



## Cause-Related Marketing and Commercial Co-Ventures

Presented by  
Jonathan Blum

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## 2015 Cone Communications/Ebiquity Global CSR Study

- 63% of survey respondents bought a product associated with a cause in the past twelve months
- 90% are willing to change brands



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## Cause-Related Marketing

- Cause-Related Marketing (“CRM”) is a marketing promotion between a business and a nonprofit for mutual benefit.
- CRM can include:
  - Product sales
  - Experiential marketing
  - Event participation



## Commercial Co-Venture

- A promotion in which consumer purchases trigger donations, implicating:
  - Commercial co-venture regulations
  - Better Business Bureau guidelines
  - New York AG best practices
  - In some states, the statutes may be broadly interpreted to include any promotion involving a charity.

## Commercial Co-Venture Regulations

- CRM promotions constitute “commercial co-ventures” (CCV) under various state laws
- Approx. 20 states have CCV statutes
- Specific disclosure of actual \$ or % to charity
- Some states require a written contract, filings, posting of bonds, and an accounting of the promotion.
- Compliance is relatively easy and enforcement is light.
- Some businesses resist (ignore?) regulation.



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## CCV Regulations (cont.)

- Although the definition varies from state to state, a “commercial co-venture” is broadly defined as:

**An advertising or sales campaign, conducted by someone engaged in commerce (the “commercial co-venturer”), which represents to the public that the purchase or use of the commercial co-venturer’s goods or services will benefit a charitable organization or purpose.**



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"Cause-Related Marketing and Commercial Co-Venture Arrangements"