8

Structural Change: Recruiting Business Allies

What do AT&T Wireless, Greyhound bus lines, Safeway, and DKNY Jeans have in common? The answer is that they were all corporate partners in the Office of National Drug Control Policy's national antidrug campaign from 1997 to 2002. The campaign worked very hard to get corporations to use their own resources to reach target audiences in diverse settings and, wherever possible, to associate the antidrug program with "cool" brands that were highly popular with the teens who were the campaign's principal target.

AT&T funded the development and production of a guidebook for the creation of community antidrug murals. Greyhound posted campaign materials in their bus stops and on their Web page. Safeway put PSAs on their private label milk cartons and ran radio and video PSAs in many of their stores. DKNY Jeans spent more than a million dollars on cobranded celebrity calendars for teenage girls and conducted in-store events on drug issues. These well-known companies were joined by others who made campaign materials available through their own channels. United Air Lines ran videos on 120,000 flights; Borders Books distributed parenting brochures in 1100 stores; and Capital One included campaign materials in 40 million customer credit card statements.

Much of the campaign's success in securing these partnerships was in being flexible enough to tailor involvements to match companies' strategic interests—not having a few proposals that had to *be "sold" to potential partners. Campaign leaders also found that careful management of the relationship was critical, as was the presence of a dedicated social enterprise team in the corporation (Frazier & Gagné, 2004).*

Clearly, major upstream social change requires the involvement of a great many organizations and individuals. In the previous chapter, we considered the role of legislators and bureaucrats in bringing about structural change. However, legislation and enforcement are essentially coercive tools. They are most necessary when people are opposed or reluctant to act. As a means of making change, coercive strategies are potentially flawed (Andreasen, 1984b). Too often, those affected resent being made to undertake change and often look for loopholes or other ways to avoid acting as we would like. In this chapter, we turn to positive motivations that will encourage potential allies to make structural changes to promote the social good.

In the case of childhood obesity, the range of possible allies is not unlike what one would find in many other areas of social change. The possibilities are outlined in Table 8.1.

In this chapter, we shall focus on business—including the media—as potential allies. (The media business is considered in more detail in the next chapter.) Businesses can be important sources of ideas and resources for bringing about social change. They can make change happen—or at least be possible—within their own domains, and they can help others. Fortunately, the climate today is ripe for more business involvement beyond the marketplace. There is considerable enthusiasm these days in boardrooms for more corporate "social entrepreneurship"—ventures that take companies beyond the marketplace. The Enron and Arthur Anderson scandals have made the corporate world see the need for collective image enhancement. Corporations have seen other positive payoffs from direct social initiatives (Weeden, 1998). In this chapter, we shall look at how social marketing mind sets and frameworks can maximize the frequency and value of these kinds of contributions, to the benefit of both the corporations and society.

Businesses as Allies

The private sector is very often cast in the role of the villain when it comes to social welfare and social change. In the view of many, especially those on the left side of the political spectrum, it is the business community's smokestacks and oil

Table 8.1 Potential Allies in the Fight Against Childhood Obesity

Sector	*Industry*	*Organizations*	*Potential Role*
Business	Transportation	Service providers	Create bike paths, bike rentals
		Product manufacturers	Design bikes for more target audiences
	Building design		Incorporate more stairs, exercise possibilities
	Physical activity	Service providers	Reduce prices, broaden clientele
		Product manufacturers	Create products for seniors, children
	Food	Service providers	Reduce portions, add healthy options, label offerings
		Product manufacturers	Create healthier products, improve labeling
		Retailers	Promote healthier eating, add healthier takeout
	Entertainment	Television, radio stations	Portray characters eating better, exercising
		Movie makers	Portray characters eating better, exercising
	Information technology	Game makers	Design games with physical activities
		Internet providers	Provide pop-ups urging activity
	Media	Print, television, radio news	Raise issues, publicize solutions
	Retail	Shopping malls	Allow after-hours walking, include exercise areas
	Property owners		Convert space to exercise facilities

(Continued)

Table 8.1 (Continued)

Sector	*Industry*	*Organizations*	*Potential Role*
	All employers		Provide more exercise opportunities, better meals and snacks
	Health care	Hospitals, nursing homes	Provide nutrition, exercise treatment
		Physicians, nurses	Address obesity issues, promote fit policyholders
	Insurance		Cover exercise and diet programs, lower rates for fitness
Government	Recreation	Parks, playgrounds	Offer more organized activities
	Education	School boards, administrators	Teach energy balance, change menus, add exercise, sports
		Medical, nursing schools	Teach nutrition, exercise options
Nonprofits	Advocates		Push for change
	Foundations		Fund programs and innovations
	Youth organizations		Emphasize exercise and nutrition behaviors

spills that cause the most serious environmental pollution. Gas-guzzling automobiles make us dependent on foreign oil. Callous export practices cripple nascent industries in poor countries. Major retailers support sweatshops. Global branding is homogenizing cultures around the world and imposing American values on nations that are losing their own rich traditions (Johansson, 2004; Ritzer, 2004). Also, of course (so the rhetoric goes), McDonald's and KFC target children and contribute dramatically to the obesity epidemic.

It is certainly true that there are thoughtless—even malevolent—corporations, and that there are CEOs with few scruples and an unhealthy fixation on the bottom line. Too many corporate decisions are made to benefit stockholders or other narrow corporate constituencies, to the exclusion of other interests. On the other hand, critics should recognize that the seeming indifference of many businesses and their leaders to broad issues of social welfare is what they believe is required of them as a matter of corporate ethics. In their judgment, *they are not supposed to intervene to create social change.* Some management scholars and economists such as Milton Friedman argue that society expects only one role for corporations: creating successful enterprises that create products, jobs, and economic growth (Allen, 1992; Friedman, 1970; Friedman & Friedman, 1990; Smith, 1997). These authors argue that corporations are not created and given important legal protections by societies so that they can figure out what social changes are needed. Executives, of course, can offer personal opinions as individual citizens about what social changes are needed and how to achieve them. However, their companies do not have the right or, in fact, any particular competencies to bring about such changes. Social change is more properly the role of government and nonprofit organizations.

A corporation with this perspective might *appear* to be undertaking programs to improve social welfare, as when Marriott and Lockheed became involved in government welfare-to-work programs, but conservative corporations would argue that these ventures are merely imaginative ways to use their core competencies to increase revenues and profits. Conservative corporations are not inattentive to social concerns—they certainly endeavor to obey the laws in the countries in which they operate and seek to provide decent environments for their communities, decent work conditions for their employees, and safe products and services for their customers. They do not, however, intend to become what Kotler and Lee (2005) call "corporate social entrepreneurs." Their role is to serve their stockholders. If the stockholders favor a particular social change, the stockholders themselves, as individuals, can take action. They can invest their corporate dividends in social programs, can volunteer their own time, and can urge others to do likewise.

Sometimes these corporations look like they are moving beyond stockholder interests. They donate to charities, especially in the communities and countries in which they do business. They engage in cause-related marketing by sponsoring races and book distributions. They support the arts. They take an active interest in "good government." However, given their belief that their only proper role is to advance stockholder interests, all of these activities can be seen as merely serving those interests. For example, supporting local charities increases the pool of labor wanting to work in the community by reducing poverty and urban blight, taking care of the homeless and the elderly, and otherwise improving the physical and social environment. Such social involvements by executives also build community goodwill that can have later concrete payoffs. A company that is viewed favorably by local city officials or a country's minister of trade may be more likely to receive favorable treatment than its competitors.

Conservative corporations represent one end of what Greg Dees (1996) calls the "Social Enterprise Spectrum." At the other end, there are corporations and CEOs that can be labeled "communitarian" (Etzioni, 1995). These leaders argue that the basic social charter given to corporations by a society implies significant obligations not unlike those of any other member of that society. State charters give stockholders, boards, and management special liability protections to encourage business investment that will ultimately benefit the broader society. As a consequence, it is argued that corporations owe a special obligation to meet that society's broader needs. Aaron Feuerstein, CEO of Malden Mills, is a classic communitarian. After his factory burned down in December 1995, he continued to pay his 3000 workers with full benefits for 3 months. Feuerstein simply said that he owed it to his workers and to the community. As a 1996 commentary put it:

> Feuerstein did not throw his money away. It was not largesse. It was a well reasoned and sound *leadership* decision to *invest* millions in Malden Mills' most critical asset, its workers. The contrast between this CEO and the currently celebrated CEOs making 30, 60 or 100 million dollars a year by eliminating jobs and moving plants is simply astounding. How much are you willing to wager that every company that closed a plant in recent years to boost stock prices has a vision statement with words like . . . *we value and respect our employees as our most important asset?* How many of the laid off employees do you suppose believe that? (Boulay, 1996)

Firms such as Malden Mills are "stakeholder centered," not stockholder centered (Donaldson & Preston, 1995). They believe they can and ought to take actions that are not solely in the stockholders' interests because "it is the right thing to do." Corporations must be good citizens, just as people must be good citizens. This means, among other things, helping others when they need it. Such actions may put some strain on the corporate bottom line, but communitarian leaders would argue that their ethical compass *requires* them to do so.

STRATEGIC PHILANTHROPY AND CAUSE MARKETING

Corporate social involvement underwent a major shift in the 1980s and 1990s (Smith, 1994). Prior to that time, corporate social involvement typically amounted to charitable giving and employee (and management) volunteering. Corporations were good citizens "giving back" to their communities. This all changed in the early 1980s, when American Express created the first-ever cause-related marketing effort. This venture dramatically changed the relationship between corporations and society. As I and my coauthor described this in a nonprofit textbook:

> Cause-related marketing started in 1982 when Jerry C. Welsh, then chief of worldwide marketing for American Express Company, agreed to make a 5 cent donation to the arts in San Francisco every time someone used an American Express card and $2 every time American Express got a new member. In three months, the

> campaign raised $108,000. The approach gained national attention when American Express tried it on a country-wide basis. In 1983, AmEx agreed to set aside 1 cent for every card transaction and $1 for each new card issued during the last quarter of 1983 to support the renovation of Ellis Island and the Statue of Liberty. The program was a great success. American Express reported sales increases of 28 percent over the same period a year earlier with a total of $1.8 million eventually donated to the renovation project. Since that first national event, cause-related marketing has grown dramatically. Cone Communications estimates that by 2000, cause marketing had grown into a $2 billion set of enterprises. (Andreasen & Kotler, 2003, p. 247; see also Wall, 1994)

The new approach recognizes that social ventures need not just be give-aways; they can make direct contributions to a corporation's core strategies—they can have bottom-line effects. Social ventures can generate sales, change corporate positioning for customers and the investment community, reduce employee turnover, and make government concessions easier to achieve (Weeden, 1998). Segawa and Segal (2000) described the change in thinking:

> Almost anywhere you look you can find evidence of stepped-up business-social interaction. . . . This phenomenon may seem to some to be a passing fad. But we see in these exchanges a new paradigm for business and the social sector, one that eliminates barriers between the sectors while preserving their core missions. This new paradigm pairs visionary companies that see how the social context in which they operate affects their bottom lines with a new breed of social entrepreneurs who understood how business principles can enable them to fulfill their social missions more effectively. (p. 3)

There is growing (although still controversial) evidence linking a concern for social interests with increased stockholder payoffs. Margolis and Walsh (2001, 2003) conducted a meta-analysis of studies over 30 years that sought to link financial performance to some measure of social performance. They found a positive relationship in 42 of 80 studies (53%). Social performance led to better financial performance. However, the results were not unequivocal. They also found a reverse causation in 19 studies, giving rise to the argument that a concern for society may come about only *after* good financial performance allows it to happen.

The potential for social marketing alliances is significant. Kurt Aschermann of the Boys & Girls Clubs of America has said that if his organization has to get funding for its programs from the corporate charitable giving department, the amounts will be modest. However, if he can find a way in one of his presentations to tie his programs to corporate marketing objectives or other strategic issues, he will find, "you're talking about millions of dollars, not thousands!" (Aschermann, 2001). This thinking has led the Boys & Girls Clubs to develop $60 million ventures with Coca-Cola and a $100 million partnership with Microsoft (Drumwright, 1996; Rangan, Karim, & Sandberg, 1990).

BUILDING CORPORATE ALLIANCES

How does one go about securing the assistance of corporations in bringing about social change? How would a social marketer apply the various frameworks discussed in this book to achieving this goal?

Defining the Behavior

Business allies can play one of three roles in social change programs. First, they can *stop being competitors* for the downstream behaviors—that is, they can stop promoting unhealthy eating, smoking, too-thin female bodies, and so on. Food companies can remove high-sugar products from school vending machines or eliminate advertising and other promotions urging kids to "supersize" their portions. TV stations can stop urging couch potatoes to sit still for the next several TV shows.

Second, business allies can *directly participate* in behavior change programs. Companies can get their employees exercising and eating better by creating fitness contests or offering bonuses and prizes for workers meeting certain healthy living goals. They can also support the Ad Council. Food marketers can create specially packaged kids' meals that are highly nutritious. Advertisers and producers can include messages in their child-oriented video games or TV programs urging kids to "take a play break" from time to time. Movies and TV shows can portray characters eating better and making more efforts to exercise regularly. Insurance companies can introduce reduced rates for individuals with BMIs below a certain level or charge higher premiums for those who are obese.

Third, business allies can *facilitate* desirable changes by making good behavior easier. Corporations can install exercise rooms in their office buildings or factories, provide more nutritious cafeteria fare, give staff time off to exercise, and subsidize health club memberships. Food manufacturers, supermarket chains, and restaurants can provide detailed and easy-to-understand nutrition information on menu items and food products. They can subsidize and participate in school-based nutrition education and exercise programs. Insurance companies can offer reimbursements for weight reduction programs and prescriptions—even surgery—for the seriously obese.

Kotler and Lee (2005) provide a dramatic example of the potential for corporate involvement in actually creating change. Diane Deitz, North American marketing director for Procter & Gamble's Crest toothpaste brands, saw an opportunity to address a serious social problem in a way that would also benefit her own bottom line. Deitz had read a surgeon general's report describing the high rate of oral disease in America, especially among the poor. The report indicated that cavity rates were twice as high among the poor and that poor children missed 51 million hours of school each year because of dental problems. Working with the Boys & Girls Clubs and the World Health Organization, Crest developed a "Healthy Smiles 2010" program. Since 2001, Crest has

- Invested $1 million to create "cavity-free zones" in 3300 local Boys & Girls Clubs
- Developed curricula for younger kids and teens on oral hygiene taught in 2640 clubs
- Donated toothpaste and toothbrushes to club members and families
- Helped poor families find low-cost, local dental care
- Funded the construction of five full-service dental clinics in club buildings in New York City, Los Angeles, Chicago, Houston, and Cincinnati (Procter & Gamble's home city)

Procter & Gamble also made sure that its good work had corporate payoffs. They introduced millions of Boys & Girls Clubs kids and their families to Crest products. They advertised their social involvement to the general public. The overall effect was to increase brand preference. According to Kotler and Lee,

> Among consumers who are aware of the program, the company's market research shows an increase in purchase intent. And Crest has already achieved what [Crest brand manager Bryan] McCleary describes as an "incremental" increase in sales through a partnership with Walgreens, in which in-store signs advertised Crest's work with the Boys & Girls Clubs. (2005, p. 22)

Target Audience

Once the social marketer determines what he or she wishes the private sector to do, the next challenge is to identify targets of opportunity. One place to begin looking is in companies that others have identified as being very socially responsible. Various business magazines rank such companies from time to time, and several mutual fund organizations, such as Calvert and Domini,[1] maintain portfolios of such companies. Calvert Group (2005) identifies five characteristics of firms high on its social responsibility index:

- *Environmental efficiency and awareness.* Increased potential for cost savings in energy, water, land, and raw materials; reduced cleanup costs; decreased chance for legal liabilities; improved public image and community relations
- *Workforce diversity.* Enhanced global competitive edge, resulting from a greater range of skills and perspectives; greater ability to attract and retain talented employees from a broad-based labor pool; reduced likelihood of equal employment opportunity lawsuits and negative publicity
- *Product safety and quality.* Decreased chance for product liability lawsuits (e.g., tobacco); greater satisfaction and loyalty

- *Innovative personnel policies.* Increased productivity, reduced employee turnover and absenteeism through flextime and job sharing, enhanced recruitment efforts, higher employee morale
- *Positive corporate citizenship.* Enhanced community relations and local recruiting efforts; improved public image

Calvert identifies as socially responsible several firms that might be expected to have a potential interest in addressing childhood obesity issues, including Colgate Palmolive, General Mills, Heinz, Hershey's, Kellogg, Whole Foods, Walgreens, and J. M. Smucker.

Another possible target list is found in the United Nations Global Compact (2005), which focuses on human rights, labor practices, and the environment and now has about 1000 corporate signatories. The publication *Business Ethics* also assembles an annual 100 best corporate citizens list ("*Business Ethics* 100," 2005). Other guides to socially responsible companies are available from the Social Investment Forum (2005).

A second approach to finding potential allies is to identify corporations that have philosophies that suggest a major social concern. Such statements can then be used to develop corporate proposals that speak to the corporation's strategic needs. Here are examples of the statements of two firms, McDonald's and Kraft Foods, that are the source of many of the current nutrition concerns:

- At McDonald's, responsibility means striving to do what is right, being a good neighbor in the community, and integrating social and environmental priorities into our restaurants and our relationships with suppliers and business partners. It also means communicating about our efforts to address social and environment issues that matter to our customers and other stakeholders.

  Corporate responsibility is part of our heritage, dating back to our founder Ray Kroc. It is also an integral part of our business strategy. Our customers' trust is a precious asset and one we strive to preserve and build every day. We know we must have that trust to achieve our vision of being "our customers' favorite place and way to eat."

  We work hard to understand the complex issues that confront our industry and how we can make a significant difference. As you will see, we invest in a commitment to industry leadership. And, on this Web site and in our Corporate Responsibility Reports, we share what we are doing and seek feedback. (McDonald's Corporation, 2005)

- Kraft recognizes the importance of healthy living. Over the years, the products we offer have provided a wide range of nutritional choices. We've been a source of useful nutrition and fitness information. And we've funded public education and lifestyle intervention programs.

  As a company, we want to sustain the growth of our business in a responsible way. We want the sale of our products and our commercial success to support Kraft's corporate vision of helping people around the world eat and live better.

> To live up to this vision, we have taken a number of steps. We have established healthy living principles to guide our activities. We have strengthened our policies and practices in the areas of product nutrition, marketing, labeling and health claims. We are introducing new products and improving existing products to give consumers more choices to address their health and wellness needs. We are stepping up our efforts to provide useful nutrition and fitness information through our websites, recipes and publications. We are advocating constructive changes in related public policies. And we are increasing our financial support for education and intervention programs. (Kraft Foods, 2005)

By contrast, in August 2004, neither KFC nor Burger King had any relevant statement or social promise on their Web sites. Like other organizations, these two companies list traditional charitable activities. For example, KFC donates to the United Negro College Fund, offers awards to meritorious seniors nominated by kids, and has a charity devoted to improving child care.

If one wishes to focus on the exercise and activity side of what the National Cancer Institute calls the "energy balance" problem, there are other options. One could seek out firms in the exercise industry, such as Nike, that blend activism with a clear, compelling company payoff. If the focus of the campaign is to be school-based initiatives, one could find firms with educational programs focusing on exercise. An obvious candidate in the latter regard is Scholastic Inc. Scholastic provides literacy and other educational materials for children and schools and has a long tradition of social responsibility. On its Web site, it notes: "For more than 80 years, Scholastic has recognized the importance of working with public, private, and non-profit organizations that share its mission and goals to improve the well being of children" (Scholastic Inc., 2005). Such an organization might participate in creating educational materials for any broad-scale program concerning childhood nutrition and exercise. It is particularly well equipped to use social marketing, as it has experience applying such approaches to campaigns such as the U.S. Census 2000 project (Andreasen, 2002).

A final, somewhat perverse strategy for identifying potentially cooperative firms is to pay attention to negative corporate publicity, especially as it applies to childhood nutrition and physical activity. An important motivator for many firms to become more sensitive to society's concerns is when that society (for example, through the media or aggressive lawyers) becomes upset about corporate practices. *USA Today* reported in 2003 that "McDonald's is feeling the pressure. [In April,] McDonald's named its first-ever corporate vice president of healthy lifestyles" (Horovitz, 2003, p. 1a). The company's CEO was quoted in the same article as saying, "If healthy lifestyles are becoming more important to our customers, we want to play a role." The latter statement is, of course, reflective of sound marketing principles—give the customer what he or she wants.

A company that seems to be an early leader here is Kraft Foods. Because Kraft is part of the Altria Group Inc., which includes Philip Morris, undoubtedly, Kraft executives know firsthand from the "smoking wars" the potential dangers of not addressing consumer concerns about corporate responsibility for a social problem. As noted in their corporate responsibility statement (provided earlier), Kraft's efforts here are broad ranging, composed of more than just the few tentative initiatives that other firms seem to be undertaking. Other examples are found in Richard Earle's (2000) book on advertising, advertising agencies, and the Advertising Council's involvement in social change programs. Sue Adkins (1999) portrays a range of initiatives in the UK; and Hamish Pringle and Marjorie Thompson (1999) offer examples of experiences within the Saatchi and Saatchi advertising agency. James Austin provides both numerous examples of business and nonprofit collaborations and an excellent framework for developing such collaborations. His work covers both the United States (Austin, 2000) and Latin America (Austin et al., 2004).

Using the Three Models to Secure Cooperation

Once one has identified a set of behaviors and a corporate target audience to be influenced, how does one mount a campaign to induce voluntary behavior in that audience? How can the Stages of Change and BCOS factors guide such an approach, and what is the role of Competition? In my experience over a wide range of corporate social initiatives (Andreasen, 1996), it is very likely that corporations will respond in one of four ways.

1. Some will reluctantly participate as a matter of damage control. Firms with sweatshop or environmental challenges will often participate in social initiatives to deflect attention, recoup lost reputation, or discourage more punitive or troublesome future attacks. These will be good targets for partnering with highly respected nonprofits or with government agencies. They are not likely to be in it for the long haul, however, especially once their image has rebounded.

2. Some will participate not because they believe in the issue or its direct value to the corporation but because it is a means to getting another benefit. For example, helping a nonprofit or a government agency today can build personal connections and goodwill that will pay off later when the corporation needs someone to vouch for it in a touchy situation, provide a favorable tariff reduction, or put in place infrastructure or a favorable regulation that will make business life easier.

3. Some will participate positively but consider it a one-time venture that is simply another tactic in a diverse array of initiatives designed to increase sales and profits. These are what Austin (2000) calls "transactional partnerships," not true integrated collaborations. A supermarket might have a

monthlong nutrition campaign to promote healthy eating and feature an array of healthful products. Such a promotion might be coordinated with suppliers and brand marketers, as well as a specific nonprofit program. The promotion will have a fixed time horizon and disappear as the chain moves on to other tactics-of-the-month.

4. Some—the ideal cases—will see the initiative as fitting in with their long-term corporate interests. They will see initial social ventures as learning experiences and seek ways to make the involvement grow (Austin, 2000).

The last group has two subcategories: firms that go it alone and firms that work with a defined partner or set of partners. There are many examples of the latter in the broad domain of cause-related marketing projects. Timberland has built lasting relationships with City Year. Bert's Bees (cosmetics) has long worked with The Nature Conservancy, and American Express for many years had a close partnership with the food programs of Share Our Strength (Shore, 1995). For large-scale programs, many corporations partner with the Advertising Council or major nonprofits such as the American Lung Association or Save the Children. The Advertising Council (2003) has already mounted an obesity prevention campaign described as follows:

> The Obesity Prevention campaign encourages families to make small dietary and physical activity changes, such as using stairs instead of the escalator, or replacing a Sunday drive with a Sunday walk. Viewers are encouraged to visit www.smallstep.gov to learn more about small steps they can take toward a healthier lifestyle.

In partnership with the DHHS and the Ad Council, Sesame Workshop, the nonprofit educational organization behind Sesame Street, has produced two public service advertising spots using the beloved Sesame Street characters Luis, Elmo, and Rosita to encourage parents to make healthier eating and physical activity part of their family's regular routine—and as early as possible in their children's lives. The Sesame ads, available in both English and Spanish, encourage viewers to visit http://www.smallstep.gov to learn more.

Much of the advertising in this campaign is created pro bono by the McCann Erickson advertising agency.

THE IMPORTANCE OF INDIVIDUALS

It is critical to remember a central premise of this book: namely, that it is *individuals* who make change happen. Corporate partnerships typically emerge because a specific individual, such as Diane Deitz at Crest, sees the value of a social initiative and gets the firm involved. These same individuals frequently shepherd collaborations through their early stages and help them grow into more elaborate partnerships down the road. These key players will often be ambitious executives, executives assigned to a project, or, best of all, individuals with a personal attachment to the issue. For decades, Wendy's was deeply involved in adoption issues because its late CEO Dave Thomas was himself an orphan.

Social marketing is all about getting these target individuals to act.

STAGES OF CHANGE

The search for target audiences through reputational listings, Web sites, or news reports should provide insight into where various corporations are in the Stages of Change. Those in the Precontemplation stage will be the ones that either follow a stockholder maximization philosophy or believe that a corporation's social role is simply to be ethical and engage in traditional philanthropy, like any member of a civil society. The best opportunities, of course, will reside with Contemplators. Some Contemplators will be in the early stages of thinking about collaborating—seeing a few benefits but not having thought much more about it. Others may be in Late Contemplation, having thought extensively about the possibilities but not having concluded that corporate social marketing is the route to use.

Companies in the Preparation and Action stage are those who have engaged in one or two short-term cause partnerships and may be ready to expand their involvement. Finally, there will be some companies in the Maintenance stage, such as Procter & Gamble: The corporation is already involved in various social partnerships and only needs to be encouraged to add new ventures to its portfolio.

THE BCOS FACTORS

For those companies in the Contemplation stage, the BCOS and Competition concepts can be useful guidelines for how one might move them forward to Preparation and Action and, eventually, Maintenance. Here, there are two sets of BCOS factors that are important. There are those that apply to the corporation and those that apply to the *individuals* who can make the alliance happen—and succeed. As I keep repeating, social actions take place because individuals do things. In the corporate world, target individuals might ask themselves:

- What might I get out of this?
- How might it affect my future career?
- What extra burden might I be taking on?
- What could go wrong?

Benefits to the Corporation

The critical challenge in seeking a corporate alliance is finding an answer to the question: How does this alliance fit the firm's strategic needs? The answers are sometimes obvious. Clearly, if a firm is under attack for its practices or otherwise has "reputational problems," an obvious benefit from participation in a social venture will be the chance to enhance the sullied image and rebound in the marketplace. Appealing to this benefit can, however, lead to prickly relationships and alliances that are likely to disappear once the corporate threat is eliminated or diminished.

Other, more positive benefits from a social cause partnership include the following:

1. Sales benefits: attracting new customers, reducing defections by old customers, encouraging either group to spend more
2. Human resources benefits: having access to a better pool of future hirees eager to work for a socially responsible organization, improving workplace morale, and reducing employee turnover
3. Positioning benefits: helping reposition an organization (e.g., from uncaring to caring) and providing a point of differentiation from competitors
4. Goodwill benefits: securing favorable feelings and positive attitudes on the part of government agencies, local politicians, and the media that can have future strategic benefits

In the obesity case, many firms may see the surgeon general's Call to Action on Obesity as an excellent chance to get out in front on an issue that is high on the public and political agendas. For those willing to quickly get out in front on this issue, there is what is called in the marketing literature the "first mover advantage." This doctrine asserts that firms that come out first in some evolving market can often build a position that, in many respects, is unassailable by subsequent me-too players. Thus, Avon got a first-mover advantage by being one of the earliest organizations to make a major commitment to the breast cancer problem. Avon became a dominant player in that domain, reeling in significant publicity and positive customer responses for its activities in this area. Breast cancer now boasts hundreds of corporate partnerships, and it is virtually impossible for any new entrant to make a distinct impression. Avon still maintains very high visibility.

The Avon story is highly relevant to the present discussion because it illustrates the long-term advantages of identifying companies that can see involvement in a social issue as fitting their most fundamental corporate strategic needs. Avon touts itself as "The Company for Women." Its customers are women, and its worldwide sales force of 3½ million independent representatives is all female. Breast cancer is thus a natural area for social involvement that would appeal to both customers and the sales force. Avon describes its program as follows:

> Knowing that breast cancer is the most commonly diagnosed cancer among women, the goal of the Avon Foundation Breast Cancer Crusade is to benefit all women through research, clinical care, education and support services. However, there is special emphasis on reaching medically underserved women, including low-income, elderly and minority women, and women without adequate health insurance. Reversing historical disparities in breast cancer care is a priority of the Avon Foundation Breast Cancer Crusade. (http://www.avoncompany.com/women/avoncrusade/background/overview.html)

The program continues to be one that has made Avon one of Fortune's "Most Admired Companies" for more than a decade.

Sales benefits are important in these cases. In two studies in 1993 and 1998, Cone Communications found that

- Eight in 10 Americans have a more positive image of companies that support a cause the respondents care about (84% in 1993, 83% in 1998).
- As in 1993, nearly two thirds of Americans (approximately 130 million consumers) report that they would be likely to switch brands (66% in 1993, 65% in 1998) or retailers (62%, 61%) to one associated with a good cause.
- In 1993, consumers said that when price and quality are equal, responsible business practices will make a difference in the brand choices of 31% of respondents. One in five, in fact, had already made such a choice in the previous 12 months.
- In 1993, 54% said that they would pay more for a product that supports a cause they care about (Cone, Inc., & Roper Starch Worldwide, Inc., 1999).

Cone and Roper (1999) also found that 90% of employees of companies supporting social causes "feel proud of their companies' values" and 88% "feel a strong sense of loyalty." The comparable figures for the companies surveyed that were *not* involved in causes were 66% and 68%, respectively.

A second example of the possibilities of multiple benefits to corporations from social involvement is Coca-Cola's long-term partnership with Boys & Girls Clubs of America. From Coca-Cola's standpoint, a key benefit is that Boys & Girls Clubs members are in the prime market for soft drinks. Opportunities for product promotion abound. However, the partnership had an important potential HR payoff because it provided a vehicle for employee volunteering all across America and increased cooperation between Coca-Cola and its many independent franchisees around the country. Coca-Cola has franchises in most Boys & Girls Clubs locations and was eager not only to sell more soft drinks to its prime market but also to find ways to bind the independent franchisee bottlers more closely to the company.

In the fast food industry, there is some evidence that a concentration on nutritious offerings can offer a clear basis for differentiation for smaller competitors. The Subway franchise chain has been very successful in positioning itself as the healthy fast food outlet. It particularly benefited from the story of Jared Fogle, who became a media favorite for losing 245 lbs by eating nothing but Subway sandwiches for almost a year on his self-designed diet program of careful eating and walking.

Subway has actively sought to take advantage of the current concern about childhood obesity. In 2004, it commissioned a study and found that, although 8 of 10 kids 5 to 12 years old knew someone who was very overweight, only 20% were worried about them. They seemed relatively unconcerned. For example, one in four overweight kids thought they were "about the right weight" and, although most know they should eat better, few did so (Subway, 2004). As a consequence of the study, Subway launched a national campaign called F.R.E.S.H. Steps (F.R.E.S.H. = feel responsible, energized, satisfied, and happy). The campaign features paid ads, school curricula, guidelines, and information on the Subway Web site. Subway franchises now offer a Kids' Pak with deli sandwiches and other branded products, such as Minute Maid 100% juice fruit punch, that are less unhealthful than the average fast food kid's meal.[2]

Benefits to Corporate Individuals

Partnerships are unlikely to work unless individuals see personal benefits from working in them. Among the possibilities I have discovered in my own work in this area are the following.

Alliances provide occasions for individuals to stretch their management and marketing skills by learning how these would work in new contexts. How does one adapt concepts such as *exchange* and *segmentation* and *positioning* to cases in which one is not selling goods and services? How does one position desirable behaviors when products or services are not involved and the audience does not pay any money (e.g., recycling)? How does one promote behaviors that have no obvious immediate rewards or that have rewards that come only after a long time (e.g., taking high blood pressure pills)? How do you promote childhood immunization when *nothing happens* to the child beyond the trauma of the injection? Stopping smoking means more years at the end of one's life 50 years hence. Marketing such concepts and behaviors is much more challenging than selling burgers or PlayStation3.

Working on social problems can be a rewarding break from a high-pressure work life. The opportunity to work with others committed to social change can be very rewarding to people who spend the majority of their lives peddling computer software or disposable diapers. For example, McKinsey & Co. has found that many of its consultants relish the chance to use their skills on nonprofit challenges that are often a far cry from the rest of their consulting careers.

Social ventures are a chance for individual collaboration and relationship building outside the traditional workplace. These connections can lead to other career payoffs in future, including job mobility.

Corporate social initiatives can look very impressive on an executive's year-end report of accomplishments, as well as on his or her resumé.

There are personal satisfactions in contributing to solutions for a social problem in which the improvements in social welfare can be dramatic.

There is chance for personal publicity ("raising my profile")—again with the potential for career advancement.

Costs

Both corporations and executives will be thinking about a number of potentially significant costs during the Contemplation stage. First, many social problems will constitute very difficult challenges, and the possibility is that the effort will not be successful. Jerry Lewis has spent more than 39 years and much personal capital raising money to find a cure for multiple dystrophy—but there is still no cure. A corporation or executive may worry about the potential wasted time and resources and even bad publicity from a failed effort.

Behavior change in obese children may be particularly challenging, because, although there may be a social demand for behavior change, there is typically no individual demand (Siegel & Doner, 1998). Certainly, consumers seem to be of mixed minds. A 2003 study by Multimedia Audience Research Systems found that 63% of fast food restaurant patrons were concerned about food quantity and 73% about the nutritional value of fast foods; 63% also thought that fast food contributes to weight and health problems *for society at large.* On the other hand, 13% "super-size" on most or all of their visits, and 54% purchase large combination meals at least some of the time (Sandelman & Associates, 2003).

A second critical cost that may enter into consideration is the risk to the corporation of losing customers if a social program requires changing their product and service offerings. For example, fast food restaurant chains have been very reluctant to make changes in their offerings or recipes because consumers rate taste as the most important feature they seek in a quick-service chain's offerings. Sandelman & Associates (2003) found that, among 12 attributes consumers considered as extremely or very important in choosing fast food outlets, "taste or flavor of food" was rated number one. By contrast, "availability of healthy/nutritious food" was ranked 11th, although it was still described as important by 60% of respondents.

This concern may partially account for the reluctance of McDonald's to change the oils it has used in frying. In 2002, with much publicity, McDonald's said it would switch from partly hydrogenated oil to one without trans fats, but by May 2004, the company had still not actually made the switch for its french fries. Its hesitation may have been a sound strategy. There is now evidence that trans fats are not any worse than other suspect cooking oils. Indeed, as Gina Kolata (2005) recently noted, the FDA, the DHHS, the National Heart, Lung and Blood Institute, and the National Academy of Sciences "have come to the same conclusion: Trans fats are on a par with saturated fats, like butter or lard. Both increase cholesterol levels and most people would be better off if they ate less of all of them. Period" (p. WK4).

Finally, a potential worry for corporations seeking repositioning benefits is that consumers may be suspicious of their motives. If the subject of the corporate alliance seems not at all related to the firm's core strategies, customers and the general public may cynically conclude that the company is just "doing it for the PR." The result may be a boomerang effect and a decline in image (Hoeffler & Keller, 2002; Sen & Bhattacharya, 2001).

For *individuals* considering involvement in promoting a social cause, important costs will be the time and frustration working on the project. This may mean taking time away from their "real" job and, for some, a detour in their upward job mobility. (It is why some hard-charging executives gripe about being asked to serve on nonprofit boards or otherwise volunteer.) There are other predictable frustrations.

The paperwork before, during, and after an alliance can be very intensive and time-consuming. Nonprofits have public or charity funding sources, and their funders are typically obsessive about having documentation to justify what is happening to their money and what outcomes were achieved. This is frustrating for an executive who just wants to have an impact and who prefers to pay attention mainly to bottom-line performance—as in the corporation.

Decision styles are often quite different (Stein, 2002). Corporate executives are accustomed to spirited debates about strategy and tactics. In the private sector, such discussions culminate in a final decision by someone in charge and rapid implementation. In the social sector, the process is much more collegial and time-consuming. There is often a perceived need to "touch base" with everyone even remotely affected and to make sure that no party's interests are trampled on by any final choices. This usually means innumerable meetings and a much longer time for consensus and decisions to be reached.

Personal motivations are often very different. In the private sector, executives are interested in power, upward mobility, and a reputation for leadership and decisiveness. Standards are well understood, and people are held closely accountable for performance. By contrast, people often join the government or the nonprofit sector to escape such a "rat race." This can mean (although not always) a reluctance to make hard choices and a reluctance to criticize below-par performance. This can be very frustrating for the private sector partner who seeks decisiveness and accountability.

Goals and time horizons will be different. Corporations plan for and then track results over short periods, but social projects often have very long-term objectives and few measurable interim benchmarks. Social sector organizations are often relatively content if they are staying "on mission," trusting that, in the long run, there will be big social effects (Moore, 2000).

Leadership styles will be different. Corporations have instrumental leaders (get-the-job-done people); nonprofit organizations more often have expressive leaders (people who can articulate and advance the mission and values). Communication tends to be top-down in the former and horizontal in the latter. For a short-term, private sector collaborator, horizontal communication can be hard to navigate and a very real anticipated cost (see, for example, Etzioni, 1995).

Social marketers can help minimize the influence of these various costs by helping train executives before they become involved in social ventures. They can also prepare nonprofits and government agencies to address potential corporate concerns if they want to bring corporations and their executives on board.

Others

Strength in numbers comes from having multiple partners in a project. As noted in an earlier chapter, corporations avoided involvement in the HIV/AIDS issue for many years as too controversial. It was only when Reverend Franklin Graham and Jesse Helms spoke up that corporate executives got on board and, most significantly, formed a roundtable to advance the issue (i.e., to give each other cover).

Calls to action by prominent leaders can often bring about corporate involvement. President George W. Bush's call for aid in the Asian tsunami crisis of December 2004 (and his personal $10,000 contribution) was important in encouraging and reinforcing corporate and individual commitment to the problem. The subsequent involvement of Bill Clinton also kept it from being a "Republican thing." In the past, similar calls to action by Nelson Mandela or Bishop Desmond Tutu had powerful influences on corporate involvement in South Africa.

The Business Roundtable is taking up the challenge to build social alliances within the 160 companies they represent. They announced plans in 2005 to create a database that would catalog types of assistance that corporations could provide in future disasters, including donations, equipment, supplies, communications infrastructure, and so on. Business Roundtable members also plan to "contact relief organizations to establish ways they can coordinate with them in an emergency" (Wilhelm, 2005).

Participation in alliances with organizations with similar social objectives can provide both contacts and reinforcement. Thus getting an association such as Business for Social Responsibility behind a particular social change can be motivating for both members and nonmembers. Business for Social

Responsibility (2005) has been particularly vocal about such issues as cause-related marketing, off-shore sweatshops, business ethics, environmental impacts, and human rights.

It must also be recognized that other organizations and individuals can *inhibit* corporations from taking initiatives. Organizations in tight-knit industries may be reluctant to take solo actions that risk offending others in their industry who might retaliate or not cooperate in other ventures. Currently, several food industry groups are attempting to deflect criticism of the industry on the subject of obesity. Should one food-producing firm forcefully advertise the fact that their offerings do not have certain nasty ingredients that contribute to childhood obesity, this may be seen as "breaking ranks" and implicitly criticizing competitors. In subject areas in which the science is not totally clear (as in smoking), competitors may see the socially responsible firm as "going off the deep end" and being unfairly critical. Other marketers may also be upset if the renegade marketer seems to be undermining specific industry efforts to gain legislative and regulatory changes. An insurance company that allows claims for weight loss programs at no extra premium cost may be seen as antagonistic to colleagues and competitors who are attempting to hold the line and not offer costly new benefits.

Obviously, the challenge for social marketers is to marshal as many positive social pressures as they can and anticipate (and deflect) counterpressures from other individuals and firms.

Self-Assurance

Well-meaning corporations and individuals are not likely to join an alliance unless they can see their way clear to reaping the benefits. This is not to say that they need to know that the intervention will be successful—only that they can effectively contribute and reap the corporate and individual payoffs they anticipate along the way. If simple actions are contemplated—for example, putting up notices in restaurants or adding a new benefit to an insurance policy—this is not likely to seem daunting. However, helping a community create a network of well-lit bike paths may prove more difficult. Firms or individuals who have had little experience dealing with local municipalities and zoning laws may find the challenge difficult. A road map and experienced partners may raise corporations' self-assurance—their feeling that they can actually get something done.

COMPETITION

Social marketers who wish to generate corporate alliances can expect competition from several sources. First, as suggested earlier, there will be industries, firms, associations, and their allies that will feel that the proposed interventions will negatively affect their own welfare. Marion Nestle (2002) makes the point in her book *Food Politics:*

> A message to eat less meat, dairy and processed foods is not going to be popular among the processors of such foods. . . . The message will not be popular with cattle ranchers, meat packers, dairy producers, or milk bottlers; oil seed growers, processors, or transporters; grain producers (most grain is used to feed cattle); makers of soft drinks, candy bars, and snack foods; owners of fast-food outlets and franchise restaurants; media corporations and advertising agencies; manufacturers and marketers of television sets and computers (where advertising takes place); and, eventually, drug and health care industries likely to lose business if people stay healthier longer. (p. 363)

Vested interests may also provide competition by raising the possibility that other important values will suffer if the initiative goes forward. Marion Nestle (2002) quotes Dr. Rhona Applebaum of the National Food Processors Association, who argues that we can only change the upstream environment in regard to eating

> if the federal government, in the role of "Big Brother," mandates what foods can and cannot be produced—which is not the role of the government in a free market economy. Controlling, limiting, and outright banning of products deemed "unfit" does not work, and history attests to the failure of such extremist measures. . . . [C]onsumers are in the driver's seat. . . . [Y]ou cannot force people to comply with the Dietary Guidelines and it is wrong to try. It is an unworkable, totalitarian approach that brings with it all the evils associated with such a philosophy. (p. 359)

Those opposing the intervention may also claim that the real culprit is elsewhere. One common tactic is for social change competitors to dispute the research evidence supporting action. For example, the U.S. Chamber of Commerce's Institute for Legal Reform commissioned a review of evidence and concluded that fast food restaurants are not responsible for increased obesity. Their researcher, Todd Buchholz, argued that the source of childhood obesity is really too much between-meal snacking and more sedentary lifestyles (U.S. Chamber of Commerce, 2003).

A similar approach of laying the blame elsewhere is taken by the Center on Global Food Issues, a unit of the conservative Hudson Institute. On their Web page, Dennis Avery (2003) writes: "American teen obesity has increased 10 percent in the last 20 years—but they're eating only one percent more calories. Unfortunately, they are also exercising 13 percent less. That's the verdict from federal data bases at the Centers for Disease Control and the U.S. Department of Agriculture, says Dr. Lisa Sutherland of the University of North Carolina. . . . [G]etting [food] corporations to change will not reduce the number of calories" (Avery, 2003).

Potential personal counterattacks may be a competitive deterrent for some executives who may wish to become involved. For example, the Center for Consumer Freedom (2005), an industry-funded group, refers to its various opponents in the nutrition battles as someone who "has never met a lawsuit he didn't like. . . . [and who] can always be counted on to sink as low as possible" (John Banzhaf); someone who "is more than willing to use junk science and sensationalism to scare Americans about the food they eat" (Michael Jacobsen, Executive Director of the Center for Science in the Public Interest); and "one of the country's most hysterical anti-food-industry fanatics" (Marion Nestle, chair of the Department of Nutrition and Food Studies at New York University).

Affected businesses and their associations often carry out competitive communications campaigns on controversial issues, of course. Thus the Sugar Council actively opposes any implication that sugar is a culprit in the obesity problem. Corporate supporters of the council may be reluctant to participate in any program that may imply otherwise.

MAINTENANCE OF ALLIANCES

It is beyond the purview of this book to offer detailed advice on how to move alliances from Preparation and Action to the Maintenance stage. Excellent guides are available in the work of Alice Korngold (2005), James Austin (2000; Austin et al., 2004), and others on how to develop and grow collaborations. Austin (2000) suggests that healthy alliances between corporations and social sector organizations and agencies typically move along a continuum from philanthropy to transaction-based collaborations to full-fledged integration (Maintenance). To reach Maintenance requires careful management of the partnership and constant seeking for ways to make it evolve into even richer interactions. Austin's (2000) "Seven C's of Collaboration" are summarized in Figure 8.1.

Business Responses to the Overweight and Obesity Challenge

As the overweight and obesity issue dramatically rises on the public, media, and political agendas, corporations are seeing both threats and opportunities. There are opportunities to discover new markets as consumers seek solutions to their weight problems and those of their children. Thus early 2005 saw the following products introduced on store shelves (Mayer, 2005):

- Goldfish Crackers with extra calcium
- Hershey syrup enriched with calcium

CONNECTION With Purpose and People. Alliances are successful when key individuals connect personally and emotionally with the alliance's social purpose and with each other.

CLARITY of Purpose. Collaborators need to be clear—preferably in writing—about the purpose of joint undertakings.

CONGRUENCY of Mission, Strategy, and Values. The closer the alignment between the two organizations' missions, strategies, and values, the greater the potential gains from collaboration.

CREATION of Value. High-performance collaborations are about mobilizing and combining multiple resources and capabilities to generate benefits for both parties and social value for society.

COMMUNICATION Between Partners. Even in the presence of good personal relations and emotional connections, strategic fit, and successful value creation, a partnership is without a solid foundation if it lacks an effective ongoing communication process.

CONTINUAL Learning. A partnership's evolution cannot be completely planned or entirely predicted, so partners should view alliances as learning laboratories and cultivate a discovery ethic that supports continual learning.

COMMITMENT to the Partnership. Sustainable alliances institutionalize their collaboration process. They weave incentives to collaborate into their individual systems and embed them in organizational culture. As insurance against the exit of key individuals, they ensure continuity by empowering all levels of the organization.

Figure 8.1 James Austin's Seven C's of Strategic Collaboration

SOURCE: Austin (2000). Reproduced with permission.

- Reduced-sugar Cocoa Puffs and Trix
- Oscar Mayer Lunchables with less fat and sodium

General Mills and Kraft are adding more whole wheat to crackers and cereals. Kellogg has introduced Tiger Power, a "whole-grain" cereal with more calcium, fiber, and protein. Fast food chains are offering kids fruit instead of french fries. Burger chains are adding more salads, and McDonald's has added a fruit and walnut salad to its menu. Milk is now offered in fancy bottles, and McDonald's says that its milk sales doubled in 2004. The big soft drink manufacturers are planning milk-based offerings that should help their school vending challenges: Swerve for Coca-Cola and Quaker Milk Chillers for Pepsi.

Perhaps more dramatic is the announcement by McDonald's that it will adopt an "energy balance" and "balanced lifestyles" theme for 2005 (MacArthur, 2005). The head of global marketing for McDonald's is quoted as saying: "People always talk about it in terms of childhood obesity. . . . It's about well-being—not just nutrition—for a healthy and happy life. That works great with our Happy Meal. How do we make a Happy Meal happier?" (MacArthur, 2005). The company plans to promote milk, yogurt, and fruit choices for kids and to create a Ronald McDonald video on energy balance. The video will go to more than 80 countries. (See also the corporate Web site at http://www.mcdonalds.com/usa/good/balanced_active_lifestyles.html.)

These actions are not without their critics. There are charges that sweetened milk is not the way to teach kids healthy eating and that many foods with less sugar still have the same number of calories. Margo Wootan of the Center for Science in the Public Interest argues that "fortified junk food is still junk food" (Mayer, 2005, p. A4). Others note that smart marketers are charging higher prices for more healthful alternatives.

Brian Wansink of Cornell University's Food and Brand Lab and Governor Mike Huckabee of Arkansas see the food industry's response to threats regarding obesity as evolving through three phases: denial, appeal to consumer sovereignty, and development of win-win opportunities. In a recent article, Wansink and Huckabee (2005) propose a number of positive options for the industry under what they label approaches to "de-marketing obesity." However, the responses of the industry to date speak well to the value of a combination of regulatory actions (or threatened actions), private litigation, and efforts by the industry to directly market better health.

Notes

1. For more about these organizations, visit their Web sites at http://www.calvertgroup.com and http://www.domini.com.
2. To view Subway's kids page, go to http://subway-kids.com.