

“ Brands with strong positive perceptions can generate greater profitability (or, for not-for-profit senior living communities, greater operating margins), increase customer loyalty, and enhance staff morale and performance. ”



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Keeping you ahead of the curve in understanding and reaching the seniors of today and tomorrow



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Building a Socially Accountable Brand

BY ROB LOVE

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With extensive marketing expertise and more than 25 years of general business management experience, Rob leads Love & Company's strategic marketing analysis, research and branding efforts.

His diverse background enables him to examine our clients' marketing opportunities with a broader view, balancing short- and long-term goals with financial and organizational constraints. Rob also leads the firm's participation in new project development, including recommendations for residence sizes, residence mix and pricing strategies.

A socially accountable brand is one where social accountability and philanthropy are key elements of the overall brand. Starbucks, Target and Ben & Jerry's are excellent examples of socially accountable brands. Starbucks promotes sustainable growing practices in Third World countries, initiated projects in Indonesia and Ethiopia to provide safe drinking water, makes extensive use of recycled materials and works to reduce its greenhouse gas emissions. In 2007, Starbucks donated \$18 million in cash and in-kind contributions to charitable organizations. Ben & Jerry's undertakes a similar number of environmental and socially accountable programs.

Target also has many environmentally friendly programs, but its primary social accountability focus is on the arts and education. Each week, Target donates more than \$3 million to support arts and education programs in its communities.

While all three companies do these things because they believe they are the right things to do, there is also a significant business advantage to their efforts. Not only were Ben & Jerry's and Target ranked #1 and #2, respectively, in the 2006 Golin-Harris Corporate Citizen Rating research project, but also both (as well as Starbucks) historically are among the top financial performers in their business categories.

Branding for Not-for-Profit Organizations

The Starbucks, Target and Ben & Jerry's stories are compelling, but they are all for-profit companies. The money they donate to charitable organizations



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comes from their operating income—and thus ultimately from their customers. Can not-for-profit organizations really benefit similarly from socially accountable branding? Yes!

Consider the Lance Armstrong Foundation: In 2006, the foundation donated \$28.8 million to public health, advocacy, research and survivorship programs. Where did this money come from?

In 2002 and 2003, the Lance Armstrong Foundation raised \$8.3 million and \$11.2 million, respectively. But in 2004, the foundation raised \$48.6 million, an increase of more than 300%! What happened? In 2004, the foundation branded and then aggressively marketed itself (remember the launch of the yellow LiveStrong wristbands?). It developed a website that is full of helpful information and stories of survivors, as well as merchandise to buy. By developing a strong brand, the Lance Armstrong Foundation was able to dramatically enhance the effectiveness of its fund-raising, and thus was able to substantially increase its ability to help those facing the many challenges of cancer.

Senior Living Case Study: Westminster Canterbury Richmond

To see how these principles apply to not-for-profit communities, let's next look at Westminster Canterbury Richmond (WCR), a 30-year-old CCRC in Richmond, Virginia. WCR has always had a positive reputation, but up until about 15 years ago was not especially well known in the Richmond market. At that time, its CEO challenged the organization to "get its light out from under the basket!"

WCR hired a full-time director of public relations to develop strong ties with Richmond media; hired a full-time chaplain to lead outreach to the church

community (there's now a pastoral care staff of four); and hired a full-time director of volunteer services (there's now a staff of two).

The cumulative efforts of the community over the years have paid off handsomely on all

fronts. WCR has undertaken a broad variety of community outreach activities, including starting a child support center, opening its pool to the public, becoming active members of civic organizations and sponsoring a variety of activities in its market area.

The results? WCR has grown its foundation to more than \$38 million, and in 2007 provided more than \$2 million in financial assistance to its residents. Just as impressively, when WCR embarked on a 210-residence expansion in 2002, it reached 70% presales more than six months ahead of schedule—an achievement that was far more due to the presence it had established in its market over the previous 25 years than to advertising or direct marketing.

A Different View of Senior Living Branding

While the distinguishing features of each community or organization, whether they would be its setting (e.g., seaside or mountain view), its philosophy (e.g., wellness), the feel of its community (e.g., close-knit neighborhoods), or a combination of factors are still quite important, today there is not only an opportunity but also a need to weave in a strong social accountability message as part of a not-for-profit community's brand.

Many communities are now coming under attack from local and state authorities to challenge their tax-exempt status. By developing a strong, socially accountable brand (a philanthropic brand), senior living organizations can not only defend themselves against tax exemption challenges, but they can also position themselves to maintain strong census levels and significantly enhance the success of their fund-raising and development efforts.

**For insights on how Love & Company
can help develop a socially
accountable branding program
for your community, please call
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