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Lecture No 48 Cause-Related Marketing

Welcome back friends.

Last discussion we had about direct marketing and direct marketing communication. Now we are moving towards cause- related marketing. Can 'cause' be extended along with our marketing efforts? That is the whole focus of cause related marketing. Can cause related marketing be done directly? Yes, it can be done directly. So, can cause related marketing communication be a direct marketing communication? Yes, it can be and that is precisely what I was telling you last time when I was mentioning about direct marketing and personal selling wherein we talked about direct selling with reference to personal selling. So, there is always a complementarity and integration between different kinds of modes but let us focus upon cause related marketing. (Refer Slide Time: 01:31)

It is a mutually beneficial collaboration between a corporation and a non-profit organization, designed to promote the former's sales and the later's cause. Now it is a when we say mutually beneficial thing then many a times non-profit organizations are not so capable or efficient in terms of financial strength for taking the cause to the masses. And on the other side corporate organizations are trying to find out meaning in terms of being the part of the society.

Because of the corporate social responsibility kind of thing associated mandatorily with economic development but majorly the yearning of corporate's for being a meaningful or recognized as the meaningful part of the society they serve. It is the most important element why cause-related marketing comes into being.

Here I should mention very specifically about many organizations like TATAs in India who have been doing all the marketing majorly with reference to being associated with the cause. They have created the organizational structures around but at this juncture we are focusing upon communication precisely and we are not looking at the business structures. But what I intended to say here is that many organizations direct their complete orientation towards being associated

with cause of societal development or specific kinds of causes around them. Generating a meaning with their presence around themselves in the countries, in the societies they are serving. And it is a vehicle of communication as I said of CSR which demonstrates to a large audience how the social responsibility of an organization translates into specific benefits for society. You may choose anything for example village development, you may choose health, you may choose education, or any other form.

When you feel that you can make a difference or let us say the leadership of a particular organization believes in that particular cause then definitely they come forward and they associate their organization with that cause. On the other side they may not be able to generate that kind of a physical infrastructure or human resource to effectively reach out for supporting the cause. Here comes the role of non-profit organizations who are having the human resource with them, intent with them, work purpose and objectivity with them. That is precisely supported by different kinds of researchers as well.

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For example, research international UK and several other research organizations will just go for finding research papers on Google scholar or some other resource which you may have access to. People have been effectively writing on several elements of association between cause organizations, pursuing cause and corporate organizations and how customers they look at it positively.

So, research international UK says that it has projected in their researches that 86% of the consumers are more likely to buy a product associated with the cause or issue. Customers feel happy about getting associated with the product which is associated with the cause. So, percentage wise they have said that 86% of consumers have a more positive image of a company they believe is doing something to make the world a better place. All of us want to make the world a better place. Many a times we overlook few things. For example, pollution is a big concern nowadays, there are gender issues, there are poverty related issues, numerous education and health issues and so on. So, starting from environment to forests to rivers to water to whichever way you look at it and definitely we require lots of funds and resources for meeting out these things. I would not go into such details that how we reach to this situation: who is responsible and how we could not foresee these kinds of things coming to us?

But today is the time when all join hands and go for meeting out these challenges. Economic development is an irreversible process and we are talking of communication which is related to developing the economies further or propelling the business further. So, we are enabling ourselves with the knowledge and skill which enables economic development.

Does it sound like a paradox? No, it is not. We can go for economic development while looking at things with environmental conservation perspective or let us say societal development perspective, a balance can be created. And that is where cause-related marketing comes in. Then research international further says that 64% of consumers field companies should make cause related marketing a part of their standard business practices, why? There can be several reasons but let us not focus on those.

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Let us focus on two elements: choice of a cause and choice of a non-profit partner. Can this be strategic? Yes, it is. Many a times it is a strategic thought process from the side of an organization. Every organization or every individual for that matter wants for a thing to gel with what they are thinking and that is how organizations look upon cause related elements wherein they want to look at their objectives gelling with the cause they are supporting.

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The choice of a cause is many a times a strategic element wherein company wants to look at the choices or I should say alternatives in terms of supporting the causes. For example, some company may like to get associated with farmers welfare because they are getting their raw material largely from farms. ITC Agri products, many a times get associated with these kind of cause-related marketing efforts.

Then it may also depend upon the market they are serving. For example, urban eye care would like to get associated with several similar efforts which are being made by different organizations and they might also want to bring on board several corporate who might support their cause at large. Because many times an organization has chosen not to go for earning profits prominently.

Their organizational structure is that they are a sort of non-profit company that means they are infusing all their profits into the cause which they are associated with as the part of their business. And on the other side when you look at them someone who is fighting for a cause then they want lots of corporate support from other organizations who may strategically fit into this. So, urban day care can be placed somewhere as an organization which exists because of supporting a cause.

So, on the other side there are several organizations who would like to get associated with them because they do not have financial resources but they have intent and human resource on the other side. Urban eye care would definitely want several other corporates to come on board and utilize their financial resources if they believe in what urban eye care is pursuing. So, that is how a chain association also comes into being.

Then choice of a cause is also related with putting up a particular brand image and positioning because at the end of the day communication is all about developing brand equity and customer loyalty and so on. If an organization supports a particular effort and that is visible, then they might not be required to go for aggressive advertising telling the customer what they exist for.

And if somehow, they are offering the products which are related to that then definitely it makes lots of sense and lots of difference.

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Choice of a non-profit partner: In order to achieve brand salience or resonance amongst consumers the choice of a non-profit partner is very critical. When we talk of salience or resonance, it gets associated with the customers' mindset.

There are two key issues: the importance of brand cause fit and whether the chosen cause or the brand needs to be familiar to the target consumers. So, there should be a good fit between the brand cause and non-profit partner in order to result in favorable consumer evaluations of the campaign. The source of this discussion or the elements of discussion which we are having is "P. Rajan Vardarajan and Anil Menon 1988 cause related marketing: A co-alignment of marketing strategy and corporate philanthropy." This was published in journal of marketing.

So, this is a part of a research paper which we have used here but the point is that these kinds of papers have been focusing upon choice of a non-profit partner as an important element and several reasons associated with that. One very important thing which we should remember at this moment is that the partners must see the cause which they are supporting with the similar intent.

It is not just that one corporate organization has lots of financial resources and they just get associated with a particular cause for getting attention of the customers, it is not that. If they cannot pursue it with same zeal and enthusiasm they would not be able to get the communication related mileage or resonance from the target customers.

Customers will not believe them and if customers would not believe them that would not be worth it. So, choice of cause and choice of partner are very important elements for organizations to look at.

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How to build up a successful Cause- marketing campaign? Identify your cause, determine your contribution, involve your audience, and co-promote with a non-profit organization.

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Now what do you mean by identifying your cause? Cause related marketing should focus on reflecting the values of one's company or business. You can partner with a non-profit organization that is somehow related to the business. Knowing your audience and constructing a campaign around their values will not only help the non-profit organization you are involved with but will also increase loyalty to your brand. Employees will be more willing to participate if it is something they believe in. Their passion will show through their work, enhancing the outcomes of the non-profit organizations.

So, cause identification is a very meticulous kind of a process. Many a times, many organizations supporting several causes because they have to do it, their leadership wants it, their CSR component wants it. But the point is after doing so much they do not get trust from their own customers. Why? Because either they did not have that an intensity or intent or they could not justifiably gel with the whole thing. And that is why in the beginning I named TATAs. If you will look around there are organizations like TATAs which have justifiably demonstrated that.

Organizations like Patanjali for example they have been working with several farm related causes, supporting their suppliers, supporting their buyers as well and so on.

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And then there are monetary contributions but largely when you get associated with the cause, non monetary contributions or furthering the cause supporting the cause and then getting people associated with that cause is the main stay. Because you have financial power, you have communication power, you have advertising support which is again a very costly affair.

So, if you are pursuing the cause through your communication modes which you anyways would have done, will make lots of sense.

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Then definitely involvement of the audience. If you cannot generate the trust of the audience you would not be able to get the results. So, you can always motivate the audience to participate in the campaign through several ways. For example donating for a cause you may say that you will purchase this good and this kind of a portion of your purchase would go to this kind of a cause.

Now that that makes audience happy, that makes the customer happy because everyone is looking forward to support something. Many a times we forget, many a times it is not the usual part of our lives, many a times it is very occasional, many a times once we have done it we remember it for a longer time. So, if we do not repeat it but if someone enables the process of us getting associated as customers with a cause through our regular purchases, that gives us lots of relief.

That gives us lots of strength and that makes our association with the organization deeper. Now then one can always use social media nowadays. And then there are events which are organized by the partners that is non-profit organizations and the corporates. And those joint events I am not talking of only the mega events I am talking of small 'nookkar nataks'. I am talking of awareness campaigns, I am talking of Teach India campaign by Times of India and so on.

So, there are several events which have been organized in a longitudinal fashion on spots and in magnitude as well which makes lots of difference and it creates a buzz around the cause. The most important element here is to draw the attention of people around you focusing on a particular element which is required by all which is associated with survival of all. For example, climate change.

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Co-promote with non-profit organization as I talked about that. So, the elements of an effective cause marketing campaign is that it should be simple, the message should be inspiring, there should be a strong visual storytelling associated with that. There can be a physical element or exhibit related to that and a strong emphasis on social sharing and several modes of media has to be there. And a focus on big issue coupled with a request for a small personal action, bringing everyone on board that is what is required.

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One size does not fit all. There are transactional programs, then there are message promotions programs, there are licensing programs. For example, in transactional programs you have exchange based donation. For every unit sold, a corporation contributes a share of proceeds to a particular social cause. ITC contributes rupees one for rural and village education for every four classmate notebooks purchased. I recently heard a small child telling this to her parents that if I buy class mate notebook then something would be contributed by classmate notebook for the rural children or poor children. Now that compelled her father to purchase that notebook for her.

And that is where cost related marketing comes in. Children are very sensitive, children are aware also and somehow whole of the scenario that is: the consumer herself - that is the child and the decision maker - the customer who purchases that notebook for her, and the organization and the non-profit organization or NGO which is pursuing the education for rural children, they all come together. It looks like that world will become a better place.

And as I said the cause is promoted and some contribution although not tied to a transaction and not necessarily monetary is made by the firm. For example, media and telecom companies and message promotion programs come in because many organizations which are large they are into

b2b businesses even b2c businesses they have different orientation.

So, they come in with a bulk contribution for certain cause and they demonstrate that in front of people as well.

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Now employee engagement when a company uses employee volunteers for social code wherein they part with the time of the employees they motivate their employees to be a part of some cause while supporting their employees with their own resources. That generates lots of support for the society and a strong word for the organization and its intent. Infosys has several such programs. HP has those programs and I have already mentioned TATAs and so on.

Next is issue focused programs. Business partner with non-profit groups affiliated with one issue and the issue is selected strategically to support the image of the corporation. Then there are business activity programs: many corporations integrate ethical business practices into their operations. Business activity programs help build awareness for a corporations' ethical practices, but, here too, there is no specified donation for example Narayan Hirudhayalaya. Ultimately objective is to reach to the minds of the customer with an element of integrity which the organization carries.

At the end of the day your customer wants two elements: they want to trust you and they want to look up to you. So, integrity: by associating with a cause will enable that trust of customer in you and the feeling of looking up to you (that means the organization).

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Some examples of successful cause related marketing campaigns are: HLL announced a contribution of 50 paisa on the sale of each of its brand of Lifebuoy to a diarrhea project. Now that is precisely what we were talking of choosing a cause, getting associated with cause partner. And having the similar orientation of your product in terms of your philosophy and you want this message to reach to the customers that you are having a product and orientation related to the cause you are supporting.

That means you want your customers to wash the hands. There are many customers who cannot afford it and who suffer from diarrhea just because of this. So, you are supporting your customers from the other side while generating a feeling amongst those customers who cannot afford soaps to the larger level that cleanliness is the reason to avoid such kind of diseases.

And ultimately generating a feeling amongst the larger customers that people who cannot afford it should be supported with these kinds of products. So, that everyone remains healthy and clean

ultimately you are in health business or let us say supporting health care. Proctor and Gamble project 'Drishti', Shiksha supporting several schools in the rural areas. They say 1500 plus schools have been supported by Proctor and Gamble and there are beautiful campaigns on Youtube. You can just go and watch there.

A child is craving to go to the school and he is unable to. His father puts up different stories in front of him every morning while taking him the school and returning him back without dropping the kid at school. And then he makes excuses and comes up with stories everyday regarding why couldn't they reach school today. The ultimate truth was that there was no school in the surrounding in that clipping. Finally one day he gets to learn that with the efforts of Procter and Gamble a school has been constructed in the area, a teacher is there, and children are going to school.

It is getting the dreams of children fulfilled and that is how Procter and Gamble has created a very different kind of perspective around their organization in due course of time while repeatedly suggesting that if you purchase Tide or Ariel and Gillette, a contribution goes for constructing schools in the rural areas where there are no schools at all. And that has enabled them to reach to the hearts of their customers.

Horlicks - Ahaar Abhiyan and Samsung technical school campaign has been very successful. I know specially suggesting that they care for the girl child that is very effective. You just watch this video and you would realize that how in specific families - girl child has not been given that kind of a prominence. Thanks to the social change which has been brought by our thinkers, leaders, philosophers, educators and the aware masses now. So, this is changing but organizations have come forward to contribute towards this kind of thing where development of a girl child has become a very important thing which we should all be focusing.

Because countries where women rise then countries definitely rise. So, Samsung got associated with such campaign where this beautiful clip will show you that they promoted girl child education while getting associated with technical education because Samsung definitely is an electronics company predominantly

There are several elements which are very effective and one thing which I assure you I have listed five examples in front of you. There can be 100s of such examples you just go to the YouTube and all the videos cumulatively would be 10 minutes or so. So, keep on watching these videos for 15, 20, 25 minutes. There would be two resultants: one you would deeply get associated with the storyboard, the beautiful narrative, the sound music of film which they have created around. Then you would immediately get associated with the particular cause which has been exemplified there and your heart would say yes definitely something should be done about

this.

And finally you would have an inclination towards the organization as well because somehow you would start feeling that this organization is trying to make a difference. And these three resultants will justifiably demonstrate cause related marketing and communication in front of you.

Remember Padhega India, Tabhi to Badega India,

Beti Bachao, Beti Padhao.

With this I end and will be seeing you with public relations in the next session.

Till then good bye.