

Driving Factors of Cause marketing

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Abstract

The intention of this paper is to be acquainted with the idea of cause marketing and to know its various driving factors. Existing articles with cause –related marketing keyword published in various journals were considered. Exploratory as well as descriptive study is used. Consumers having deep concern for the society tend to fulfill their charitable desires in their individual way. They purchase products which are supporting a particular social cause. Profit making companies connect their product with a specific cause. Profit oriented companies get in to an alliance with Non -profit making organizations to provide monetary support. Non-profit making organizations work day and night for social cause to make the society better to live in. For this profit making organizations contribute a pre-decided portion of every purchase made by its socially mindful consumers during a particular period to the non-profit organizations. This alliance benefits all - the Company, the Customer and the Cause. This Paper directs researchers further to investigate company -cause fit and skepticism as drivers of cause-connected marketing.

Key words: Socially Conscious consumer, cause, customer, fit, Cause related Marketing

1. Introduction

In a drive to sustain in continuously changing world, organizations need to make their product offerings different and unique. It is becoming increasingly difficult for marketers to keep differentiating their products or services meaningfully on basic attributes like price, promotion and packaging. Virtual differences are simply not enough anymore to attract and retain the consumers. In such a scenario, linking the company's brand with social responsibility can be an effective differentiation and positioning strategy. For being recognized as socially responsible, organizations are getting into an alliance with the non-profit organizations for mutually beneficial relationship where the organization contributes a pre-decided portion of each purchase made by its socially conscious customers during a specific period of time to the non-profit organization. These formal partnerships between profit earning companies and non-profit companies with a social cause and then combining the purchase of a product with a social cause, is called Cause related Marketing (referred to as CrM henceforth). CrM as strategy was initially used by Carr & Associates International from America in March 1974. The company proposed a new business model i.e. company with a social cause to give back to the society. The first campaign of CrM dates back to 1976, when Marriott Corporation got into partnership with the March of Dimes to launch a family entertainment hub and to have gainful media coverage. Dimes intended to collect funds through encouraging the pledges. This partnership raised \$2.4 million and was declared as one of the most successful promotions of that time and thus highlighting the impact which CrM can have. Adkins (2000)

mentioned that CrM received a huge recognition when used by American Express for reinstallation of the Statue of Liberty in 1983. The company pledged to contribute \$1 for each fresh account being opened with the bank. Through this initiative, bank raised \$1.7 million in three months. This money was utilized to restore the Statue. In the entire process, 30% increase in the purchase of credit cards with this bank. Procter as well as Gamble, in partnership with Child Relief and You (CRY), launched its “Shiksha” campaign which has helped 280,000 underprivileged children to get education. This program has supported 140 schools around the country and it has done so in collaboration with Round Table India, Save the Children etc. Since the inception of the programme, P & G has made a contribution of 22 crores towards Shiksha. Marico India Ltd., under its brand Nihar Naturals, launched a campaign “Chhotte Kadam Pragati Ki Aur” where the company decided that every time a woman purchases a bottle of Shanti Amla, 2% of all profits will be contributed towards children's education. This campaign, in partnership with CRY India, provided funds to 19 projects touching approximately 25-30 villages in Uttar Pradesh, Madhya Pradesh, Rajasthan and other regions. Sanjeev Sarin's belief “Jaago Re” actually awakened the society. Tata Tea's campaign was successful in positioning tea as a medium of „social awakening” rather than „physical awakening”. “Janaagraha”, an NGO based in Bangalore, together with Jaago Re, set out to register voters over a period of 5 years targeting the top 35 cities of India. In one year, more than six lakhs voters got registered on jaagore.com just to know the perception of people on corruption and other related social issues. Now Tata in partnership with help age India has come up “Iss baar badon ke liye Jaago Re” to help elderly people with low immunity in fighting against Coved19. Paper Boat teamed up with Parivaar Ashram. It invited everyone for #Float a boat campaign to prepare boats with the help of paper and share images of their boat on media. Ching's, a premium Hakka Chinese brand, partnered with Akshaya Patra, which organised the programme for fulfilling its mission of “India Ke Hunger Ki Bajao”. It came out to be the world's biggest the middle of the day meal programme. Hindustan Unilever Ltd. is leader in personal health brands in India. HUL promoting hygienic hand washing behavior among children in schools and villages was initiated with Lifebuoy Swaasthya Chetna (LBSC) initiative in 2002. Every year infectious diseases like diarrhea, pneumonia take lives of more than 2 million children below the age of five years. A digital film about Gondappa along with his son Muthu was produced for the campaign. Facebook, twitter were with filled with pledges by people along with the hashtag “#help a child reach5”. Three-minute movie gathered more than million views in the first fourteen days. At present more than nineteen million views are there. Dabur India Ltd. launched a campaign for its toilet cleaner brand Sani Fresh in November 2014 called as '700 se 7 kadam', that urged people to come forward and take steps towards creating better sanitation facilities for rural women in India. The company took up the cause of bringing better access to toilets for women. The campaign, designed in association with digital agency Ogilvy One, was launched with an interactive website to disseminate information about the cause. 700se7kadam.com urges people to reduce the number of footsteps that a woman has to take, across many places in the country, to reach their toilets. Dabur aims to construct 500-1000 toilets across villages through this campaign. The brand also undertook projects to maintain toilets and school surroundings in some schools in Delhi. The brand also partnered with Sulabh for the upkeep of Sulabh-run toilets. It is also planning to adopt and maintain a few Sulabh convenience centers in

Delhi. Now factory workers of Dabur are working day and night to ensure that every Indian household gets its daily essentials (medicine) need met during lock down period due to Covid-19. Fast moving consumer goods companies are implementing CrM for creating awareness on social issue as well as for donating money to the social causes in India.

CrM is an emerging marketing strategy in India for targeting and positioning the products to the young socially responsible customers. This paper is prepared in two parts. The first part throws light on concept of cause marketing and identifying various antecedents of this marketing. Second part of the paper includes implications, conclusion as well as scope meant for upcoming research.

2. Cause Marketing- Concept

For promoting cause company provides funds and other non-monetary resources. It is important to increase awareness about the cause to the society. Cause Marketing is the linkage between company, cause. Kotler (2012) mentioned that corporate social responsibility is a commitment to improve community well-being through discretionary business practices and to make meaningful contributions of corporate resources voluntarily.

Varadarajan and Menon (1988) defined CrM as “Cause related marketing is the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives”[1].

- Sponsoring a social cause helps organizations to act as socially responsible organization.

3. CrM: Antecedents

An antecedent is a factor which has capacity to influence a particular behavior.. Antecedents have been divided into two categories: Company related antecedents and consumer related antecedents. This has been done in order to have better understanding of all the possible dimensions that can have impact on the outputs thus leading to better clarity about which all factors can be controlled by companies[3].

(I) Company related Antecedents

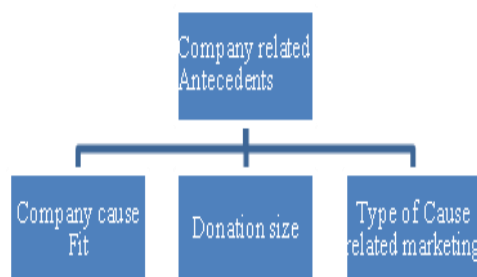


Fig. I Company related Antecedents

(II) Consumer related Antecedents

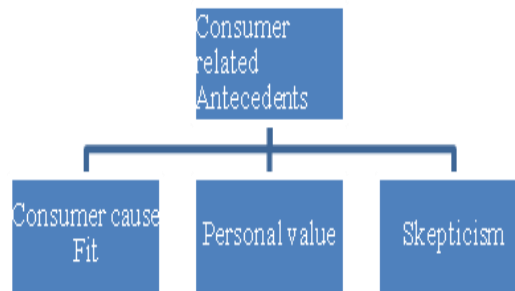


Fig. II Consumer related Antecedents

Company- Cause Fit

As per Varadarajan & Menon (1988); Ellen et al. (2000), fit is the perceived relation amidst the image of the company, segment to be targeted, company's positioning and kind of the cause it supports[1,2].

Lafferty et al., (2004) suggested that absence of congruence, amidst the partners, influences consumer's assessment of a CrM campaign, leading to a negative attitude whereas it leads to positive attitude if the congruence is present [3]. Gupta and Pirsch (2006) mentioned that company- consumer- cause alliance can lead to positive attitude if the congruence among them is high. They believed higher the fit, better the outcomes [4]. Hou et al. (2008) mentioned that when the company makes alliance with a social issue, there are many options like health, animal protection, human service, child welfare, environmental cause etc[5]. They also suggested that it depends on the different variables that company perceives important. They also stated that companies should choose the cause that fits well with brand image. "Cause" that the company supports or sponsors should be chosen carefully so that company image is correctly identified and company-cause fit is effective. Causes considered in specific, are protection of environment, women's rights and health etc. The company and the cause are two important stimuli selected by socially conscious consumers. Through perception, associative learning socially conscious consumers organise the selected stimuli and interpret them in the form of favourable attitude towards products supporting a particular social cause.

Socially conscious consumers have favourable attitude towards products.

Donation Size

If the amount that will be contributed to the non-profit organization is known then it would add up to the purchase of product supporting a cause (Henderson and Arora, 2010). Due to this companies like ITC or P & G in India explicitly mention the amount they are going to contribute towards a charitable cause for each purchase made. Olsen et al., 2003; Subrahmanyam (2004) mentioned that if the contributed amount is high it will lead to higher attitudinal and behavioral predispositions towards the product[6,7]. If donation amount is small, it seems to be marketing gimmicks i.e. persuading only people to buy products.

Size of donation affects the attitude formation of customers towards this marketing.

Types of Cause-related Marketing Program

campaigns largely depend on customers that company thinks to target. It also depends on any

specific financial commitment that company thinks to offer.[8].suggested that following CrM programmes that can be selected

- ❖ Existing and new customers
- ❖ Only purchasing action from customer
- ❖ No limits on donation
- ❖ CrM programmes depend upon targeted customer and specific financial commitment offered by company.

Customer matches its identity with the Company and Cause

Sen. and Bhattacharya (2001) revealed that Person-organization (P-O) fit is that the values of customer and the organization are same. It helps to clarify employee preference as well as the commitment to their work organization. Social Identity Theory (SIT) helps consumers define their identity with social causes. Consumers acknowledge themselves with the company"s identity regarding social cause through logos, events, stories, changes in organization's environment etc.

- ❖ Customers strongly identify with an organization when the values of customer and the organization are same.

Personal Value

Value system that consumers have affects their behavior towards marketing strategies. Rockeach (1973) defined values as "enduring beliefs that a specific mode of conduct or end-state of existence is socially or personally preferable to an opposite or converse mode of conduct or end-state of existence".

Bigne et al. (2009) suggested that the value system of a consumer is a very important factor that contributes to the variation in the response towards a CrM campaign[9]. Kropp et al. (1999) also mentioned that consumers who believe in self- fulfillment, safety, sincere connections, excitement and happiness in life, amid a list of values (LOV) generally hold positive attitude towards CrM[10].

Skepticism

Gupta and Pirsch (2006) explained skepticism as an individual"s disbelieving and apprehensive predispositions toward an act[4]. As per them, the level of skepticism that consumers have towards CrM helps to describe the complex link between attitude, purchase intention and purchase behavior. According to Webb (1998), skepticism which consumers reflect for CrM primarily originates from their disbelief. If consumers are skeptical towards CrM initiative, then it is possible that they would respond less positively as compared to the situation where the level of skepticism is less[11].

- ❖ Skepticism is disbelief about marketing campaigns and affects customers purchase intention.

Attitude

Schiff man and Kanuk (2004) defined attitude as a disposition to act constantly in a favorable or unfavorable manner w.r.t to a specific object (like product/ service, brand etc.). Consumer

attitude plays a vital role in making a purchase choice and therefore it subject of interest to all the consumer researchers. Various models of consumer attitude have been developed by the researchers for exploring the relationship between behavior of consumer and attitude.

Schiffman (2004) highlighted three components of attitudes i.e. cognitive, affective and conative. Cognitive component deals with knowledge and perception of a consumer, Affective deals with emotions and feelings and conative deals with possibility of customer taking a particular action. Out of the three, conative component is frequently considered as the expression of customer's intention to purchase. As per Webb and Mohr (1998) the research on CRM and its impact on attitude started in mid-90's. Tsai (2009) mentioned that CRM is gaining popularity among the marketers, as they believe that it improves attitude towards brand and consumers purchase intention[12]. Skory & Repka (2004) in their study mentioned that 78% of the respondent shows favorable attitude towards the company that contribute to a cause that they think as worthy[13]. Sheikh and Zee (2011) mentioned that the CSR & CRM have a profound effect on customers' attitudes[14].

Purchase intention

Attitude has a high positive correlation with the intentions to purchase. Research has proved that the strength of an attitude affects the behavior accordingly, like positive attitude leads to higher purchase intention. Tsai (2009) mentioned that CRM enhance purchase intention[12].

4. Theoretical Framework

After comprehensive literature review of the selected factors affecting the success of CrM and integrating it with the outcomes like customer attitude and purchase intention, an integrated theoretical framework of relationships has been proposed for the acceptance of the factors of CrM leading to the attitude formation towards it in figure 3. This framework consists of two broad categories i.e. factors and outcomes. The outcomes chosen are less reconnoitered and have a profound effect on CrM success.

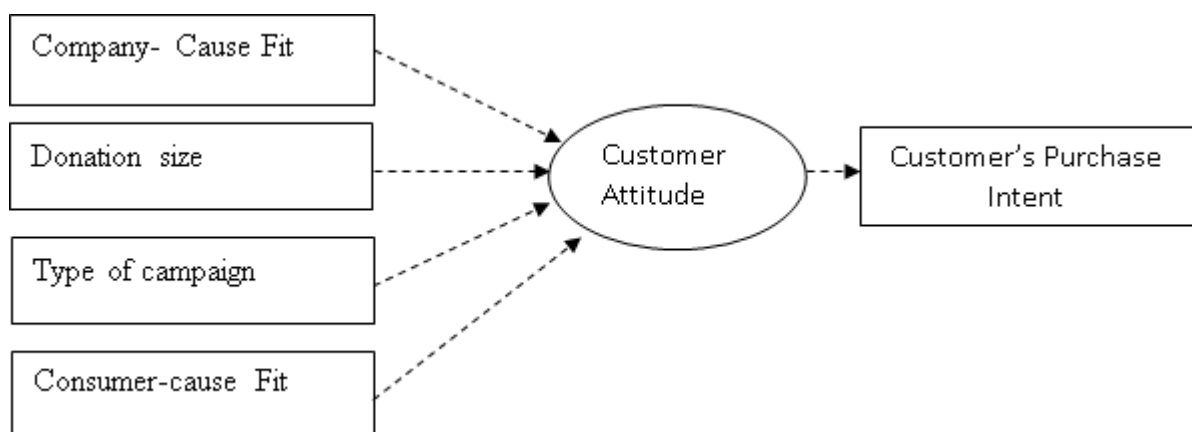


Figure3: Conceptual framework

5. Implications of the study

It is important for researcher to know psychographic characteristics of customers that leads to

attitude formation for CrM. The success of a CrM campaign depends on certain antecedents of CrM. This study identifies the following contributions concerning CrM.

- ❖ Antecedents strongly influence the effectiveness of a CrM program.
- ❖ For better understanding, the antecedents are divided into two broad categories: Customer-related antecedents and Company-related antecedents.
- ❖ Personal values like self- fulfillment, safety, sincerity, empathy engage in creations the consumer response towards CrM.
- ❖ CrM campaign is more effective if congruence between consumer-cause and company-cause fit is higher. Hamlin & Wilson (2004) suggested that consumers will respond more positively when there is similarity between company"s brand and socialcause.
- ❖ Skepticism hampers the success and effectiveness of CrM campaign; therefore, it is important the company should have simple, clear and effective communication with the consumers.

This paper assists in understanding of cause related marketing concept. It also encourages new scholars to have more thorough search of mentioned marketing initiatives of fast moving consumer goods companies in India.

6. Concluding remarks and future research

Socially conscious consumers prefer to purchase product that are attached to a social cause if price and quality are same. Education, health, hygiene, rural women are widespread social causes selected for causal marketing by various Indian FMCG companies. This study benefits manager in acknowledging a fact that when considering a cause-related marketing campaign for the company, managers are required to check that social cause is highly connected with image of the company. This study is an effort to explore and integrate the factors affecting success of CrM and also to propose a conceptual model based on extensive literature review. Literature suggests that all CrM strategies are not effectual as there are many factors that play important role. In this study, researcher has explored factors such as customer cause fit, company cause fit, personal value, skepticism, and their impact on customer attitude furthermore purchase intention. It was found that it is important to have congruence between company and associated cause and also amid consumer- cause, as it aids consumer"s positive evaluation of the strategy and leads to favorableness towards the partnership. If the cause chosen is important for the consumer than it is more likely that they will develop positive attitude towards the brand. Recent research found that „Company-Cause fit“ influence consumers" attitudes and purchase intentions. Socially conscious customers compare their identity with company. When consumer"s identity with the company & social cause is same, they develop positive perception about the alliance for social concern, and their favorable attitude is reflected through rising purchase of sponsored products. Social cause-related marketing initiatives implemented by mentioned companies are resulting in more education opportunities for unprivileged children, social awakening for voter rights, better hygiene habits and enhancing confidence of dedicated extraordinary moms etc. More than 150 million people were benefitted by December 2018 through different campaigns implemented by HUL on hand washing, safe drinking water and sanitation in India. It will help more than a billion people globally to improve their health and hygiene by 2020 (HUL –annual report 2018-19)

This paper highlights only select Indian FMCG companies and carries scope for exploring more organizations who are continuously adding social causes into their marketing strategies. Also, the paper doesn't cover the CrM aspects related to non-FMCG companies, both Indian as well as non-Indian. Further, the present work doesn't contain all the aspects related to CrM and focuses on just few of them. There is wide scope of research in industry like tourism, fashion, health etc. with regard to Cause related marketing. Psychographic characteristics of consumers that lead to attitude formation for social cause sponsored products of these industries can be further explored by new scholars.

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