



# Public Relations Sponsorship Programs

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CHAPTER 13

# Chapter Objectives

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What type of relationships are possible between a public relations department and a marketing department?



Why is it important to understand the nature of various organizational stakeholders?



When should a marketing team consider cause-related marketing and green marketing programs?



How can a sponsorship program hurt or harm a firm's image?



When are event marketing programs most and least likely to succeed?

# Chapter Overview

- Public Relations
  - Public relations functions
  - Stakeholders
  - Assessing corporate reputation
  - Social responsibility
  - Damage control
- Sponsorships
- Event marketing

# Public Relations Defined

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- A unit in the firm that manages items such as publicity and other communications with all of the groups who make contact with the company
- Often stays separate from the marketing department

# Day in the Life of a PR Manager

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# Internal vs. External

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First major decision a company must make

Who handles the PR activities

Long hours very intense

Keep PR internal in the corporation

- PR Department

Hire and external PR agency or firm

- Works closely with the company

# PR Tools

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Company newsletters

Internal messages

PR releases

Correspondences with  
stockholders

Annual reports

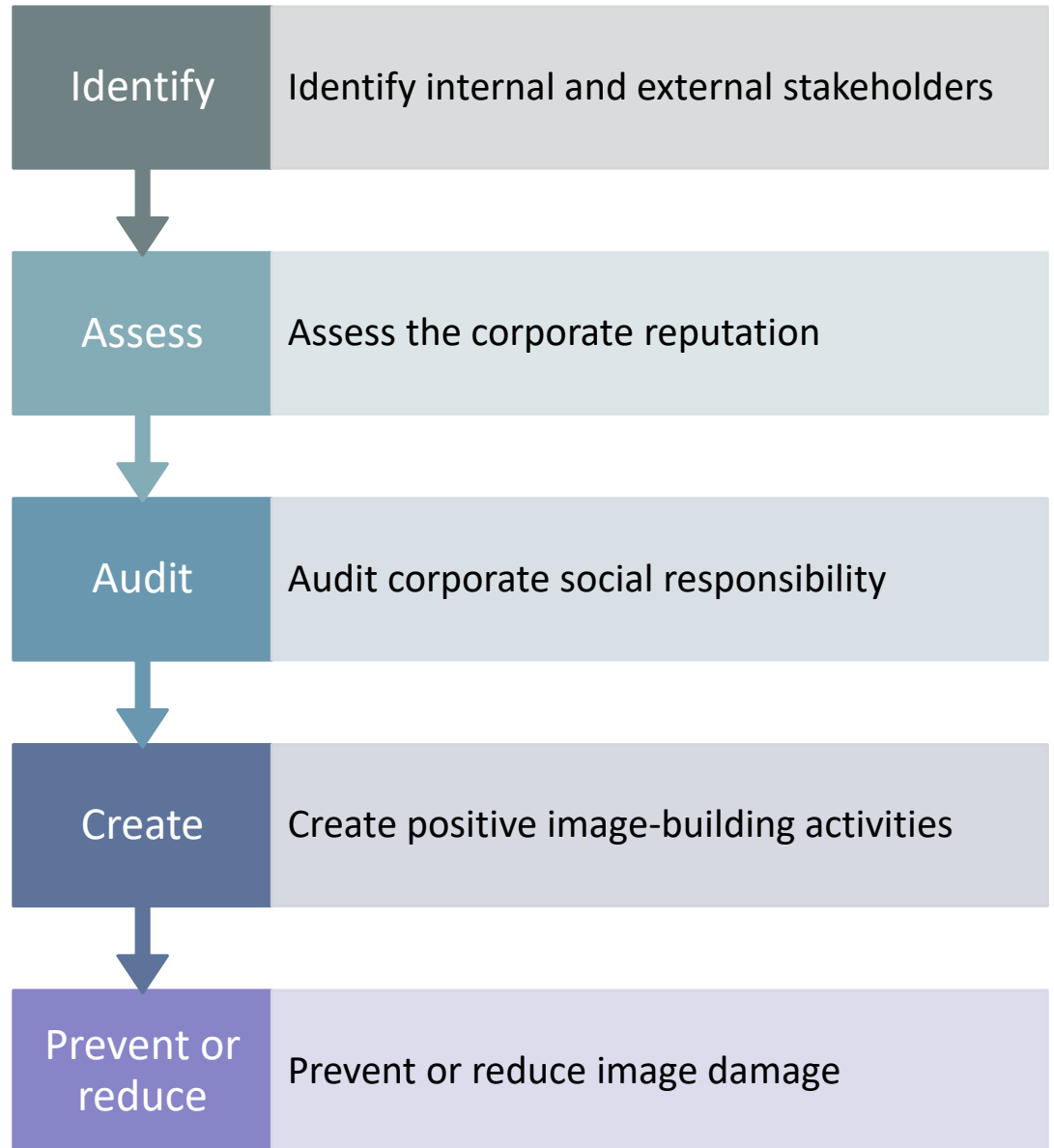
Special events

Bulletin board in the lunchroom

Capturing “hits” common goal of  
the PR firm

- Mention of a company  
name in a news story
  - Red Bull
- Hits increase  
brand/company  
awareness

# Public Relations Functions





# Marketing vs. PR

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The marketing department tends to create contact points with customers and prospects

PR compliments this effort by dealing with the contact points that are not created or planned, just are just as important

# Stakeholders - a person or group which that has a vested interest in the organization's well-being

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- Media
- Local community
- Financial community
- Special-interest groups
- Channel members
- Government

- Employees
- Unions
- Management
- Shareholders
- Customers

# Assessing a Corporations Reputation



Reputation is fragile, and valuable



Customers decisions to  
buy/not depend on the  
company's reputation

Employees choose where to  
work



Negative view of businesses



Assess reputation



Monitor corporate reputation



Less than half have someone assigned

# Activities that Affect an Image

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## **DESTROYING**

Discrimination  
Harassment  
Pollution  
Misleading communications  
Deceptive communications  
Offensive communications

## **IMAGE BUILDING**

Empowerment of employees  
Charitable contributions  
Sponsoring local events  
Selling environmentally safe products  
Outplacement programs  
Supporting community events

# Corporate Social Responsibility

Is the obligation of an organization to be ethical, accountable, and reactive to the needs of society

- More likely to thrive and survive in the long run

**here's to** all the people  
who would rather pay the fare  
than pay the price.



## Helping children get clean water?

Did you know that we are just a water bottling company? Did you know that we lure our customers into buying our water by selling them on the idea that they are helping the world's children?

It's a fact: Ethos-Water sells for \$1.80 per bottle and only 5 cents goes toward the goal of donating \$10 million over 5 years. At our rate, we will need to sell 200,000,000 bottles of water to reach our goal of \$360,000,000 in revenue.

That's right. We're going to make \$360 MILLION dollars selling water on the premise that we are helping the world's children.

Thus, every bottle makes a difference in our profits.

### Program Summary



Our goal by 2010	\$10 million
Grants committed to date	\$4.2 million
Estimated grant beneficiaries	370,000

**Total water bottle revenue:**

**\$151.2 million**



# Corporate Social Responsibility Audit

- Social responsibility is the obligation an organization has to be ethical, accountable, and reactive to the needs of society.
- Undertaken by management
- Organizations need
  - § Ethical guidelines for all employees
  - § Code of ethics
  - § Ethical hotline





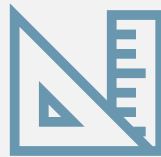
# Creating a Positive Image



Cause-related  
Marketing



Green marketing



Pro-environment  
activities

# Cause-Related Marketing

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Ties a marketing program in with some type of charity in order to generate goodwill.

Businesses pay over \$600 million in cause-related marketing

Consumer studies:

Cause liked by one – disliked by another

Nearly 50% switch brands, increase usage, try new brand

46% felt better about using product when company supported a particular cause

# Avon

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## *Avon Breast Cancer Crusade Products*





**TOMS**

**30K IN 30 DAYS**  
THIS HOLIDAY SEASON  
**HELP TOMS GIVE**  
**30,000**  
PAIRS OF SHOES  
TO CHILDREN IN  
**ETHIOPIA**

JOIN US AT [TOMSSHOES.COM](http://TOMSSHOES.COM) **FREE SHIPPING**

The advertisement features a vertical column of seven different styles of TOMS shoes: red, coral, patterned, olive green, dark green, black and white striped, and light blue. The text is arranged in a clean, sans-serif font, with key numbers and brand names in larger, bold letters.

## Benefits of Cause Related Marketing

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- Additional customers
- Increased profits
- Consumer goodwill for the future
- Better relations with governmental agencies
- Reduced negative public opinion

# Cause-Related Marketing



Causes should relate to firm's business.



Good fit important.



Benefits not-for-profit organizations.



Not-for-profits compete for donations.



Publicizing causes

Public recognizes companies need to benefit.

Should publicize, but not significant amount.



# Green Marketing

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According to the American Marketing Association, **green marketing** is the marketing of products that are presumed to be environmentally safe.

- Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.



# Green Marketing

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Is green marketing responsible?

- Not always.
- Sometimes it's just the opposite—it's irresponsible, deceptive and wrong when it's greenwashing.
- Americans say green advertising is nothing more than just a marketing tactic.
- Consumers are savvy—just because a marketer claims it doesn't mean they'll believe it.

So why go green?

- It is the right thing to do every company will be required to conduct business in an environmentally responsible way.
- Even in this economy customers are paying more for an environmentally responsible product or service.
  - A recent survey has shown that 82% of consumers are still purchasing green products during the recession.
- Green marketing may not always be responsible, but greening your product, service and company is.



# Green Marketing

The development and promotion of products that are environmentally safe

Customers favor green marketing

- Unfortunately, most are not willing to sacrifice price, quality, convenience, availability or performance for the sake of the environment

Greenwashing – faking green marketing efforts

# Green Marketing Groups

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## **True Blue Greens (9%) –**

active environmentalists who support environmentally safe products and shop for green brands



## **Greenback Greens (6%)**

Purchase environmentally safe products, but are politically active



## **Sprouts (31%)**

Somewhat committed to environmental issues, some safe products



## **Grouzers (19%)**



## **Basic Browns (33%)**

Both groups are indifferent to the environment. They either rationalize their indifference or think that it's a problem for big business to solve, not them.

# Eco-parents unimpressed by 'green' Barbie accessories



Barbie toymaker Mattel's attempt to appeal to the green-minded girl, has turned out to be not so popular with green-minded parents.

The line of patchwork-y Barbie accessories made from cast-off fabric has inspired a blogging backlash.

- "The eco-conscious young girls I know of steer clear of Barbie," wrote Jennifer Lance on blog Eco Child's Play.
- "Truly green families will not be fooled by Mattel's greenwashing." *Mother Jones* blogger Jen Phillips agreed that touting Barbie cause as green is "pretty ironic given that Barbie dolls themselves are made out of plastic and are packaged in even more plastic."
- And that's no insignificant amount of plastic: all of the Barbies sold since 1959, placed end to end, would circle the Earth more than seven times.

**Coca-Cola**

LIVE POSITIVELY

helps save the planet with



WWF

This billboard

absorbs air pollutants



# Damage Control Strategies

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## Proactive strategies

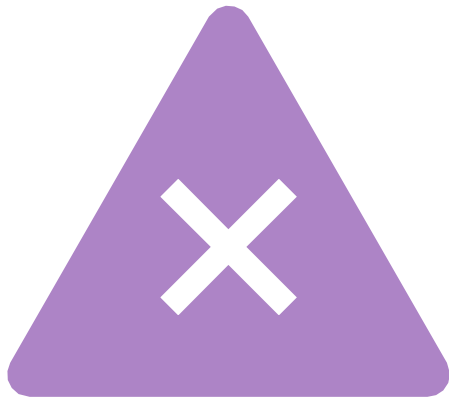
- Entitling - attempts to claim responsibility for positive outcomes of events
- Enhancements - attempts to increase the desirable outcome of an event in the eyes of the public

## Reactive strategies

- Internet interventions
- Crisis management programs
- Impression management techniques

# Elements of an Apology Strategy

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1. An expression of guilt, embarrassment, or regret.
2. Statement recognizing inappropriate behavior and acceptance of sanctions because of wrong behavior.
3. Rejection of the inappropriate behavior.
4. Approval of the appropriate behavior and a promise not to engage in the inappropriate behavior again.
5. An offer of compensation or penance to correct the wrong.

# Sponsorships & Event Marketing

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Sponsorship marketing means that the company pays money to sponsor someone or some group that is participating in an activity.



# Sponsorships and Event Marketing United States



Sports (68.8%)



Entertainment, tours, and attractions  
(9.8%)



Causes (8.9%)



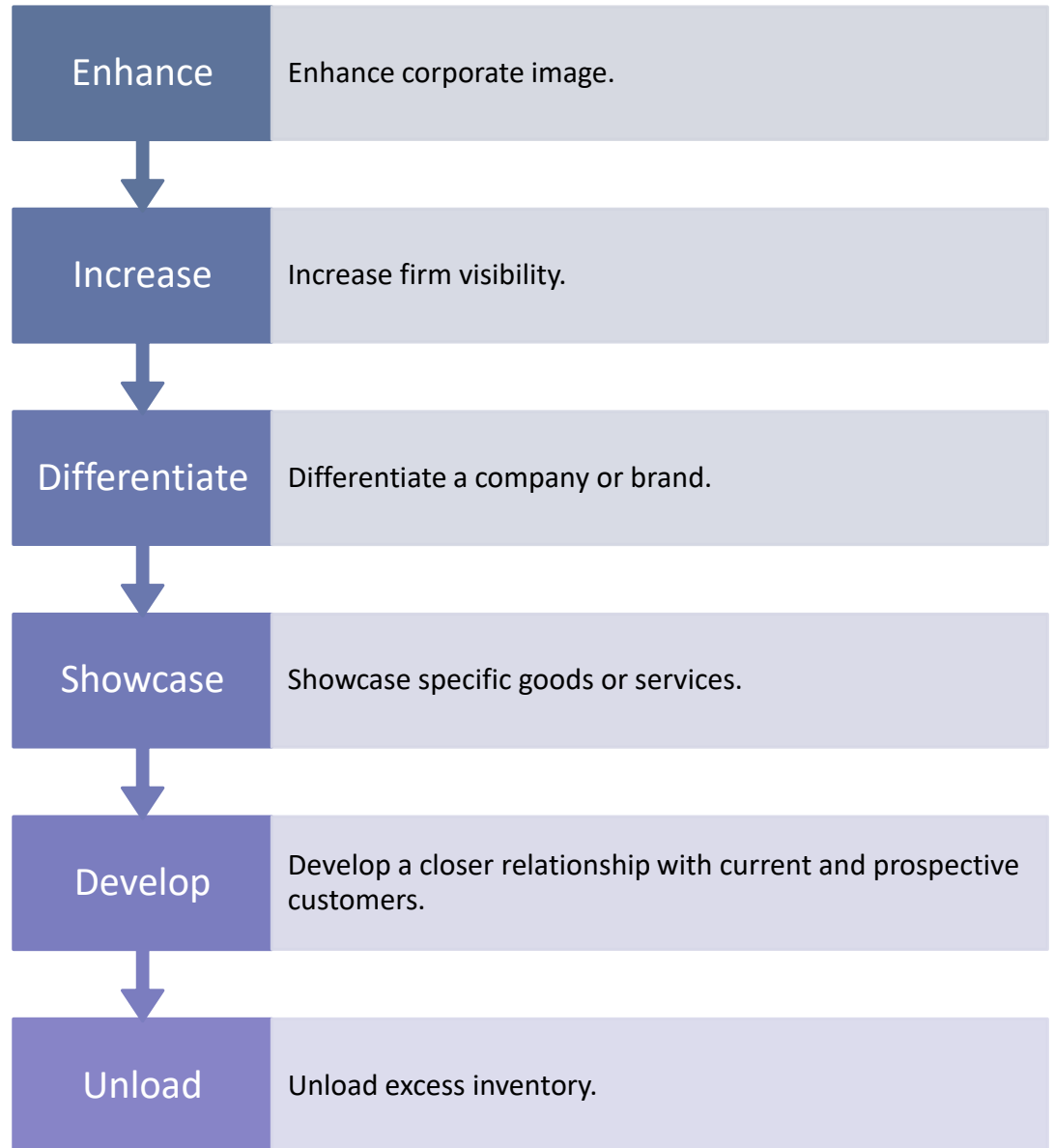
Festivals, fairs, and annual events  
(7.1%)



Arts (5.4%)



# Sponsorship Objectives



# Event Marketing

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Occurs when a company supports a specific event.

- Setting up a booth
- Display
- Physical presence at the event
- Closely related to lifestyle marketing

# Maximizing Event Marketing



Determine objectives.



Match event with customers, vendors, and employees.



Cross-promote event.



Include company in all advertising and brochures.



Track results.



Evaluate the investment.