



How to profit with a non-profit partner

Here's a hint: you can't do it unless you're ready to commit for the long term BY CATHERINE ROCKANDEL

Consumers bombarded by thousands of messages a day are showing more cynicism about corporate messages and less trust about who really represents their interests. The last bastion of loyalty and support lies in the reputation of non-profits. This sector's value lies in the loyalty, trust, share of heart and mind that it has with its audiences, employees and volunteers.

It has been proven that loyalty + value = profit. Marketers familiar with this equation design programs and look for opportunities with a value-creation process built in. Yet, the established perception persists that non-profits are not viable marketing partners. The few non-profits and leading marketers who have sponsorship deals with them have had to run a gauntlet between establishing credibility and deflecting cries of undue corporate influence.

The controversy has come about, to some extent, because sponsorship is not partnership. Sponsorship often links with cause marketing to address corporate cynicism, but its credibility is undermined because the relationship is short term through the definition of sponsorship as "a cash and/or in-kind fee paid to a property in return for access to the exploitable commercial potential associated with that property."

The key to addressing consumer cynicism about corporate messages is to turn the relationship between corporations and non-profits from one of short-term payment for products and services to a long-term business development relationship.

Non-profits are similar to small and mid-sized businesses, from start-ups to emerging and established businesses. They lack capital and management expertise, but at the same time they are proactive, flexible and creative in their problem solving.

Non-profits are built on trust and continue to grow through loyalty. And their customer base values long-term relationships.

While sponsorship is perceived by its definition, as the selling of a non-profit's established good will, trust and loyalty, marketing partnerships are an investment and commitment to an organization. It's a long-term strategic marketing alliance, whereby the partners share resources to create a marketing program that is greater than what they could create with their own resources.

Some corporations are moving toward these types of relationships through their sponsorship and event marketing. Kellogg Canada of Toronto utilized a partnership strategy, when it partnered with the Vancouver International Children's Festival, media and community groups to build sales and awareness for the Vancouver launch of Rice Krispie cereal bars.

"We were interested in reaching families with the message that Kellogg's products are part of a nutritious start of the day," says Joanne Doyle, manager of product publicity and event marketing at Kellogg. "The program was successful because it built on our objectives. This type of integrated partnership is extremely beneficial to Kellogg's"

The convergence between non-profits, recognizing that to survive they have to become more market-driven, and the corporate sector, recognizing that meeting the needs of diverse stakeholders requires than simply delivering profits to shareholders, has created a marketing opportunity.

Across Canada and the U.S., leading marketers from the financial, utility and telecom sector are recognizing the potential of marketing partnerships to access

and own new markets. Marketing partnerships are being used as the new competitive strategy to build brand loyalty and contribute legitimacy to corporate marketing programs.

Marketing partnerships pool resources and uses marketing communications concepts to design creative, compelling programs that address complex social and economic issues, while delivering bottomline results.

In B.C., the Canadian Red Cross is partnering with local companies, The Knowledge Network's Kidzone Live and other government agencies to target youth and build awareness for community assistance programs offered by the red Cross Abuse Prevention Services in the communities where they do business. Corporate partners receive marketing and communications benefits, as well as programs that address human resource issues, which can affect profitability and organizational effectiveness.

Linking business objectives to corporate responsibility, they leverage corporate donation budgets and maximize communications, advertising and marketing budgets to provide a greater return on investment.

Leading business schools are recognizing the importance of this new marketing model, and discussing it in North American publications such as Sales & Marketing Magazine. "increasingly, enlightened companies are developing markets for their products by forming partnerships with governments, community groups, and non-profit organizations." Says Rosabeth Moss Kanter, a professor at the Harvard Business School. "Doing it together means leveraging the strengths of a business partner to create more value and build more sales."

Another partnership project involves a variety of agencies and corporations in

B.C., that are developing competitive export strategies. The industry association Design BC partnered with the Open Learning Agency-Knowledge Network and Ministry of Investment and Employment to build awareness among British Columbians on how design is being used as a competitive export strategy to develop secondary industry in B.C.

For corporate marketers such as Mitroflow and Future Sea Farms, the partnership provided marketing materials for sales presentations, trade shows and other corporate initiatives. As well, it built awareness internationally through the development of an Internet Web site featured the materials and a display for business people at the APEC Business Crossroads Centre. The initiative also helped the corporations to deal with several domestic public relations issues through a prime-time broadcast on the Knowledge Network. The partnership

also developed a schools package building awareness amongst high school students of employment opportunities within the companies and industry.

For all marketers, the challenge is to make new connections between themselves and their customers. Scott Allison, Delta Hotel's vice-president of marketing, was recently quoted in *The Globe & Mail* stating, "We partner with like-minded organizations with high service levels. They give us access to customers who might not be doing business with us but might be doing it with our partners. Since we all have finite advertising dollars, our partnerships allow us to combine our marketing funds and maximize exposure."

Marketing partnerships create solutions and opportunities for corporate marketers to build revenues and market share by drawing their own and their partners' customers, employees and other stakeholders into their organizations' network of inter-

dependent business relationships. Marketing partnerships are integral to the value creation process, because they provide a framework that links the partners' stakeholder loyalty to the corporate product or service value proposition, thus creating further value and resulting in profits.

In this way, corporations can balance competing business objectives of shareholder and corporate interests in efficiency and profitability, with the interests and values of employees, customers and community stakeholders in corporate social responsibility.

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