

“Cause Related Marketing in Advertising-A Study on the practices adopted by Select Companies”

Richard Remedios

I/c Principal

S.V.E.T. Commerce & Management College

Jamnagar (Gujarat)

Email: richie_remedios@yahoo.com

Abstract

Corporate Social Responsibility has become a buzzword of modern business. In today's competitive world companies can't sustain for a longer period if they ignore social and ethical responsibility of business towards society. Companies can differentiate themselves and position their brand differently and more effectively if they use the concept of Corporate Social Responsibility or Cause Related Marketing. In modern era of marketing, advertisements become a tool of communication. An effective CRM programme is more than just a theory - it's a tangible and growing asset to business. Ads which shows concept of CSR are more receptive to audience and create awareness toward building a better nation and better society. A part from social benefits CSR and CRM are helpful to increase sales of product or services. A good CSR and CRM helps to build brand equity among customers. Customers start to associate themselves with the brand and they take pride in using the brand. This is the concept through which we can differentiate our marketing activity from other competitors and build a positive brand image in eyes of society. In India many companies like Tata, Idea Cellular, Indian Tourism, P&G are using the concept of CSR and CRM. The brand of these companies has become more socially accepted

Keywords: brand, audience, brand image, CSR, CRM.

1. Introduction

This paper focuses on the concept of corporate social responsibility and cause related marketing. In today's competitive era many companies adopt concept of CSR and CRM for building a positive image of their brand in the society as well as for performing their ethical and social responsibility towards public. CSR refers to

the practice of conducting business in a manner, which links it to ethical values, compliance with legal requirements and most importantly, respect for people, communities and the environment. While cause related marketing is about forging long term strategic partnerships between business and non-profit organizations to market an image, product, service or cause for mutual benefit.

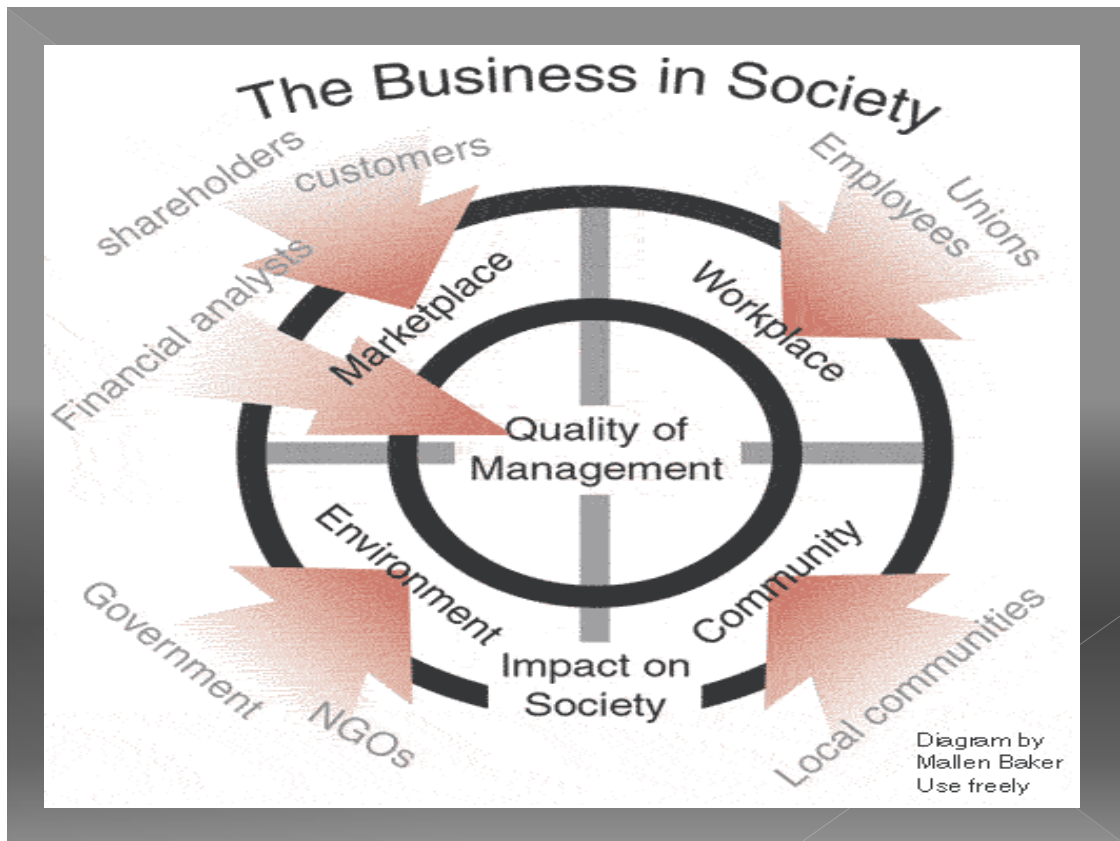
CSR argues that enterprises should make decisions based not only on financial factors but also on immediate and long term social and environmental consequences of their activities. Corporate Social Responsibility of a corporation means obligation to act in a manner, which will serve the best interests of the society and which leads in the direction of positive contributions to human betterment. It means that they are not doing business merely for maximizing their profits or to make their shareholders happy. Nowadays this concept has undergone metamorphosis to include accepting of moral responsibilities towards the stakeholders.

In today's world, CSR is closely linked with the principle of sustainable development. In this age of widespread communication and growing emphasis on transparency, accountability, integrity, social and environmental investments are the key aspects of CSR. Concept of CSR should be adopted in a manner that is sustainable and multidimensional. Indian companies can implement the concept of CSR with the help of advertising. The media should be active in keeping CSR in news and sensitizing the people about it, as well as highlighting the negatives of the corporate so that they can correct themselves. It is realized by companies that a corporation's performance is determined by

society and that no organization could hop to influence public opinion unless its publicity was supported by good works.

The time has come for corporate organizations to realize the importance of in-depth scrutiny of all their actions by civil society and their own interests in articulating and implementing a genuine programme of corporate social responsibility.

The societal marketing concept calls upon marketers to build social responsibilities among society into their marketing practices through Consumer satisfaction Company's profit, Society's well-being. An organization can create a positive impact on the society if it produces products that are useful to society and do not harm it. Organizations seriously started considering their responsibility towards society, around forty years ago. They have realized that organizational social commitment comprises of four types of responsibilities. Ethical and social dimensions have gained increased significance in recent years. Firms are established largely to offer goods and services to people and their aim is to maximize profits. In their profit maximizing efforts, their responsibilities towards society are almost forgotten. As consumers now realize the need to protect environment and society, companies are also forced to realize their social responsibilities



2. CSR in Advertising

Corporate social responsibility is the important theme that is used extensively by ad sponsors to influence the consumers in their favor. This concept of ads helps to spread high morals and ethical values and also generates social awareness of several burning and critical issues. Many companies represent their brand as creating social awareness.

Many companies' advertisements have been playing a crucial role in fighting against social evils that hamper the progress of society. Advertisements are powerful channel of information and communication. If connect carefully, they can be used as potential tolls to fight a number of social evils. Advertisements that are used to draw the attention of the general public towards a particular social issue are known as

public service advertisement or CSR advertisement.

Companies are realizing that as corporate citizens they are responsible for highlighting the values and morals that are important for the formation of a good society and are there fore keen to include social motives in their ads. Campaigns designed around societal issues help companies to differentiate their brands from competitors and create favorable impression about the company in the markets.

This new era of advertising helps to spread high morals and ethical values and also generates social awareness of several critical issues. Advertisements have become a tool of communicating and creating an image in the consumer's mind rather than just making sales. There are many advertisements today in Indian ad

industry which use concept of CSR. For e.g. TATA Tea – Jaago Re, Idea Cellular – democracy idea, Indian tourism – Athithi Devo Bhava etc.

2.1 CSR Advertisements by Tata group:

Tata group is well known for their CSR, recently under “Jaago Re” campaign they create awareness in society about different social problem faced by India public. First they design an ad campaign which creates awareness in general public about their voting rights through election awareness campaign. Through this ad they motivate people to register for voting through their web site. They also make an effective slogan that “You are sleeping if you are not voting”.

Another ad of “Jaago Re” focusing on theme of corruption which is a serious evil spread in India, which create awareness in public through message of “Log khate kute hai kunki hum khilate hai , khilana bhandh karo, pilana suru karo. The theme is if we do not bribe, then how can people become corrupted. Corruption starts because it is we people who offer a bribe. So we should avoid giving bribe to build a better society.

Another ad of Tata Tea focuses on need for educational qualification for performing most important job of nation. Ad features a young boy, who is approached by a politician as part of election campaign. The boy asks politician’s qualification and work experience. This ad spread the message in society that select right leader for the nation because they are applying for most responsible job of managing a nation.

2.2 CSR Advertisements by Idea Cellular:

Idea Cellular promotes their brand and their different features through CSR. The tag line is “what an idea sirji”. Advertisement focus on concept of democracy, in one ad they convey the message that politician should take public opinion before taking decisions which affect public. For building a shopping mall politician’s secretary asks farmers opinion, they say no through message. So, politician rejects the proposal of building shopping mall in rural area.

In another ad they convey the message that public selects parliament leaders to reach their voice to government. In that ad father calls his son who recently has been selected as a leader in parliament, father ask his son that “ye awaz sun rahe ho, he awaz vaha tak pohchane ke liye hi logo in tumhe vaha bheja hai.”

Another ad focuses on mobile classrooms which educate underprivileged children. Another ad says that if politicians listen to public, public would listen to them. The ad says “Isi ko democracy kehthe hai.”

Ads which shows concept of CSR are more receptive to audience and create awareness toward building a better nation and better society. Now advertisers have realized the fact that, they can use their promotional tools to attract and aware audience. Many organizations are in a race to perform their ethical responsibility through using concept of CSR in advertising message.

3. CSR as a Tool to Strengthens Companies Reputation

Corporate social responsibility is an effective way of building goodwill for a company.

Companies who create awareness in society about social issues like illiteracy, imbalance in sex ratio, create awareness about HIV/AIDS, swine flue, TB, immunization programmes etc. companies like TATA, Reliance, and Infosys are leading companies who strengthens their reputation in society by using concept of CSR. Now a days media is also playing important role in performing their social responsibility best example is Time of India a national news paper who started campaign on save the girl child, educate India, lead India campaign etc.

Many a time general public is willing to pay a premium for product and services to enable a company to perform their CSR. Considering the impact of CSR activities on a company's reputation, organizations will have to plot a developmental path for CSR, integrating it with the rest of the business.

4. CSR and Sustainable Development

Many corporate sectors now realize that upholding the interests of society is clearly in the interest of the corporates themselves. After recession and some scandals in corporate world it become compulsive need for companies to do well to reflect positive behavior and regain the trust of public by performing CSR. In recent times many examples of well established and successful organizations losing public trust and market strength on account of negligence of social norms or even unethical practices. Corporate society need to realize that upholding the interests of

society is clearly in the interest of organizations themselves.

There are many environmental and social issues against society and business, like global warming, degradation of forests, biodiversity, water resources, clean air and healthy soils. The corporate sector must not only lead in fulfilling environmental protection act requirement but also as a measure of enlightened self-interest, since future market worldwide would favor products and services that sub serve the objectives of sustainability.

Research organizations with a deep commitment to bringing about transformation of Indian society need to create intellectually sound and socially relevant solutions that could be replicated and disseminated for the benefit of diverse country.

Finally we can say that for sustainable development corporate sector should take initiatives towards the establishment and strengthening of institutes which performs CSR.

5. Cause Related Marketing

CRM is a popular method of image building, in which company's link with charities or nonprofit organizations as contributing sponsors. The companies benefits from favorable publicity, while the charity receives much needed funds. In this regard, corporate houses are joining with charities or cause to market an image, product or service for mutual benefit. Embracing a good cause, not only build brand loyalty among

hard to please consumers, but also stands for something beyond merely profit.

CRM also provides the emotional as well as the rational engagement of the consumer with the brand. It provides a tangible demonstration of the company's corporate social responsibility, its value and its ethics. Today's consumers want more than just quality, price and service in their purchases; they want to do business with companies that are socially responsible. CRM not only satisfies the consumers, but can also differentiate the company from its competitors and also provide other tangible benefits, like increased sales, visibility, customer loyalty, enhanced company image etc.

6. Benefits of Cause Related Marketing to Company

Cause Related Marketing is not philanthropy or unselfishness. It is based on recognition by businesses that linking with charities or good causes can be mutually beneficial. It is a way of addressing current social issues by providing resources and funding, whilst addressing business marketing objectives. CRM is intuitively appealing: it provides a win - win, situation for all involved - for the business, the charity or good cause and the consumer.

- ***It helps brands to connect better with the stakeholders:***

Marketing strategy of linking a brand to a relevant social cause or issue of mutual

benefit has proved to be successful. CRM is a strategy to bridge the gap between commercial activity and community activity. Supporting a specific cause helps the brands to connect better with the customers and other communities.

- ***It helps in increasing sales and adds more credibility to company's branding efforts:***

It increases the sales of those products which are attached to the CRM. Many companies who donate a share of the retail product price to a non-profit organization, which is involved in social causes, will attract more number of customers who interested in charity. It prompts the consumer to purchase the product in a particular time frame, which increases the sales.

- ***It creates favorable attitude towards brand:***

CRM is one of best strategies to create a favorable attitude toward a brand. Company gives part of their profit for advocating a good cause. Therefore it creates an affirmative attitude towards the brand which would translate into a positive attitude towards the product or services.

- ***It is an initiative appeal to those customers who value charitable cause.***

Peoples who are interested in charity are interested to buy companies product of

services with the feeling of joy of giving, at the same time it also give satisfaction to company of performing social responsibility.

7. Points to be Consider in Formulating Strategy for CRM

- Select a cause that is a good fit both in terms of organization's core business and values and your target audience.
- Develop communication plan that reaches out to all customers, employees, media, distribution network and government and ensure support of all.
- Agree on joint activities, events, areas within the cause that you can own and grow.
- Don't change causes frequently or support too many non-related causes.
- Set joint objectives, set ups and processes as well as mutually beneficial approach with NGO.

8. CRM Practices in Indian Advertising Industry

Procter & Gamble who started campaign of educating underprivileged children by making partnership with Child Right & You (CRY), if you buy Duracell, Gillette series, Pantene, Whisper, Head & Shoulders, Rejoice etc. you're paying for product price contribute to educate these children.

Idea Cellular: On the first anniversary of 26/11, Idea Cellular initiated the movement titled the 'Talk for India Hour'. An advance nationwide campaign publicized the hour. Approximately 5.5 crore Idea subscribers were made aware, that for

every call they made between 8.36 p.m. and 9.36 p.m. that evening, the net revenue generated would be handed over by Idea Cellular to the cause of protective gear for police personnel.

At its culmination, approximately Rs. 1.25 crore was generated as revenue from subscriber calls. Idea Cellular doubled the amount, and contributed a total sum of Rs. 2.50 crores. This cheque of Rs. 2.50 crore, for the Prime Minister's National Defence Fund, was handed over to Mr. P. Chidambaram, Hon'ble Home Minister by Mr. Sanjeev Aga, Managing Director, Idea Cellular, at an austere ceremony in the national capital.

9. Conclusion

Corporate houses now has to realize that without concept of societal marketing as well as performing ethical responsibilities toward society business cant sustain and nourish for longer period of time. In today's era advertisers have to realize the ethical value of advertisements so they are using concept of corporate social responsibility and deliver strong message to society about different issues. Caused related marketing is part of social responsibility through which company can perform their social responsibility with other partner and create positive image of their company against competitors. CRM not only provide positive brand image, but also enhances credibility and good relationship with stakeholders.

10. References

1. George Belch & Michael A. Belch(sixth edition), Advertising and Promotion, Pg. 583 - 593
2. Mannar Indira Srinivasan (June 2009), Advertising and Social responsibility, Advertising Express, The Icfai University Press
3. Devi Prasad Mahapatra & Satyanarayana Pattnaik (August 2009), Caused Related Marketing a powerful marketing edge, Advertising Express, The Icfai University Press
4. Shilpa Gopal (May 2009), CSR flavor in advertisements, Advertising Express, The Icfai University Press
5. www.Google.com