



CAUSE RELATED MARKETING: A STRATEGY TO COMMUNICATE CSR AND ITS' INFLUENCE ON CONSUMERS' ATTITUDE IN KERALA

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Abstract:

Cause related marketing as a part of Corporate Social Responsibility, become increasingly used tool by companies operating in the market. It refers to a type of marketing involving the cooperative efforts for profit business and a non-profit organization for mutual benefit. The term is sometimes used more broadly and generally to refer to any type of marketing effort for social and other charitable causes, including in house marketing efforts by non-profit organizations. Cause related marketing has become a communication tool for increasing customer loyalty and building reputation. .Cause marketing differs from corporate giving (philanthropy), as the latter generally involves a specific donation that is tax-deductible, while cause marketing is a marketing relationship not necessarily based on a donation. The present empirical based study was conducted with an objective to study the concept of cause related marketing and Corporate Social Responsibility and to highlight the influences that cause relating marketing has upon consumers' attitude. The study is based on both primary and secondary data. Simple percentage method and chi-square tests are used for data analysis. . The area of study is confined to selected areas of Thrissur district and the sample size is 50. The research found that consumers have a better perception about the concept Corporate Social Responsibility and Cause related marketing. They believe that the partnership between corporations and charities has an impact on good society. However, concerning good causes, consumer refers to support those related to environmental protection. And most of the consumers are willing to pay extra for a product or service associated with a social cause.

Keywords: Corporate Social Responsibility, Cause related marketing, Consumer behaviour

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Introduction

Today, people have become more aware about problems in the society and profit making companies are taking more and more responsibility for their actions. Corporate Social Responsibility (CSR) is something that they more commonly incorporate in their business strategy. Philanthropic actions are not always required from the society, however it is expected. Cause-Related Marketing (CRM) is one way for companies to implement and show responsibility. The concept is regarded as a process where the company, through marketing activities, contribute an amount to a non-profit organization or a cause. Cause marketing or cause-related marketing refers to a type of marketing involving the cooperative efforts of a for-profit business and a non-profit organization for mutual benefit. The term is sometimes used more broadly and generally to refer to any type of marketing effort for social and other charitable causes, including in-house marketing efforts by non-profit organizations. Cause marketing differs from corporate giving (philanthropy), as the latter generally involves a specific donation that is tax-deductible, while cause marketing is a marketing relationship not necessarily based on a donation.

With the passage of the Companies Act, 2013 the mandate for Corporate Social Responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian Companies. The industry has responded positively to the reform measure undertaken by the govt. with a wide interest across the public and private sector, Indian and multinational companies. Cause related marketing (CRM), as a part of companies CSR, is a type of program in which a company commits to donate an amount that depends on the sales they achieved in certain period time for a cause (Kotler and Lee, 2006). Typically, a CRM campaign involves an offer that is valid for a period of time, refers to a specific product of the company and performs for the benefit of non-governmental organisations, or another partner, who has legitimacy in the selected cause and the ability to manage money. The study consists of analysis of the concept of Cause Related Marketing and a case study is presented to know the influence on consumer's attitude, as reflected by the administration of a questionnaire to respondents in Thrissur District.

Cause Related Marketing In Context Of Corporate Social Responsibility

CRM can be viewed as a manifestation of the alignment of corporate philanthropy and enlightened business interest. It is basically a marketing program that strives to achieve two objectives-improve corporate performance and help worthy causes by linking fund raising



for the benefit of a cause to the purchase of the firm's products and or services. Indicative of the marketing thrust of CRM programs is the fact that, in most cases, contributions to charity stemming from firm's CRM do not come from its regular philanthropic foundation budget. Rather, a portion of the marketing budget that normally would have been expended for advertising and/or sales promotion is instead earmarked for contribution to a cause on behalf of those customers who engage in revenue producing transactions with the firm during a specified time period and comply with other terms of exchange (Business Week 1982; Wall 1984). Also indicative of the marketing thrust of CRM programs is the fact that the amounts expended by the firms in promoting the programs, and thereby stimulating demand for their brand(s), tend to be substantially higher than their promised maximum contribution to the cause. For example, during 1983, American Express Company launched a cause-related marketing program (CRMP) in support of the renovation of the Statue of Liberty. American Express promised to donate a penny to the renovation for each use of its charge card and a dollar for each new card issued in the U.S. during the fourth quarter of 1983. American Express had a 28% increase in card usage over the same period in 1982 and a sizable increase in the number of new cards issued. This \$6 million national promotion campaign resulted in a \$1.7 million contribution by American Express to the Statue of Liberty Ellis Island Foundation (Wall 1984).

In India Cause Related Marketing is been widely used by many companies as a marketing strategy. For example 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. ITC contributes Re. 1 for every four Classmate Notebooks purchased, to its social development initiative that supports, among other projects, primary education (source:-ITC website). The greatest successes story in recent time has been the CRM strategy adopted by Kerala State Lottery Department.

The Kerala government decided to go ahead with the new scheme named Karunya Lottery launched in 2011 by the OomanChandy government. The 'Karunya Benevolent Fund' has so far funded the medical expenses of around 22,000 patients to the extent of Rs.286 crore. The fund is providing financial assistance to underprivileged people suffering from cancer, haemophilia, kidney and heart diseases. This was highlighted as the greatest success story of cause related marketing (CRM) effort in India. This success is considered important in



the context of a high court ruling which said daily lottery should be banned in Kerala as it was doing more harm than good to the society. The introduction and success of CRM strategy by Kerala State Lottery Development has made the high court to have a different view from the earlier thinking.

Literature Review

In the past, researchers have found that cause related marketing (CRM) may have a significant impact on choice behaviour. They had also pointed out that the brand/cause fit (John W. Pracejus , G. Douglas Olsen 2004), primary need (Joe Vanhamme, Adam Lindgreen, Jon Reast and Nathalie van Popering ,2011) and long term commitment (Gordon Liu,) is very much important in selecting the cause. It was also noted that Cause Related Marketing help the companies to attract and build a long- term relationships with customer (Rajeswari S.P ,2007) and increase sales (Michael J. Barone, Anthony D. Miyazaki, Kimberly A. Taylor, 2000). A study by Ms. Sanjeela Mathur Ms. Aditi Midha (2012) finds that the support for the causes was high enough to induce not only purchase decision but also willingness to pay higher prices for the same.

The introduction of CRM in lottery business is of recent origin in Kerala and no study has taken place in Thrissur, Kerala to understand the level of satisfaction and awareness among the customers of lottery ticket. So this study aims to find the effect of consumer buying behaviour & awareness levels of lottery purchase after the introduction of CRM.

Objectives of the Study

The specific objectives formulated for the study are:

1. To study the concept of Cause Related Marketing.
2. To analyse the consumers awareness and perception regarding Cause Related Marketing in Kerala.
3. To evaluate the effect of Cause Related Marketing in the purchase intention of consumers in Kerala.

Hypothesis

H0: There is significant association between CRM and Corporate image

H1: There is no significant association between CRM and Corporate image.



Research Methodology

In this research work awareness and attitude of the customer's regarding the concept of Cause related marketing has analysed by giving a case study as an example with in the questionnaire. Case study is based on Karunya Lottery. The introduction of CRM in lottery business is of recent origin in Kerala. So the customers of Karunya lottery has taken for sample.

The study analysed the response of 50 customers from selected three retail outlets situated in Thrissur, Guruvayoor and Kunnankulam. The stores and customers where selected based on the convenience.

Both secondary and primary data has used for analysis. The descriptive research design has used to achieve the objectives, based on survey method. The purpose of this research is to highlight the influence that Cause related marketing has upon consumer's attitudes. A well-structured questionnaire as a means of gathering information with questions in a predetermined order has developed. Most of questions being closed or fixed choice response upon the consumers' attitudes. Likert's 5 point scale [5-Strongly disagrees, 1-Strongly agree] used to measure, construct and identify the degree of involvement of respondents.

For achieving the research questions simple percentage and Chi-Square tests were used. The researchers utilised the SPSS software program in order to facilitate the statistical analysis.

Data Analysis and Interpretation:

Before going for discussion on respondents perception about Cause related marketing, it is relevant here to have an overview of the socio-economic profile of the customers. The study analysed the response of 50 customers from selected three retail outlets situated in Thrissur, Guruvayoor and Kunnankulam. The stores and customers where selected based on the convenience. A total number of 50 questionnaire were completed of which 92% where answered by male. (Table: 1)

**Table: 1 Demographic profiles of respondents**

	Demographics	Frequency	Percentage
AGE	Below 18	3	6%
	18-25	18	36%
	26-40	8	16%
	41-55	10	20%
	Above 55	11	22%
QUALIFICATION	10 th Std.	19	38%
	+2	8	16%
	Degree	9	18%
	Post Graduate	14	28%
MONTHLY INCOME	Below 10000	28	56%
	10000-30000	16	32%
	Above 30000	6	10%
SEX	Male	46	92%
	Female	4	8%

Source: Primary Data

Research results

The questionnaire includes fictional situations that are designed to familiarize respondents with the concept of Cause Related Marketing. Likert's 5 point scale [5-Strongly disagree-1 strongly agree] has used to measure constructs and to identify the degree of involvement of respondents in the campaign presented below and to what extent it influenced their purchasing intention. The number of new cancer cases in Kerala is estimated at 50,000.

The number of people seeking cancer treatment annually in the state is estimated at 100,000. Under 'Sukrutham', (Scheme of Karunya lottery) cancer patients below the poverty line will be given free treatment at Regional Cancer Centre, Thiruvananthapuram; Malabar Cancer Centre; medical college hospitals in Thiruvananthappuram, Alappuzha, Kottayam and Kozhikode and Ernakulam General Hospital.

**Table 2 Cause Related Marketing and perceived image**

Question	1 Strongly agree	2 Agree	3 Neutral	4 Disagree	5 Strongly disagree
Exposure of this cause related initiatives, via through Karunya Welfare	21%	39%	16%	17%	7%
I would buy the lottery anyway; I'm not interested in the campaign.	10%	11%	27%	34%	18%
I would buy the product both for its cause and source of income	28%	35%	18%	12%	7%
I feel the company is making this cause to increase the sales.	15%	71%	11%	4%	3%
I believe 'Karunya' has social value.	5%	48%	28%	12%	2%
I believe lottery linked 'Karunya Benevolent Fund' introduced beneficial to the society.	6%	28%	38%	13%	15%
I believe treatment provided to cancer patients below the poverty line under the scheme 'Sukrutham'.	5%	38%	32%	12%	13%

Source: Primary survey

Interpretation: Regarding the extent to which respondents agree that it would be worth buying from Karunya because of this cause related marketing initiatives, 39% consumers agreed with this statement, while 21%, expressed total agreement (Table:2). Initiate the campaign of this kind draw attention to the company and in consumer's mind it creates the perception that buying the products is justified in order to help the cancer patients.

As the analysis highlights, regarding the situation in which the consumers would buy from the lottery both for cause and source of income (35%) of agree with the statement and only 7% of them disagree the statement.

As research showed, (71%) of the respondents believe that the campaign aim to increase sales, 15% expressed total agreement. In this context, it is evident that consumers truly believe the main objective for the company is to maximise the profit, rather than genuinely



support the charity and ultimately the society. Results outlined that 48% of them are agree that Karunya Lottery has social value and most of the consumers believe the benefit of Karunya lottery scheme beneficial to the society.

The vast majority of respondents consider that this donation is intended to improve company image. In cause-related marketing campaigns, scepticism arose as consumers' perception is that the companies have other interests, beyond the philanthropic intent. They may also believe that the amount of money collected is not so substantially as to have a real impact and to make a difference or the cause. Many strongly believe that the sole purpose of a company is to maximize profits and improve corporate image.

Table no. 3: Cause related marketing and consumers' degree of involvement

Question	1 Strongly agree	2 agree	3 Neutral	4 Disagree	5 Strongly disagree
Because of this donation, I would buy lottery	10%	39%	23%	21%	7%
I consider myself a responsible person, therefore I would buy more to support the cause.	15%	41%	19%	20%	5%
I feel like this company involves me in choosing the cause.	12%	57%	19%	8%	4%
I believe other companies should regularly be involved in similar campaigns	31%	55%	8%	4%	2%

The most of the respondents would buy more (Table: 3) because of this campaign, as they perceive a difference by linkage with three supporting cause. Consumers are attracted by the creative, innovative idea of the company to communicate to them and directly involve them in the process of sustaining the charities.

Regarding the statement customers wouldn't normally buy the products, but not that there is a relation with the cause, the feel the need to buy. Therefore cause-related marketing campaign, as a part of corporate social responsibility, may induce an impulse in consumers' behaviour, as they are attracted to the cause and the will buy products only because of the



linkage with the cause. (57%)of customers agree with the statement and only 4% of them disagree.

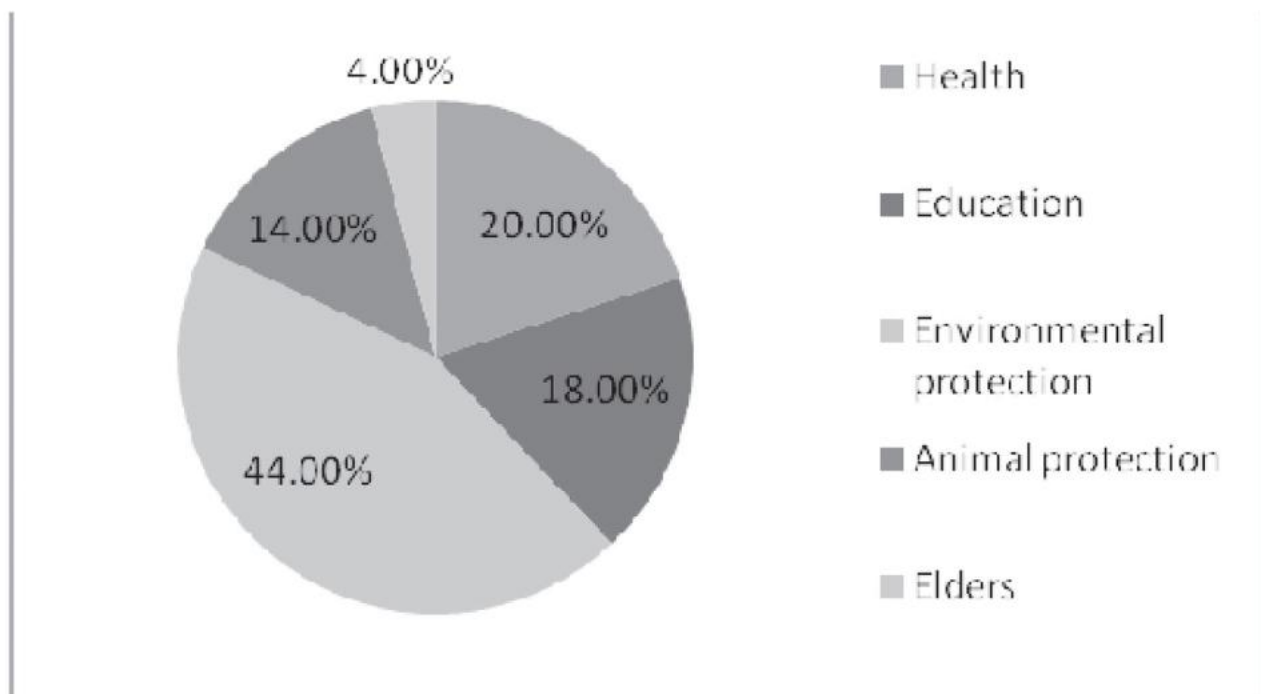
Regarding the statement “I consider myself a responsible person, therefore I would buy more to support the cause”, 41% people agreed and 15% people strongly agreed (Table no. 3). This campaign offers more value for the customers, which justifies the higher purchased quantity.

FIELD OF ACTIVITY

	Frequency	Percent
Health	10	20.0%
Education	9	18.0%
Environmental protection	22	44.0%
Animal protection	7	14.0%
Elders	2	4.0%
Total	50	100.0

Source: Primary data

Figure 1 Field of activity



Source: Primary data

Respondents consider that mostly needs support is Environmental protection.

**Test Result****Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	0.050 ^a	1	.823
Likelihood Ratio	0.049	1	.825
Linear-by-Linear Association	0.049	1	.825
No of Valid Cases	50		

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 1.76.

b. Computed only for a 2x2 table

In the above case P value of .823 is much higher than the commonly accepted levels of either .05 or .10. So we cannot reject the null hypothesis. In other words there is significant association between Cause related Marketing and Corporate image. The result is reported as given below:

“There is significant association between Cause related marketing and Corporate image (Chi-Square=0.050, df=1, p=.823)

In the Year 2010-11 a downward movement was seen, the profit was reduced from 114.7 crore in 2009-10 to 92.02 cores this was because of many scam which was brought up during this time and many products where withdrawn because of the intervention of high court. But after the introduction of Karunya in September 2011 this scenario has changed dramatically. The government started using advertisements and public relations activities to promote the lotteries. Seeing the huge growth (in the year 2013-14, profit 788.42) and lesser interventions from public it is very well clear that it has created a good image in the minds of the people.

Findings:

1. Effective cause related marketing facilitates both increased purchase and continued brand loyalty.
2. Respondents consider that mostly needs support is Environmental protection.
3. Most of the (48%) customer are aware about Karunya lottery cause related activities initiated by using Karunya Benevolent Fund.
4. 39% of them agree that because of donation they have purchase the product.
5. Customers give attention for both benefit and cause by purchase a product.
6. 57% of the customers are ready to involve in cause.
7. Women are influenced in their buying decision by cause related products.
8. Many of them believe that the partnership between corporations and charities has an impact on good society.



Conclusion

Corporate Social Responsibility is important for acquiring long-term success, being each organization's essential competitive advantage and a path to society's sustainable development. Cause related marketing is a market strategy linking the purchases of a product with fundraising for a worthwhile charity, project or cause create s mutually profitable outcome for business and charity.

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