THE DEMOCRATIZATION OF CORPORATE GIVING

JPMorgan Chase & Company’s Attempt to Bring Philanthropy to the Masses Through Facebook
Overview of Chase Community Giving

• The first contest of its kind to utilize Facebook and the idea of crowdsourcing to bring philanthropy to the masses.

• $5 million was distributed in the first contest in 2009.

• An effort by JPMorgan Chase & Co. to help the community while engaging new stakeholders and improve corporate social responsibility efforts.

• Criticisms on the contest started soon after campaign launch: lack of transparency, shutting down Facebook comments and allegations of voter fraud.

• Critics wondered: was the contest actually of benefit to charities? Was the campaign helping to improve Chase’s reputation?
Topics of Concern in the Case Study

- Corporate philanthropy
- Transparency
- Corporate reputation
- Corporate social responsibility
- Social Media
- Online contests
- Trust in corporations

Can you think of others?
Key Terms to Learn

1. **Crowdsourcing**: the practice of obtaining needed services, ideas, or content by soliciting contributions from a large group of people and especially from the online community rather than from traditional employees or suppliers.

2. **Corporate Philanthropy**: the act of corporations donating some of their profits, or their resources, to nonprofit organizations.

3. **Transparency**: a principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes.
How the Contest Works

• A simple model: held entirely through Facebook in two rounds.

• Facebook fans of the contest vote from among 500,000 small charities.

• The top 100 vote getting charities in round one receive $25,000 each and go on to round two.

• Grand prize winner of round two receives $1 million and five runners-up get $100,000 each.
Criticisms of the Contest

1. Several charities were mysteriously disqualified after being among the top 100 vote getters in round one. Was it because of the nature of these organizations? → charities and critics take to Facebook and social media to criticize the contest and inspire boycotts. Commenting on the Facebook contest page is disabled.

2. Public leaderboard ranking the charities in round two is disabled shortly before the contest’s conclusion → participants question the contest’s transparency.

3. Allegations of voter fraud erupt in round two → potentially fraudulent Facebook pages are discovered which are being used to vote for charities. Charities aggressively seek votes. A small number of votes distinguish the grand prize winner and runner up.
Application of the Page Principles

**Tell the truth:** The company’s decision to disqualify several charities that were among the top vote getters in round one with adequately explaining the decision, evaded the truth.

**Prove it with action:** Only negative actions, such as silence and closing down Facebook conversations, were used to quell the criticism against the contest.

**Listen to the customer:** The contest was formed on this principle with the idea of crowdsourcing yet it was not always adhered to.

**Manage for tomorrow:** The contest was a company effort to establish itself as a good corporate citizen.
Application of the Page Principles Cont’d

Conduct PR as if the whole company depends on it: The contest idea was a risky one for management. Was it a successful effort? The reactions are mixed.

Realize a company’s true character is expressed by its people: JPMorgan Chase & Co. has hundreds of thousands of employees yet they were not integrated into this campaign.

Remain calm, patient, and good-humored: Changes to the contest structure were not adequately explained and instead the company was silent. Perception equals reality in PR. What was the perception of JPMorgan Chase & Co.?
A Couple Discussion Questions

1. In what ways could the Chase Community Giving Contest have been more transparent? Should winning charities have been disqualified? Should the comments section of the Facebook page have been closed? Why or why not? In what ways would you have persuaded top management to act on your recommendations, if you were the company's vice president of public relations?

2. JPMorgan Chase & Co. has either been accused, or acknowledged participation in, a number of corporate scandals including: Enron, WorldCom and the Bernie Madoff’s Ponzi scheme. Given these scandals, do you think JPMorgan Chase & Co. is doing enough to showcase it is a responsible company? Besides the Chase Community Giving contest, what are other ways in which the company could increase its reputation as a socially responsible operation?
A Couple (More) Discussion Questions

1. It is unclear what research, if any, was used to create the Chase Community Giving contest. If you were advising the JPMorgan Chase Foundation when they were originally pursuing this campaign idea, what research methods would you have conducted to help form a successful campaign? Would these research methods be different if you were charged with revamping the campaign in 2012?

2. The Chase Community Giving contest is now several years old and has been held four times. In that time, the nature of Facebook has evolved and the prevalence of similar contests has increased. Do you believe the Chase Community Giving contest is still relevant and effective today? If it were to continue, in what ways would you recommend the contest evolve to take advantage of new social media platforms?
Classroom Activity

The do’s and don’ts of social media communication

Imagine you are a communications adviser to JPMorgan Chase & Co. and the bank asks you to create a social media policy handbook. Create a list of at least ten do’s and don’ts as they relate to communicating online through social media.

Think about the take-away lessons that the Chase Community Giving contest has provided to public relations practitioners working through social media channels?