



Cause-Related Marketing and Commercial Co-Ventures

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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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