

Cause Related Marketing: Emerging Issues and Suggestions

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Abstract

Due to the growing realisation, cause-related marketing (CRM) has emerged as a top management priority in the last decade and is viewed as the most valuable intangible tool by the firms which helps them gain better corporate image from internal as well as external customers and also helps in achieving societal benefits. Cause-related marketing is an innovative and potentially powerful tool to improve the lives and well-being of individuals thereby creating an environment that supports social objectives, reorients social services to be customer-driven, develops social capital and leads to improved public policies. It is simply marketing with a worthy cause that uses both business and charity (good causes) and helps to benefit both. This paper identifies some of the influential work in CRM area, highlighting the concept and meaning of CRM. The paper also outlines the benefits, recommendations and suggestions drawn there from.

Keywords: cause-related marketing, brand loyalty, brand image.

1. Introduction

Cause related marketing(CRM)refers to a type of marketing which involves the cooperative efforts of a non- profit business and a profit organization for mutual benefit, it is a type of marketing effort for societal and other charitable causes, including in-house marketing efforts by non-profit organizations. Cause marketing is different from corporate philanthropy as the latter usually involves a specific donation that is tax deductible, while cause marketing is a marketing affiliation not necessarily based on a donation. Furthermore, CRM is basically a marketing activity that focuses

on achieving two main objectives i.e. improve corporate performance and facilitate worthy causes by linking fund raising for the benefit of a cause to the purchase of the firm's product and services. The concept of cause-related marketing came into limelight when it was first used by American Express where it tried to raise money for the restoration of the Statue of Liberty. After this campaign, American Express' new card holders increased by 45 percent. Also their card usage grew by 28 percent. It was able to raise \$1.7 million for the restoration. All this was accomplished within 3-4 months of the campaign.

2. Objective of the study

The objective of the study is to examine the issues in the execution of cause related marketing, highlight the benefits of CRM and suggest recommendations and suggestions drawn there from.

3. Data and Methodology

This study is an observatory study based on secondary data. The data has been collected from various published sources, books and websites.

4. Review of Literature

Business Literature has examined rationales for corporate philanthropy: through the firm giving corporate statesmanship; and profit motivated giving (Fry, Keim, and Meiners 1982). Varadarajan (1986) examined CRM as a form of horizontal cooperative sales promotion, as a tie-in between sales promotion (Grahm, Lavery and Hannaford, 1987) and corporate philanthropy.

Josephson (1984) explored that CRM helps in supporting popular and respected causes to augment the stature of a sponsoring firm as a consequence of association. It helps the organization to achieve national visibility, thereby improving the corporate image of the organization, and express social responsibility and patriotism.

Stroup and Neubart (1987) characterize that the emerging era as of "doing better by doing good", where in corporate social responsibility is viewed as an investment, given that CRM is basically a marketing program with a philanthropic linkage, and because of current emphasis on obtaining a substantial return on philanthropic assistance, many organizations are likely to adopt a bottom-line course in evaluating their investments in CRM programs.

5. Strategic Issues Related to Cause-Related Marketing

5.1 Role of Cause in Cause-Related Marketing

American Cancer Society, in its terms and conditions for working with corporate enterprises, categorically states that it will not associate with any organization which

deals with tobacco, alcohol and related products. This is quite appropriate because if the American Cancer Society supports a tobacco company, it mars the very purpose and works against the cause. Corporate organizations also must be careful that there is a cause-brand fit. Cause-brand fit means the perceived level of congruence between the brand and the cause it supports (Kashyap and Li 2006). The brand image should match with the cause it supports. For instance, a children's food brand could earn brownie points for associating with a cause like malnutrition.

It is imperative that the brand and the cause do not work against each other. It should also be ensured that the cause and the brand have some common thread that links them together. The cause should not be too remote and isolated to pull the customers. If there is high inconsistency between the two, it may negatively impact the sales of the brand. It may confuse the customers as to what signals the brand is trying to give out.

5.2 Familiarity of the Brand and Cause

If the cause and the brand are both well known, there is an instant connect with the target audience and future customers. The cause should be relevant for the customers. In India, issues like education, malnutrition, sanitation, etc. make sense as these are some prevalent problems which every customer can understand and identify with.

Similarly, when the brand is established, the customers may have already developed a liking for it. Its further association with a known cause will further boost its image, thereby increasing sales.

6. Popular Cause-Related Marketing Campaigns

- **Tata Tea's Jaago Re Campaign:** Tata tea started its Jaago Re campaign in 2007 to increase the number of voters. Jaago Re essentially means a social awakening. It targeted the youth and emphasized that in order to change the nation, they need to take some responsibilities and select their representatives carefully. The campaign is so successful that Tata Tea and Jaago Re are synonymous with each other.
- **Procter and Gamble:** P&G has pioneered the concept of cause related marketing in India.
 - It launched project 'Drishti' which tried to restore sight to visually impaired girls across India. For every pack of Whisper (a P&G product) sold, Re. 1 went towards Project Drishti.
 - P&G has also started a program called 'Shiksha' which aims to provide education to children. Its tagline is 'Padhega India, tohbadhega India' which highlights the importance of education.

6.1 Hindustan Unilever Limited:

- **Dove's Real Beauty Campaign:** Dove actually created a new cause. It sought to develop positive body image, showing that every woman is beautiful in her

own unique way. It was started in 2004 and has been continuing to improve the self-esteem of women across the globe.

- **Lifebuoy:** It brought personal hygiene to the fore front. It contributed 50 paisa from the sale of every pack of lifebuoy soap towards a diarrhea project.
- **Live Strong Bracelets:** Nike in collaboration with Lance Armstrong launched the live strong bracelets to create awareness and raise funds for cancer. Being sold at \$1 each, the bracelet has now become a popular accessory, with over 70 million bracelets sold.
- **MarutiUdyog Limited:** Maruti tries to promote road safety rules among people. It distributes handbooks about road safety and safe driving in association with State Transport Departments.

7. Benefits of Cause-Related Marketing

Cause related marketing proves to be beneficial for both the brand and the cause. The cause gains much needed public attention and a platform to raise the issue. On the other hand, the brand, being closely connected to the social cause improves its goodwill in the eyes of the customers. Tata Tea's Jaago Re campaign, which aims at creating awareness about voter registration and the importance of our duty as a good citizen, instantly creates a brand image which highlights qualities such as honesty, responsibility and integrity. Such values are reinforced because the brand is connected with the cause. So on one hand the brand image is getting strengthened and on the other hand people are getting to know about their duties as responsible citizens. It is quite evident that cause-related marketing can be a mutually rewarding experience.

Cause related marketing has a significant impact on the sales of a company. Future customers experience a positive effect on their purchase intention. It also increases the brand loyalty of existing customers which prompts them to buy in bulk quantities and encourages repeat purchases. People are usually enthusiastic about CRM because they look at it as a great way of supporting charities and social causes. Customers get a feeling that they have contributed to the cause in some way. The customers identify themselves with the brand. The brand image is distinctly etched in the minds of the customers.

8. Suggestions for Creating a Winning Cause-Related Marketing Strategy

- Ensure that the cause fits in with the image of the brand. Brands which have low association with the cause may not be able to help generate much of sales.
- Show the customers that the brand has actually benefitted the cause so that they are assured that their association with company has led to some improvement in a cause which is close to their heart.

- Choose a cause which people relate with. A cause which is appropriate in one country may not attract much positive response from another country.
- The brand must actually believe in the cause. In order to have a mutual benefit, there must be a long standing association between the two. For a long-term relationship, it is imperative that the two believe in each other's ideologies.
- Making too much noise about the association of the brand with a cause may not attract too many customers; in fact it may turn them off. The impact should be created by the association of the brand and the cause. The publicity must be subtle.

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