

# The Bank of Cancer Research: Applying Social Marketing to Provide Sustainable Funding for Cancer Research

**8**

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## Chapter Overview

This case study presents a concept for raising funds that would lead to sustainable funding for cancer research. The concept draws on the idea of a purpose entity, in the form of the Bank of Cancer Research (BCR), that would use its profit as a revenue stream for cancer research. The approach also includes aspects of cause-related marketing, where a profit and non-profit organization work together for mutual benefit. The BCR concept has significant benefits for customers, the bank, cancer research, and society more broadly; however, it is not without its limitations, namely how is the funding for a bank able to be obtained? Details of the concept are presented and who should be targeted together with campaign objectives and considerations for positioning of the bank. While the concept is still at an embryonic phase, the case provides the reader with much to consider in the establishment of a new venture concept and the opportunities for applying social marketing theory.

## Campaign Background

Aaron March had always thought about how he could lead a life with purpose. He thought about what was the biggest problem the world faced and identified cancer as a cause worthy of his efforts. At the time he realized the only way that this problem could be solved was through research, in particular cancer research.

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However, in order to do cancer research, researchers needed funding. And so, he saw the solution as being the ability to fund research to unprecedented levels in order to find cures for cancer. So, he started thinking about new and novel strategies of how to fund cancer research. At the time, there were a lot of reports in the media about the very high profits made by the banking industry and he wondered if banking profits could be used to fund research. From that idea, the concept of the Bank of Cancer Research (BCR) was born.

BCR is the concept for a bank, identical to existing banks, however with one important difference that all available profits are used to fund open-source cancer research.

In the USA, the top ten banks made profits of over \$115 billion annually (Onaran, 2017) and he thought about the impact that amount of money would have if it could be applied to cancer research. But he also realized that there would be other benefits as well. For example, staff in the banking industry would immediately have a social purpose in their careers and customers would recognize that every time they use the bank that they are effectively funding cancer research. The scientists and researchers will benefit from the additional funding as well. They will not have to spend time completing grant applications and seek other funding—the bank would sustainably fund their research year on year. In effect, it would allow the best scientists to focus on getting the job done. And what about supporters of existing cancer research? The current problem is that when money is donated to research, it is used up straight away and new donations are required thereafter. However, this concept provides a philanthropic investment that can grow over time and fund the cause for years to come. And for the public, everyone will benefit from improvements in cancer research and cancer treatments that are generated from the research. Under this model, everyone is better off.

The theory behind the model is based on three elements: the purpose entity (Wan & Sidoti, 2016), product differentiation theory (Sharp & Dawes, 2001), and consumer choice theory (Browning & Zupan, 2014). In our economy, we typically have two types of enterprises—those that operate for-profit and those that are not-for-profit. BCR is created as a purpose entity, which is also referred to as a *Special Purpose Entity*, which is a legal term referring to a not-for-profit company set up for a special purpose, such as funding a cause. The bank's social marketing efforts can be likened to cause-related marketing (Varadarajan & Menon, 1988). Cause-related marketing is where a for-profit organization works with a not-for-profit to promote a cause. It follows a very simple formula that can be applied to almost any business and to any cause. By having the sponsor (for-profit) promoting the cause, it receives benefits such as higher sales or a positive image while the cause (not-for-profit) benefits from greater exposure and funding. However, in this case, the Bank of Cancer Research as a not-for-profit acts as the sponsoring organization as well as the not-for-profit promoting the cause of funding cancer research. The social marketing effort, and resultant behavior change desired for consumers, is to adopt BCR as the preferred bank instead of using a traditional bank.

The second element relates to how profit is used to be a differentiator for the business. Consider two products that are identical. Marketers use the four “P’s” to make their products different (Lee & Kotler, 2016), for example, by having additional features; by setting different pricing levels; the way the product is distributed and branded; or how the product is promoted. In this case, the bank would be differentiated through the use of its profits. By having comparable services, the point of difference is made by letting customers know how the excess returns made by the bank are used to fund cancer research. Product differentiation theory tells us that when there are two products that are identical, the differential use of the profits will differentiate the organization and determine the purchase decision. Finally, when applied correctly, product differentiation theory enables the consumer to make a choice decision based on how the organization allocates its profits. It creates a powerful statement—our bank supports cancer research, what does your bank do?

The purpose model provides four outcomes. In the first instance, customers become philanthropists through their use of the bank. By using the bank’s services, the profits that would normally be generated by the bank are donated to charity. In Australia alone, the banking industry generates over \$31 billion of profit annually (Yeates, 2017). This equates to approximately \$1250 per person per year. In effect, the purpose model moves the point of donation for the consumer without any out-of-pocket expense—instead of giving this money to the “for-profit” banks, the customer is now donating the money to cancer research. The model has the power to give people of all levels of wealth a voice in the market, and it has the power to raise the volume of all the voices in the market.

The second outcome is that banking employees are provided employment with purpose. In many jobs today working for an employer is effectively working for the people who own the business and receive the profits. For many businesses with purpose-focused employees, a trade-off is made by the employee whereby they take a lower salary to work with the organization, sometimes even volunteering or not receiving a salary. BCR employees would be paid at the same rate as the competitor banks and not have to sacrifice salary or working conditions. In addition, they can see that their efforts are helping to fund cancer research through their employment. The bank then becomes an attractive employer to people in the industry who wish to work for a purpose, and it means that the bank has a richer pool of potential employees.

Third, the bank creates sustainable funding for cancer research. Once the bank is established, there will be no need to seek government funding or donations from the private sector to fund research as the bank will actively generate their own profits. The best way to explain the concept is to consider the old saying “Give a man a fish, and he will eat for a day, teach a man to fish and he will eat for a lifetime!”

Finally, BCR has one goal which is to cure cancer. Unlike many others in the field, there is no requirement to make a financial return from any medical breakthroughs that are achieved. The requirement not to profit from research gives BCR the opportunity to share its research with the world and contribute to open-source research.

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## Why Cancer?

Cancer has one of the greatest impacts in the world and means that its cure would provide the greatest return on the investment. Cancer is a leading cause of death globally and was responsible for 8.8 million deaths in 2015 (WHO, 2018). Globally, nearly 1 in 6 deaths are due to cancer. Further, approximately 70% of deaths from cancer occur in low- and middle-income countries (WHO, 2018). Cancer was chosen because the disease regularly results in death. Consequently, finding a cure for cancer will deliver the greatest social return for the effort.

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## Why a Bank?

Banks were chosen because they have a long history of being highly profitable. Banks have a strong ability to turn their accounting profits into cash profits which is demonstrated by their high dividend payout ratios. In the Australian market, banks often achieved a dividend payout ratio of 75% and higher (Yeates, 2017). This is important as it is the dividend or excess cash profits that are to be used to fund cancer research. Also, the profits they generate are largely cash. Secondly, the product differentiation theory applies more easily to service businesses. The model of banking is straightforward, and the fact that it is very easy to replicate the service and the profit differentiation theory suggests that making the product similar to other banks in the marketplace would allow the BCR to differentiate on the use of the product. Finally, in today's modern world, a bank is widely considered an essential service, so consumers must make a choice as to which bank they choose. The BCR provides the consumer a highly differentiated option where they can see their efforts are being used for a social purpose.

Currently, there are four major banks in Australia: The Commonwealth, National, Westpac Australia, and New Zealand Bank (ANZ). However, these four banks have some of the largest capitalization on the Australian stock market and are unlikely to be considered as potential options for the BCR. There are, however, several other financial institutions such as credit unions or smaller banks including the Bank of Melbourne (ME bank), Bank of Queensland, Bendigo Bank, or BankSA. Some, such as Bendigo Bank, also offer community development and other socially oriented financial support as a part of their value proposition.

At a national level, there are no major not-for-profit banking organizations in Australia; however, this is not the case at the international level. Charity Bank, for example, is a not-for-profit banking business that operates out of the UK. Charity Bank strives to support various charitable activities as well as helping people save and "do good" (<https://charitybank.org/>). While it does not have an identical model to BCR, it is possible there are other organizations similar to Charity Bank that could act as competitors to BCR.

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## Concept Implementation

To make BCR work, it is proposed that philanthropic money will be obtained of sufficient quantity to fund the purchase, either outright or partially, of an existing banking institution. The quantum of funds required for the project would be significant, however once obtained the profits due to the investment would form the basis for an ongoing cash flow to fund cancer research. Details of how the funding will be achieved are outlined later in the document.

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## SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

A SWOT analysis of the BCR as a conceptual organization provides an insight into the company's current and future potential.

### Strengths

- Strong appeal to the public's emotions;
- Appeal to fear based on the consequence of not acting;
- Career and job creation opportunities;
- A more motivated workforce as employees at BCR will have careers with purpose;
- Attracting customers and employees who have an emotional connection with cancer or who have an interest in medical research;
- Potential benefits of new products from cancer research;
- Benefits can be ascribed to all;
- Leverage off the reputations and networks of the BCR's investors;
- A more positive public image when compared to its competitors.

### Weakness

- Unproven concept;
- Little experience;
- No collateral;
- Lack of public trust.

Weaknesses will also arise whenever the Profit Differentiation Theory (PDT) is not applied correctly, i.e., whenever BCR's operations differ materially from the operations of competitors. Examples of areas where potential weaknesses could arise if the PDT is not applied correctly include:

Product and service offering;  
Employment and remuneration offering;  
Internal operations including information systems.

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## Opportunity

Development of a cure for cancer;  
Research can be extended to other illnesses;  
BCR will have the opportunity to use its annual profit announcement as a major marketing event. This event could be used to communicate what BCR is trying to achieve and prove to the market that they are delivering on their promise, which would further assist the bank in attracting customers and employees. All stakeholders would be welcomed to share in the event and to share in the joys of philanthropy as it is the stakeholders whose efforts and contributions that have created the profit and therefore the amount to be invested in cancer research;  
There is also an opportunity to announce improvements in cancer treatments at the annual meeting in a similar way that IT companies release new products;  
Global Expansion—BCR could seek to disrupt the traditional banking market by establishing a fully online international bank. Note this option may be more cost-effective than purchasing a bank.

## Threats

Philanthropic donors preferring alternative causes;  
Other illnesses or causes becoming more important than cancer;  
Other banks and competitors make financial donations to cancer researchers;  
Consumer loyalty of customers toward their banks;  
Lack of public awareness and customer apathy;  
Advancements in technology that disrupt the market and BCR's strategy.

## Target Audience

There are currently no current customers; however, the following section outlines potential opportunities for future customers and a profile of individual customers.

The products which BCR provides form a service; intangible, perishable, and inseparable performance that one party provides to another to satisfy their needs. BCR could offer many services to individuals to make their day-to-day transactions much more convenient and manage their investments more effectively. However,

the banking market also comprises a significant business sector consisting of business owners who require professional financial services such as loans for businesses, digital card services, payroll, and merchant services. To maximize profit, both groups would need to be targeted with appropriate products and communications. The following section focuses on the consumer market as the largest potential market in terms of numbers; however, this is not to say that the appeals discussed below would not also appeal to business owners and operators.

Market segmentation undertaken via demographic, geographic, psychographic, and behavioral segmentation categories provides the basis for target market selection. As BCR is a purpose entity, the most suitable segmentation criteria are believed to be psychographic segmentation. This approach categorizes the consumer based on psychological and demographic factors. Using the VALS framework (Yankelovich & Meer, 2006), potential markets can be identified such as those who have a mindset that needs to be involved in philanthropic activities. According to the VALS frameworks, the BCR's potential consumers could be identified as Thinkers, Achievers, Experiencers, and Believers. Among these segments, BCR could target Believers because they believe in good ethics, differentiate right and wrong, seek a friendly community, and are very loyal. BCR would also need to consider customers who believe in morality and philanthropy as values, are financially stable and willing to experience new products. These customers would respond to all the services provided by BCR while responding positively to their contributions for cancer research.

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## Demographic

The demographic characteristics of potential customers would be anyone who can make the decision about the choice of their bank. More specifically, a target group would be people over 25 years of age, because it is the time most people are looking to establish their banking credentials and thinking about a housing loan. The gender would be both males and females, and the income group would be households earning over AU\$100,000 per annum.

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## Geographic

Initially, BCR would focus on major Australian cities because they account for the largest proportion of the population. However, it is expected that an online banking service would be provided by the bank which would provide improved access and geographic coverage.

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## Product Usage Characteristics

The usage characteristics of potential customers would be current bank and home loan account holders looking for better services and who wish to support cancer patients or have been affected by cancer through personal experiences of their own or those of loved ones.

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## Campaign Objectives

As outlined in the introduction, the BCR is only a concept. The plan is very ambitious. The aim of the campaign is to raise sufficient funds from philanthropy to purchase an existing bank and instantly make BCR a reality. The first stage of the plan is to raise the capital from a group called “The Giving Pledge.”

The Giving Pledge are a group of philanthropists established by Bill Gates and Warren Buffett in 2008. It is a group of the world’s wealthiest individuals and families who have a combined net worth of over \$730 billion and who have made a commitment to dedicate part of their wealth to philanthropy. The group totals more than 150 signatories and is growing. This group has the financial capacity and philanthropic mindset to purchase an established bank and instantly make the BCR a reality. At this stage, members of The Giving Pledge operate independently. The idea would be to attempt to bring a number of these people together to combine their resources, or a portion of them, in order to be able to purchase a bank.

However, at the same time, it is recognized that there is a role for the general public by educating them about the concept so that they may appreciate the approach and be willing to change their banking when the bank is established. Therefore, the second stage of the plan is to undertake a social marketing campaign that seeks to raise broad general awareness and a positive attitude toward the BCR concept with the behavior change being for banking consumers to make a pledge to move their banking (savings and loans) to BCR.

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## Positioning

The BCR clearly targets people who have philanthropic ideals. It uses a clear long-term vision of investing in cancer research to the benefit of society as its common goal that appeals to all stakeholders. To establish the bank, it is targeting the world’s most financially successful people who have a passion for philanthropy to donate the initial capital to purchase a bank. The target group have significant influence and business networks that are unrivaled anywhere in the world, and they understand the value of making investments that can generate sustainable income for cancer research.

For BCR to be successful, it is the second stage of the plan that targets consumers that needs to be successful. In appealing to banking customers, BCR's positioning requires consistency in its messages and approach. This is achieved by providing the same services as traditional banks but investing all profits in cancer research and "doing good" for society.

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### **Marketing Strategy (the Extended 7P's of Marketing: Product, Price, Place, Promotion, People, Process, and Physical Evidence)**

To achieve BCR's first goal, there is a second supporting and longer-term goal, which is to raise public awareness and support for the concept that results in a behavioral change by banking customers—to move their banking (savings and loans) to BCR. Building public support provides two outcomes. Firstly, it attracts the attention of the signatories to The Giving Pledge which could lead to an opportunity to meet with them. Secondly, by raising public support and having banking customer pledges, it will prove that there is a market for BCR, which will make any investment decision by the signatories to The Giving Pledge easier.

In considering the marketing mix, Boom & Bitner's (1981) extended marketing mix is used as the basis for the marketing strategy (see also: <http://marketingmix.co.uk/>). The 7P's framework extends the traditional 4P's framework by including people, processes, and physical evidence. It was proposed for services marketing in response to the unique characteristics of services—namely intangibility, heterogeneity, inseparability, and perishability.

While offering competitive banking services along the lines of traditional banking products, the 4P's will be augmented by BCR's purpose, with the focus on the benefits of adopting a social-based bank that supports research into cancer. The cost of loans (pricing) will also be competitive with traditional banks; however, it is recognized that the price for new customers will also be the effort in transferring loans and setting up accounts. BCR will need to make this transfer as simple as possible as traditional banking customers are generally entrenched in their practices and find it difficult to make the transition to a new bank. The use of special offers, incentives, and one-to-one support in completing transfer forms would be important. Trust is a further element that may cause resistance and be seen as a cost by consumers. Having a strong reputation will be critical, and this could include considerations for personnel leading and working in BCR. The bank would offer, as close as possible, a competitive marketing offering. It could be argued that this approach is not dissimilar to the approach used by traditional banks. A further point of difference would appear in the promotional appeal—or in the bank's case, the "purpose."

In relation to the last three P's in the 7P's framework, process and physical evidence would also be similar to traditional banks. However, as mentioned earlier, the people or staff of the bank would help differentiate the bank from competitors.

Staff who are attracted to work for a bank with a social purpose would be attracted to the purpose and as a result be more suited to working for the bank and with its customers who share the same values.

Aaron is using Ted Talks and speaking engagements, combined with social media, to spread the message about the BCR. These media are credible sources that appeal to an educated market with social values. Aaron imagines that if there were one or potentially two million people ready to sign up for a BCR account, then it would create a level of safety for the philanthropists and encourage them to become involved.

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## Program Evaluation

At this stage, Aaron has not been able to obtain the support of any member of The Giving Pledge. He has been able to speak to a small number of members who have been supportive and provided him with guidance and advice regarding the concept.

In terms of the second objective, Aaron has been more successful. Through his social media activity, he has increased the number of followers to his Twitter and Facebook accounts and the number of hits on his YouTube videos grows daily (see links below). Generally, people are supportive and can see the value of the program, however without the ability to provide people with bank accounts he is not in a position to establish the bank.

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## Discussion and Lessons Learned

Aaron has been particularly fortunate to be the beneficiary of other people's kindness, with many people committing a lot of their time to help improve the BCR concept. Their assistance supports the view that where there is a social outcome people are willing to "jump on board and help you, often without expecting a return." He has learned a great deal from his project. "I have also learned that there is a healthy skepticism out there especially in relation to charitable or social causes and the best way to overcome the skepticism is through being able to explain in detail the theory behind the business plan."

"I started BCR because I want to live a life that had a purpose and throughout the journey there have been times where I have felt that I have been achieving this goal," he explained. The greatest part of his experience to date has been the challenge and the ability to personally explore the purpose model in great detail. He has identified three key findings from his work:

The BCR model is a step toward delivering a more creative capitalism which can better align market forces to provide people with what they need, a cure for cancer, as opposed to providing what people with large market power demand, such as a fast car.

The purpose model allows customers to donate to cancer research while not incurring any additional costs compared to the same service offered at a competitor. In this way, the model has the power to give people of all wealth levels a voice in the market and has the power to "...raise the volume of all the voices in the market. I refer to this voice in the market as a consumer's Economic Voice," Aaron explained.

The model also has the power to address elements of wealth distribution as it provides people the opportunity to decide the outcome of business profits.

Aaron has also found when seeking funding that "you need to know your desired outcome, how you are going to get there and all aspect of your business plan." He also adds "don't get disheartened when people doubt your concept." Someone once told him "there is lots of money in the world, if the idea is good enough the money will come."

### Discussion Questions

1. What is your view of the BCR concept?
2. What would you do to (1) contact signatories to The Giving Pledge and (2) how would you get their attention?
3. What other products could be used for a purpose entity? What are the important elements of a purpose entity?
4. How are competitors in the banking industry likely to respond to the BCR if established?
5. Aaron believes that proof-of-concept for the BCR and evidence of consumer propensity to switch services is required in order to attract philanthropic funding for purchase of an existing bank. What alternative means of establishing demand for BCR services could Aaron use? What customer behavioral challenges will BCR face attracting customers?
6. What are the challenges of using VAL's typologies for targeting purposes? How will BCR be able to use these to accurately forecast the size of the target audience and consumer demand?

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### Additional Resources

The following additional background information is available on the BCR.

## Videos for Social Media

Bank of Cancer Research—The Cure for Cancer Within Our Lifetime? <https://www.youtube.com/watch?v=HpgYPI2zdcA&t=318s>

Bank of Cancer Research—Anything is Possible. <https://www.youtube.com/watch?v=GoWrsd-iaUM>

Bank of Cancer Research—Global Financial Crisis. <https://www.youtube.com/watch?v=Uy7nGKXwkKw>

Bank of Cancer Research—Tell Someone Else. <https://www.youtube.com/watch?v=xzGi8bLjhg>

Press release to American News outlets

Please click on the link below to see the press release sent to 800 American news outlets:

[https://gallery.mailchimp.com/f4c5adf0f592fae24046d797a/files/Bank\\_of\\_Cancer\\_Research\\_Press\\_Release.pdf](https://gallery.mailchimp.com/f4c5adf0f592fae24046d797a/files/Bank_of_Cancer_Research_Press_Release.pdf)

## Blogs and Memes on Social Media

Instagram <https://www.instagram.com/bankofcancerresearch/>; @bankofcancerresearch

Website [www.bankofcancerresearch.com](http://www.bankofcancerresearch.com)

Facebook Page: Bank of Cancer Research <https://www.facebook.com/Bank-of-Cancer-Research-183489708376431/?fref=ts>

Twitter: @BankofCancer <https://twitter.com/BankofCancer>

YouTube Channel <https://www.youtube.com/channel/UCkNNk0QXPKgulQSd72DtZiG>

DtZiG Instagram: @bankofcancerresearch

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