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Philanthropic Marketing

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Demonstrating Return on Philanthropic Marketing Investment

There is a growing movement among top-tier nonprofits and corporate partners in which they leverage their combined resources and strategic expertise into both mission- and business-driven measurable partnerships. As many trends cut through both the corporate and nonprofit sectors, accountability has become a top concern for stakeholders from both sectors. Corporations and nonprofits are trying to show their stakeholders a better return on marketing and philanthropic investments.

However, it's not enough merely to have these dual measures. It is critical to know that you are measuring the **right** things.

For example, on the mission side, you may be measuring the number of people you are serving. The better question may be: Are they the right constituent group? For example, educating parents and caregivers about reading to children before they reach pre-school age may have a far greater impact than a direct service program that teaches children to read.

On the marketing side, you may be measuring impressions. The question may not be whether people are aware of an issue, but rather what are they doing about it? For example, what if more people are aware that it's not safe to drink and drive, but the incidents of drunk driving have increased?

While you can't always boil down issues to simple solutions, asking the critical questions of *how are you going to get the job done* followed by *how are you going to measure you actually got the job done* is key. This article covers four critical questions to probe when measuring the effectiveness of full philanthropic marketing partnerships.

What is your bottom line?

The first step to measurement ties back to your organization's mission. You want to distill your mission down to its measurable elements.

For example, KaBOOM!, the leading nonprofit organization dedicated to "creating great playspaces through the participation and leadership of communities," makes its mission measurable through its vision: "A great place to play within walking distance of every child in America."

Answering to this vision statement, KaBOOM! identified the metrics that denote success. Once you are able to narrow down the exact issue you are trying to address, you can begin applying the measures that will determine your success.



How are you going to get the job done?

In order to meet your “bottom line” of mission accomplishment, you must get specific about the steps your organization will take to achieve those corresponding goals, which you can then translate to corporate partners. More specifically, how can they help get you there—and get credit for doing so! You want to look at your organization’s primary functions as they relate to addressing your bottom line, such as programming, advocacy, research or communications, and then decide among those core competencies, what is your mission-reaching strategy?

KaBOOM! took its vision statement and created a far-reaching—yet measurable—plan: “In the next five years, KaBOOM! and our partners will help 7,000 communities create great playgrounds, skateparks and playing fields.” It then went deeper to give full dimension to how it was going to reach the 7,000 playspaces in its five year benchmark through three platforms:

- **LEAD:** Conduct 1,000 high-profile KaBOOM! play space builds;
- **RALLY:** Promote an advocacy and public awareness campaign that develops and disseminates compelling research about the need for great places to play directed to targeted community and civic leaders nationwide; and
- **SEED:** Facilitate 6,000 local playspace projects with community organizations through 1,300 training programs, 520 challenge grants and 900 playspace improvement blitzes.

KaBOOM! got specific, which not only helped the organization illustrate the concept and goal to its array of stakeholders—donors, the public, partners and prospective partners—but also set the stage for measurable accomplishment. KaBOOM! recognized it would never have the resources and bandwidth to get the job done alone, so to achieve the critical mass of 7,000 playspaces, it undertook a combination of building 1,000 playspaces directly and created initiatives that engaged other partners to build the lion’s share. KaBOOM! reached out to corporate partners and other interested community organizations and shared its knowledge and its model—essentially teaching these other organizations about the “business of play”—to *seed* the concept in order to achieve its five-year goal.

What goals do you hope the partnership will accomplish?

In full philanthropic partnerships, you will have dual objectives and measures: mission-related and marketing related. In the case of KaBOOM! and The Home Depot, their dual objectives are:

- Build 1000 Playgrounds in 1000 Days
- Build goodwill for The Home Depot brand



From these two broad partnership objectives come supporting objectives and detailed plans, but the overriding questions are: Which of your mission-related goals is the partner helping you accomplish? How is the partner helping you accomplish those goals? And what does your corporate partner need to measure from its end that will constitute success?

What constitutes success?

A common issue around the practice of measurement involves setting the stage for success, and it is often incumbent upon the nonprofit partner to drive the process of defining and measuring success, both mission- and marketing-related. In order to position the partnership to achieve your goals, both your organization and your partners need to commit the resources—whether they’re

funds or focus groups—dedicated to measurement upfront. Your measurement strategy should ensure that the right metrics are identified from the onset, as in the example with KaBOOM! Not only do you want to sit down and determine your joint goals, objectives and measurements at the beginning of the partnership, but you want to be sure that all partners are engaged in a continual exchange of results—a dialogue that a surprising number of nonprofits and their partners don't practice. This process of sharing will help you both identify what is going well and what needs work in the achievement of your partnership goals.

Below are some of the most common measurements, both mission- and marketing-related, that top nonprofits are cherry-picking depending on their partnerships' dual goals:

Mission-Related:

Under mission-related, corporate partners want to know where the money went and how it improved lives or impacted your cause in a measurable way. Examples of common measurements include:

- Changed behavior: The number of people who changed their behavior, such as increases in volunteers or repeat donors, constituents who become engaged, or media who reported on your issue. In the wake of the disastrous 2005 hurricane season, United Way of America and MTV sought to encourage young people to volunteer by taking an "Alternative Spring Break" to help rebuild the Gulf Coast. Corporate partners FedEx and The Home Depot, along with United Way and MTV, invited young people to apply through a multi-platform promotional campaign. The campaign gave particular attention to recruiting young people other than the typical student leader crowd, and found success when thousands of youth responded to the call to action and applied. By chronicling their experiences through on-air and online programming, and equipping them to tell their stories during and after their spring break experiences, UWA and MTV were able to help young people and their peers and communities see that they could make a measurable difference. Among the diverse group of applicants selected for the program, 100 percent reported that they were more likely to volunteer as a result of the program and 89 percent reported that they planned to "activate" their experience at home by getting involved in their communities, sharing their experiences or encouraging others to volunteer.
- Program impact: The number of people served, such as kids in afterschool programs, homeless in shelters, economically challenged who secured home loans, economic impact on a community, etc. KaBOOM! and The Home Depot are nearly half way to their 1000 Playgrounds in 1000 Days goal with the recent build of their 482nd playspace. By constantly tracking the measures toward the shared goal, KaBOOM! can promote quantifiable benchmarks to its stakeholders about its efficiency and success in reaching goals.
- Operations impact: Efficiencies resulted from in-kind support or funds for operational needs, such as new technology, accounting services, consulting or capacity building. After understanding that improved technology and an expanded fleet of trucks would help get the job done more efficiently, ConAgra Foods, a partner of America's Second Harvest—The Nation's Food Bank Network, supplemented its annual donation of food and stepped up to help the cause build the capacity of its food distribution infrastructure. The company,



along with other America's Second Harvest supporters, helped the cause invest in technology that improved inventory management. The technology bettered the food banks' abilities to track and manage the distribution of food, meaning more inventory could move through the system more quickly, resulting in a reported increase in product allocation and distribution of more than 35 percent since 2000 without a corresponding increase in food bank square footage. The improved efficiency led to more food in the hands of hungry Americans, which spoke directly to America's Second Harvest's overall mission goal of ending hunger.

It's most effective if these measures are calculated in a context. Each should have a baseline and some type of comparison to a larger universe. For example, if you are trying to reduce the number of homeless people and you succeed, you should know whether the number of overall homeless is rising. If it is, the number of people served must increase accordingly.

Marketing-Related:

Under marketing-related measurements, corporate partners want to know if their social investments are meeting the marketing objectives of the partnership. Measures for success that causes can work with their partners to track can include:

- Consumer Engagement: How do your partners' consumers feel about the brand now that it has a relationship with your cause? Has it impacted purchasing decisions or feelings of loyalty? Whirlpool sponsored Reba McEntire's 30-city tour to benefit Habitat for Humanity with the objective of impacting consumer loyalty. The combination of Whirlpool's philanthropic commitment with Habitat-branded tents, national TV, print and radio advertising led to a rise in "customer loyalty index" values from a baseline of 15 percent to 28 percent¹.



- Product/Service Sales: How have your partners' year-over-year sales increased during the promotional period around your cause, accounting for any significant promotions that may have greatly impacted last year's sales (e.g., employee pricing offers in the automotive sector)? Among your partners' preferred customers, how has their activity changed and can you attribute that change to the cause marketing promotion? Are your partners extending elements of the partnership to their retailers/business partners? While you want to control the types of benefits that partners can pass-through, extensions through third parties can give promotions and partnerships broader reach and opportunity. Kroger reached out to select product vendors, engaging them to be part of the retailer's breast cancer-themed promotion in October 2006. Among the participating products, Campbell's Soup saw an amazing return on its themed pink and white soup cans, doubling the number of cans sold to Kroger stores in October 2006 from 3.5 million to 7 million². Proceeds from sale of the special cans benefited several breast cancer nonprofits, including the Susan G. Komen Breast Cancer Foundation.



The Susan G. Komen Breast Cancer Foundation

- Employee Engagement: How have partners' employees been involved, including the scope of volunteerism and donations? What did the employees accomplish on behalf of the cause? Have employee feelings toward the company changed as a result? Employee attitudinal surveys can go a long



way. Starbucks attributes a great deal of its success to its unique level of employee engagement through its Make Your Mark program, which supports employee volunteerism by donating \$10 per volunteer hour to the supported nonprofits, resulting in 74,000 employee volunteers spending nearly 360,000 hours contributing to communities and a total of \$1.49 million donated by Starbucks corporate office in 2005.

There are a myriad of additional metrics that companies track and sub-measures within, but the list above reflects common measures that nonprofits should not only be aware of but should proactively put in place with corporate partners. In addition, it's often wise to designate weekly, monthly or quarterly intervals for measuring success, both around cause marketing campaigns and overall partnership goal attainment.

Nonprofits that can actually demonstrate how they are going to get the job done with meaningful metrics on the mission- and marketing-sides will have the most successful and sustainable partnerships—partnerships that ultimately move the needle of business and social change.

¹ Spethmann ,Betsy. “Whirlpool, Reba Tour Again for Habitat.”*PROMO Xtra*, March 9, 2005.

² Thompson, Stephanie. “Breast Cancer Awareness Strategy Doubles Sales of Campbell’s Soup.” *AdAge*, October 3, 2006.