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Supporting a Good Cause Can Increase Loyal Customers

Now more than ever, your customers are being bombarded with messages from your competitors demanding their attention and motivating them to open their wallets.

When consumers are presented with competing choices to your offerings that appear equal in price, benefits and quality, one sure way to stand out from your competition and gain customer loyalty is to support a charitable cause that your customers care about.

Boston-based Cone and Duke University completed a consumer behavior study in October 2008 indicating that consumers are more likely to purchase from socially minded companies that support important causes like education, job creation, health, hunger and the environment. They also are more likely to refer socially minded company's products and services to their friends and family members to support causes important to them.

So, during these recessionary times, your company can gain loyal customers and increase sales while supporting important causes that need your help. The key to making this strategy a win-win is to know your customer. Find out what issues they really care about that are most aligned with your company's values and mission. Then let your customers know how you are supporting these causes and ways they can get involved.

Buffalo Exchange, a recycled clothing store headquartered in Tucson, has been successful in increasing customer loyalty through support of charitable causes. After each purchase, the company offers its customers a paper coin in place of a plastic bag. Patrons can choose to donate that coin, which symbolizes a small percentage of their purchase, to one of several local charities. The gesture accomplishes more than just saving Mother Nature from choking on one more plastic bag. It also offers customers the chance to actively participate alongside Buffalo Exchange in supporting causes like the environment, animal shelters and homelessness.

Another company known for its commitment to local causes, El Charro Café, stepped forward this summer to participate in the Tucson Values Teachers' Summer Breaks for Teachers program. The program brought businesses together in the Tucson community to support teachers by offering them discounts

on products and services such as car repairs, schools supplies and hotel rooms. El Charro offered local teachers two meals for the price of one each Tuesday, and the campaign was so successful for both the business and teachers, El Charro continued the campaign indefinitely.

“These discounts are a small way for us to thank our educators for a hard year in which teachers have been asked to do more with less, their budgets have been slashed and their class sizes increased,” said Ray Flores, president of El Charro Café.

Target, a familiar national brand that already donates five percent of its annual income to charity, launched a three-week program last May called “Bullseye Gives” to solicit customer input on how the company should allocate \$3 million in charitable contributions. Target asked customers to vote for their top charities on the company’s Facebook fan page. Those charities receiving the highest number of votes received a higher percentage of the donations.

After launching this campaign, more than 260,000 people voted for their favorite charity on Target’s Facebook fan page, and the company gained more than 70,000 Facebook fans likely to become loyal repeat customers due to this campaign.

As you prepare your marketing and public relations strategy for 2010, consider allocating time and resources to supporting charitable causes that are aligned with the values important to your company and your customers. Then find creative and unique ways to engage your customers in these campaigns.

Your customers will reward your efforts through their loyalty, repeat purchases, and referrals to like-minded prospective customers. It’s a win-win strategy for all that will put your company ahead of its competition in a economic environment where companies need a competitive edge to thrive.

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