

Lecture 48

CAUSE RELATED MARKETING

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Cause-related marketing

- Cause-related marketing (CRM) is a mutually beneficial collaboration between a corporation and a nonprofit designed to promote the former's sales and the latter's cause.
- Cause-related marketing is a vehicle of communication of CSR which demonstrates to a large audience how the social responsibility of an organization translates into specific benefits for society.

Why cause related marketing...?

- A research study conducted by Research International (UK), Ltd., noted the following:
 - ✓ Eighty-six percent of consumers are more likely to buy a product associated with a cause or issue.
 - ✓ Eighty-six percent of consumers have a more positive image of a company they believe is doing something to make the world a better place.
 - ✓ Sixty-four percent of consumers feel companies should make cause-related marketing a part of their standard business practices.

Remember

1. Choice of cause
2. Choice of non-profit partner



Choice of Cause

- A systematic approach to the choice of cause(s) to support would require that the firm study alternative causes and the constituencies to whom those causes appeal.
- There should be a match between the firm's customer profile (or any of its multiple constituencies) and constituencies to which a cause appeals, the firm may choose to tie-in with the cause.
- The factors that might influence a firm's choice of causes are:
 - ✓ The characteristics of its product offerings, [ITC-Farmers' welfare]
 - ✓ Brand image and positioning, and
 - ✓ The characteristics of its served market. [Aravind eye care]

Choice of non-profit partner

- In order to achieve brand **salience or resonance** amongst consumers, the choice of nonprofit partner becomes critical.
- The two key issues are:
 - ✓ The importance of brand–cause fit
 - ✓ Whether the chosen cause or the brand need be familiar to target consumers.
- There should be a good fit (between brand-cause and non-profit partner) in order to result in favorable consumer evaluations of the campaign.

Source: P. Rajan Varadarajan and Anil Menon, 1988. Cause-Related Marketing: A Coalignment of Marketing Strategy and Corporate Philanthropy
Journal of Marketing , Jul. Vol. 52, pp. 58-74



Building a Successful Cause-Marketing Campaign

1. Identify your cause
2. Determine your contribution
3. Involve your audience
4. Co-promote with a non-profit organization

1. Identify your cause

- Cause-related marketing should focus on reflecting the values of one's company or business.
- You can partner with a non-profit organization that is somehow related to the business.
- Knowing your audience and constructing a campaign around their values will not only help the nonprofit you are involved with but will also increase loyalty to your brand.
- Employees will be more willing to participate if it's something they believe in. Their passion will show through their work, enhancing the outcomes for the nonprofit.

2. Determine your contribution

- Monetary contributions aren't the only way companies can help a cause.
- You can determine how much and what ways each party contributes.
- You can look beyond the monetary contribution and gifts.
- Contributions should help to form a strong association between your products and your company's nonprofit work.

3. Involve your audience

- The primary purpose of any marketing campaign is to have a determined response from the audience.
- You can motivate the audience to participate the campaign in several ways:
 - ✓ Donating for the cause
 - ✓ Sharing about the brand through the social media post
 - ✓ Participating in events conducted by the partners.

4. Co-promote with a non-profit organization

- A campaign will be more effective if both the cooperation and the non-profit organization are promoting it.
- Strategizing with your nonprofit partner can help ensure both of you will get the most out of the partnership.
- Both the parties involved must announce their affiliation through the newsletter, press release, and can enhance their outreach by tagging each other in social media posts.
- One can take full advantage of the partnership.

The Elements of an Effective Cause Marketing Campaign

1. Simple and inspiring messaging.
2. Strong visual storytelling.
3. A physical element or exhibit.
4. Strong emphasis on social sharing and earned media.
5. Focus on a big issue coupled with a request for a small personal action.

Types of Cause-related marketing practices: One size does not fit all

- **Transactional programs:** Exchange-based donation. For every unit sold, a corporation contributes a share of proceeds to a particular social cause. *For e.g., ITC contributes Re.1 for rural and village education for every 4 classmate notebooks purchased.*
- **Message promotion programs:** The cause is promoted and some contribution, although not tied to a transaction and not necessarily monetary, is made by the firm. For e.g., media and telecom companies.
- **Licensing programs:** A non-profit organization licenses to use its name and logo to a company, which places the imprimatur (approval) on the product and the company pays for it. For e.g., World Wildlife Fund, the licensing program with Visa debit/credit cards.

Source: Berglind, M., & Nakata, C. (2005). *Cause-related marketing: More buck than bang?* *Business Horizons*, 48(5), 443-453. doi:10.1016/j.bushor.2005.04.008



Types of Cause-related marketing practices: One size does not fit all

- **Employee Engagement.** When a company uses employee volunteers for social good. For e.g., Infosys, *hp*, Tata etc.
- **Issue focused programs:** Businesses partner with non-profit groups affiliated with one issue. The issue is selected strategically to support the image of the corporation.
- **Business activity programs:** Many corporations integrate ethical business practices into their operations. Business activity programs help build awareness of a corporation's ethical practices, but here, too, there is no specified donation. For e.g., Narayana Health (Narayana Hrudyalaya)

Source: Berglind, M., & Nakata, C. (2005). *Cause-related marketing: More buck than bang?* *Business Horizons*, 48(5), 443-453. doi:10.1016/j.bushor.2005.04.008

Some examples of successful cause related marketing campaigns

- HLL announced a contribution of Rs 0.50 on the sale of each of its brand of lifebuoy brand soap to a diarrhea project .
- Procter & Gamble (P&G) -Project Drishti, 'Shiksha'
- Horlicks -Ahaar Abhiyan
- Samsung Technical School –We care for the girl child
- The Times of India Lead India, I will be the change

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THANK YOU

