Philanthropic marketing is when a company makes a philanthropic investment in and promotes a marketing affiliation around a non-profit organization (NGO) according to philanthropic marketing experts, US-based company Social Capital Partnerships. The company helps profitable corporates set up partnerships with non-profits with similar values and goals, ultimately working on uplifting and enhancing the lives of disadvantaged communities.

Corporates commit their financial and human resources to the development of a worthy social cause spearheaded by a specific NGO. The corporate is not out for financial gain but rather seeks to strategically enhance and build a positive rapport in the community in which it operates, showcase the values it believes in, and develop a competitive-edge over rival companies. Yes, there may be some brand recognition mileage included, but there is much more to it than just looking good in the public eye – it’s about having a marked impact on communities. It is a long-term initiative where the return of investment is felt long after the donation has been made and the campaign over.

The thing is, as aptly pointed out by Michael Porter, head of Harvard Business School’s Institute for Strategy and Competitiveness, that social conditions do impact on company strategy and the company’s attempt to help improve such conditions ensures its own success. Speaking at a 2003 corporate philanthropy conference in New York, Porter noted there should be a focus on areas where social and economic interests intersect and where distinctive corporate resources other than money can be applied to solving social problems.

For example, America’s Second Harvest, an NGO dedicated to hunger relief in the US, partnered with several corporates in the food manufacturing and supply industry, such as Kroger Co., a large national grocery retailer. As cited in the Non-Profit Times, a leading business publication for non-profit management www.nptimes.com, this corporate retailer took the non-profit’s ‘Shop to End Hunger’ campaign in 2006 and channelled it to their network of packaged goods vendors. They launched a co-campaign initiative known as ‘Bringing Hope to the Table’ targeting 6500 stores across the country and raising $3-million. On its own, Kroger runs a charitable giving programme making contributions to many local communities as well as NGOs.

International wealth management, capital markets and advisory company, Merryl Lynch also runs a ‘scholarship builder programme’. It gives inner city high school graduates, who would otherwise not be able to attend higher learning institutions, a chance to do so. With a high drop-out rate of such students in these schools, the programme sought to encourage learners to stay in school and reap the benefits of a college education as well - courtesy of Merryl Lynch. At the start, back in 1988, the company realized it was not just a matter of telling high school learners that if they graduate they would go to college. It was also about investing in tutorships and mentors to make the programme a success.

ZDNet.co.uk, an online technology and business web, resources reports that Internet giant Google, with its philanthropic division Google.org, recently announced it will contribute $25-million worth of investment to various NGO groups fighting for environmental, health, poverty and energy causes. In addition to its monetary investment, the company has plans to get employees involved in its bid to support worthy causes. Google makes over $1-billion in revenue each quarter alone and can afford to be more than generous. Google.org is geared toward investing in renewable energy development plans to reduce carbon emissions and projects that seek to monitor and predict climatic conditions and outbreaks of disease. The company, it seems, is out to address key factors related to social and environmental challenges, as opposed to once-off charity hand-outs that leverage short-term assistance but don’t provide long-term solutions. Google’s approach is certainly an innovative and fresh approach to philanthropic marketing.

At the end of the day, the partnership between NGO and the corporate should be a mutually beneficial one, where the NGO gains from the expertise and resources of the corporate, and in turn the corporate seeks to establish a solid public reputation taking an interest and involvement in issues that matter to the community in which they exist.

Within the South African context, global pharmaceutical company Pfizer is involved in philanthropic efforts particularly to do with healthcare, education, maths and science, along with children and HIV/AIDS in the country. The company invested over R100-million in 2004 in NGOs across South Africa.

“The reason for our extensive contribution to South African community improvement is that we play an active role in making every country and community in which we operate a better place to live and work, knowing that the ongoing vitality of our host nation and surrounding communities has a direct impact on the long-term health of our business,” states the company via its website www.pfizer.co.za

Philanthropic marketing is a great marketing tool for the corporate looking to make an above-average difference, and as Anne Frank once said, ‘no one has ever become poor by giving’.

Lesson: Marketing to strategically enhance and build a positive rapport in the community

‘No One Has Ever Become Poor By Giving’

By Thumeshni Mudelian

“I don’t think you ever stop giving. I really don’t. I think it’s an on-going process. And it’s not just about being able to write a cheque. It’s being able to touch somebody’s life” - Oprah Winfrey on philanthropy. Globally, big businesses are realizing just this, looking beyond the generous charitable donations and more toward creating social value with the help of strategic philanthropic marketing initiatives.

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