

Cause-Related Marketing: Ethical Practice or Exploitive Procedure?

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Introduction

The growth of cause-related marketing (CRM) has been phenomenal; however, the question remains whether or not this technique is “strategic” philanthropy or only exploitive business self-interest. Consideration of whether CRM is ethical, or can be ethical, has important implications for how this tool is used by marketers and not-for-profit organizations and for the establishment of public policy to regulate it.

Arguments about whether CRM practices are appropriate and ethical should be considered separately. First, critics claim that CRM reduces traditional corporate philanthropy. A related question is how firms should fulfil their roles as socially responsible citizens and whether traditional philanthropy or CRM is the most appropriate means of meeting such responsibilities. Secondly, critics question whether widespread use of CRM will result in a transfer of responsibility for supporting charitable causes from private individuals to business institutions. Finally, the debate swirls around aspects of CRM itself and the ethical standards which should be used to judge it. Criticisms include claims that CRM programs exploit the constituencies of charities, that they turn human suffering into a commercially saleable commodity, that they pressure charities to modify their programs so that they are more marketable, that only popular, visible causes receive corporate support, and that they promote overly simplistic solutions to complex social problems.

Cause-Related Marketing Defined

Cause-related marketing has been defined as “a co-alignment of marketing strategy and corporate philanthropy” (Varadarajan and Menon 1988, p. 58). More specifically, typical cause-related marketing campaigns require that the consumer buy a specific product or service, in return for which the firm makes a donation to a specific cause.

As is the case with corporate philanthropy, money is not the only form of donation that firms make through their CRM programs. As a byproduct of the affiliation they may provide the charitable organization with some form of business expertise such as advice on how to design promotional material more effectively or improve administration of programs; corporate personnel assigned

to help run a fund-raising event; and products or services such as computers, transport, or fund-raising prizes.

Cause-Related Marketing and Philanthropy

Many critics of CRM claim that CRM reduces traditional philanthropy (Gurin 1987). They point out that CRM provides a more tangible, direct return to firms and, unlike traditional giving, often places constraints on the charity such as the purpose for which the donation will be used. Yet many businesses have both donations programs and CRM programs and the use of CRM does not necessarily mean that firms will no longer make other charitable gifts.

Two assumptions underlie the fear that CRM will replace traditional philanthropy: (i) that traditional philanthropy is more “ethical”, and thus, preferable to CRM, and (ii) that CRM has caused a shift away from philanthropy. We suggest that neither CRM nor philanthropy are inherently ethical; each has to meet the criteria of independent ethical standards derived from the realm of moral philosophy.

The second assumption may also be questioned. While there is little doubt that corporations’ attitudes to donations programs are changing, CRM may not be the cause of this change. Instead, a third factor, such as changing competitive conditions, may be affecting both CRM and philanthropy.

To help clarify this debate, the distinctions between the two forms of corporate giving must be understood. CRM differs from traditional donations by: (i) the explicit admission of self-interest on the part of the firm, (ii) the establishment of formal, business-related objectives for the program, and (iii) measurement of the results. Both CRM and philanthropy support worthy causes. However, for philanthropy, this is the core activity, whereas it is a secondary consideration in CRM. Philanthropy has been traditionally defined as “a financial, material, or professional expertise gift undertaken for altruistic reasons and without expectation of return”. (Etherington 1983). CRM, on the other hand, has specific business objectives tied to its support. Such objectives may include increasing sales of a specific product or service, improving the image of the corporation or its products in the eyes of a specific target audience, motivating corporate personnel, or increasing retailers’ awareness of the company’s products.

Many CRM critics claim that this expectation of return makes CRM marketing less “ethical” than traditional philanthropy (Gurin 1987; Schiller 1988; Varadarajan and Menon 1988). Some critics cling to the stereotype that business is inherently “unethical”, and that all activities associated with it become tainted as well. Yet, in each case, they provide no standards against which to test their claims.

CRM is undoubtedly a commercial activity through which many firms pursue their primary goals of earning profits, accumulating capital and using resources

effectively. Those who believe that capitalist societies provide the best means of maximizing social welfare see such commercial activities as “good” for society in and of themselves.

Others insist that traditional philanthropy is preferable to CRM since it is more “altruistic”. However, a closer examination of philanthropy challenges the classic notion of its purely altruistic character; some form of return was certainly expected in many cases. Patronage, one of the earliest forms of philanthropy, clearly benefitted patrons such as the Medicis (Michelangelo) and Esterhazys (Haydn) who enjoyed both the products of their patronage and enhanced social status. They also exercised varying degrees of control over their beneficiaries. (For example, Haydn was forbidden to sell any of his compositions for almost a decade.) If, as has been suggested, the acid test of pure altruism is whether the donation is anonymous (Meenaghan 1991), famous donors such as Rockefeller and Carnegie would never pass the test.

As concentrations of capital shifted from individuals to corporations, and laws regulating business gifts evolved, capitalist enterprises began to emulate individual capitalists by making donations to charitable causes:

There is a long tradition in the Western world requiring successful members of society, individual or corporate, to go beyond paying taxes, to share the benefits of success with the community. (Taylor 1991, p. 2).

Like individual philanthropy, corporate philanthropy has been viewed as essentially altruistic. Yet more often than not, there was both self-interest *and* altruism in traditional corporate philanthropy. As early as the 1880s, firms were involved in activities considered “philanthropic”. For example, some railroad companies built YMCAs which provided inexpensive lodging and athletic facilities for their workers. Keim (1978) has presented empirical evidence based on historical data that supported the assertion that some corporate philanthropic contributions were profit motivated. Others suggest that the first 50 years of corporate giving could be called a “shrewd alignment of corporate and social needs” (Morris and Biederman 1985, p. 152).

Recently, a 1992 Canadian United Way survey found that corporate donations strategies were aligned with overall corporate business objectives and, in some cases, with marketing programs (Foeckler 1992). J.H. Cogill, Director of Public Affairs at Xerox, understood the ties between giving and financial returns: “Philanthropy is a donation...results are more intangible, but they’re just as critical to business success”. (Cogill 1991). Thus, although altruism played a part, at least some traditional philanthropy had an element of self-interest, and an expectation of benefit for both parties.

The expectation of mutual benefit is obvious in CRM. Does it also contain an element of altruism?

Society now accepts the fact that strategic giving can benefit society and the firm simultaneously (Freeman 1992) and that such arrangements are not morally reprehensible. Firms find CRM to be an effective marketing tool that helps them achieve their objectives while non-profits can broaden and secure their funding base. The undoubted benefits of CRM for charities are indicated by the value charities place on these associations, the growing number of long-term partnerships between corporations and causes, and the increasing number of requests for this type of support pouring in to corporations (Mahood 1992). (One firm now receives a request for support every six minutes (Young 1992).) Charities such as the Second Harvest Food Bank see their alliance with business as a win/win situation. Since they can acquire funds from different areas of corporate activity, not just from the corporation's charitable foundation, the giving base has expanded (Schollossberg 1989).

Discussions with corporate participants in CRM and an examination of the criteria they use to select appropriate causes to support reveals a strong component of altruism in the way they think about CRM programs. Criteria include consideration of the amount and type of "good" the charitable institution provides to the community and the effectiveness with which programs are administered.

Altruism can also be seen in the time and effort corporate participants shower on the campaigns sponsored by their firms over and above what is required for commercial gain. Interviews with corporate participants indicate this is because of the sense of satisfaction they derive from contributing to "good" works.

In summary, cause-related marketing is clearly partially motivated by altruistic intentions; however, it should not be paraded as pure altruism. CRM is a marketing tool as well as a method of corporate giving, and firms should always be frank about the dual nature of the promotion. Evidence that corporations understand that CRM and philanthropy are separate entities is readily available since they are usually managed separately within corporations and financed from separate corporate budgets.

Strategic Giving

Globally, corporate donations are on the decline or are stagnating. In Canada such donations have fallen from a high of 1.7 per cent of Average Pre-Tax Profit in 1959, to a dismal 0.6 per cent in 1989 (Taylor 1991),² while in the United States, donations have been flat at around \$4.4 billion per year between 1985 and 1988 (Miller 1990). Since governments are also cutting funding to charitable agencies (Mastromartino 1993), innovative ways of capturing contributions are clearly needed. CRM has the potential not only to renew corporate interest and confidence in donations budgets, it could actually increase the amount of money available to causes if corporations devote increasing portions of their marketing budgets to CRM programs.

With increasing competitive pressures, corporations are looking for measurable returns from all funds, including those expended in both donations and CRM. In the past, many corporations used both CRM and philanthropy to support the interests and connections of their top management. The “old boys” network and interlocking directorates often led to reciprocal giving: “I’ll give to your cause if you give to mine”. Competitive pressures have led to more strategic cause selection (Cunningham, Taylor and Reeder 1993). All expenditures, including those for social programs, are examined in light of the benefit the corporation will derive. Thus CRM does not represent a transfer of social responsibility away from corporations, but rather a shift in *giving strategy*, driven by adaptation to an increasingly competitive environment.

Strategic giving involves matching the interests and values of a firm’s target audience (those consumers whose needs a firm can best serve with its products or services) with the values manifested by a charitable organization. CRM programs help attract attention to firms or their products, they can build sales and brand loyalty, increase the attention paid to advertisements, or enhance the image of corporations and their products and services. For example, American Express, which positions its credit card as the “entertainment card”, supports the arts programs and cultural events valued by its cardholders. Pepsi-Cola Canada has chosen the fight against drug abuse for the majority of its donations to show support for the young consumers who are its target market and for whom the problem is most acute (Rourke 1992). Firms employ CRM not just because it promotes social welfare, but also because it is often the most effective and efficient marketing tool for conveying a specific message or achieving a specific sales level (Cunningham and Cushing 1994; Cunningham and Taylor 1994). Firms whose giving has become more strategic want to be able to calculate the return on their investment (Khoury 1991; O’Hare 1991). They see business/charity partnerships as win/win alliances through which both business and social objectives can be accomplished.

Individual Perceptions of Philanthropy and Cause-Related Marketing: Multiple Forms of Giving

The fear that cause-related marketing will result in a transfer of the responsibility for donations from individuals to business must also be examined. In Canada and the United States individuals donate three times more to charity than businesses (Taylor 1991; Sparing a Dime 1991) and there is concern that individuals will feel relieved of their responsibility to make regular donations after participating in a CRM program (Gurin 1987; Schiller 1988; Varadarajan and Menon 1988).

This concern was laid to rest by a study of the impact of participating in CRM campaigns on peoples’ attitude towards traditional giving (Ross, Patterson and Stutts 1992). The test used a promotion involving a variety of Procter & Gamble products and the Special Olympics. The results indicated that, in fact, participants in the cause-related marketing campaign were more likely to

“support the cause in a traditional manner” after the campaign. (Ross, Patterson, and Stutts 1992, p. 96).

Furthermore, interviews with industry practitioners have revealed that consumers see cause-related marketing campaigns as adding value to the products they purchase, not as an alternative to their normal donations strategies (Cunningham and Taylor 1994). If consumers have a choice between two similar products, they will often purchase the cause-associated product because they can achieve extra value by initiating a donation to a cause. Consumers perceive the donation as adding extra value to the product, rather than as charitable giving, through a transaction which takes place in a separate environment from the one in which they would normally be approached for traditional individual donations.

What is the Social Responsibility of Business and Does CRM Help Firms Meet This Responsibility?

Establishing that CRM is distinct from philanthropy is not a sufficient basis for claiming it is “ethical”. Ethical judgment requires consideration of the appropriate role and responsibility of business in society.

The principles and values of a society lead to the creation and growth of certain institutions like the corporation, and also define expectations for their behaviour. Economists Milton Friedman and Christopher Stone have both addressed the question of what these expectations should be.

Friedman (1970) believed that, “The social responsibility of business is to increase its profits”, within the confines of the law (p. 1). He argued emphatically that corporations should not get involved in political and social issues. Like Adam Smith, he believed that the pursuit of individual self-interest with minimal interference by government would create the greatest benefit for society and argued that managers are mere agents of the shareholders. As such, it is their duty to maximize shareholders’ or owners’ profit. Managers have no right to spend stockholders’ money on social causes since if stockholders wish to support a cause they are free to do so with their own funds. Duly elected governments and private individuals (through their voting power and monetary gifts) are the only ones who should decide what causes and social welfare policies to support. Friedman believed that firms do not have a mandate to undertake giving programs that have social implications; thus, he would view both corporate philanthropy and CRM as inappropriate activities. In Friedman’s view, corporations benefit society through the efficient use of resources and the creation of jobs and profits, not through interventionist activities.

Stone (1975) challenged Friedman’s perspective. He asserted that managers or directors are more than mere agents of shareholders; they are, in fact, agents of, and responsible to, a larger community including customers, employees, suppli-

ers, and the local community in which the enterprise is located. (The theory of “a social contract”.)

In Stone’s view, maximizing profit no longer represents the *only* corporate goal. Since corporations receive many benefits from society for which no direct monetary payment is made, e.g., freedom to operate and accumulate capital, infrastructure, clean air and water, and trained workers, they have a duty or responsibility to serve the wider interest of society, not just those associated with profit-making activities. According to this line of thought, both philanthropy and cause-related marketing campaigns are one way for business to respond to the needs of these other “stakeholders” in the corporation.

Neither of these positions, however, answers the question of whether CRM (or any philanthropic program) is “ethical”. For such a judgment we must turn to moral philosophy.

A Moral Philosophy Perspective on the Ethics of Cause-Related Marketing

Philosophy is concerned with “the critical evaluation of assumptions and arguments” (Raphael 1981, p.1). Taking a philosophical perspective seems particularly relevant to this discussion since many of the critics of CRM make the assumption that it is less “ethical” or desirable than the forms of corporate donation that preceded it, e.g., donations and patronage, without establishing or discussing the criteria they are using to make these criticisms. Philosophical debate often arises when there is a conflict between new and old practices. The purpose of such a debate is to develop a rational assurance that an argument has merit rather than to accept it in an unthinking fashion.

Moral philosophy is concerned with questions of what is right and wrong, the principles or rules that people use to decide what constitutes ethical behaviour, what is good and bad conduct, what is of value, and what should and should not be done (Beauchamp and Bowie 1988; Ferrell and Fraedrich 1991; Raphael 1981). Moral philosophy will not provide clearcut answers to this question of whether one should favour CRM over traditional philanthropy, only arguments upon which individuals can base their own decisions.

To help determine whether cause-related marketing is “ethical”, we must now examine the traditional moral philosophical frameworks: teleology and deontology.

Teleology

Derived from the Greek word “telos” meaning goal or end, teleology is a moral theory based on consequences; if an act produces a desired result it is considered morally right or “ethical” (Ferrell and Fraedrich 1991).

Within teleology there are two principal branches, *egoism* and *utilitarianism*. They both emphasize consequences; egoism for the individual, and utilitarianism

Examples of Cause-Related Marketing

The Body Shop & Environmental Causes

The Body Shop uses cause-related marketing as a tool for the marketing of all of its products. The sale of each product contributes to a large pool of profit that is set aside for non-profit causes which promote environmentally and socially sound practices around the world. A specific example is their introduction of a hair conditioner which uses Brazil nuts as its base. Money from each sale goes towards saving Brazilian rain forests through direct funding, as well as indirectly by increasing demand for the fruits of the forest.

Kentucky Fried Chicken & Block Parents' Association

This is an example of cause-related marketing which was used in a specific marketing campaign. Kentucky Fried Chicken (KFC) agreed to pay for advertising and a donation, and in return, the Block Parents' Association gave KFC permission to use their symbol on a national direct mail coupon piece. For every coupon redeemed, 25 cents was donated to the Association.

for the broader interests of society. *Egoists* believe that by making choices which maximize their own self-interest (wealth, pleasure, or happiness) they are behaving in an "ethical" manner. Teleologists recognize that people usually base their actions on their concepts of self-interest, but they do not ignore the fact that prudent individuals realize that in order to maximize their own wellbeing, they must often maximize the wellbeing of others. Egoism has been widely criticized as a means of moral justification because it offers no means of ranking individual rights or establishing priorities and, followed to its logical conclusion, it would cause the social fabric (based on mutual co-operation) to crumble.

Utilitarians, on the other hand, aim for the greatest good for the greatest number and rely on a systematic comparison of the costs and benefits of an action to all affected parties. "Actions are right if they produce what is good and remove or prevent what is bad" (Raphael 1981, p. 34). There are two subcategories of utilitarianism: (i) rule utilitarianism which states that there are some general rules which should always be followed regardless of particular situations and (ii) act utilitarianism which stipulates that the rightness of each individual action must be examined to determine the best possible consequences.

It is important to make the distinction between ends and means when applying a utilitarian philosophy. When something is intrinsically good, it is an end in and of itself; a thing which is valued for the sake of something else it produces is a means to an end. CRM is not an end that is intrinsically good, it is a means of achieving an end—in most cases improvement in the wellbeing of certain members of society (business interests of a particular firm and the beneficiaries of a "worthy

cause”). It should be noted that means can produce bad results just as easily as they can produce good (Raphael 1981). CRM, if implemented without necessary care, may be exploitive of the very cause it was designed to benefit:

Utilitarianism of all varieties says that right actions are useful actions, good as means; that rightness is in fact a kind of efficiency, but restricted to efficiency for good ends. (Raphael 1981, p. 35)

Another question that has to be asked is whose good or wellbeing is to be maximized. In deciding what ought to be done, utilitarians must consider the happiness of all who will be affected significantly by the decision (Hunt and Vitell 1986; Raphael 1981). Thus, two principles underlie utilitarian thinking: first to produce as much happiness or utility as possible, and second, to distribute that “good” as widely as possible (Raphael 1981).

Criticisms of Utilitarianism. Although many who embrace utilitarianism assume that the “good” which is to be maximized is a given and that it is based on a set of “a priori” values, the “good” is often a matter of individual perspective. The “good” which is maximized could include: happiness, pleasure, freedom from pain, truth, virtue, beauty, or peace. Hedonistic utilitarians such as Jeremy Bentham (1748-1832) believed that there was ultimately only one good—pleasure or happiness—and that right actions are those that maximize this good. However, what may be a good for one individual may be a “bad” for another. Even if good is maximized, utilitarianism does not provide guidelines for the “just” distribution of that good.

(“Economic justice” is the term we use for a society’s judgment of how economic “goods” and services should be distributed to provide the greatest benefit for the greatest number (Beauchamp and Bowie 1988). The modern capitalist state recognizes that the maximization of individual or corporate wealth does not necessarily achieve “economic justice” and intervenes to ensure that powerful institutions such as business are subject to some controls and that social programs are run for the benefit of all members of society.)

Deontology

Deontology is a principle-based moral philosophy which focuses on the preservation of individual rights and on the intentions associated with a particular behaviour (Ferrell and Fraedrich 1991). Derived from the Greek word meaning obligation or duty, deontologists believe that human beings perform certain actions, not because it is to their advantage, but because it is their moral duty to do so. Deontology often entails the examination of relationships and the obligations associated with them.

Rather than focusing on the consequences of an action, deontologists believe that there are actions that are morally right and wrong in and of themselves. Certain behaviours are inherently right and, for deontologists, the idea of universality is

at the heart of morality. Behaviour is “right”, not because of its consequences, but because it complies with certain universal principles such as those associated with the demands of justice, e.g., due process of law, respecting the rights of others, or fulfilling promises (Beauchamp and Bowie 1988). Other examples of absolute rights might include freedom of conscience, freedom of consent, and freedom of speech.

Deontologists believe that individuals have inherent worth and they are not to be exploited and treated *merely* as means to achieve ends. Nonetheless, in everyday life, people are constantly used in this way. For example, organizations hire workers for the sole purpose of producing products and home owners hire people to fix broken appliances. However, individuals are not living tools, they must enter into such relationships willingly and freely and their needs and ends must be considered as well as those of the party engaging them (Raphael 1981).

Immanuel Kant (1724-1804) extended the belief in universally “right” actions into a behavioral guide he called the “categorical imperative”. Moral commands are categorical imperatives that are absolute and unconditional. They are binding upon individuals regardless of the consequences. “Act as if the maxim of thy action were to become by thy will a universal law of nature” (Kant 1972, p. 229). Principles are to be followed absolutely and do not depend on the person or the circumstances in which the decision takes place:

... the categorical imperative does not depend on an “if”, the action prescribed is not simply a means to an end. For instance, the moral injunction “be kind to others” does not mean “Be kind to others *if* you want to avoid making enemies of them”; kindness is prescribed for its own sake and not for the sake of some further (self-interest) end. (Raphael 1981, p. 55)

Weaknesses of Deontology. There are many difficulties in developing categorical imperatives in real-world situations. For example, actions can be evaluated in such specific terms that they would pass Kant’s test but still be considered immoral (Beauchamp and Bowie 1988). For example, there could be a generally stated categorical imperative that bribery is wrong; however, an individual could reason that bribery would be right if it saved a company from bankruptcy and thereby saved all the workers’ jobs.

A second criticism of deontologists notes that there is no suggested means in deontology for establishing priorities among conflicting duties or principles. For example, two universal principles might include: the mandate to care for one’s children, and a prohibition against stealing. Is a mother whose children have nothing to eat then unethical if she steals to feed them? Finally, in real life, it is essentially impossible for individuals to separate the consequences of their actions from the principles involved in evaluating the action.

Alone, both teleology and deontology have failed to account for the reality of human decision-making. Research into how people make decisions with ethical content has demonstrated that individuals use both philosophies to make their choices (Ferrell, Gresham and Fraedrich 19889; Hunt and Vitell 1986; O'Boyle 1992). Individuals have recognized the need for some overarching guidelines for morality but at the same time a need to consider the desirability of certain outcomes, the probabilities that some outcomes will occur, and the relative importance of the groups the decision will effect.

A Synthesis

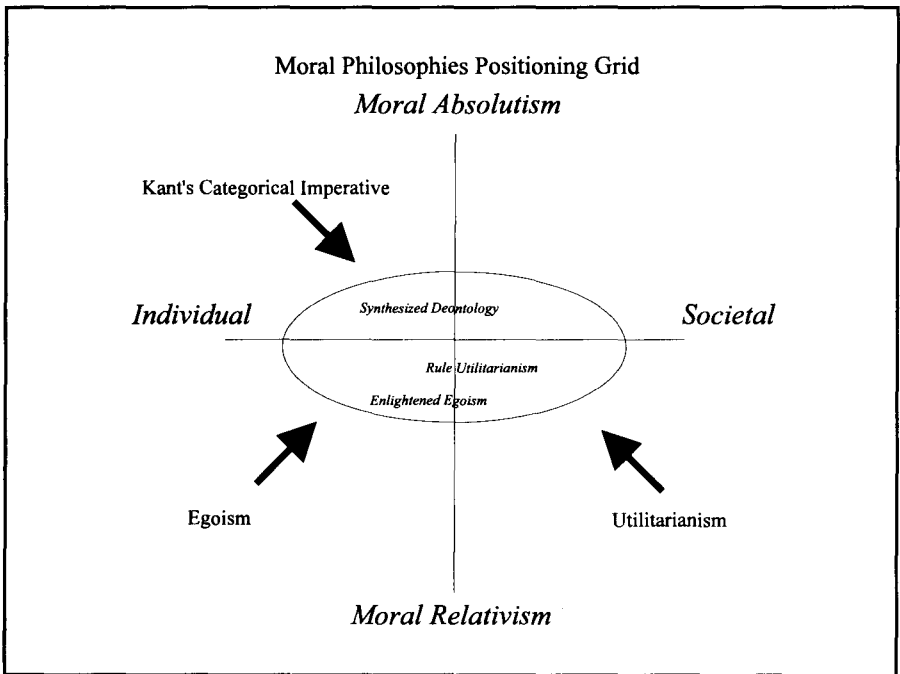
Research into how individuals in marketing organizations make ethical decisions such as those associated with CRM campaigns indicates that they use *both* deontological principles and utilitarian considerations (Ferrell, Gresham, and Fraedrich 1989; Hunt and Vitell 1986; Hunt and Vasquez-Parraga 1993). The variance in ethical choice often arises due to the relative weights the individual places on one or the other moral philosophy and it seems clear that a new philosophical position should be created at the convergence of teleology and deontology. We shall call it *Synthesized Deontology*. It is a principle-based moral philosophy whose absolute rules are synthesized with considerations of the creation of maximum wellbeing. It puts situational concerns into the ethical decision-making process by recognizing the decision's consequences. Note, however, that it does not cross over into teleology where consequences are the pre-eminent concern. It also allows for a broadening of decision factors to include "societal rights", while still maintaining the primary focus on individual rights. Figure 1 (page 26) illustrates the convergence of the philosophies and presents a position for Synthesized Deontology. It is this philosophy which will be used to judge if caused-related marketing is ethical.

A Moral Philosophy Framework For Examining the Critiques of CRM

Maurice Gurin (1987) has been a prototypical and very vocal critic of CRM programs. Table I summarizes his arguments and the applicable moral philosophy as well as the stakeholders groups affected by, or participating in, CRM programs: not-for-profit organizations, individuals who are customers of firms or the various constituencies of charitable organizations, and society as a whole.

Deontological concerns with regard to CRM programs centre on the process through which the program is conceived and implemented, the intentions of all those involved, and how individuals are treated by the program. Throughout the process, universal principles, such as whether or not the individual's inherent worth is recognized and his or her choices, goals and concerns respected, must apply. Critics of CRM such as Gurin fear that individuals are exploited and used as a means to an end by CRM. In the worst cases, programs pretend to be, or pose as CRM efforts, but they benefit no one other than the firm itself. Benetton (international clothing retailers), for example, ran a series of advertisements using photographs high in shock value. These included a picture of a dying AIDS victim

Figure 1: A Synthesis of Moral Perspectives



surrounded by his family, hordes of faceless Romanian refugees trying to board a ship off the coast of Italy, and the results of a car bombing in South Africa. While such campaigns may draw attention to the firm, those portrayed in the photographs or the causes they represented received no benefit and were denied human dignity.

In other questionable CRM programs, social issues are turned into commodities, and the beneficiaries of certain programs are dehumanized. Brian Winston of the School of Communications at Pennsylvania State University criticized the "Live Aid" concert as an example of such a program (Hutchinson et al. 1993). He cited the pictures of starving Ethiopians used to promote the concerts as representing merely a huddled mass of pain which lacked any individuality or human dignity. Furthermore, hunger became a tangential issue in the Live Aid program. People who attended, watched or contributed to the concerts were entertained, not educated about the complex causes of the problems. Actress Sally Struthers, who was the spokesperson in the Live Aid Commercial stated:

Today begins a new chapter in history. For the first time ever, 1.5 billion people are coming together to end hunger in Africa and throughout the world.

**Table 1: Maurice Gurin's (1987) Propositions Concerning
the Adverse Effects of Cause-Related Marketing**

Criticism	Moral Philosophy Basis	Level of Analysis
<p>Charitable organizations exploit their constituencies and compromise their integrity since they must convince corporate sponsors that donors and members can be converted into consumers of the firm's products or services.</p> <p>Charitable organizations will change their objectives to meet the needs of sponsoring corporations</p>	<p>Deontology</p> <p>Individuals treated as an means to an end</p>	<p>Not-For-Profit / Charitable Organization</p>
<p>Consumers participating in CRM programs will not examine the merits of the cause</p> <p>Consumers will only participate in CRM programs and will use this participation to replace their traditional giving</p> <p>Other consumers will be oblivious to the program</p> <p>Consumers value CRM as painless giving; however, they are not donating in the true sense, instead they are making a purchase</p> <p>Consumers will develop an attitude of "let business do it" with regard to charitable giving</p>	<p>Deontology</p> <p>Consumers will lose their sense of duty, responsibility or obligation to give to charitable causes</p> <p>Utilitarianism</p> <p>Less good will result</p>	<p>Individuals</p>
<p>Corporate decisions about giving based upon marketing potential of the cause versus its inherent value</p> <p>Corporations focus on risk-free, high visibility causes versus high risk, low visibility groups</p> <p>Corporations will shift all funds into cause-related marketing efforts totally neglecting traditional philanthropy</p>	<p>Distributive justice</p> <p>Funds not distributed based on principles of equality, merit, or need</p>	<p>Corporations (Sponsors of Charitable Organizations)</p>
<p>CRM efforts will lead to the commercialization and commodification of charities</p>	<p>Deontology</p> <p>Charities will be a means to an end versus an end in themselves</p>	<p>Societal</p>

This message not only exploited Ethiopians' suffering, it suggested a very complex problem could be overcome with a one-time donation or concert ticket purchase. Needless to say the recipients of the proceeds of the program (the Ethiopians) were not consulted about how they could be helped or how the funds raised could be used most effectively.

Gurin (1987) also makes a deontological argument. He fears that not-for-profit organizations will manipulate their members and force them to become customers of the sponsoring firm but fails to note that such heavy-handedness would produce resentment rather than product loyalty and, in addition, would give rise to loud and public criticism. In addition the study conducted by Ross, Patterson and Stuttz seems to minimize, if not deny, Gurin's fear.

Principles of "economic justice" can be used to address questions surrounding which not-for-profit causes achieve corporate support and how funds raised with that support are distributed. Gurin expressed the fear that unpopular causes with low visibility would receive little attention from corporate marketing programs, seemingly expecting higher standards from CRM programs than he expects from either corporate or individual philanthropy since low-visibility causes have always had to struggle to raise funds because the recipients of their benefits are few in number or low in social power. While it is true that CRM programs are undertaken with the purpose of sending a corporate message to a specific target audience, even causes with "low visibility" have a constituency which a particular firm may wish to target. In addition, experience has shown that difficult and even unpopular social problems have been addressed by CRM programs. Examples include programs to raise funds for research into the causes of countless diseases; shelters for the homeless; support of environmental causes; funding for the arts; programs to enhance and support education; programs to help prevent abuse of children, women and the elderly; fund raising to support human rights.

The concern about how funds are distributed can also be addressed using principles of "economic justice". Although Gurin believed that principles of equality, need or merit would not govern distribution of CRM funds, many firms who use CRM programs screen the causes they contribute to with precisely those principles in mind when assessing how the funds are used and distributed (i.e., programs are scrutinized by prospective sponsors to see if they address a significant need, evaluated for the methods by which that need will be satisfied and whether or not the majority of the funds will be directed towards the needy rather than to administrative services. (Young 19920.

From a utilitarian perspective CRM is criticized as resulting in a smaller amount of "good" or "welfare" being created through the use of such programs than was created by traditional philanthropy. Such is the basis for Gurin's fear that consumers will regard CRM as a means of painless giving and that they will stop supporting charities in other ways. On the contrary, as discussed earlier, giving strategies have changed and CRM may be the means through which many charitable organizations are saved from extinction. Since CRM programs often increase the amount of publicity a cause receives, such programs may even increase the total funding of causes and social wellbeing.

Guidelines for Ethical Cause-Related Marketing Campaigns

CRM programs are not automatically ethical or unethical. It is suggested, therefore, that those planning to use CRM consider both deontological principles and utilitarian concerns when examining their strategies.

Some deontological principles that apply to CRM programs are similar to those that underlie all ethical advertising and promotion strategies. Practitioners must have inherent respect for all individuals involved in the process. People must not be treated as products that can be bought, sold or disposed of once interest in the cause has waned. Individuals are not to be treated solely as means to an end such as increasing sales of a product or heightening awareness of a cause.

Both corporations and causes must honestly examine their intentions when they enter into CRM agreements. Corporate demands that the structure or primary focus of cause be changed are very much open to question. A case in point arose when Citibank in the Hands Across America program chose to reduce the focus on the homeless in their advertisements and instead focused on “people helping people”, which they believed was a more marketable image.

All parties must enter willingly into the agreement with full knowledge of the workings of the program. Such partnerships should be win/win situations in which all members benefit in clearly established ways. Recent research has shown that the most successful alliances between sponsors and not-for-profit events are long-term in nature (Cunningham and Taylor 1994). Such long-term commitments are required since short-term campaigns are finite, while most social problems are not.

Firms using such programs must fulfil their promises by giving promised amounts of money to the cause. Corporations and causes must portray the facts in a truthful manner and must state clearly any constraints or limitations on the amounts that will be contributed. Neither party should distort the reality of a social issue or the complexity of a problem to increase its market appeal. Both causes and sponsors must avoid over-promising with regard to the benefits of their programs.

CRM managers should also adopt a utilitarian perspective when designing their programs. Marketing managers and not-for-profit administrators must ask themselves hard questions about whether such a program is the best means of creating maximum benefits for the most people. Causes seeking corporate support should also consider how the pursuit of their self-interest affects other not-for-profit organizations.

Stakeholder identification and consideration of the consequences of the CRM program on these groups is an important part of a utilitarian assessment of the ethics of a program (Hunt & Vitell 1986). The interests and freedom of choice of all significant stakeholders must be respected with regard to how the money

raised will be used, how problems are portrayed in the media, and whether members of a cause will or will not become involved in the program. People are to be treated justly with regard to the distribution of benefits and principles for dividing the resources must be clearly articulated, be they equality, merit, or need.

When CRM activities are undertaken, primary stakeholder groups include: (i) donors (people whose product purchase triggers the donation activity on the part of the firm), (ii) the firm which conceived and hopes to benefit from the program, (iii) the charity that organizes and administers programs dedicated to the cause, and (iv) recipients of the benefits of the charity's programs. Secondary stakeholders in the process are: agencies who are often employed to match not-for-profit organizations with prospective sponsors, media organizations, and the general public. Deontological principles must be applied to the treatment of all. Managers of CRM programs must ensure that they are promoting the happiness and welfare of others while refraining from harm. When considering what programs to support, they should consider carefully how they and their not-for-profit partners are defining the "good".

Summary

In order to address the question of the ethics of cause-related marketing, we addressed the practical, theoretical, and philosophical concerns which surround it. A picture of cause-related marketing was developed that illustrated both the profit and altruistic motivations of corporations and non-profit organizations. Criticisms of CRM based on a move from historical patterns of giving such as patronage and philanthropy, to the question of what corporations' social responsibilities should be, were discussed. It was demonstrated that the desire for a return on investment combined with a sense of social responsibility has characterized much traditional corporate philanthropy as well as CRM. Corporate social responsibility programs have grown and within them, cause-related marketing has become an important tool. Research was summarized which demonstrated that cause-related marketing will not have a detrimental impact on the current pattern and sources of donations in our society. Finally, we focused on framing the criticisms of CRM using a moral philosophy framework followed by suggestions of how to screen CRM campaigns. We suggest using a synthesis of Deontology and Utilitarianism as a moral perspective from which to ensure that CRM campaigns are ethical. Cause-related marketing is a growing and complex phenomenon. It has the potential to serve society well; misused it can cause considerable harm.

FOOTNOTES

1. The authors, who contributed equally to the development of this paper, wish to thank the Social Sciences Research Council which supported part of this work through grant #410-93-0347 and two reviewers, who wished to remain anonymous, for their helpful comments on an earlier draft.

2. Statistics Canada allows inclusion of corporate cause-marketing donations in the percentage of total charitable donations. Actual percentages are not available, however we do know these donations are still a very small proportion of total corporate giving.

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