

Calculate the Value of Corporate Giving

INSIGHTS AS TOLD TO SANDRA BIENKOWSKI



●●● **BRAIN SCAN RESEARCH SHOWS** that when people give to others, it makes them feel better. Giving is a reciprocal relationship, and it's no different with corporations. When people run a business with the goal of serving others, financial benefits will follow. People want to support businesses that serve. Dr. David Finch, the 2011 recipient of Walden's outstanding dissertation award, demonstrates the return on investment (ROI) of corporate giving in his dissertation research. Here, the assistant professor of marketing at Mount Royal University in Calgary, Alberta, highlights the benefits from two perspectives.

Dr. David Finch '10 | Ph.D. in Applied Management and Decision Sciences (now Ph.D. in Management)



Sally Elford/Corbis

The Corporate Perspective

- 1 DON'T UNDERESTIMATE THE POWER OF ADVOCACY.** Is it possible to measure the value of people liking your company? Maybe not directly, but you can measure how people behave differently when they like your business. One of the key behaviors that can be measured is advocacy. Will your employees talk about your company in their community? Will your customers refer your company to their friends? People will only be your advocate if they trust you. Trust takes time, but it is an authentic demonstration that you share the same values. This is the power of corporate giving.
- 2 EXAMINE THE NUMBERS BEHIND LOYAL BEHAVIOR.** Loyal behavior can be defined by consumer purchasing habits. If consumers are more likely to purchase your products because they believe they share your values, you can measure this behavior and track its impact.
- 3 OFFER YOUR EMPLOYEES A WAY TO GIVE BACK.** One advertising agency donates \$100,000 a year in creative services to two charities, including full rebranding for the nonprofits. In return, the agency is recognized as more than just a place to work, because it's providing a way for employees to give back. The company gains public recognition and fosters goodwill with its employees because of the partnership.
- 4 CONNECT WITH A CAUSE THAT MATTERS TO YOUR CUSTOMERS OR EMPLOYEES.** CIBC bank in Canada is the title sponsor for the national breast cancer run called CIBC Run for the Cure. The run raised \$33 million for breast cancer research, education, and awareness programs in 2010. CIBC got involved because many of its bank teller employees are women between the ages of 35-54 who are passionate about the cause. The bank's management team strategically decided that if the cause matters to frontline employees, it's important to them. When employees stay because they believe the bank cares about them—that's measurable value to the bank.

The Nonprofit Perspective

- 1 VIEW CORPORATE SPONSORSHIP AS A LONG-TERM BUSINESS RELATIONSHIP.** Know that a partnership will build value for both parties, as opposed to a one-time contribution to your cause. By forming a long-term relationship with a corporate sponsor, you are appealing to something they want—long-term visibility and association with a reputable cause to build credibility.
- 2 OFFER A SOLID MARKETING INVESTMENT TO THE SPONSOR.** You can help corporate sponsors by touting the promotional value you will offer them. Pitch the amount of publicity you can provide to them during events, receptions, and in marketing materials as well as press coverage on TV, print, and radio. Let the corporate sponsor know how you will feature them in a prominent way.
- 3 SHOW CORPORATE SPONSORS YOUR MISSIONS ARE IN SYNC.** Research the demographics of your corporate sponsors' consumers and look for connections to your nonprofit's cause. The NFL Play 60 program, for example, recognizes childhood obesity as a major issue. Celebrity athletes encourage young fans to be active, and the NFL partners with nonprofits with similar missions to promote healthy lifestyles.
- 4 BE THE BRIDGE TO SOCIAL AND ECONOMIC VALUE.** Nonprofit partnerships can increase employee retention rates, job satisfaction, and productivity. By showing how your nonprofit can provide social and economic value, corporations will want to form an alliance to further your mission.

Read an extended version of this article and watch a video of Dr. Finch discussing his dissertation with his faculty mentor, Dr. Howard Schechter, at www.WaldenU.edu/magazine.