

Marketing of Social Causes through Cause-Related Marketing – An Awareness Study of Young Consumers

* Simranjit Kaur Bedi, ** Dr. Amardeep Kaur Ahluwalia

ABSTRACT

A growing number of firms have realized the importance of social alliances and are entering into commercial and social partnerships with nonprofit organizations to achieve their business and social objectives. In the light of this, they are designing and developing various cause-related marketing (CRM) programs. CRM is an amalgamation of philanthropy and marketing. In order to generate a positive customer attitude and customer buying behavior, it is imperative to understand whether the target segments are actually aware about the CRM programs or not, to what extent are they aware and which CRM campaigns are the most publicized and known to the target audience. In the present study, a sample of 610 young respondents participated in the survey. The awareness level in the context of unaided and aided level of awareness was measured.

Keywords: Cause Related Marketing, Youth, Awareness Level, CRM campaigns.

1. Introduction

Marketing of social causes has been embraced by corporations large and small and has benefited a broad range of charitable causes. In geographic scope, the programs have ranged from international to national to regional and to local levels (Varadarajan and Menon, 1988). There are many Indian organizations which have started adopting CRM as an effective marketing tool. It concedes the fact that businesses when linked with charities can be reciprocally advantageous. It is an approach to deal with existing social issues and attempts to generate financial support and undertake business cum marketing objectives at the same time. According to Zeynali *et al.* (2013) these CRM campaigns are employed to serve a twofold purpose, on one hand, it raises awareness, support, and donations for social causes such as hunger relief or child education, and on the other, it augments corporate image, customer loyalty, and monetary gains for companies. Overall Cause-related marketing enables consumers to make a difference in society through their purchases.

It is emerging as an increasingly popular means of improving marketing associations with customers, equally for the sponsoring company and for the sponsored cause. According to Kim *et al.* (2005), the main objectives of CRM programs are projected to improve corporate performance and help worthy causes wherein the fund raising for the cause are allied with the purchase of the firm's products and/or services, in which the companies associate their commercial activities with charitable causes in order to gain publicity, increase sales, and

* Assistant Professor, University Business School, Guru Nanak Dev University, Amritsar, Punjab, India. Email - simran202122@yahoo.co.in

** Associate Professor, Department of Business Management & Commerce, Guru Nanak Dev University Regional Campus, Gurdaspur, Punjab, India. Email - amardeep.kaur77@gmail.com

attain other important business objectives. CRM is a captivating concept in which a social cause and a product are intertwined which results in a mutually beneficial partnership for both the company and the cause promoted. Marketing efforts are made to sell both the cause and the product. Adkins (1999) claimed that this tool puts the organization in a win-win situation in the society as it produces the organization as a good corporate citizen.

Due to the intense competition prevailing in the Indian FMCG market, companies spend a huge amount on the marketing and distribution of their products. Many times, famous celebrities are hired to promote their product offerings and gain more exposure. Customer awareness matters because it leaves a mark on the customer's memory and helps them to recall the products at the point of purchase. Customer awareness is one of the most common measure of research in consumer based studies. In the process of decision making, awareness is the first basic step. If customers are not aware of the product, they obviously cannot buy or demand that product (Anuar *et al.*, 2014). Additionally, customers show sustained brand loyalty towards the brands which they are aware about (Parmar, 2014).

2. Operational Definition

There are many terms similar to CRM. Among these are corporate societal marketing, corporate issue promotions, corporate social marketing, social issues marketing, pro-social marketing, and cause branding (Berglind & Nakata, 2005). Varadarajan and Menon (1988), among the earliest writers on CRM defined it as “The process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-producing exchanges that satisfy organizational and individual objectives” Cui *et al.* (2003) consider CRM as “A general alliance between businesses and non-profit causes that provide resources and funding to address social issues and business marketing objectives”. CRM is generally transaction based. It relies on the purchase of a product from a profit oriented company and some nominated amount from the purchase price of the respective product is directed and contributed from the sale price to the cause with which the product is linked.

3. Objectives of the Study

- To study the unaided awareness of youth towards CRM.
- To study the aided awareness of youth towards CRM.

4. Research Methodology and Measurement

Youth has always been a prime market segment for the marketers. This segment has an influence in the family decision making and overall consumer spending. Over the years, there has been a rise in the purchasing power of youth with increased spending habits as they become earning hands at a younger age. Many countries are witnessing youth volunteerism as youth are coming forward to bring a social change in their surroundings by becoming social agents. They represent the symbol of change. For the present study, youth between the age group of 18 to 35 years has been taken as the population. By this age, they are mature enough to understand the importance of social contributions. Moreover, most of the products which

associate with CRM comprise of convenience products which are frequently purchased by the youngsters.

For checking the awareness level, dichotomous, multiple-choice, open-ended and 5-point Likert type scale questions were asked from the respondents. The scale comprised of attributes ranging from ‘Highly Aware’, ‘Moderately Aware’, ‘Somewhat Aware’ and ‘Slightly Aware’ to ‘Not at all aware’. The given attributes were assigned weights as 5, 4, 3, 2, 1 respectively. In order to check the aided level of awareness of the respondents, they were presented with various CRM campaigns. Only those campaigns were included in the study which focused on young consumers as their target market segment. A sample of 610 young respondents belonging to five districts of Punjab participated in the survey. For data collection, a self-designed and pretested questionnaire was used.

5. Results and Discussion

Unaided awareness refers to the percentage of respondents who understand or are aware of the concept of CRM. They can at least name or recall a company or a brand or any CRM campaign on their own without any assistance or cues. Aided awareness refers to the percentage of respondents who are aware of the concept of CRM or any CRM campaign. They were given a list of CRM campaigns which assisted them to answer their degree of awareness.

➤ Knowledge about CRM

The respondents were asked whether they have seen or heard about marketing promotions in which the purchase of given products in the CRM campaign would lead to a social contribution towards the help of social issues. In simple words, they were asked whether they know that business firms contributed towards social causes out of the purchases that customers made. This was a dichotomous question with two options. The responses were elicited in a simple form of ‘Yes’ or ‘No’. The total responses are presented in Table 1.

Table 1: Knowledge about CRM

Heard / Seen	Frequency	Percentage
Yes	493	80.8
No	117	19.2

The findings reveal that a total of 493 (80.8%) respondents had either seen a CRM based product or its advertisement or heard about such initiatives of business firms while 117 (19.2%) respondents responded negatively. Majority of the respondents were equipped with the basic understanding of the concept of CRM. The results are supported by research findings of Alcheva *et al.* (2009) which stated that 73 percent of the respondents knew about CRM and had established an impression in their minds.

➤ Extent of Unaided Awareness for CRM

An attempt was made to know the degree and extent of unaided awareness of respondents about CRM. Here, the respondents were asked to mark and express their level of awareness about CRM through their responses on a 5-point Likert scale. The scale included anchors

such as ‘Highly Aware’, ‘Moderately Aware’, ‘Somewhat Aware’, ‘Slightly Aware’ and ‘Not at all Aware’. The attributes were assigned weights as 5, 4, 3, 2 and 1 respectively. The mean level of awareness is computed and the results obtained are displayed in Table 2.

Table 2: Degree of Unaided Extent of Awareness

Extent of Unaided Awareness	Frequency	Percentage
Highly Aware	241	39.5
Moderately Aware	61	10.0
Somewhat Aware	109	17.9
Slightly Aware	87	14.3
Not at all Aware	112	18.4
Total	610	100
Mean Extent of Awareness	3.38	
SD	1.55	

The above table demonstrates that as high as 241 (39.5%) of the respondents were found to be highly aware and as low as 112 (18.4%) of the respondents were found to be not at all aware. The remaining respondents were found to be in the intermediate range of moderately aware with 61 (10.0%) respondents, 109 (17.9%) respondents were somewhat aware and 87 (14.3%) respondents were slightly aware. The overall mean extent of unaided awareness came out to be 3.38 which shows that overall the respondents are aware of marketing practices where the business firms contribute towards social causes out of the sales generated from consumer purchases. Hence, it can be concluded that unaided level of awareness was found to be reasonably high among the respondents.

Recall a company/product/brand/campaign

Another way to understand the awareness was to ask the respondents whether they could recall any CRM campaign. Therefore, they were asked to name any company or product or brand or recall a CRM campaign that contributed to social causes and satisfied the meaning of cause related marketing. It was an unaided and spontaneous recall which measured the ability of the respondents to correctly recall from their memory the CRM related products and brands. The results are shown in Table 3.

Table 3: Recall a company/product/brand/campaign

Recall	Frequency	Percentage
Yes	363	59.5
No	247	40.5
Total	610	100

The table highlights that 363 respondents constituting 59.5 percent of the respondents could

actually recall and name either a company or a product or a brand linked to CRM and 247 respondents with 40.5 percent were not able to recall and mention any brand of such nature. It can be inferred from the given results that majority of the respondents understood the concept and were aware about these activities of the companies but when asked to recall and name such products or brands, they could not answer instantly. Few respondents could not make clear distinctions and gave the names of companies and products which were delivering their social responsibilities in the form of social cause promotions and social awareness. Such responses were not included in the recall as they were not within the purview of the definition of CRM for the given study. A few respondents did not remember the exact CRM campaign name but they remembered the nature of the campaign such as the type of contributions made and the partnering NPO etc. Such responses were included in the results. The studies conducted by Ross *et al.* (1990-1991); Webb and Mohr (1998); Adkins (2004) concluded that the respondents could describe one or more CRM campaigns after the concept was explained to them and had participated in at least one of the CRM programs.

➤ Sources of Awareness about CRM

In order to figure out the most effective medium of communication, an effort was made to study the various sources of information about CRM campaigns. In today's era of proactive business firms and tech savvy consumers, new sources of information are emerging and people no more rely just on the traditional mediums. The respondents were presented with multiple choices such as television, internet/social media, newspapers/magazines, friends/family/colleagues, sign boards/hoardings, product packaging and store promotions and they were asked to select those means of information from where they got to know about CRM campaigns. The respondents could select more than one medium as a source of awareness about CRM. The information in this respect is shown in Table 4.

Table 4: Sources of Awareness about CRM

Sources	Frequency	Percentage
Television	330	54.1
Internet / Social media	407	66.7
Newspapers /Magazines	165	27.0
Friends / Family / Colleagues	15	2.5
Sign Boards / Hoardings	30	4.9
Product package	124	20.3
Store promotions	194	31.8
Any other	0	0.0
<i>The total of percentage is more than 100 because of multiple responses.</i>		

A perusal of Table 4 exhibits that the majority of the respondents constituting 407 (66.7%) got to know about CRM from internet and social media followed by television with 330 (54.1%) respondents. The next important sources of information were reported to be store promotions (31.8%), newspapers & magazines (27.0%) and product package (20.3%). The

sign boards and hoardings (4.9%) and friends, family and colleagues (2.5%) were recorded as the least sources of awareness. No response was recorded for the option ‘Any other source of awareness’. Social media was found to be the primary and leading source of awareness for the young consumers. The underlying reasons might be that the young generation is more internet friendly and majority of CRM campaigns and advertisements are being shown on the internet, social media sites and Youtube through digital advertisements primarily. Anghel *et al.* (2011) also reported that main sources of information were internet followed by radio/TV, newspapers and friends. Saylor (2005); Alshurideh *et al.* (2014) and Chaudhary and Ghai (2014) showed in their findings that majority of the consumers relied on digital marketing, product packaging and TV advertisements as a source of information.

➤ Degree of Aided Awareness for CRM campaigns

In order to check the aided level of awareness of the respondents, they were presented with various CRM campaigns which had been either previously held or being currently run by the business firms. Only the most popular CRM campaigns were included which were widely advertised and publicized from time to time using different communication tools. Moreover, only those campaigns were included in the study which focused on young consumers as their target market segment. The CRM campaigns for which awareness was tested are P&G ‘Shiksha- Padhega India, Badhega India’ for children education, ITC Classmate Notebooks ‘Let’s Put India First’ for rural development, Nihar Shanti Amla Hair Oil ‘Chotte Kadam Pragati Ki Aur’ for children education, Nestle Maggi, Nescafe, KitKat ‘Nanhi Kali’ for girl child education, ITC Aashirwad Atta, Salt, Spices ‘Boond Se Saagar’ for water conservation, KFC ‘Add Hope’ for meals to underprivileged children and Dabur Sani Fresh ‘700se7kadam’ for hygiene and sanitation. The respondents could depict their awareness for multiple CRM campaigns. An effort has been made to know the extent of awareness of respondents regarding various CRM campaigns. In order to understand the degree of awareness, the respondents were asked to express their level of awareness for different CRM campaigns on a 5-point Likert type scale. The scale comprised of attributes ranging from ‘Highly Aware’, ‘Moderately Aware’, ‘Somewhat Aware’ and ‘Slightly Aware’ to ‘Not at all Aware’. The given attributes were assigned weights as 5, 4, 3, 2 and 1 respectively. The weighted average score is calculated. The information in this respect is shown in Table 5.

Table 5: Degree of Aided Awareness about CRM Campaigns

CRM Campaigns	WAS	Ranks
P & G Products ‘Shiksha – Padhega India, Badhega India’	4.29 (.912)	1
ITC Classmate Notebooks ‘Let’s Put India First’	4.09 (1.10)	2
Nihar Shanti Amla Hair Oil ‘Chotte Kadam Pragati Ki Aur’	3.46 (1.58)	6
Nestle Maggi, Nescafe, KitKat ‘Nanhi Kali’	3.55 (1.55)	4
ITC Aashirwad Atta, Salt, Spices ‘Boond Se Saagar’	3.65 (1.52)	3
KFC ‘Add Hope’	3.47 (1.57)	5
Dabur Sani Fresh ‘700se7kadam’	3.00 (1.73)	7
<i>The figures in parentheses represent standard deviations.</i>		

It can be observed from Table 5 that amongst the responses with the given set of CRM campaigns, the highest level of awareness with mean score of 4.29 was secured by P&G ‘*Shiksha- Padhega India, Badhega India*’ campaign followed by ITC Classmate Notebooks ‘Let’s Put India First’ campaign (4.09), ITC Aashirwad Atta, Salt, Spices ‘*Boond Se Saagar*’ campaign with 3.65 respectively. For Nestle Maggi, Nescafe, KitKat ‘*Nanhi Kali*’, the mean score of 3.55 was recorded. For KFC ‘Add Hope’ and Nihar Shanti Amla Hair Oil ‘*Chotte Kadam Pragati Ki Aur*’ campaigns, the respondents have shown almost equal level of awareness to the extent of 3.47 and 3.46. The lowest level of awareness among the respondents was found for Dabur Sani Fresh ‘*700se7kadam*’ campaign with WAS 3.00. It can be observed that there is a gap in the awareness level of the selected CRM campaigns. On the basis of WAS, P&G ‘*Shiksha- Padhega India, Badhega India*’ campaign was found to be the highest in awareness and Dabur Sani Fresh ‘*700se7kadam*’ campaign was found to be the lowest in awareness amongst the young respondents. However, based on their WAS, all of the CRM campaigns are found to be high on the awareness level with mean score of three or more.

Based on the WAS values, the awareness level of CRM campaigns was ranked. The P&G ‘*Shiksha- Padhega India, Badhega India*’ campaign was ranked at first place, ITC Classmate Notebooks ‘Let’s Put India First’ campaign was ranked at second place, ITC Aashirwad Atta, Salt, Spices ‘*Boond Se Saagar*’ campaign was given the third rank, the fourth rank was secured by Nestle Maggi, Nescafe, KitKat ‘*Nanhi Kali*’ campaign, next in ranking at fifth place was KFC ‘Add Hope’ followed by Nihar Shanti Amla Hair Oil ‘*Chotte Kadam Pragati Ki Aur*’ campaign at sixth place and the last rank was assigned to Dabur Sani Fresh ‘*700se7kadam*’. All the CRM campaigns were tested with respect to the demographics of the respondents.

➤ **Knowledge about above types of campaigns known as Cause Related Marketing Campaigns**

In the last, the respondents were enquired whether they knew that such types of marketing campaigns were actually called as Cause related marketing campaigns. The responses were elicited in a simple form of ‘Yes’ or ‘No’. The responses are presented in Table 6.

Table 6: Knowledge about campaigns being classified as Cause Related Marketing Campaigns

Knowledge	Frequency	Percentage
Yes	166	27.2
No	444	72.8

The data testified that 444 (72.8%) of the total respondents were not aware that such types of marketing cum promotional campaigns were categorized as CRM campaigns while only 166 (27.2%) responded positively. Thus, it may be concluded that though people understood the concept of CRM and monetary contributions made out of their purchases towards worthy social causes but majority of them did not know that in reality such campaigns were actually

called as CRM campaigns. They were aware about various CRM campaigns and their nature of contribution but lacked the knowledge of marketing term like Cause-Related Marketing.

6. Conclusion

It is concluded and restated that majority of the respondents were equipped with the basic understanding of the concept of CRM. They had either seen or heard or purchased the CRM backed products. They showed awareness about business organizations making social contributions for the betterment of the society. The unaided level of awareness was found to be reasonably high among the respondents. Majority of the respondents were in a position to recall and name a company or a product or a brand involved in CRM. Chaney and Dolli (2001) also checked the awareness level by asking the respondents to name the charity or social cause associated product and the findings indicated that people could readily name and recall the NPO and the cause but not the company offering CRM based products whereas Saylor (2005) stated that people could recall the cause but not the NPO's associated with the charity. Internet and Social media sites were found to be the most prominent source of information for the respondents. On the presentation of cues, the campaign of P&G 'Shiksha – Padhega India, Badhega India' was found to be the highest in awareness level. The respondents were found to be aware about various CRM campaigns and their nature of contribution but lacked the knowledge of a formal marketing term like Cause-Related Marketing.

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