Compassion, Inc.: Charity and the corporate marketing of misfortune

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How Pervasive is CRM and CSR?

- Cause-related marketing spending was $1.5 billion in 2009, doubling what it was in 2001
- More than 90% of corporations produce a Corporate Social Responsibility (CSR) Report
- “The price of admission” to market a company as charitable, sustainable, community minded or all three
Cause-Related Marketing is:

“when companies partner with charitable organizations to help non-profits better achieve their goals. Cause-related marketing is attached to a media campaign, with money generated for the cause through the sale of products”

-- Mintel Research
Responsibility Spectrum

Compliance
Doing what is required by law for social or environmental protection

Philanthropy/Community Relations
Giving donations, sponsorships & scholarships unrelated to the business

Cause Marketing
Linking product or service to a charitable cause

CSR
Connecting other functions of the business to social and environmental impact
Reporting
--Triple Bottom Line (People, Planet, Profits)

Social Innovation
Embedding social and environmental principles in every aspect of the business that shows ROI and demonstrates real world impact

Ethical Brand
Taking CSR and building a brand around the social or environmental benefits it represents

Compassion, Inc. -- Mara Einstein
Corporate Social Responsibility

“encompasses not only what companies do with their profits, but also how they make them. It goes beyond philanthropy and compliance and addresses how companies manage their economic, social, and environmental impacts, as well as their relationships in all key spheres of influence: the workplace, the marketplace, the supply chain, the community, and the public policy realm.”

---Harvard’s JFK School of Government

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Embedded Cone

Responsibility/Impact Spectrum

- Compliance
  - Doing what is required by law for social or environmental protection

- Philanthropy/Community Relations
  - Giving donations, sponsorships & scholarships unrelated to the business

- Cause Marketing
  - Linking product or service to a charitable cause

- CSR
  - Connecting other functions of the business to social and environmental impact
  - Reporting -- Triple Bottom Line (People, Planet, Profits)

- Social Innovation
  - Embedding social and environmental principles in every aspect of the business that shows ROI and demonstrates real world impact

- Ethical Brand
  - Taking CSR and building a brand around the social or environmental benefits it represents

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3 Ways to Social Innovation

- Company created to be Social Innovative (Newman’s Own)
- Retrofit to a new reality (Interface Carpet)
- Bottom of the Pyramid* (D.light)

SO WHAT?
Consequences for Consumers and Causes

- Individual solutions don’t always solve collective problems
- Consumers check charity off their to-do list
- We become inured to true human suffering
- Marketing charity de-politicizes issues: Frames us as Citizen-consumers
- Corporations have considerable control over the charity

Compassion, Inc. -- Mara Einstein
Favoring Some Charities Over Others

- Charities that appeal to key consumer demographic groups: Moms
  - Health, education, environment
  - Won’t see: Alzheimers
- Corporations prefer working with larger charities/ones with celebrities
- Misconceptions about Social Problems
  - Most women think breast cancer is the leading cause of death in women
Bottom Line

- Less funding for charities and therefore fewer services to those that desperately need them.
- More burdens being put on individual consumers rather than on governments, nonprofits or the private sector where more significant inroads can be made.
- Monies being distributed based on an organization’s ability to market rather than the needs of society as a whole.

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CRM according to Stephen Colbert