

## An economic analysis of multi facets of Cause Marketing and its impact

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**Abstract:** *The growing and changing environment has led all the business organization to change their marketing strategy to provide better product and customer satisfaction, for example with the advent of technology and global competition the marketers incorporated the online selling as their strategy to sell the product all across the globe, also to gain competitive advantage the marketers formulated the concept of service marketing in product marketing by providing faster and speedier delivery, where customer demands quick and responsive service. Therefore, quality product, service and peoples are considered as powerful forces of marketing, this led Marketing to evolve into an organization wide activity and its application broadened far beyond its boundaries, from giving rise to Person Marketing, Place Marketing, Media Marketing, Event marketing to Cause Marketing. The concept of 'Cause marketing' is promoting a more socially responsible, more ethical model of marketing, countering the consumerism way of thinking. Social media marketing has been a boon for social cause marketing, especially tools like Twitter, Instagram and Facebook promote their causes and they have received great support from the users of these medium. Cause Marketing is a process of formulating and implementing marketing activities that can be characterized by an offer from the firm to contribute a specified amount to a designated cause, in turn cause consumers to engage in revenue providing exchange that satisfy organization and individual objectives. In other words, Cause marketing is a commercial activity by which businesses and charities or causes from a partnership with each other to market an image, product or service in an effort to raise funds and build awareness for a specific issue, like diversity or HIV or promote healthy habits, like a "stop smoking" campaign while building sales and awareness for the profit partner. This paper attempts to analyse the different dimensions of cause marketing and various other factors related to it.*

**Key Words:** *Marketing, Social cause, Awareness, Contribution, Sales promotion, Welfare.*

### 1. INTRODUCTION:

The term "Cause Related Marketing" was actually coined during a 1983 campaign by American Express. In that campaign, every time an American Express Card was used anywhere by anyone, the company donated one cent to the Statue of Liberty Restoration Project. American Express saw a 17% increase in new users and a 28% increase in card use. The creation of the term is credited to American Express, who helped raise close to \$2 million over a four-month period for the Statue of Liberty Restoration project. Cause Marketing is a process of formulating and implementing marketing activities that can be characterized by an offer from the firm to contribute a specified amount to a designated cause, in turn cause consumers to engage in revenue providing exchange that satisfy organization and individual objectives. In other words, Cause marketing is a commercial activity by which businesses and charities or causes from a partnership with each other to market an image, product or service in an effort to raise funds and build awareness for a specific issue.

### 2. Types of Cause Marketing:

- *Action Driven programs* encourage customers to actually do something to participate in the cause. This usually involves bringing an item of donation to a set location. For example: Swachh Bharat Abhiyan, which expects every citizen of the country to keep his neighbourhood clean and tidy.
- *The Portion of Purchase program* involves businesses donating a portion or percentage from each of their sales to a non-profit organization or cause. For example, Project Red Campaign which was launched to help fight against AIDS. In this campaign, Starbucks donates 10 cents to the Global Fund to Fight AIDS for every made-to-order beverage they sell in stores on World AIDS Day.
- *Buy One Give One* happens when a business will donate a good upon the sale of a designated product that have comparable values.
- *Point of Sale* simply refers to when a cashier asks customers if they would like to make a donation in addition to their purchase.

- *Proud Supporter* is when a business that gives a donation to a non-profit organization, but does not tie the donation to any kind of sale of good.
- *Digital Engagement* allows a business to create a digital experience by using software engineers and social media to help raise funds and awareness for a cause.
- When a business includes a non-profit organization in their advertising space to help build awareness of both the company and the cause, it is considered a *Public Relations Program*. For example: Project Dhristi attempted to restore the sight of over 250 blind girls all over the country through corneal transplant operations.
- In *Message promotion*, businesses ask their customers and employees to donate their time for a cause, rather than donate money.
- Having a *License Agreement* between a business and a non-profit organization allows a company to use the non-profit's logo in their marketing campaigns in exchange for payment. Sometimes a business will have to qualify or meet a certain standard to be granted the logo.
- *Pin Ups* are primarily for in-house use. Businesses will have some kind of paper icon for customers to purchase for a small price during check out, and will then display these icons by "pinning them up" in the store.

### 3. Cause marketing in Indian Context:

While using resources to voice out an issue is a noble cause, it's important to weigh out all elements. Trust, is the most significant factor deciding the potential impact of a campaign. Most of the consumers reported that a partnership between a non-profit organization and a company that they trust makes a cause stand out. Too many brands have adapted to cause advertising in a true sense; P&G has partnered with Save the Children India, Army Wives Welfare Association (AWWA), Navy Wives Welfare Association (NWWA) and Round Table India (RTI), amongst others. Hindustan Unilever has partnered with AKRSP, Development Support Centre, SIED and more.

Lists of 8 Popular Cause Marketing Campaign in India:

- 1) Tata Tea – Alarm Bajne Se Pehle Jaago Re
- 2) Mahindra Rise – #Rise Against Climate Change
- 3) Lifebuoy – Help A Child Reach
- 4) P&G Shiksha – #Don't Let Dreams Wait
- 5) Brooke Bond Red Label – 6 Pack Band
- 6) Hindustan Unilever Limited – The Shower
- 7) Whisper – Touch The Pickle
- 8) Ariel #Share The Load

As per research, customers who visit company website and see the company's advertisement, want to know that company share their desire to make the world a better place by supporting an important cause. Moreover, it has been observed customers are switching to a brand that supports a good cause, given similar price and quality. Aligning with a worthwhile cause can bolster reputation and create a lasting impact if done correctly. It can engender a positive feeling among a customer base, who will feel good for choosing an ethical product. It can breed loyalty between customers, staff and the business. In the increasingly competitive market for consumer attention, brands have to work harder than ever to break through the clutter and strike a chord with their audiences. But in an environment where consumers are constantly bombarded with advertising, the companies use cause marketing to make their marketing message stand out. To ensure the successful implementation of Cause marketing, the steps to be followed are.

- 1) **Ensure Company-Cause fit:** It is important that the theme of the cause should match with the image of the company; otherwise, it will be difficult for the consumers to relate the two. There are plenty of examples of seemingly random partnerships that have been very successful, but in general cause marketing will come across as more genuine if the cause is related in some way to the brand. Having a clear understanding of what your brand represents, and your consumer's expectations will go a long way in creating a partnership that will work well for both you and your non-profit partner. Be clear about how your resources can help your non-profit partner and how that relationship will be of benefit to your brand. For example, Himalaya Lip Care, a company that produces health care collaborated with international cleft charity, Smile Train for the launch of 'Project Muskaan'. The idea was to debunk myths associated with clefts that they are not a curse, and can be repaired with a simple 45-minute corrective surgery. A contribution of rupees two from the purchase of every Himalaya Lip Care product has been driven towards enabling cleft surgeries for impoverished children. This initiative reflect overall brand thought - "Khush Raho Khushaal Raho" that captures The Himalaya Drug Company vision of 'Wellness in every home, Happiness in every heart', and one of the prime reason of this campaign huge success.

- 2) **Ensure NGO-Cause Fit:** It is important for the company to ensure that the goal of its Cause marketing initiative matches with the goals of the NGO to which the company donates a predetermined ratio of sales. For example, as you may have heard, KFC partnered with Komen, a foundation for breast cancer research. As part of the campaign, known as Buckets for the Cure, KFC would donate \$0.50 for every bucket of chicken ordered by restaurant operators. Their teaming up with a fast-food franchise is inexplicable. As the Komen site itself acknowledges, “being overweight increases the risk of breast cancer by 30 to 60 percent” in postmenopausal women, possibly because enzymes in fat tissue may produce more estrogen, and that extra estrogen may increase breast-cancer risk. Conversely, as the Komen site also points out, losing weight is associated with a decreased risk: “One large study found that “women who lost four to 11 pounds after menopause had more than a 20 percent lower risk of breast cancer compared to women whose weight did not change.” According to fastfood.com, a single KFC “original recipe” chicken breast has 400 calories and a single “original recipe” chicken thigh has 250. Not exactly the kind of food that’s going to help you slim down. This campaign was a huge disaster; some critics called it a foul. They believe that the company's launched this to counter balance their heavily publicized addition of the aggressively fat-and-sodium laden Double Down sandwich to their menu. Komen also faced huge criticism from people with comments like they focus on fundraising for its own sake and have very high executive salaries, benefits and retirement plans. Even if Komen genuinely wanted to generate fund for breast cancer research, they went about doing it the wrong way. So, it is very important to ensure that the goal of its CRM initiative matches with the goals of the NGO to which the company donates a predetermined ratio of sales.
- 3) **Ensure Consumer – Cause fit:** According to research, marketing will work best if the cause is something that consumers believe in. If consumers buy into the concept, they will relate with the cause and feel passionate about helping. This collective energy will be reflected in the higher sales rate.
- 4) **Social Acceptance of the cause:** Social causes vary in their trends from time to time. More and more for-profit companies are investing in marketing that shines a light on social matters, often while highlighting their own socially-conscious approach to doing business. In this tough competition, it is very important for the marketer to realize the trend of a given time before associating itself with a cause. If the cause is widely accepted by its target audience and company is handling the cause with seriousness, then the Cause Marketing program will be 100% a success story. For example, Lifebuoy's 'Help a Child Reach 5' campaign showcase the social contribution of Unilever's Lifebuoy brand in the Clean India movement initiated by the Prime Minister of India – and, of course, promoted the benefits of hand-washing and widely publicized hand hygiene information in rural areas. 130 million people have been trained to have better hand hygiene already via the Help a child reach 5 program, and many of these are parents of children who were at risk but are now protected. Resulted in an overwhelming drop of diarrhea incidences from 35 % to 5 % in the first village it was released in. The campaign was ranked #4 in the ‘Warc 100: The world’s best marketing campaigns’ in 2015 as company strides the cause which involves wide acceptance.
- 5) **Establishing a formal relationship:** Contributing money for a cause is helpful and necessary, but formal documentation elaborating the rules, regulations, agreement must be taken in account to minimize the future dispute regarding settlement between company and the NGO.
- 6) **Checking the legalities:** Legalities plays important role in the success or in the failure of a Cause marketing program. Legal formalities between the company and the NGO have to be carefully done. Agreement should be made on the use of NGO’s name in promoting the cause.
- 7) **Select a right partner:** Before deciding to enter a partnership with a non-profit, it is important that you are as informed as possible about what the non-profit does and what it stands for. Find out what their capabilities and limitations are and find synergies that can make a partnership mutually beneficial. Ask questions like ‘do they have enough infrastructures to pair up with your business?’, ‘are they simply a good fit for your brand values?’ It is necessary that the goals and objectives of a profit and a non-profit organization are completely in sync with each other. Their relationship can be of a long term only when they share similar ideologies.
- 8) **Communicating the message right:** The most important factor contributing to the success of Cause marketing is the effective marketing campaign. The marketing communication needs to be designed keeping the target audience in mind that the promotion develops a sense of trust on customers part towards the cause and the company. In fact, 64% of consumers surveyed about cause marketing say contributing money alone isn’t enough; brands should integrate social good directly into their business. It’s not all about raising funds, but raising awareness too. Tata Tea iconic Jaago Re campaign – Jaago Re Version 2.0. is particularly good at this. This campaign ‘Alarm Bajne se Pehle Jaago Re’ urges people to stop reacting after tragedies hit and instead start ‘Pre-acting’, and prevent these issues from happening. Tata Tea is encouraging ‘Preactivism’, a behavior of timely activism which happens before, to prevent unfortunate things.

- 9) **Appropriate Celebrity choice:** Moreover, the use of an appropriate celebrity for overall communication strategy in Cause marketing campaigns could produce better results for the company reflected in positive attitudes/feelings of the consumers towards the company. For example, Ranveer Singh, one of India's current favorite actor lent his magic to a noble cause campaign by Ching's Secret- 'India ke hunger kibajao'. The premium Hakka Chinese brand walked the talk through its latest mission – 'India Ke Hunger Ki Bajao!' in partnership with AkshayaPatra, a not-for-profit organization that runs the world's largest mid-day meal programme. Ranveer, the brand ambassador spread the central message of the campaign – it takes only Rs 750 to feed a child for a whole year'. A digital film featured the actor having a good time with school kids, while they figured out what all can be bought with Rs. 750 in these times. A campaign website served as an information and donation hub.
- 10) **Evaluation:** The success factor of the campaign should be realized on a regular interval. It is important to evaluate the performance and results of the Cause marketing campaign in order to improve and make amendments.
- 11) **Strong emphasis on social and earned media:** The best cause marketing campaigns will develop multiple media designed to maximize the effectiveness of each channel. Dumb Ways to Die, a safety campaign from Metro Trains Melbourne was particularly good at this. The campaign starting with a catchy and hilarious song, before branching out into social campaigns with video outtakes, physical dolls and smartphone games.

#### 4. STATEMENT OF PROBLEM:

In today's digital world, customers expect response within seconds or lose interest. Factors like customer behaviour, market dynamics, increased competition and technology, are driving organizations to reinvent themselves. It is not arguable that due to these changes modern business creates more challenges to increase revenue and decrease costs and implements steps for successful relations with its customers. Today, rivalry is exceptionally high; each association is along these lines resolved to separate their brands and administration contributions contrasted with their rivals. As a result, everyone is attempting for improving relations with customer consider, cause marketing to have novel highlights in their image and market them.

There are numerous numbers of literatures about Cause marketing discussing history, its usage, investment profitability from different views, and studying of these approaches is. Even though, a considerable amount of work has gone into the study of cause marketing, but it appears that very limited work has been done to examine how to choose Cause marketing system and to introduce it in relevant field. Practically, the most challenging thing is to choose right cause for Cause marketing as there are many cause and solutions in the world. Therefore, the study was undertaken.

#### 5. NEED FOR THE STUDY:

Cause Marketing (CM) has emerged as a top management priority in the last decade due to the growing realization that it is one of the most valuable intangible tools that firms have to gain for better corporate image from Internal as well as External Customers. Cause marketing has become an extreme need for today's corporate world as it continuously provides multiple benefits like positive word of mouth, survival and competitive advantage, sure returns on investments and ever raising goodwill. Since cause marketing is becoming more prominent for the organization to sustain every challenging competitive market. This study makes an attempt to analyze various prospects of cause marketing and highlights the strategy firms need to follow to choose the appropriate cause to partner with, as this association ultimately impact on ability of this strategy to positively influence the society.

##### 5.1 Objectives of the study:

- To understand the concept of cause marketing in the Indian context
- To identify the factors influencing of cause marketing
- To analyze the impact of cause marketing and its social impact.
- To know the various steps involved in effective implementation of cause marketing.

**Data:** the needed data has been accumulated through secondary sources such as Books, articles published in various national and international journals, magazines, reports etc.,

**Nature of Research:** It is a descriptive research in nature.

Cause marketing is not only the right thing to do from an ethical standpoint, but it also makes excellent business sense. Organizations that successfully engage in a cause marketing program can receive numerous tangible and intangible benefits such as enhanced reputation, increased sales, expansion of market potential and greater positive media exposure some of the benefits cause that support the increasing power of cause marketing. Organization can increase customer engagement with cause marketing, making the customer happy for doing business with the company and further strengthening your relationship with the company. Wildlife conservation, Health and hygiene, children's

education, planting trees, drinking water in schools and solar power in villages - there is no paucity of causes for which brands are seeking support or donations from consumers all over the world. Cause marketing has a bright future and in future more and more company will adapt it.

## **6. CONCLUSION:**

When corporate supports societal issues such as poverty, hunger, access to clean water, financial services and education or any other challenge in society, it will be able to better connect with its customers. Governments and NGOs are doing their best to combat those who lack access to the basic in life, but they can't succeed alone. The challenges are too big, too complicated, and too expensive, which demands for public and private sectors to come together to help making our societies better place to live in. Cause marketing is one of the most effective way to solve ills and injustices in the world. This study also reveals that although Cause marketing as a strategy appears to be beneficial to all parties involved, this strategy does not go without ramifications. In addition, it also shows that skepticism moderate the effect of Cause marketing on corporate image and can bring a flood of negative publicity and media attention upon themselves when Cause marketing campaigns take a turn for the worst. While planning the Cause marketing campaign, marketers must take caution in understanding the consequence of skepticism on corporate image.

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