

Evan C. Parker
Communicating for Social Impact
Instructor: Denise Keys
December 7, 2004

Select a corporation, and design a new cause marketing partnership that benefits both the corporation and the “cause.” Create a communications strategy to leverage the partnership.

Dick’s Sporting Goods was founded in 1948 by Dick Stack, in Binghamton, New York. Over its first three decades, Dick’s existed as a two store chain, serving as little more than a bait and tackle shop. Always a family business, when Dick fell ill in 1977 he recruited his 22 year old son Edward to take the helm. Since the transition, Dick’s has expanded rapidly to include close to 240 stores. In 2003, with Edward still serving as Chairman and CEO, the company sold nearly \$1.8 billion in sporting goods.¹

Fortune 500 companies typically contribute a little more than one and a quarter per cent of pretax earnings to charity, though industry leaders are donating as much as five per cent.² According to these guidelines, Dick’s has somewhere between two-thirds of a million dollars and two and a half million dollars “available” for investment in the social sector. As an added resource, Dick’s has over 10,000 employees, spread across 33 states. With no organized philanthropy projects currently, these resources are ripe for a high-value cause marketing partnership.

The Partnership

An excellent potential partner for Dick’s is the Rails-to-Trails Conservancy, a non-profit organization dedicated to building a nation wide network of trails from former rails lines and their connecting corridors. With more than 100,000 members and field offices serving 14 states, the Rails-to-Trails Conservancy (RTC) has assisted in the creation of 12,650 miles of trails, touching every state in the nation. The mission of RTC has by no means been completed. In 2004, the four largest rail companies controlled 23,495 route miles of unused railways, a collection that would double the amount of rail trails already created in the U.S.³ When the possibility of further contraction by the railroads is included – approximately 39,500 route miles were abandoned in the last 2 decades of the 20th century – there is a huge opportunity for rail trail development in the future.⁴

The first step in partnership planning is to evaluate the quality of the match between Dick’s and RTC. Experts from James Austin to Alan Andreasen offer different checklists of what is important to building a successful cause marketing partnership, but they all seem to distill down to two major points that are relevant here: assure there is a mutuality of interest and make the relationship serve the core needs of the participants. A cause marketing partnership between Dick’s and RTC would be successful on both fronts.

:: MUTUALITY OF INTEREST

Dick’s and RTC share a connection and a congruency between them, which will beneficially impact a partnership between the two. This is best demonstrated through a mutuality of interest between the partners in issue space and locality.

First of all, these two potential partners share the same issue space. Dick’s advertises itself as specializing in six areas: fishing and hunting, fitness, footwear, athletic apparel, team sports, and golf. Of those areas, RTC is directly engaged in promoting each of the first four. Nationally, 350 rail-trails

provide access for anglers to fishing spots; a great compliment to Dick's fishing and hunting "Lodge" offerings. RTC trails also directly promote cycling, inline skating and cross-country skiing, equipment for all of which can be purchased in Dick's fitness boutique. Finally, RTC trails promote running and walking, which dovetails nicely with Dick's footwear and athletic apparel sections.⁵

Locality is the final essential factor. Both Dick's and RTC are organizations that have its roots in the rustbelt, and are slowly expanding their organizations to include the rest of the nation. Dick's headquarters is in Pittsburgh, and its highest concentration of stores is in New York, Pennsylvania and Ohio. Likewise, the notion of Rails-to-Trails originated in the 1960s in rural Ohio, and three of the organization's five field offices are in Pennsylvania, Ohio and Michigan. Also worth noting is that a disproportionate majority of potential rail-to-trail opportunities lie east of the Mississippi River, which is where 90% of RTC staff and 90% of Dick's stores are located.^{6,7}

:: CORE NEEDS

Dick's and RTC also share an opportunity to create real value through its relationship, with each partner bringing to the table an ability to satisfy the other's core needs. For Dick's, these needs include improving its competitive context as well as marketing good works. For RTC, these needs include additional funding and manpower resources for its local partner organizations.

While Dick's has acquired many dedicated customers over the years, the store has had little interaction with its surrounding communities. Dick's maintains a sports activity board at the front of each of its stores, but has publicized no cause marketing efforts and no corporate giving campaigns. While this loosely – and, it should be said, cheaply -- supports the golf and team sports sectors of their business plan, it by no means drives much business to their bottom line.

According to Porter and Kramer, competitive context can be influenced in four ways: factor conditions, demand conditions, context for strategy and rivalry, and related and supporting industries.⁸ Increasing the number of rail trails available will benefit factor conditions by raising the relevant experience of the local labor pool to the products the company will be selling, and will increase the ability for Dick's to attract and retain employees. Demand conditions will also benefit, as the demand, sophistication and loyalty of local consumers will rise with the expanded outdoors opportunities. The political capital garnered by Dick's "good works" will influence the governance aspect of the context for strategy and rivalry. Finally, the rising tide of increased health and athleticism will create favorable related and supporting industries by creating a demand for health clubs, gyms, and recreation centers, which in turn will increase the demand for products that Dick's provides.

Besides the obvious benefits of marketing directly to your key target consumers, engaging with the local community through good works is a smart investment. According to the 2002 Cone Corporate Citizenship Study survey, 84% of Americans feel a company's "commitment to social issues are important" when deciding which companies to do business with.⁹ A previous Cone/Roper study indicated that almost two-thirds of Americans would be "likely to switch ... retailers to one associated with a good cause, when price and quality are equal."¹⁰

For its part, while successful in coordinating Rails-to-Trails efforts, RTC relies heavily on member donations for financial support and for partner organizations to do much of the trail building fundraising and legwork. In 2003, Corporate Sponsorships accounted for just one per cent of RTC's budget.¹¹ A significant partnership with a private source would give RTC the ability to move beyond just providing technical assistance to its local partner organizations. With added support, RTC could offer these local

organizations the financial resources to purchase land and pay for its conversion to trail, as well as provide an infusion of manpower to do the heavy lifting. By broadening its role, RTC will increase its visibility, expand future opportunities for the organization to do good, and enhance its reputation as the leader in rail-to-trail conversion.

:: THE NATURE OF THE PARTNERSHIP

With these interests and needs in mind, the nature of the partnership becomes clear. Dick's and RTC will create a "TrailBank" – a bank of resources that individual rail-to-trail conversion projects can draw from. RTC will contribute its staff, leadership abilities, project coordination experience and technical expertise, as well as its contacts with local organizations working in the localities Dick's serves. Key components of the partnership for Dick's will include:

- **Customer Involvement** – Dick's will provide customers with the opportunity to donate to the "TrailBank," either through collection bins at registers, the opportunity to round their purchase up to the nearest dollar, or through donation cards at checkout.
- **Employee and Vendor Involvement** – Dick's will facilitate and promote employee participation in trail conversion projects, and will match employee contributions to the "TrailBank." Dick's will also encourage vendors to provide cash, in-kind donations and/or volunteers to "TrailBank" efforts.
- **Corporate Philanthropy** – Nationally, Dick's will assure donations of \$25,000 a week to the "TrailBank" from all customer, employee and vendor sources. Weeks where donations do not meet or exceed that goal, Dick's will contribute the difference from its corporate giving budget.

In addition, Dick's and RTC will cooperate on marketing, special events and promotions as described in the following communications strategy.

The Communications Strategy

Getting the public to participate in the actual trail conversion is a great idea, but will yield little beyond superficial benefits. Much of the work to be done is highly technical, such as rail removal, grading, and bridge repair. Therefore, marketing for the "TrailBank" campaign will center in three areas: trail campaign kickoffs, trail launches and then promotion of available trail resources.

Dick's advertises itself as a different kind of sporting goods retailer. When selling authentic equipment, apparel and footwear, it focuses on the core athlete and outdoor enthusiast, as opposed to the average weekend warrior. They attempt to staff themselves in much the same way, by employing enthusiasts as opposed to just retailers. One of RTC's core missions is to broaden the appeal of rail trail use, which in itself is recognition that the primary users of the trails are indeed enthusiasts. Therefore, this is where we find the core audience for the marketing campaign.

A marketing campaign focusing on enthusiasts is very easy to execute. In such a setup, basically all behavior change desired is simple, low cost and low involvement. For example, the target audience needs to patronize Dick's as opposed to one of its competitors or needs to participate in a rail trail promotional race event as opposed to a different race event.

:: TRAIL CAMPAIGN KICKOFFS

“TrailBank” staff will always be on the lookout for opportunities to create rail trails, with a special highlight on trails that are in the same area as new or soon-to-be-opening Dick’s locations. The idea here is to maximize the newsworthiness of the campaign by combining both a newly opened store and the launch a rails-to-trails campaign. Dick’s will organize a two-week long sale where proceeds generated will go towards the local “TrailBank” campaign effort.

The marketing mix for this aspect of the project can be a wide range of media. Dick’s marketing specialists can use the means they would traditionally utilize for announcing grand openings and publicizing sales. This media might include earned media, newspaper and radio ads, and cooperation with local radio stations to broadcast from their store on particular weekend days. Joint national RTC, local RTC partners, and Dick’s branded in store displays will explain the nature of the project as well as its benefits.

After the initial campaign launch, the standard campaign maintenance gimmicks could be employed, including donations thermometers as well as posted and emailed campaign updates. Dick’s and RTC should not overlook opportunities for quick and easy tie ins, with local RTC partners pushing project information to local trail and enthusiast groups, while Dick’s pushes information to local recreational sports teams for fundraising assistance.

:: TRAIL LAUNCHES

The trail launch itself can be turned into a media garnering event by using the trail to host a run or a family fun walk on opening day. Before the starter pistol fires, executives from Dick’s, as well as the national and local RTCs, can place a dedication marker at the entrance to the rail trail. At a minimum the event giveaways should include the obligatory race event t-shirt, properly emblazoned with the trail, RTC and Dick’s brands. Some trail related items sold at Dick’s – inline skates, bicycle and running equipment – could also be given away as prizes to those who register to take part in the event.

The media utilized will be conventional earned media, as well as newspaper and radio ads. Again, Dick’s and RTC should not overlook utilizing interested local organizations and civic opportunities for promotion, such as local trail and enthusiast groups, running clubs and publications, and maybe even encouraging local related and supporting businesses to field teams for a relay race competition as part of the opening day event.

:: PROMOTION OF TRAIL RESOURCE USE

As mentioned earlier, marketing to enthusiasts is easier than marketing to the disinterested or in those who are otherwise preoccupied. Unfortunately, while campaign kickoffs and trail launches can thrive off of enthusiasts and their families, the long term growth in trail usage desired by both Dick’s and RTC requires a broadening of the target audience.

One means of doing this is promoting the “family fun walk” aspect of the trail launch discussed above. While these events typically draw the families of the enthusiasts participating in the corresponding run, its appeal can be broadened with the proper promotion, both inside the store and out. Local earned media surrounding the event should promote a “come one, come all” mentality. In store displays should not ignore hardcore participants, but should provide detailed orientation information about the event so

that it is welcoming to newcomers. By making the family fun walk easily accessible, the partnership turns the launch event into a “gateway” that results in people being more involved similar events in the future, and more likely to return to the trail over the course of the following year.

Another means of promoting continued trail use to the masses is the creation of a permanent in store display dedicated not only to rail trails, but other local paths and greenways as well. Regardless of Dick’s efforts to promote itself to enthusiasts, plenty of weekend warriors, soccer moms, and other non-enthusiasts find themselves in a sporting goods store from time to time, and their attention should be utilized. By positioning the display in a high traffic area, and providing free one-pagers on local resources, the “TrailBank” partnership can promote use of the rail trails directly, but also indirectly through the benefits of outdoor activity in general.

Finally, the partners involved should be sure to market the accessibility benefits of rails to trails. By their very nature, these projects are highly accessible to the disabled. Trail beds are graded for gradual ascents and descents and are almost always paved. The disabled there for provide not only a specialty niche that should be marketed to, but another item to demonstrate the great civic benefit of rails-to-trails generally, and the “TrailBank” program in specific.

Conclusion

All signs point to the “TrailBank” project being beneficial to Dick’s, to RTC, and to society as a whole. Dick’s Sporting Goods garners significant good will within the community, increases its potential for sales in the short and the long term, and obtains a strategic corporate philanthropy program that “does good” as well as improves its competitive context. Likewise, the Rails-to-Trails Conservancy furthers its core mission by creating more rail trails, while enhancing its reputation as the leader in the rail-to-trail movement. Finally, participating local communities benefit from the preservation of green space, the addition of valuable public recreation areas, and the promotion of a healthy and fit society.

¹ Annual Report, Dick’s Sporting Goods (Pittsburg: 2003).

² Cone, Carol L, “Causes and Effects,” Harvard Business Review, (Cambridge, July 2003).

³ American Association of Railroads, “AAR Analysis of Class I Railroads, 2003” <<http://www.aar.org/pubstoresv2/data/analysis2003.xls>>

⁴ Marvin Prater and Keith Klindworth, “Long-Term Trends in Railroad Service and Capacity for U.S. Agriculture,” Agricultural Transportation Challenges of the 21st Century (Agricultural Marketing Service: November 2000).

⁵ “Benefits of Trails | Recreation,” Rails-to-Trails Conservancy <<http://www.railtrails.org/benefits/recreation/>>

⁶ “About RTC | Staff,” Rails-to-Trails Conservancy <http://www.railtrails.org/about/rtc_staff.asp>

⁷ Annual Report, Dick’s Sporting Goods.

⁸ Porter, Michael E. and Kramer, Mark R. “The Competitive Advantage of Corporate Philanthropy,” Harvard Business Review, (Cambridge, December 2002).

⁹ Cone and Roper, “2002 Cone Corporate Citizenship Study” (Cone, Boston: 2002)

¹⁰ Amery, Elizabeth A. “Creating Win-Win Relationships Through Cause-Related Marketing” <<http://www.onphilanthropy.com/bestpract/bp2001-08-22i.html>>

¹¹ Annual Report, Rails-to-Trails Conservancy (Washington, D.C.: 2003).