

ACHIVING CRM THROUGH CAUSE RELATED MARKETING

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ABSTRACT

Business organizations are a part of the society. Earlier it was assumed that the company's accountability and responsibility was towards their shareholders but now it is said that as these organizations take input from the society they should also give something in return to the society. Now day's companies are finding new ways to fulfill their corporate social responsibility and Cause-related Marketing (CRM) is one of the ways. This paper focuses on the benefits of CRM and how are the companies using marketing communication activities to demonstrate CRM in the Indian scenario. The mixing of emotions in the right proportion with the marketing initiatives should make organizations wary of the fact that cause-related marketing is not a joke and should not be treated lightly. It's a win-win approach where the partnership of corporate strategy and good citizenship make the organization's marketing program connect with its consumer, its cause thereby making the consumer corporate win.

KEYWORDS: CRM, Cause Related Marketing, and Marketing Communication

INTRODUCTION

The business world is getting more competitive day by day. Companies are facing stiff competition from their competitors. So they are finding new ways to counter competitors and prove their superiority in the market. The customers' expectations from the companies have also changed. They want the companies from which they are purchasing products/services, to be more *socially-responsible* rather than just being *customer- responsible*. It is not so that earlier the companies were not socially responsible but the thing is that they were giving much preference to the needs and wants of the customers as compared to the societal well-being. We can find many examples in the past where the companies use to give big donations for supporting some social cause in order to fulfill their social responsibility. With the development of the marketing world, competition has increased and customers' expectation from the companies has also changed. Big corporate houses are finding new ways to stood up to this expectation level. One of the ways through which they are trying to present themselves as a Socially-Responsible company is CAUSE RELATED MARKETING (CRM).

CAUSE RELATED MARKETING: A BRIEF PROLOGUE

Cause marketing or **cause-related marketing** refers to a type of marketing which involves the cooperative efforts of a "for profit" business and a non-profit organization for mutual benefit. The scope, design and the nature of association between for-profit and non-profit organisation which are a part of the cause related campaign may differ from campaign to campaign but in the most common type of relationship, a company might donate a portion of each purchase made by its customers during a specific period of time to the nonprofit entity. The term is sometimes used more broadly to refer to any type of marketing effort for social and other charitable causes, including in-house marketing efforts by non-profit organizations. One of the first "cause marketing" campaigns occurred in 1976 through a partnership between Marriott Corporation and the March of Dimes. Marriott Corporation is in the hotel business whereas March of Dimes is a health charity whose mission is to improve the health of babies by preventing birth defects, premature birth, and infant mortality. The objective of Marriott by this partnership was to generate cost-effective public relations and media coverage for the opening of their Family Entertainment Centre. On the other hand, the objective of March of Dimes was to increase fund-raising while motivating the collection of pledges by the program's deadline. The program was conceived and directed by Bruce Burtch who coined the phrase "Do Well by Doing Good" for this campaign.

However, the creation of the term '**cause related marketing**' is attributed to American Express and it was used to describe efforts which support charitable causes in a way that is also helpful in the promotion of the business. The term was then used to describe the marketing campaign led by American Express in 1983 for the Statue of Liberty Restoration project. The essence of this campaign was that, a penny for each use of the American Express card, and a dollar for each new card issued were given to the Statue of Liberty renovation program. \$2 million was raised for Lady Liberty over a four-month period and the business activity increased by 28 percent. The success of this campaign gave birth to the concept that 'doing good is good for business'.

Since then onwards, the terms "cause-related marketing" and "cause marketing" continued to grow in usage. In more recent years the term has come to describe a wider variety of marketing initiatives based on the cooperative efforts of business and charitable causes.

BENEFITS OF CRM

This concept is beneficial for both the parties. On the one hand, the campaign helps the corporate houses (for-profit organizations) in improving their company image, building customer loyalty and increasing sales, whereas on the other hand, it provides funds to the charity which is working to support a special cause.

Cause related marketing can be the pillar of the marketing plan. It can help the company gain a competitive edge over its competitors by projecting a positive reputation in the target market. Also it delivers other tangible benefits. To mention a few, following is the list:

- a. Good relations with the media
- b. Better company image
- c. Increased sales and
- d. Additional customer loyalty

- e. It helps in creating an alternative and different viewpoint towards brand advertising.
- f. Certain markets (Niche) can be entered if they are partnered with non-profit organizations.
- g. Companies can attract and retain quality employees (2000 Cone/Roper Executive Study).
- h. CRM efforts communicate a company's commitment to CSR broadly by way of communicating the same to its stakeholders including employees, customers and suppliers.

In a competitive market, 'survival of the fittest' theory prevails and only those organizations can survive long, that are able to build long-term relationships with customers. Customers being a part of society expect companies to go beyond their call of duty (Millenimu Poll on CSR, 1999).

SCOPE AND FORMS OF CAUSE RELATED MARKETING IN INDIA

CRM is although a phenomenon that had its roots in the western countries, but it has gained rapid acceptance in India in recent Years.

According to Professor Alan Andreasen, there can be three forms of alliance between the 'for-profit' and 'non-profit' organizations. They are as follows:

1. **Transaction-based promotions:** Programs that elicit participation with an offer to make a contribution to a designated cause based on consumer activity such as buying a specific product, redeeming a coupon, registering at a website or shopping at a particular retail chain.
2. **Joint-issue promotions:** Joint campaigns that raise awareness of a cause's message (e.g. fight skin cancer) or participation in its programs (e.g. join us in a coastal cleanup) while building a positive association with the corporate sponsor or its brands.
3. **Licensing:** Independent Sector defines cause-marketing licensing as "An agreement in which the nonprofit allows its information or knowledge to be used for a fee or an agreement in which a nonprofit's name is attached to a product. Typically, a nonprofit licenses a company to develop, produce, market and/or distribute a mission-related product that is promoted either with the organization's brand name or co-branded with both the company's and nonprofit's names." This form of alliance is not yet practiced in India.

The above three forms covers a part but not the whole gamut of CRM. Various forms of CRM are created or are defined only by the limitations of one's imagination. CRM simply means marketing related to a cause. The confine CRM to one, two or three types will be erroneous as marketing is in its developing stage and with the development of marketing; we are going to see other forms of CRM too. As we say that, Marketing-mix consists of 4P's i.e. product, price, place and promotion, CRM is a part of the last 'P' i.e. promotion. It can be demonstrated through advertising, sales promotion, sponsorship, direct marketing, publicity, and many more aspects of marketing. The list of promotion-mix is growing day by day and so is the scope of CRM. In the following paragraph an attempt has been made to understand how in the Indian market scenario, the marketer is using various communication tools to exhibit CRM.

ADVERTISING AND CRM:

Use of advertising in Cause related marketing means advertising of a particular cause where the 'for-profit' or a business organization lines-up itself with a particular cause and then uses its advertising to commune the cause message. The organization's objective besides raising awareness of the particular cause can range anything from building brand image to encouraging relationships and loyalty between the product, charity, cause or company.

Tata tea has taken the concept of using television channels in promoting a cause message in one of their advertisement (jaago re commercial) in which they are trying to persuade the youth to cast their vote in the general elections (election ke din agar aap vote nahi kar rahey ho to aap so rahey ho). Even in one of their other commercial they addressed the issue of corruption by saying "ab khilaana band aur pilaana shuru."

Star care, under the Heroes project, launched an humorous court-room commercial to create awareness about AIDS.

In each of the case referred, TV advertisement has added value not only to the business organisation but also to the cause.

SALES PROMOTION AND CRM

Cause-Related marketing is normally demonstrated with Sales promotion. Donation to causes is generated by purchases. More the sales more will be the donations to the cause. Some of the examples in Indian context are as follows:

- Tata Salt, in its 'DESH KO ARPAN' programme contributed 10 paise for every kilo of Tata Salt, sold during specific periods, to the education of underprivileged children. Child Relief and You (CRY) was their partner in this programme.
- Procter and Gamble, in partnership with Child Relief and You (CRY) launched a project in the name of 'Shiksha' (special program to support education of underprivileged children across India). According to this project a part of the proceeds generated by the sale of large pack of Tide, Ariel, Pantene, Head & Shoulders, Rejoice, Vicks VapoRub and Pampers will be donated to support the cause.
- Novartis India Ltd., in a cause-related marketing scheme, donated 2% of the value of sales of Ovaltine Plus towards CRY's Gujarat rehabilitation operations. The total amount raised was approximately Rs. 40,000.

SPONSORSHIP AND CAUSE RELATED MARKETING

Sponsorship is the financial or in-kind support of an activity, used primarily to reach specified business goals. We can find numerous examples where the companies' have sponsored various sporting events like cricket or football matches or have organized dance and song shows where famous sportsperson and the bollywood celebrities respectively performs. These events are organized especially to support a cause and the proceeds generated from these events are used to fight for that cause.

PUBLICITY AND CRM:

Credibility of cause is crucial for the success of cause marketing. Credibility will be low if a company offers a meager amount of money for the cause. If the whole company i.e the employees as well as the top, middle and first-level of management are involved in cause marketing, customers treat the company as a more reliable entity in the society. And, if a company as a whole (like Aravind Eye Care hospital) is involved in cause marketing, the credibility is very high. Aravind hospital is connected with the cause of serving the poor and it is integrated with the marketing strategy of the organization. The credibility of the hospital is so high that the hospital gets huge word of mouth publicity and so it doesn't have to indulge into any other form of promotion activities.

CONCLUSION

Cause related marketing found its roots and began as a commercial activity but over timelines it has grown as a concept. It has gone beyond commercial activity and become a community activity signifying collectivism and increased sense of responsibility. Houses like Tata and concerns like Aravind Eye Care have exhibited soft marketing in their application of strategies. They have become proactive and don't wait for instances to occur to guide their actions. Rather a paradigm shift is being experienced where companies work unconditionally for the cause without expectations in return.

The mixing of emotions in the right proportion with the marketing initiatives should make organizations wary of the fact that cause-related marketing is not a joke and should not be treated lightly. Its mere cause is just not to promote the sales of the organizations' products. With its application becoming more sophisticated, it can survive as the sole strategy to build relationships with the target consumers on an emotional platform. If programmed and executed strategically, it can prove its mettle by differentiating its product from its competitors, add value, command premium prices, enhance brand loyalty and build a positive reputation of the corporate brand. It's a win-win approach where the partnership of corporate strategy and good citizenship make the organization's marketing program connect with its consumer, its cause thereby making the consumer corporate win.

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