



Taking the

PULSE OF PARTNERSHIPS

Spring 2023 Report

*Actionable Data to Proactively Build
High-Impact Partnership Programs*

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INTRODUCTION

What keeps cause partnerships healthy and fit for purpose these days? We asked seasoned development professionals to give us their take on trends.

Use these insights as an industry benchmark for effective partnership sales projections, guaranteed minimum averages, timelines needed to secure partnership commitments and common partnership activations and challenges.

For Momentum has brought nonprofits and corporate partners together for maximum impact for more than two decades. We regularly share our data-based best practices and market trends from our original research. Driven by both results and relationships, our goal is to see our clients, community and culture thrive.

PURPOSE

This report will inform and equip cause practitioners to:

- Set cause partnership expectations with management, partners, boards, and other stakeholders
- Leverage best practices to guide campaign strategy development
- Better understand common partnership challenges

METHODOLOGY

Who

92 nonprofit partnership practitioners

Organization types

U.S.-based nonprofits with established cause partnership programs

How

Online quantitative research fielded by independent research firm Lab42

Field

March 7 -24, 2023

Note

Where appropriate, significant differences are noted at the 95% confidence Interval.

ORGANIZATIONS PARTICIPATING





DATA ANALYSIS

 ForMomentum



PARTNERSHIP PROJECTIONS

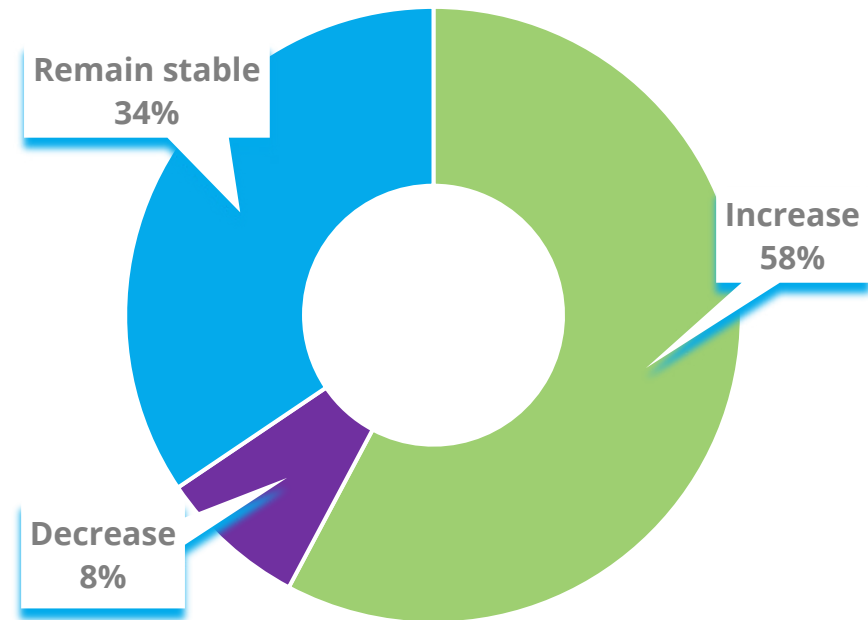


2023 PARTNERSHIP INCOME

KEY LEARNINGS

- More than half (58%) of professionals who work in cause marketing partnerships stated that they are expecting their cause marketing partnership income to increase in the calendar year 2023 compared to 2022.
- 34% said they were not expecting any change at all.

Cause Partnership Income



Q: Based on current projections, does your organization expect your overall cause marketing partnership income in calendar year 2023 will increase, decrease or remain stable compared to 2022? (Select one)

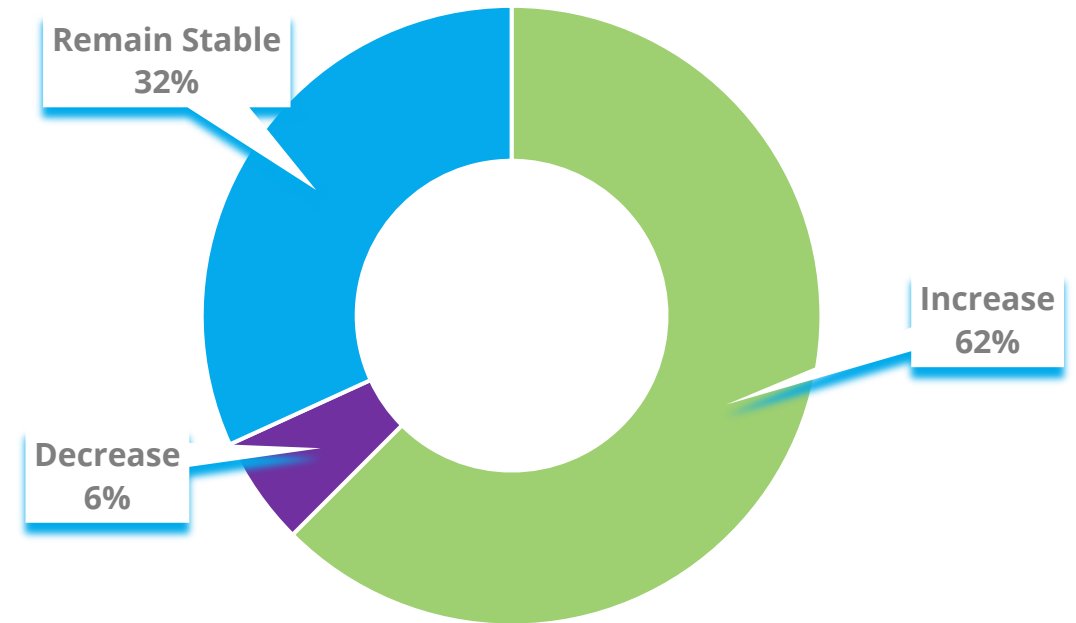
Base Size: 90

2023 CAUSE MARKETING PARTNERS

KEY LEARNINGS

- Similarly, most professionals who work in cause marketing partnerships (62%) said they were expecting an increase in the number of their cause marketing partners in 2023 compared to 2022.
- 32% said they were not expecting any change at all.

Number of Cause Marketing Partners



Q: Does your organization expect your overall number of cause marketing partners will increase, decrease or remain stable in calendar year 2023 compared to 2022? (Select one)

Base Size: 89

COMPARATIVE TRENDS

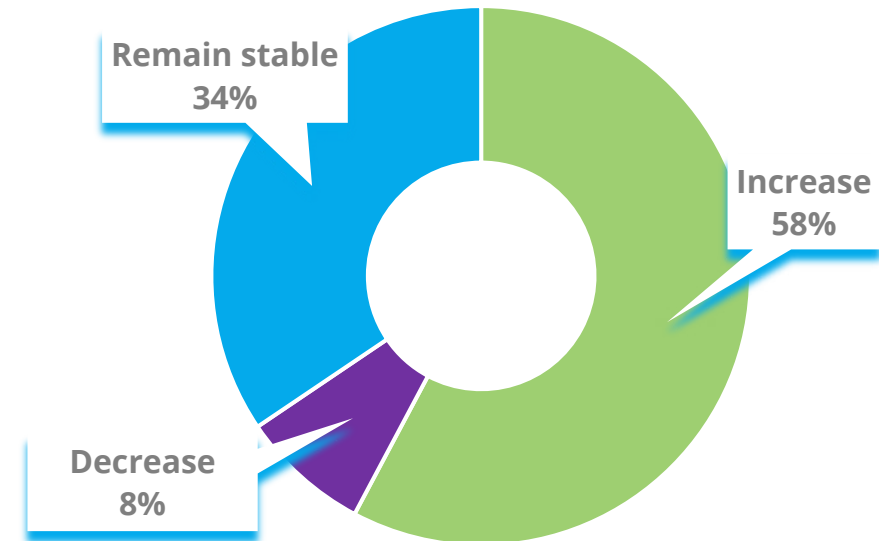
During the last challenging economic period in 2021, 59% of nonprofit partnership professionals reported flat or increased corporate partnership revenue. As of March 2023, nonprofits are feeling more confident during this economic slowdown, with 92% expecting an increase or stable partnership income.

2021 Cause Partnership Income

- In 2021 during the pandemic, 59% of respondents reported flat or increased corporate partnership revenue, with the largest group (45%) reporting an increase.
- When asked about how specific partnerships performed, 60% reported flat or increased corporate partner dollars or contributions in 2021, with the largest group (44%) reporting a decrease.

Source: Nonprofit and Corporate Dynamics Survey, 2021, For Momentum

2023 Cause Partnership Income



Q: Based on current projections, does your organization expect your overall cause marketing partnership income in calendar year 2023 will increase, decrease or remain stable compared to 2022? (Select one)

Base Size: 90

COMPARATIVE TRENDS

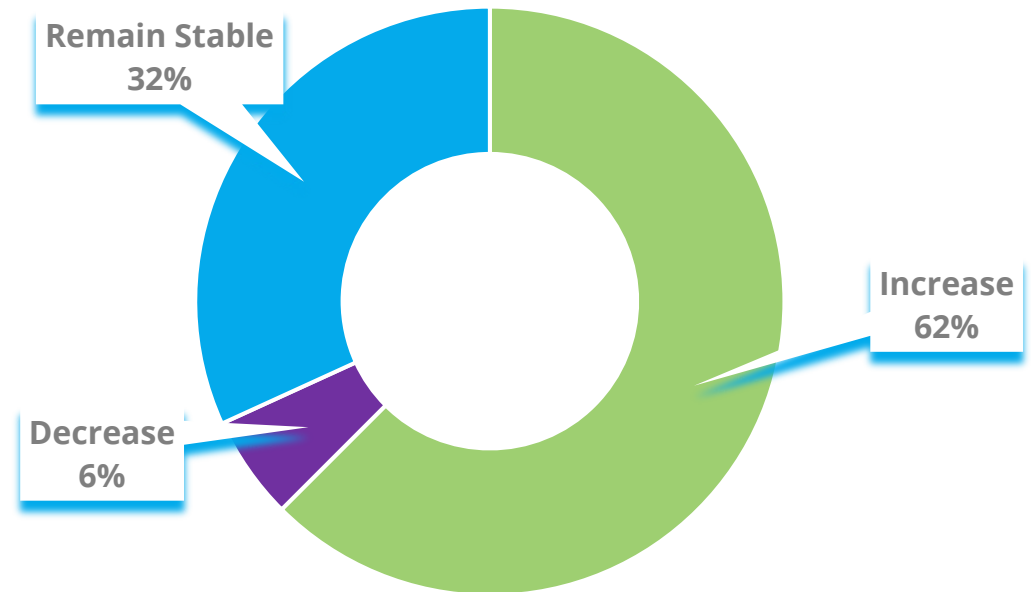
In 2021, 66% of nonprofit partnership professionals reported stable or increased corporate partnership revenue. As of March 2023, 94% of nonprofits are expecting stable or increased number of cause marketing partners.

2021 Cause Marketing Partners

- 66% reported a similar or increased number of corporate partners in 2021. However, the largest group (44%) reported a decrease in the number of partners.

Source: Nonprofit and Corporate Dynamics Survey, 2021, For Momentum

2023 Number of Cause Marketing Partners



Q: Does your organization expect your overall number of cause marketing partners will increase, decrease or remain stable in calendar year 2023 compared to 2022? (Select one)

Base Size: 89



GUARANTEED MINIMUMS

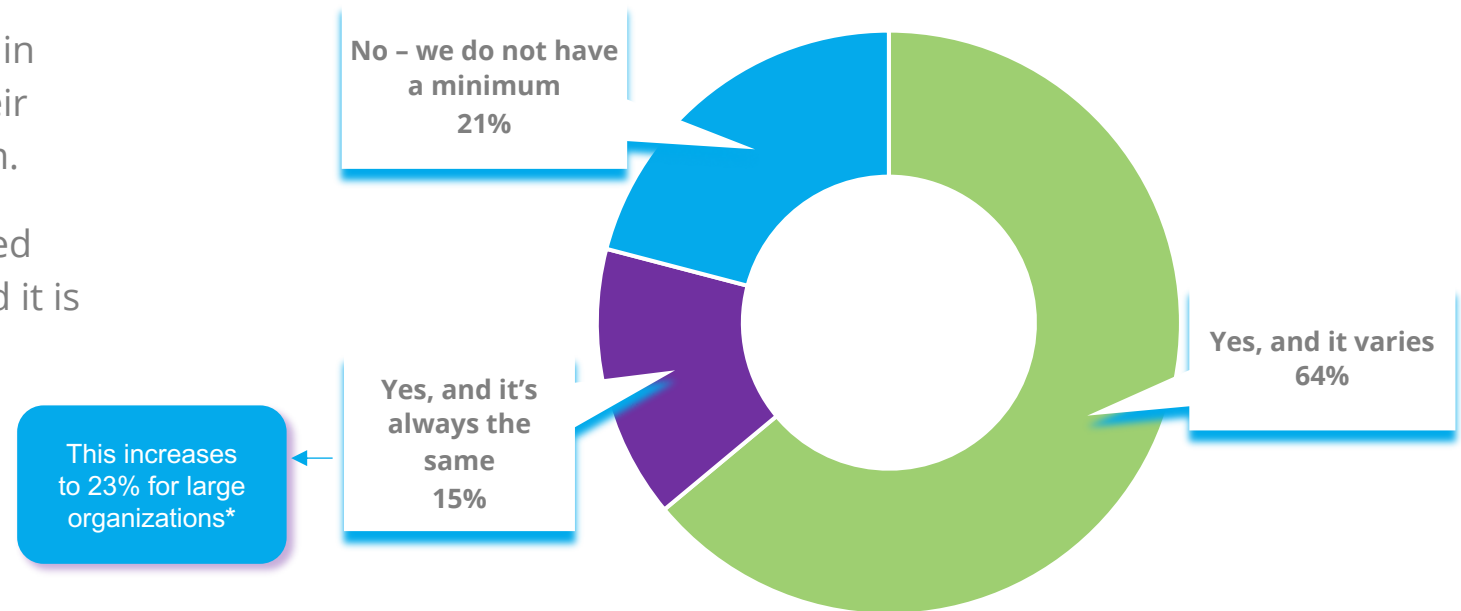


GUARANTEED MINIMUM

KEY LEARNINGS

- Almost 8 in 10 (79%) professionals who work in cause marketing partnerships stated that their organizations require a guaranteed minimum.
- Of those requiring a minimum -- 64% indicated that the amount varies, while only 15% stated it is always the same guaranteed minimum.

**Guaranteed Minimum
For Cause Marketing Partnerships**



Q: A. Does your organization require a guaranteed minimum for your cause-marketing-centered corporate partnerships? (If selects yes, ask part b. If selects no, move to question 5)

Base Size: 86

*Large organization identified by having annual revenue of >\$50 million

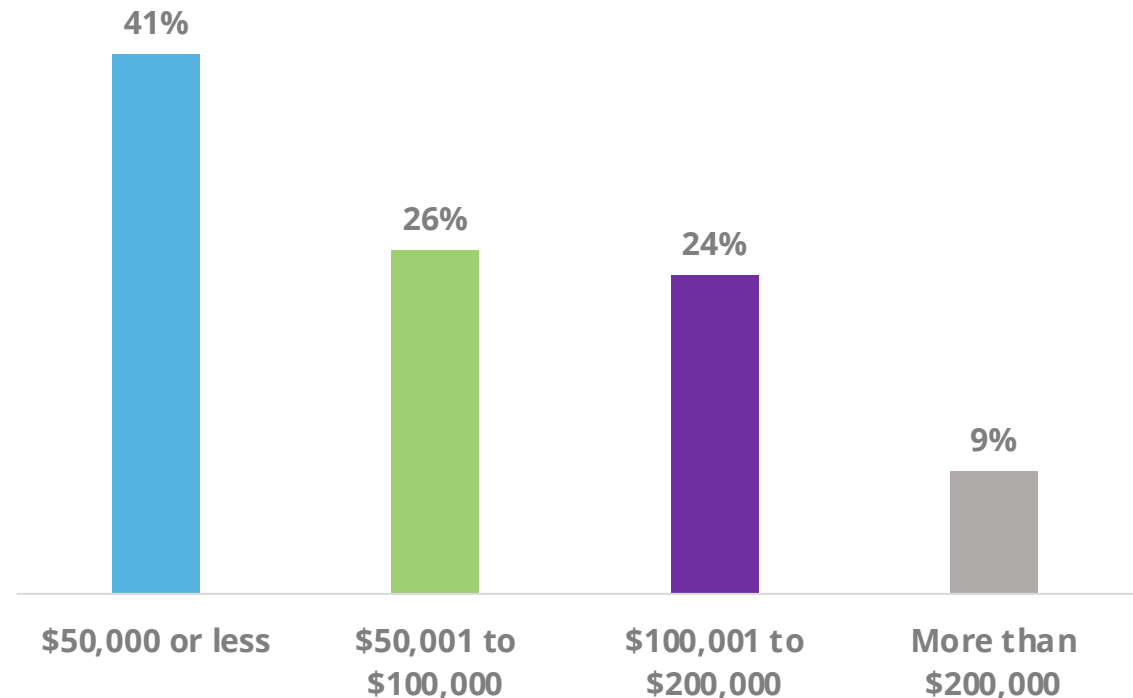
GUARANTEED MINIMUM THAT VARIES

KEY LEARNINGS

- Among those that require a guaranteed minimum and who indicated that the minimum varies (64%), the majority (41%) indicated that the guaranteed minimum is \$50,000 or less.
- The guaranteed minimums that vary have a large range with the average being \$100,000.
- Only 9% indicate their minimum is higher than \$200,000.
- Among those that have a minimum that is always the same (15%), the responses were equally distributed among each category.*

*Data not displayed in graph

Guaranteed Minimum That Varies



Q: What is your organization's **average** guaranteed minimum for cause-marketing-centered corporate partnerships?

Base Size: 54

COMPARATIVE TRENDS

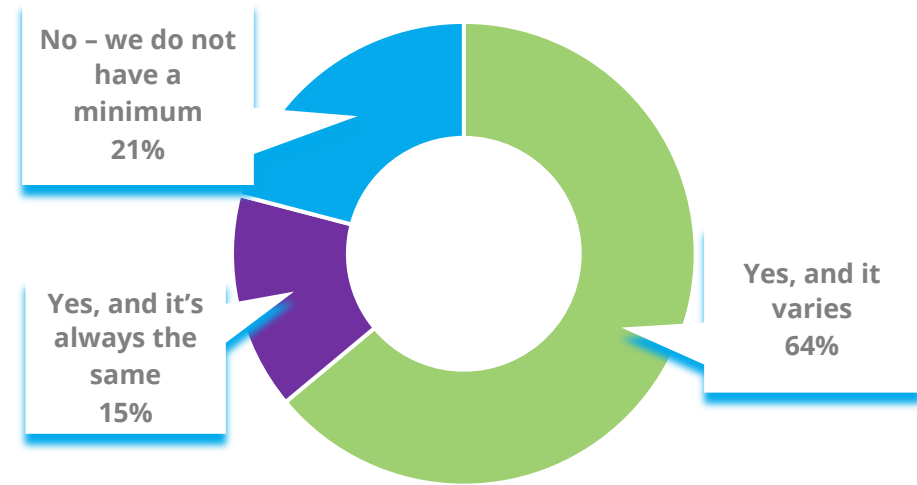
The number of nonprofit organizations requiring any type of guaranteed minimum for cause-marketing-centered partnerships increased from 56% in 2019 to 79% in 2023.

Guaranteed Minimums 2019

- In 2019, 56% of survey participants indicated they require a guaranteed minimum for a corporate partnership. Among those, 55% indicate that the minimum guaranteed amount varies by opportunity.

Source: Sales Cycle Research, For Momentum, 2019

Guaranteed Minimum For Cause Marketing Partnerships 2023



Q: A. Does your organization require a guaranteed minimum for your cause-marketing-centered corporate partnerships? (If selects yes, ask part b. If selects no, move to question 5)

Base Size: 86

*Large organizations identified by having annual revenue of >\$50 million



SALES TIMELINE INSIGHTS

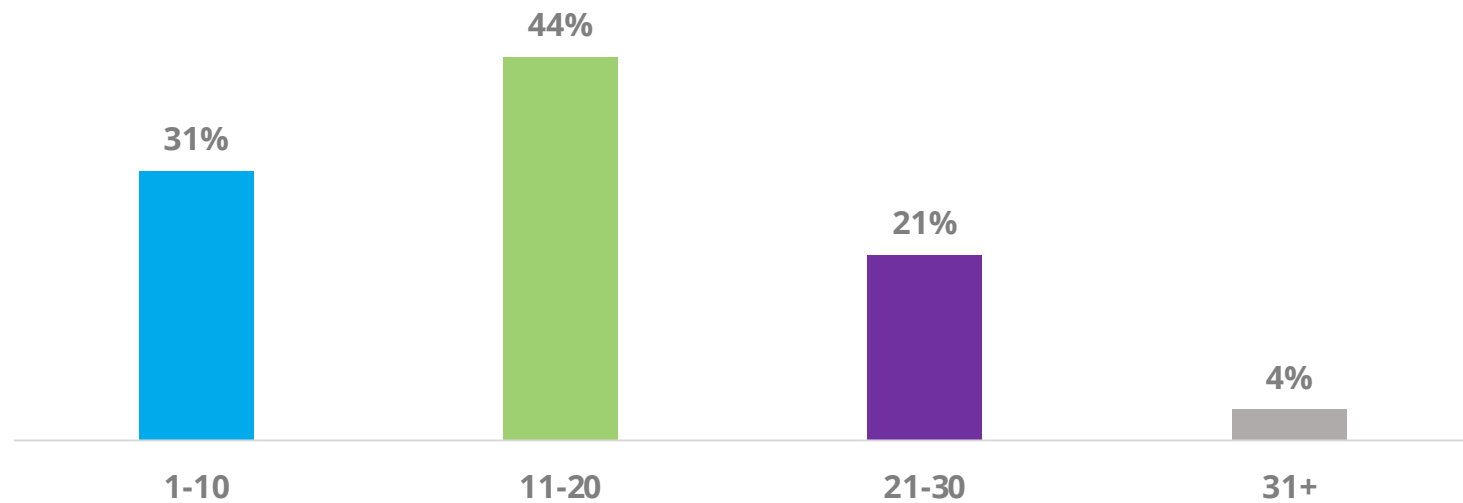


NUMBER OF TOUCHPOINTS FOR A NEW COMMITMENT

KEY LEARNINGS

- The largest group of professionals (44%) of professionals who work in cause marketing partnerships stated that securing a new commitment takes 11-20 touchpoints (emails, calls, or meetings) on average.
- Approximately a third (31%) of nonprofit partnership professionals say it takes between 1-10 touchpoints to secure a commitment.

Number of Touchpoints to Secure a New Commitment

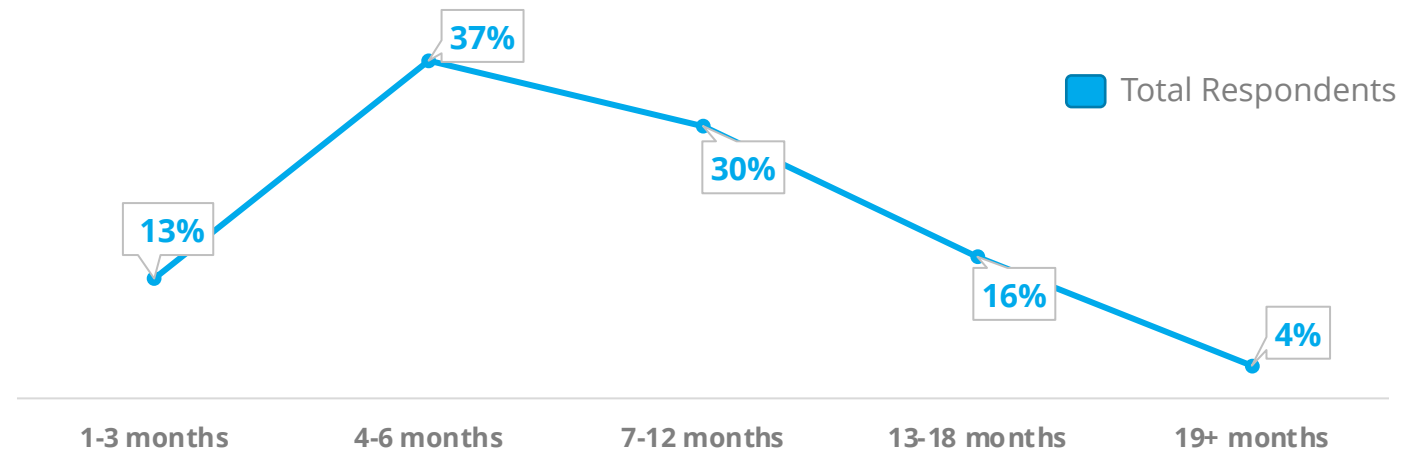


NUMBER OF MONTHS TO SIGN AGREEMENT

KEY LEARNINGS

- Among all participants, 67% said it typically takes 4-12 months after the initial conversation to sign an agreement. Of this percentage, most (37%) fell in the 4-6 month period.
- 20% of all participants said signing an agreement could take more than 1 year.

Number of Months to Sign New Agreement



Q: Once your organization has begun a conversation with a new prospect, how many months does it typically take to sign a cause marketing partnership agreement?

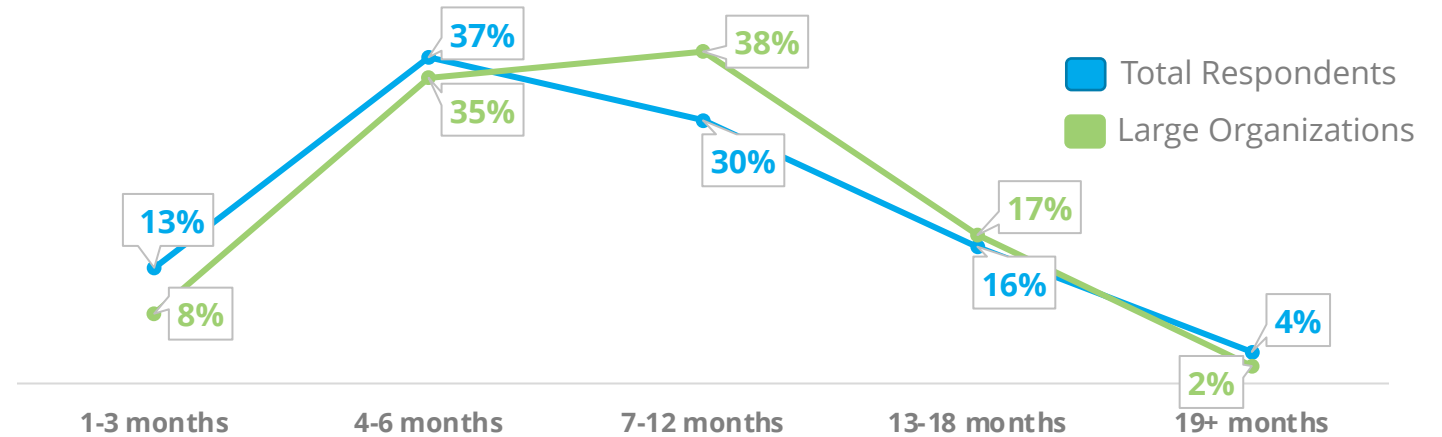
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NUMBER OF MONTHS TO SIGN AGREEMENT

KEY LEARNINGS

- Large organizations experience a slightly longer sales cycle, with 38% reporting a 7-12 month period to secure a cause partnership agreement.

Number of Months to Sign New Agreement



Q: Once your organization has begun a conversation with a new prospect, how many months does it typically take to sign a cause marketing partnership agreement?

Base Size: 83

*Large organization identified by having a revenue of >\$50 million



COMMON ACTIVATIONS & CHALLENGES

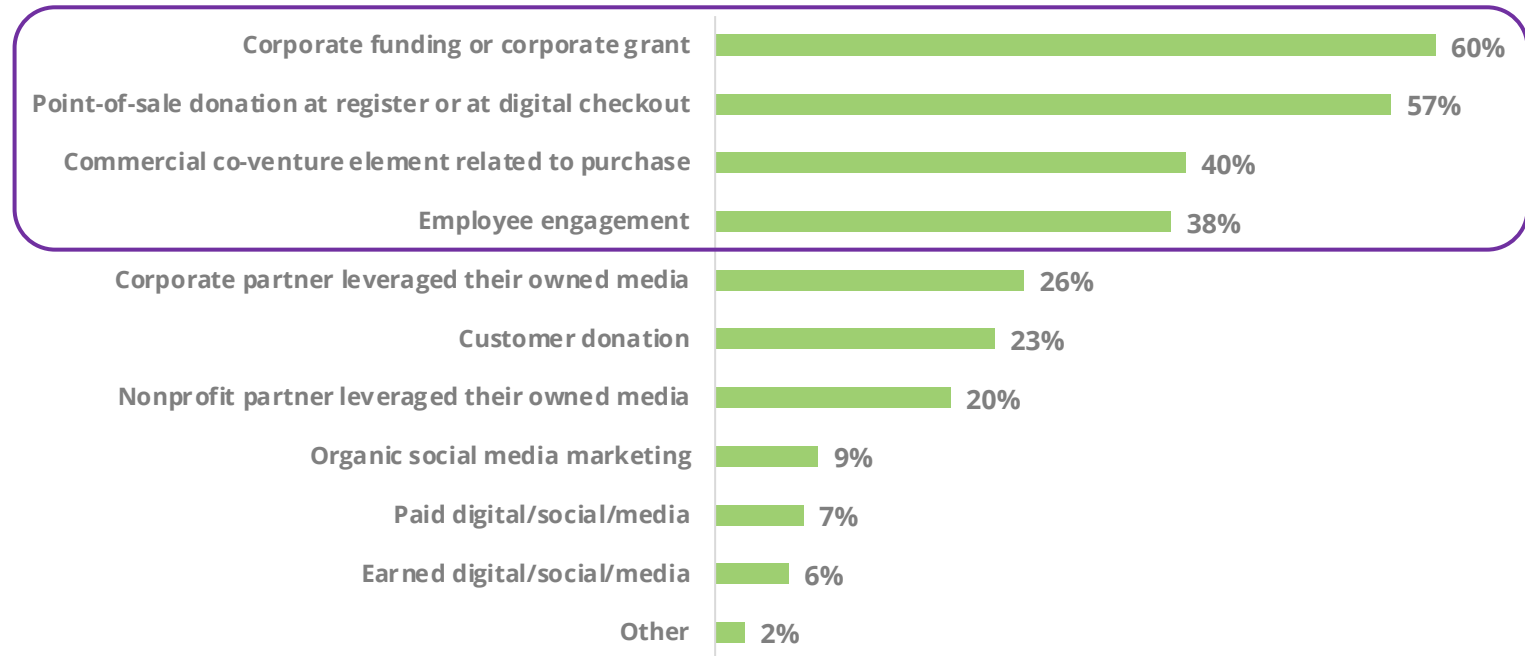


MOST FREQUENTLY USED CAMPAIGN ACTIVATIONS

KEY LEARNINGS

- When asked to choose their most frequently used partnership campaign activations, corporate funding/corporate grants (60%) and point-of-sale donations at the register or digital checkout (57%) ranked the highest.
- Commercial co-venture element related to purchase (40%) and employee engagement (38%) were nearly tied for third.

Most Frequently Used Activations



Q: Thinking of your most recently closed cause marketing partnerships, choose up to three campaign activations most frequently used by your organization?

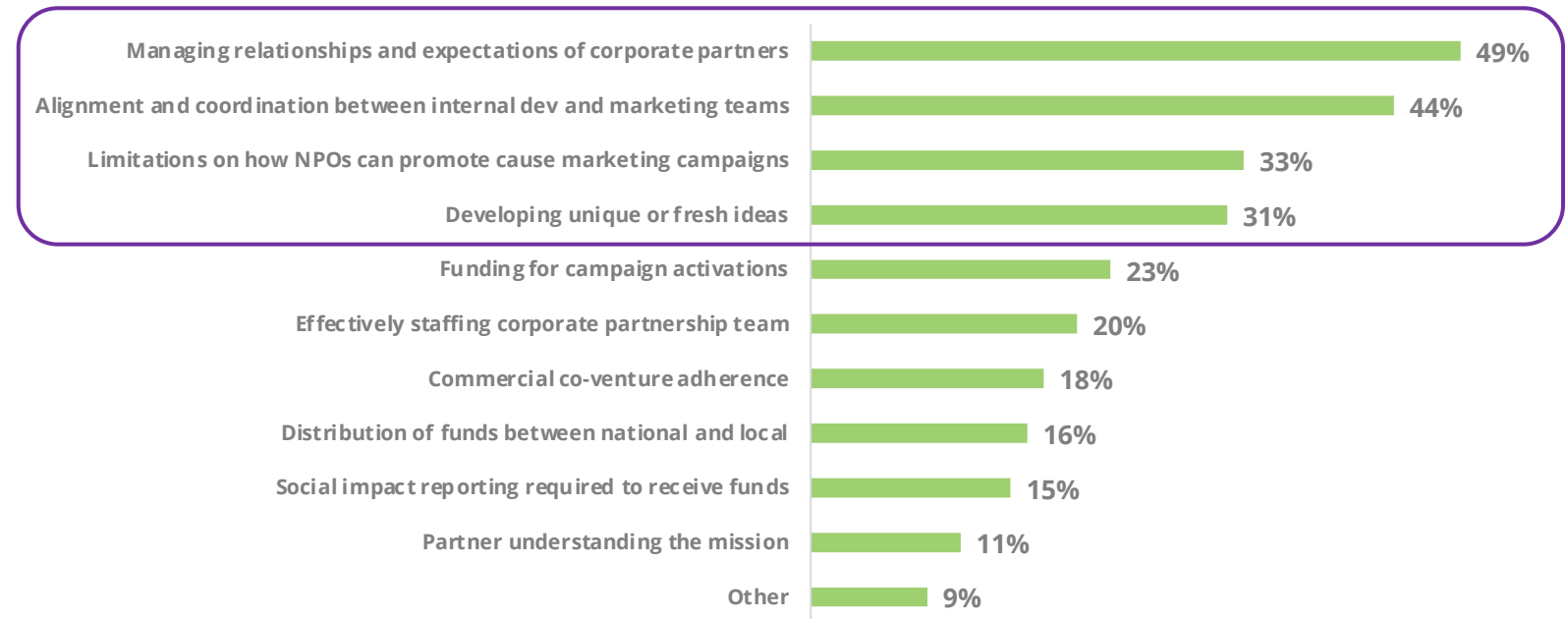
Base Size: 81

CHALLENGES IN EXECUTING PARTNERSHIPS

KEY LEARNINGS

- The two biggest challenges when executing cause marketing partnerships are managing relationships and expectations of corporate partners (49%) and alignment between internal development and marketing teams (44%).
- Second-tier challenges include limitations on promoting cause marketing campaigns (33%) and developing unique ideas (31%).

Biggest Challenges



Q: Currently, what are your organization's biggest challenges in executing cause marketing partnerships? Choose up to three challenges

Base Size: 80

COMPARATIVE TRENDS

In 2020, corporate funding and employee engagement activations did not make it into the top 5 most frequently used partnership campaign activations. In 2023, corporate funding or corporate grants moved to the number one activation and employee engagement activations jumped to tie for the third spot.

2020 Most Frequently Used Activations

1. Point-of-sale donations at the register/digital checkout
2. Commercial co-venture element related to purchase
3. Corporate partner leveraged their owned media
4. Paid Media strategies
5. Customer donation

Source: Key Elements of Best-in-Class Cause Marketing Campaigns, 2020, For Momentum.

2023 Most Frequently Used Activations

1. Corporate funding or corporate grant
2. Point-of-sale donation at register/digital checkout
3. Commercial co-venture element related to purchase and Employee Engagement (tied for 3rd)
4. Corporate partner leveraged their own media

Source: Taking the Pulse of Partnerships, 2023, For Momentum.



Q: Thinking of your most recently closed cause marketing partnerships, choose up to three campaign activations most frequently used by your organization?

Base Size: 81

COMPARATIVE TRENDS

When comparing past challenges among nonprofit partnership practitioners, we found that managing relationships and expectations of the corporate partner have risen to be the top challenge since we last polled nonprofits in 2020.

2020 Biggest Challenges

1. Operational challenges between internal departments and activations
2. Managing relationship/expectations of the corporate partner
3. Developing unique and fresh cause campaign activations
4. Funding for cause campaigns

Source: Key Elements of Best-in-Class Cause Marketing Campaigns, 2020, For Momentum.

2023 Biggest Challenges

1. Managing relationship/expectations of the corporate partner
2. Alignment and coordination between internal development and marketing teams
3. Limitations on how NPOs can promote cause marketing campaigns and Developing unique or fresh campaign activations (tied for 3rd)

Source: Taking the Pulse of Partnerships, 2023, For Momentum.



LET'S CONNECT



 ForMomentum.com/connect

 404.420.5762 ext. 127

 Marketing@ForMomentum.com