FIVE BEST PRACTICES FOR TRANSPARENT CAUSE MARKETING

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Across the United States companies generously support charities by promising donations from the sale of products or the use of services. These cause marketing campaigns have generated hundreds of millions of dollars in donations for charities, demonstrating that American business can do well by doing good. It is important, though, that consumers properly understand how their purchase or use of a product or service will benefit a charity. New York Attorney General Eric T. Schneiderman has developed these Best Practices to promote transparency in cause marketing and help ensure that consumers are properly informed and that charities receive what they have been promised.

1. Clearly Describe the Promotion

Consumers should be able to easily understand *before* purchasing a product or using a service how doing so will benefit a charity. Advertisements, websites and product packaging used in the cause marketing campaign should clearly and prominently disclose:

- The name of any charity receiving a donation, as well as the mission of the organization if it is not readily apparent by the name
- The benefit the charity will receive from the purchase of a product or use of a service
- Any flat donation, any minimum amount guaranteed to the charity, or any maximum amount or other cap on the donation
- Any consumer action required in order for the donation to be made and any other restrictions on the donation
- The start and end dates of the campaign

These key details should be displayed together in a clear and prominent format and size, and in close proximity to, the text used in marketing the promotion. Disclosing information separate from the principal marketing of the campaign does not promote transparency or allow consumers to make informed decisions at the point of purchase or use.

To provide maximum transparency, consider using a "donation information" label on products or websites used in the promotion:

DONATION INFORMATION	
Name of Charity	ABC Cancer
Donation Amount	10 cents Per Purchase
Limitations on Donation	$500,000 Maximum Donation
Dates of Promotion	10/1/12 through 12/31/12
More Information	www.product.com

2. Allow Consumers to Easily Determine Donation Amount

Vague terms like "profits" or "proceeds" are meaningless to consumers and prevent them from knowing how their purchase or use of a product or service will benefit a charity. Using and disclosing a fixed dollar amount - such as 50 cents for every purchase - in advertisements, marketing and product packaging will allow consumers to easily calculate their charitable donation. If it is not practicable to use a fixed dollar amount per item, use a fixed percentage of the retail purchase price.

3. Be Transparent About What Is Not Apparent

A company's or charity's brand is its most valuable asset. Nothing can damage the reputation of that brand more than when consumers or donors believe they have been snookered. To maintain public trust and confidence, err on the side of caution, and disclose what might not be apparent:

- If a flat donation has been promised or paid to a charity, regardless of a consumer's purchase or use of a product or service, be clear that consumer action will not result in a contribution to the charity

- If all or part of a donation to a charity is an in-kind contribution and not monetary, disclose the nature and amount of the in-kind contribution

- If a ribbon, color, logo or other indicia commonly associated with a charitable cause is used in a cause marketing campaign, clearly and prominently disclose whether the purchase of a product or use of a service will trigger a charitable donation

- If a purchase triggers a donation, but there is a cap on the amount to be donated to charity, do not saturate the market with products; limit the

number of units distributed to a quantity that is reasonably expected to produce the maximum donation. On the other hand, if there is a minimum donation guaranteed, stock the shelves; ensure that enough products are distributed for sale so that the minimum amount can be sufficiently exceeded.

4. Ensure Transparency in Social Media

Increasingly, companies are partnering with charities through social media sites to promote their products and raise money for charities. Typically, companies will provide a donation if a Facebook user "likes" a company, or a Twitter user agrees to "follow" a company, or a Google+ user agrees to "+1" the company.

Companies and charities should be no less vigilant about transparency in social media cause marketing campaigns than they are in traditional product-based campaigns. Following the best practices described above, the terms of the social media campaign should be clearly and prominently disclosed as part of the campaign's on-line marketing, including the amount that will be donated to charity per action, the name of the charity that is the beneficiary of the campaign, the dates of the campaign, and if there is a minimum or maximum amount to be donated.

Companies should also have a system in place to track donations in real-time for the duration of the campaign, to make transparent to users the progress of the campaign. When the campaign ends, it should either be discontinued entirely, or it should be clear that any subsequent actions will not result in a donation to a charity.

5. Tell the Public How Much Was Raised

To further transparency, companies and charities should maintain on their websites key information about all active and recently closed cause marketing campaigns. At the conclusion of each campaign, the website should clearly disclose the amount of the charitable donation each campaign generated. Doing so will allow companies not only to showcase their generosity, but also to demonstrate their accountability to the public.