondents believe that their employers are generally effective in addressing an array of social and environmental issues, with 50%–75% rating their companies as "effective" in 16 of 17 categories. Some notable results include the following:

- 70% believe their companies are effective in regularly contributing to charities/nonprofits.
- 64% believe their companies are effective in allowing employees to volunteer on company time.

A significant amount of employees credit their employers with facilitating their own donations. In the past 12 months, 48% of employees have donated money and 31% have donated time because their employers helped make it happen. The number of employees donating money represents a large increase over last year and may be attributable, to some degree, to new wording of this year's survey question to enhance clarity.

Sixteen percent of employees indicated that their employers allow them to volunteer on company time, more often without pay than with pay. Company policies on how many hours employees are allowed to spend volunteering on company time vary widely. The average number of volunteer hours allowed over the past 12 months was 10 hours.

² The number of employees donating money represents a large increase over last year and may be attributable, to some degree, to new wording of this year's survey question to enhance clarity.

TOP FIVE "TO-DO" LIST



In launching a cause campaign, we recommend companies do the following:

- Offer matching funds for customer donations
- Let customers choose recipients for donations, either online or in-store
- Brand products for a cause, such as with a logo
- Train employees to tell customers about cause-marketing products
- Create "surround sound" in your communications—Use traditional forms of communications and social media

What Companies Can Do

Participation is the lifeblood of cause marketing. In our survey, we struck out to determine the effectiveness of 10 different cause-marketing techniques. Consumers indicated how likely they would be persuaded to make a donation or purchase a cause-related product based on the technique used. While down overall from last year's percentages, the top answers were as follows:

- 70% are likely to donate or purchase if the company offers matching funds
- 63% are likely to donate or purchase if they are allowed to choose which charity is selected in-store
- 58% are likely to donate or purchase if they are allowed to choose which charity is selected online
- 54% are likely to donate or purchase if a product is "branded" for the cause, such as with a logo
- 43% are likely to donate or purchase if an employee tells them why the cause is important and why their company supports it

Consumers continue to dislike being asked to donate money at the cash register, with 43% saying they dislike it (26% like it) and only 36% saying it would be likely to persuade them to donate or purchase a cause-related product. These figures are comparable to last year's.

In evaluating how to reach consumers with cause-marketing messages, consider the media forum where the message is delivered. Facebook is the dominant branded media source with nearly 57% of consumers having used it in the past seven days. Meanwhile, general online news sources were tied with Facebook at almost 57%; print newspapers and magazines came in at 54% and 39% respectively; 14% used Internet forums (Yelp and Angie's List were provided as specific examples), 12% claim to have used Twitter, 18% Google+, 5% MySpace, and 3% podcasts.

ABOUT THE SURVEY AND ABOUT US

The Second Annual Do Well Do Good Public Opinion Surveys on Cause Marketing and Sustainability were conducted through an online panel organized by Qualtrics Labs, Inc. The surveys were conducted between October 28 and November 2, 2011 with 1,001 respondents consisting of 500 women and 501 men. The survey is estimated to have an error rate of +/-3.1% at the 95% confidence level.

Do Well Do Good, LLC partners with companies and nonprofit organizations whose leadership wishes to increase the positive impact of their sustainability initiatives, cause marketing, and philanthropy programs. We provide the tools and enhance the skillsets of program managers in order to implement a clear and comprehensive strategy, improve communication between internal and external audiences, and integrate programs throughout all levels of the company. For more information, visit www.DoWellDoGood.net.