

Cause Related Marketing and its Impact on Corporate Brand Image and Sales

Mr. Bhavet Garg,***

Abstract

In this paper attempt has been made to study concept of Cause Related Marketing & Its impact on Corporate Brand Image & Sales through questionnaire cum interview schedules & from secondary data sources like website, Journals & Magazines. The paper reveals that factors that influence the customers were found to be brand name, availability, price, quality & cause related marketing concept. Results obtained show that cause related marketing results in increased sales, visibility, consumer loyalty & enhanced company image along with positive media coverage .

“In today’s marketing world, the companies have to be caring and they should look after the welfare of their customers and society”

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Concept of Cause Related Marketing

Cause related marketing can be understood as a strategic positioning and marketing tool which links a company or a brand to a relevant social cause or issue for mutual benefit. It is the initiation and funding of deserving causes. Cause related marketing is a strategic marketing activity a way for a company to do well by doing good-distinct from sales promotion, corporate philanthropy, corporate sponsorship, corporate Samaritan acts and public relations, though it is often an amalgam of such activities.

Nothing builds brand loyalty among today’s increasingly hard to please consumers like a company’s proven commitment to a worthy cause. Other things being equal many consumers would do business with a company that stands for something beyond profits. In nutshell, cause related marketing results in increased sales, visibility, and consumer loyalty and enhanced company image along with positive media coverage.

Indian Scenario

Cause related marketing and its impact on organizational selling and brand loyalty.

1. The HLL announced a contribution of fifty paise to a diarrhea project on sale of each of its LIFEBOUY brand soap. It helped to improve market share for ‘lifebuoy’
2. OBEROI Hotels had specially designed and printed envelopes placed in all Oberoi properties where in the guest could contribute to CRY, a non government organization and collected more than Rs. 6.50 lakhs in 18 months. CRY is a NGO whose role is that of an enabler a catalyst between two groups of people (a) development organization and individuals working at grass root level with marginalized children, their families and communities and people from all walks of life who believe in the rights of children.
3. In India ‘whisper’ a brand in the sanitary nappies market where the materialistic difference is minimal announced a contribution of Re 1 on every pack of its sales for blind relief society. It helped to improve market share for ‘Whisper’
4. NOVARTIS INDIA LTD. a pharmaceutical company in a cause related marketing scheme donated 2% or value of sales of OVALTLINE PLUS towards CRY’S (a NGO’s) Gujarat rehabilitation operations. Total amount raised was approximate Rs. 40, 000
5. The HLL announced a Rs. 5/- contribution to SOS children’s village, a social service organization working for educating every little heart by inserting coupons in its Brook bond Taj Mahal tea powder packs. The customer has to tell the coupon number to the company through a toll free telephone number.

*M.M. Institute Of Management, Mullana, Haryana. E-mail: bhavet_mmim@yahoo.co.in, bhavet_garg@sify.com

**Correspondence address: Garg Sadan, #458, Sethni Street, Devi Bhawan Bazar, Jagadhri Haryana – 135003.

International Scenario

During 1983, American Express Company launched a cause related marketing program to restore the Statue of Liberty. The company promised to contribute one cent for every card transaction and \$1 for every new card issued during last quarter of 1983. This resulted in a \$1.7 million contribution by American Express to the Statue of Liberty and 28% increase in use of credit cards along with massive media coverage and free publicity.

Research Problem

Impact of cause related marketing on company sales and brand loyalty and its effects on welfare of society

Objectives of the Study

The primary objective of the study is to find out the customer attitude towards concept or cause related marketing

The other objectives are

1. Impact of cause related marketing on corporate brand image
2. Impact of cause related marketing on sales and customer's brand loyalty

Research Design

Though the primary objective of the study is to understand the attitude of customer towards concept of cause related marketing and its impact on corporate brand image and sales so, descriptive research design is most suitable. Descriptive research design is applied to the study to portray the characteristics of a group or individual as a situation. It includes surveys and fact finding enquiries of different kinds. The purpose of descriptive research is description of the state of affairs as it exists at present.

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items from the sample. Since the population size is infinite sample size for the study was taken as 200 respondents in which 100 samples were of the customers and 100 samples were of the retailers. 96% of retailers were from unorganized sector like paternal business, karyana stores and vendors.

In this study the researcher has adopted convenience sampling for retailers. Population of study includes all the customers and retailers in Ambala and Yamuna Nagar cities of Haryana

Sources of Data Collection

The research consists of the application of both primary and secondary data. Primary data was collected by administering questionnaire cum interview schedules to retailers and customers. The secondary data was collected through websites and from various journals and magazines.

Major Findings/Conclusions

Based on Retailers

1. According to 90% of retailers assuming prices and quality to be same then customer will prefer products promoting social cause.
2. According to 85% of retailers market share of brands involved in cause related marketing has improved by 10% to 15%
3. The other factors that influence apart from cause related marketing are brand name, availability, price, quality

Based on Customers

1. Two in five customers brought product because of its link with good cause or a product labeled as social, ethical or environmental
2. When price and quality are equal two third would likely to switch brands or retailers to one associated with good cause

Suggestions

1. More advertisement must be given on TELEVISION to generate awareness about firm's contribution to designated cause as it is most effective.
2. Cause related marketing can be used for increase in sales and enhancing brand image

Conclusion

The study was conducted to find out the customer's attitude towards the concept of cause related marketing and its impact on corporate brand image and sales in Yamuna Nagar. The different factors that influence the customers were found to be Brand Name, availability, advertisement, price, quality and cause related marketing concept. The company must generate more awareness regarding its contribution to social cause through TV & internet advertising as it is directly related to increase in sales and brand loyalty. India being a developing country with over 250 million strong middle class families has a large potential for any marketer & at the same time it can support quiet a good number of causes which benefits the society at large. e.g. due to operation of CRY' a NGO 89244 children lives were permanently transformed 1013 communities experienced 100% school enrollment, 159 primary health centers began functioning and long term rehabilitation program were initiated in almost 100 tsunami affected villages in Tamilnadu, Andhra Pradesh and Kerala and earth quake relief & rehabilitation programs were initiated in 11 villages in Jammu & Kashmir. So we can conclude that cause related marketing is beneficial both for corporate sector and society.

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