

**Cause Related Marketing – A Snapshot of CRM Campaigns in India**

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**Abstract:**

As the globalization of markets is advancing at a rapid pace, it is becoming increasingly difficult for companies to differentiate and space out their brands from competitors by conventional and predictable attributes, such as price and quality. Even so, consumer expectations from businesses have been growing, so much so that they are socially aware, brand literate and all time vigilant about business activities. In order to become meaningful entities, brands need to be associated with some representative and symbolic values, such as altruism and civic mindedness. A growing number of firms are entering into commercial and social partnerships with nonprofit organizations to achieve their business objectives and cause related marketing is one example of such a partnership. The study was motivated by the fact that few studies relating to CRM practices and campaigns were available in the Indian context. The present study analyses the various cause marketing campaigns being run by the business firms respectively.

**Keywords:** Cause Related Marketing, CRM Campaigns, Transactional Programs, Propaganda Programs.

## **Conceptual Background**

Marketing, these days, is getting wider and is not purely moving around the marketplace only. In order to contribute positively and constructively towards social improvement and development activities, along with the fulfillment of corporate goals and objectives, the companies are developing different ways which serve them well by increasing the visibility of their outcomes in the form of enhanced public image, greater product sales and improved profitability.

Cause related marketing (CRM) as one of the growing marketing tools that aims to connect social contribution to product sales. It is based on “profit motivated giving” (Varadarajan and Menon, 1988). 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 companies associate commercial activity with charitable causes in order to gain publicity, increase sales, and 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.

Linking the brands and the corporations to good causes has become attractive to many businesses, since these associations are likely to influence consumer perceptions and evaluation of products and services positively. Because of the increased public concern over environmental and social issues, more and more corporations have become involved in such issues and affiliated their products with a range of popular causes, including social and ecological issues carrying importance for the society (Yechiam, Barron, Erev, & Erez, 2002).

One of the earliest conceptualizations of CSR was proposed by Carroll. Carroll (1979) describes “Cause-related marketing as a commercial activity in which businesses join with charities or causes to market an image, product, or service for mutual benefit”.

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”

According to Mullen (1997), “Cause-related marketing (CRM) is defined as the process of formulating and implementing marketing activities that are characterized by contributing a specific amount to a designated nonprofit effort that, in turn, causes customers to engage in revenue providing exchanges”.

On the basis of time horizon, there are two approaches to CRM. Firms can enter into a short term alliance with a cause with minimum involvement. This can be in the form of a donation to a charity work. For example, HUL conducted a short-term campaign for its Surf brand (known as 10/10 contest) where for a sale of every 1 kg pack; a fixed amount was donated to certain NGOs operating in the area of child-education for the disadvantaged section of the society. Another approach is to take cause marketing as a long term brand building strategy. For example, global cosmetic major Avon has been associating with Breast Cancer Awareness programs since 1993. In India, HUL supports a long term cause branding initiative for its Lifebuoy brand (Lifebuoy Swasthya Chetana) with the objective of spreading the awareness of importance of washing the hands with soap in rural India. A series of products offered by Proctor & Gamble, promising to donate Re 1 for every pack sold towards the cause of child education is an example of long term CRM. Till and Nowak (2000) declared that CRM is both strategic and tactical. From their perspective, in a tactical approach a brand might embrace a cause for a restricted period of time while strategic approach is the core of brand positioning. That is why a good number of firms are making a move from short term CRM activity to a long term strategic CRM to assemble, strengthen and hold brand recognition and reputation. The key motive of business is to earn profits by supplying goods and services to customers with maximum satisfaction. But when a social element is added along with the offer, it certainly creates a positive impact on customers and induces them to purchase more and more of such products. Cause-related marketing has changed itself over the years and includes a wide range of activities from simple agreements to donate a percentage of the purchase price for a particular item to a charity for a specific project, to longer, more complex arrangements (Kim et al., 2005).

Andreasen (1996) highlighted that there can be three forms of alliance between the “for profit” and “non-profit” organizations. These are:

1. **Transaction-based promotions:** comprises of programs in which contribution to a specific cause is contingent on consumer purchases of a specific product or redemption of coupons such as purchase of P&G products and Re 1 being contributed from every sale towards children education or Rs 5 being donated towards the cause of water conservation on every 1 kg sale of ITC Ashirwad products.
2. **Joint-issue promotions:** comprises of programs in which educational and awareness building activities about social as well as environmental issues and evils are raised such as promotion of washing hands before meals by Lifebuoy, using your civil rights by Tata tea etc
3. **Licensing:** comprises of a special arrangement in which a nonprofit organization allows another profit motivated company to market its products with the company name under a license. For example, printing of WWF logo on ITC classmate notebooks.

## **Objective of the Study**

The prime objective of the present study is to comprehend the concept of cause related marketing, to study the nature and prevalence of CRM in the Indian FMCG market through the CRM practices followed by Indian organizations during the last ten years from 2009-2019 and to draw a comprehensive presentation of CRM campaigns of business organizations in India.

## **Research Methodology**

The present paper includes a qualitative study of a growing corporate strategy of cause related marketing and its adoption and usage in the Indian markets. The Indian FMCG industry is organizing various cause based programs from time to time in order to achieve its social and economic objectives simultaneously. Hence, CRM initiatives that were announced during 2009 to 2019 were examined. Only those CRM campaigns that satisfied the transactional component of CRM were included in the present study. A random search for related studies, advertisements, promotions etc was done using Google and key words such as “Cause Marketing Campaigns”, “Cause Marketing in India”, “Cause related Marketing” etc. The websites of the relevant companies and their partnering organizations were visited for gathering further information about the CRM programs. These initiatives were compiled and classified on a variety of parameters such as the parent company, the brands included in the campaign, the partnering NGO, the name of the campaign, the focus area of or the type of help extended and the nature of donation. A content analysis was performed to understand the

type of CRM campaigns being run from time to time. This paper is based on secondary data collected from various published sources such as journals, websites, news release, advertisements etc.

## **CRM Campaigns in India**

Several consumer research studies indicate that the Indian consumers are socially and environmentally proactive and they reward those companies and brands which show their willingness to involve in various forms of social responsibilities. In the Indian markets, we can witness various brands engaged in CRM – be it in the form of corporate social marketing or the actual cause marketing. Many brands, especially in the FMCG sector are running different CRM programs with wider objectives. Their involvement with the cause can be through financial support or they may make an effort to generate awareness about socially pressing issues carrying national or international importance. Several brands donate a part of their sales to a designated social cause; they are popularly known as “Transactional Programmes” while other brands do not offer financial support but focus on promoting awareness and educating people on certain important issues such as washing hands with soap by Lifebuoy, sanitation and cleanliness by Domex, safe drinking water by Pureit jointly initiated the “Swachh Aadat, Swachh Bharat” campaign as the leading brands of HUL, human and civil rights, raising voice against corruption, voting rights, women empowerment and domestic violence by TATA tea “Jaago Re” campaign, recycling and saving paper by IDEA Cellular, saving energy by Voltas, oral hygiene by Colgate, save tigers by Aircel & NDTV and many more. These are called as “Propaganda Programmes”. Only those CRM activities were included which satisfied definitions provided by Varadarajan and Menon (1988) and Kotler and Lee (2005). Since, the present study covers the transactional component of CRM only; successful campaigns run by major brands from time to time in the Indian markets have been discussed in the table below.

**Table No. 1**

<b>Company</b>	<b>Brands</b>	<b>NGO/ Collaboration</b>	<b>Campaign Name</b>	<b>Focus Area</b>	<b>Nature of Donation</b>
Procter & Gamble (P&G)	Tide, Ariel, Pantene, Head & Shoulders, Rejoice, Vicks VapoRub, Whisper, Gillette Mach 3 Turbo and Pampers	CRY (Child Rights & You), RTI (Round Table India)	“Shiksha-Padhega India, Badhega India”	Promotion of child education through children’s access to right to education, building & supporting schools with better infrastructure; enrolling more children into formal schools	A part of the proceeds generated by the sale of large packs of specified brands
Procter & Gamble (P&G)	Pampers Diapers and Wipes	UNICEF (THE United Nations Children’s Fund)	“One Act can Save a life”	Elimination of Maternal & Neonatal Tetanus (MNT)	1 Pack = 1 Vaccine
ITC	Classmate Notebooks	Local NGO’s in towns and villages	“Let’s put India first”	Rural & Social Development initiative that supports primary education for underprivileged children.	Donation of Re1 for every four notebooks sold
ITC	Aashirwad	Local NGO’s	“Boond se	Water	Donation of

	Products (Atta, Spices and Salt)	in towns and villages	Sagar”	Conservation	Rs.5 per kg of sales of Aashirwad products
Nestle	Maggi, KitKat, Nescafe	Nanhi Kali	“Educate The Girl Child”	Education of girl child	Not Specified
Tata	Tata Salt	CRY (Child Rights & You)	“Desh Ko Arpan”	Helping the under nourished children and providing education to the underprivileged children	Contribution of 10 paise for every kilo of Tata Salt sold during specific periods
Avon India	Avon Personal Care Products	Avon Foundation for Women	“Avon Breast Cancer Crusade”	Breast Cancer	Not Specified
Hindustan Unilever Limited (HUL)	Fair & Lovely	Fair & Lovely Foundation	“Saraswati”	Scholarships for financially weak but deserving women	Not Specified
Procter & Gamble Hygiene and Health Care India	Whisper	National Association for the Blind (NAB).	“Drishti”	Sight restoration through corneal transplant operations.	Contribution of Re 1 for every pack sold
HUL & Star Bazaar	Brooke Bond Red Label, Kissan, Knorr,	Smile Foundation, Parikrma and	“India’s Favourites”	Education for underprivileged children	Five percent of the sales proceeds in a

	Kwality Walls, Dove, Vaseline, Axe, Surf & Vim	Thozhamai,			three week consumer in initiative in all 13 Star Bazaar stores across seven cities in India
Capital Foods	Ching's Secret	Akshaya Patra	"India Ke Hunger Ki Bajao"	Mid-day meal programme	Not Specified
Marico India	Nihar Shanti Amla	CRY (Child Rights & You)	"Chotte Kadam Pragati Ki Aur"	Children's education- with special focus on becoming entrepreneurs and securing gainful employment	2% of all sale proceeds
Hector Beverages	Paper Boat	Parivaar Ashram	"Float A Boat"	Children's education	The brand donated Rs 20 for every picture uploaded
Nivea	Nivea	Aseema Charitable Trust	"MomsTouch"	Provision of quality education to children from marginalized communities	3 months ration was given to mothers of students with 100% attendance
ICICI	ICICI Bank	GiveIndia	"Creative Masters"	Welfare of women and	Contribution made to

				children.	specified causes through income generated from sale of selected drawings
Bharat Matrimony	Matrimonial Services	Not Specified	“Republic Day” “Women’s Day”	Cleanliness Drive & Girl Education	Contribution of Rs.100/- to the Swachh Bharat campaign/ education of girls for every premium membership
Cocoberry	Food & Beverages	Concern India Foundation	“Small Change into Big Change”	Education of underprivileged children	Billing amount is rounded off to the next closest digit and the change goes to donation
Pizza Hut	Food & Beverages	Concern India Foundation	“The Impact of One”	Help to underprivileged people across the country	Consumers were asked to add Re. 1 to their invoice towards the social cause
Infiniti	Croma	Concern India	“A Woman	Help for girl	A certain

Retail (Tata Group)	Electronics	Foundation	Wants”	child education	percentage from the sale proceeds of all durable goods and electronics products was contributed
Johnson & Johnson	Stay free	UNICEF	“Women for Change”	Promotion of health & hygiene practices among adolescent girls	A percentage of the proceeds from the sale of ever pack
Dabur	Sani Fresh	Sulabh International	“700se7kadam”	Creation of better sanitation facilities for rural women by building toilets	Contribution of Re. 1 from every sale of the brand
KFC	KFC F& B	World Food Program, Akshaya Patra Foundation and India Foodbanking Network	“Add Hope”	Meals to underprivileged children	Consumers were asked to add Rs. 5 to their invoice towards the social cause

Source: Compiled from respective websites and media releases.

**Discussion**

The above cited CRM campaigns validate that a viable and extensive market segment exists that enhances the scope and prevalence of cause – brand alliances in the

competitive markets. Companies aim to serve the dual objectives of gaining corporate edge in the form of increased financial results and at the same time serving the social needs of the public. Such kind of strategic tools follow a differentiation strategy and are highly rewarded by the customers as they carry a message of fulfillment of corporate social responsibilities.

The brands engaged in cause related marketing were identified and their corresponding tie-ups with the NGO's or other governmental entities were ascertained. Each CRM campaign assigned a name, which added credibility and visibility to the campaign. These campaign names are generally supporting the background cause and companies use them as punch lines in order to promote the cause. The campaign name is unique and very much appropriate as it emphasize the underlying social issue being promoted. The focus area of the CRM campaigns were also studied which highlighted the nature of help provided to the society at large. It was observed that majority of campaigns included children education, hunger and civic facilities as their core areas and the nature of contribution was transactional in nature. For every purchase of the specified brands or products, the company would contribute a fixed percentage out of the sale proceeds towards the adopted social cause.

The selection of the cause works out to be a decisive factor for the business firms as there has to be a very high brand-cause fit in the minds of the customers so that they feel motivated to buy the product and empathetic towards the cause. The social cause promoted and supported by the business firm must be related in some form to the products and services offered. Majority of the CRM campaigns follow this basic principle. The success of a CRM campaign primarily depends upon the selection of a right type of cause which is relevant and worthy of assistance. The study of the CRM campaigns highlighted the fact that the fit between the product and cause supported must be high so that the motives of the marketers are accomplished as well as the campaign carries altruistic motivations for the buying agents.

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