Cause Related Marketing and it's Effect on Millennial Generation

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Abstract: The growing and changing environment has led all the business organization to change their marketing strategy to provide better product and customer satisfaction, for example with the advent of technology and global competition the marketers incorporated the internet selling as a their strategy to sell the product all across the globe, also to gain competitive advantage the marketers formulated the concept of service marketing in product marketing by providing faster and speedier delivery, where customer demands quick and responsive service. Therefore quality product, service and peoples are considered as powerful forces of marketing, this led Marketing to evolve into an organization wide activity and its application broadened far beyond its boundaries; from giving rise to Person Marketing, Place Marketing, Event marketing to Societal Marketing. This paper emphasis the concept of societal marketing that evolved the concept of Cause Related Marketing. It has been observed that companies in India are associating their products with one or the other cause for example Hindustan Unilever campaigns of water conservation and hygiene with Lifebuoy has kick started again which was once started in the year 2002, also Tata sky in association with UNICEF has initiated a campaign for the education of under privileged children. This gives us an opportunity to study whether the target audiences are responding to these philanthropic acts of companies, will these set of customer buy the product intentionally to contribute in such cause to uplift the society. We have taken a small segment of the market which is technically known as millennial generation; it is believed that they show the characteristics of community welfare. Our attempt through this paper is to understand; what made marketers to adopt cause related marketing as marketing strategy, secondly is the millennial set of customer aware of the concept of cause related marketing. Lastly does this strategy affect the purchase intention of the millennial generation? The study is restricted to the state of Punjab in India.

Keywords: Cause Related Marketing, Purchase Intention, Millennial Generation, Corporate Philanthropy, Corporate Social Responsibility

I. Introduction

The concept of societal marketing is promoting a more socially responsible, more ethical model of marketing, countering the consumerism way of thinking. Societal marketing concept was based on the idea of “Long run consumer welfare,” emphasizing that the short term desires might not support the consumer’s long term interest or be good for the society as whole. Therefore the product categories classified in societal marketing in terms of long term benefits and immediate satisfaction are: Deficient products; which brings neither long run or short term benefits, Pleasing products; which brings a high level of immediate satisfaction but can cause harm to the society in long run, Salutary Products; which bring low short term satisfaction but can benefit the society in the long run. Desirable products combine long run benefits and immediate satisfaction. The concept of societal marketing suggest that for the well being of society, the deficient products should be eliminated from the market, pleasing and salutary product should go through a product modification process to reach the fourth category. The companies’ ultimate goal should be to develop desirable products in such a way, that rather than focusing on selling a product, which can be good or bad for the consumer, the main focus is on consumer and society well being.

The societal marketing concept calls upon marketers to build social and ethical considerations into their marketing practices. It is a marketing concept in which the organization’s task is to determine the needs, wants and interest of the target markets and to deliver the desired satisfactions in a way to sustain long term success. As a marketing Strategy it should deliver value to the customer in a way that it maintains or improves, preserves or enhances the consumer’s and the society’s well being. Since the companies need to balance the conflicting criteria of company’s profit, consumers want satisfaction and public interests, number of companies are adopting and practicing the societal marketing concepts, through Corporate Social Responsibility and Corporate Philanthropic activities. Corporate Social Responsibility today is a much talked concept of societal marketing. Its importance was realized in early 19th century when industrialization began and new technology lead to creation of jobs and improved standards, it also impacted the business, society and
environment. Corporate Social Responsibility now is defined as “A Commitment to improve community well being through discretionary business practices and contributions of corporate resources.” This concept is based on following four assumptions (i) the mission of an organization is to create satisfied customers. (ii) The organization will offer only those products to the customers that are beneficial both to the consumer and the society. (iii) The organization shall offer long run consumer and public welfare, (iv) Marketing plan and programmes shall duly consider consumer wants, consumer interest, social welfare and corporate needs. The marketing process in Corporate Social Responsibility is regarded as a means by which society meets its consumption needs. Corporate Philanthropy is considered as a specific type of CSR activity that refers to the act of corporations donating profits or resources to non-profit organizations. The Corporations mostly donate cash, but also can donate the use of facilities, property, services and advertising support; some corporations have set up employee volunteer groups who donate their time to specific projects on Philanthropy. Corporate giving is often handled by the corporation directly; however it can be done through a company foundation. It is the corporate Philanthropy that evolved the concept of Cause related marketing. The following sections of the paper have the phases of Corporate Philanthropy that led to Cause Related Marketing. The second section of the paper has the research methodology and the data analysis and the last section has the conclusion.

II. EVOLUTION OF THE CONCEPT OF CAUSE RELATED MARKETING FROM CORPORATE PHIANTHROPY

Corporate Philanthropy has evolved from different phases, it began as Voluntary response to social issues and problems and was recognized as Voluntarily Doing Good Phase of Corporate Philanthropy. it pointed out that corporate Philanthropy encompasses range of activities, some that may positively affect the profits of the contributors and others based on purely altruistic consideration. Earlier Philanthropy and social responsiveness was undertaken by Public spirited corporation voluntarily. Though such undertaking invariably reduced profits because the firm consumed corporate resources and corporate giving was limited by law to donate that could be justified directly as being in the stakeholder’s interest. Hence though the decision to donate or not to donate was voluntary, the recipients of donation were limited legally to one that furthered corporate interest. Then came the second phase of Corporate Philanthropy Mandated Corporate Involvement this phase was marked by the recognition among firms that in a free society any business operates only as long as societal members continue to grant with that right. Also, stakeholders’ dissatisfied with corporate leaders voluntary actions used a variety of pressures, including regulatory provisions, to force corporations into actions that did not necessarily contribute to their profit. As these pressures grew, to avoid charges of corporate hypocrisy, corporations tended to shy away from supporting causes that seemed to have potential to further their corporate interests. The third phase of corporate philanthropy is marked as Doing good to Doing Better. The recent trends sought a middle ground between voluntary and mandate support. Corporate Philanthropy seems to be driven by the concept of enlightened self interest Corporations began to realize that for their survival and competitive advantage, they must evolve from doing good to doing better. Therefore Social responsibility is treated as an investment that improves the long term performance of the organization. There are two main traditional competing theoretical frameworks used to assess the motivations behind Corporate Philanthropy the first is managerial utility maximization model and the second is profit maximization model. Utility Maximization framework predates the stakeholder literature and was first introduced through Williamson’s 1963 model of managerial discretionary behavior. Under this model, utility maximization manager shirk their responsibility for maximizing firm value by diverting discretionary profits (Profits beyond the minimum demand by the shareholders) to utility generating activities. From this point of view, philanthropy generally does not benefit firm or its shareholders; instead it can only enhance top managers’ personal reputation in their social circles or enables them to further enhance their political and career agenda According to Porter and Karmer 2002, “The majority of corporate contribution programs are diffused and unfocused rather than being tied well thought out social or business initiatives, the contribution often reflect the personal beliefs and values of executives or employees”. The utility maximization model explains why some firm do not give strategically.

Profit maximization model predicts that firms only make contribution in order to increase profits, either by increasing sales or decreasing cost there is some debate within the context of the profits maximization model about whether or not corporate philanthropy adds financial value. Current mainstream thinking is that there are many ways in which it can add to the bottom line However; it has been argued that firms which perform responsibly incur a competitive disadvantage since they are incurring costs otherwise born by others. There is little empirical support for the profit maximization theory’s description of firm behavior.
The objectives of corporate philanthropy are broadly classified as: Corporate philanthropy objectives that are also objectives of marketing strategy and corporate philanthropic objectives that are not objectives of marketing. The former objective of corporate philanthropy has been warranted in the emergence of a marketing concept CAUSE RELATED MARKETING. Cause Related Marketing is a strategic Corporate Philanthropy that helps firm to gain the competitive advantage, through economic and social concerns. Strategic decision makers consider the effects of philanthropy on the firm’s competitive position and so these decisions are no different to other strategic decisions which often reflect a variety of economic and competitive concerns.

2.1. Cause Related Marketing campaigns in India

Cause Related Marketing can be viewed as a manifestation of the alignment of corporate philanthropy and –improve corporate performance and help worthy causes by linking fund raising benefit of a cause to the purchase of the firms product and /or services. It can be defined as; marketing initiative that have at least one non-economic objectives related to social welfare and use the resources of the company and/or its partners. In India Cause Related Marketing started with Procter and Gamble’s path breaking and extensive cause marketing initiatives, Procter and Gamble Hygiene and Health Care India had launched Project Drishti- The first ever sight restoration corporate project which was undertaken in association with the National Association for the Blind (NAB). Project Drishti attempted to restore the sight of over 250 blind girls all over the country through corneal transplant operations. For the Period of April to June 1999, this initiative was supported by Whisper –for every retail pack sold, Re.1 went into the Project Drishti fund with an initial funding of Rs. 25 million. Whisper’s sales registered an impressive growth of 32 percent despite of stiff competition from lower–priced brands. Likewise Hindustan Unilever, Tata Chemicals etc. initiated these campaigns to contribute in a cause that leads to the development of underprivileged children. ITC nationwide campaign for water conservation dubbed as Aashirvad-Boond Se Sagar , this initiative has over the years put into place 31,000 acres of life saving irrigation system benefitting over 40,000 people . Consumers who buy Aashirvad Products like flour, spices and salt were made aware that from its sale, a worthy contribution was being made to the water conservation efforts of the nation.

Tata Chemicals partnered with CRY in the year 2004 initiated a Cause Related Marketing campaign Desh Ko Arpan. For every pack of Tata salt sold during January 2, 2004 to February 25, 2004, Tata chemicals donated 10 paisa to CRY. The donated funds were used to support child development initiatives focused on education of the girl child. Through this campaign Tata Chemicals donated Rs 2 Lakh to CRY to support the education of the Girl Child

P&G’s Shiksha campaign started in the year 2008 when P&G tied up with CRY to help educate underprivileged Children in India. Irrespective of the sales company committed a minimum of Rs 1 crore to its partner CRY and helped 30,000 Children across 435 communities through a donation of over Rs 4 crore. Johnson’s baby Share the Language of Love program was initiated on May 7th 2012 in association with Goonj to help under privilege children to have access to basic baby requirements. This campaign encouraged all mothers to put old, unused or extra baby items to better use by contributing them instead of holding them for emotional reasons. Other organization like Reliance fresh, More, Easy day, Mom & Me, Star bazaar, Spencer’s and 98.3 FM were also involved in this campaign.

Marico Industries launched a Cause related Marketing Program on 1st September 2012 by the name of Chhotte Kadam Pragati ki Aur, partnering their Brand of hair oil wit CRY. This campaign started in the Village of Uttar Pradesh will fund the 19 projects addressing the concern of child education across Uttar Pradesh, Madhya Pradesh and Rajasthan

III. LITERATURE REVIEW

- Nendugad .P,(1990): mentioned that consumer inclination to purchase a brand in market place depends upon the prior knowledge about the brand, brand awareness is one of the factor which affects the attitude of the consumer towards the purchase of the product.
- Ross, Stutts and Patterson(1991) : used non probability sampling to measure brand awareness through cause related marketing and found that 53 percent of respondents of sample were able to recall a Cause Related advertisement product.
- Kay.J,(1993); the empirical evidence suggested that the greater a firm’s contribution to a social welfare , the better its reputation, closely related to brand awareness, aids in brand differentiation and ultimately helps a company gain (through a good reputation) or lose (through a damaged reputation) competitive
advantage. Therefore such activities lead to a brand awareness that differentiate the brand from competitors and gives a competitive advantage.

- Basu and Dick (1994); Brand loyalty is considered as an important factor in contribution towards Cause Related Marketing, loyal customers act as a positive word of mouth for the company.
- Lafferty and Goldsmith (1999); Suggested that the aspect of advertisement that have shown to influence attitude to the advertisement, as well as brand attitude, include product claims, pictures, source credibility and corporate credibility, the positive attitude towards a brand would translate into positive attitude towards the unfamiliar brand, however this finding did not extend to familiar brands.
- Cone and Roper (1999); in their report on Cause Related trend, they examined consumers responses to companies’ participation in cause related marketing communication, their survey report found that at least 80 percent of those surveyed have a more positive image of a firm if it offers to support a cause. Their research also investigated that given parity in price and quality, two third or more of the sample said they were likely to switch bands or retailers to those participating in cause related marketing program. Among the respondents the consumers that were socially and politically active were more likely to have a positive image of firms practicing cause marketing and to change a brand or retailers.
- Kotler and Lee (2000); mentioned in their article that one of the features that distinguishes Cause Related Marketing from other corporate social initiative is that, cause related marketing requires more promotion, expand advertisement to create the recall and recognition for a brand. Recall and Recognition are ways through which brand awareness can be created in the minds of consumer.
- Till and Nowak (2000); found in their research that companies use CRM to increase brand awareness among consumers through these campaigns, these are used consistently over the time to change the overall attitude of consumer towards companies and their brands.
- Miyazaki and Taylor (2000); demonstrated that consumers prefer a brand that shows an altruistic motivation to support a social cause to a comparable brand that forms alliance with a social cause for the purpose of generating sales.
- Bonn and Vrioni (2001); have stated that in the increasing competition companies need to differentiate themselves and their products and for this they are turning to the use of Cause Related Marketing as a communication tool, to advocate their corporate social responsibility. It can be said that Cause Related Marketing can be a communication tool to reinforce the companies’ act of philanthropy through a product/brand.
- Hoeffler and Keller (2002); stated that Corporate social marketing is a way to improve the brand recognition and not recall, recognition and recall are the customers ability to know the brand in other words brand awareness. They observed that Cause Related Marketing program or Corporate social marketing facilitated the brand recognition. Thus leading to brand awareness.
- Mason (2002); Cause Related Marketing generates funds for the nonprofit organizations; the initiative reaches consumers that do not donate to charities in traditional way, and gives them a chance to start doing it. It also helps building a brand as brand becomes the associated with a cause or charity.
- Skory and Repka (2004); the goal of every cause related, social marketing campaign is to promote greater awareness and consumer participation of the existing in programs to demonstrate the power of brand in partnership with charities and social causes in order to make a positive impact on society as whole.
- Lafferty and Goldsmith (2005); to study the essence and effect of Cause Related Marketing adopted a pre and posttest approach, comparing consumer evaluation of a brand before and after exposure to an advertisement for the brand with Cause Related marketing component, they found that post exposure attitudes towards the brand were significantly more positive than pre exposure evaluations.

The literature suggest that the cause related marketing does effect the attitude of the customer, the literature that were reviewed had all the sets of customer, we tried to study and analyze do these campaigns effect the attitude of millennial generation of India.

IV. RESEARCH METHODOLOGY

This paper involves the analysis of the group of customers termed as millennial; these are the set of customer that are commonly called as generation Y customers. According to William Strauss and Neil Howe, Millenials’s these set of customers are more civic minded with a strong sense of community both local and global original, keeping this characteristic of millennial generation in view we studied them to understand
whether this generation response to the cause related marketing campaigns of Corporate. As a part of the millennial cohort we choose the post graduate students of Management department of two universities Guru Nanak Dev University Amritsar and Punjabi University Patiala and the total sample size of the students was 120. The study was conducted in the year 2014 in the mentioned university. To understand the response of the students towards the cause related marketing we studied the two variables; Awareness of the brand that is associated with the cause related marketing and does this awareness lead to the Purchase Intention, therefore hypothesis framed are:

- $H_0$: Cause Related Marketing Advertisements does not lead to the Brand Awareness
- $H_1$: Cause Related Marketing Advertisements Leads to the Brand Awareness
- $H_0$: The Brand Awareness through Cause Related Marketing does not lead to purchase intention.
- $H_1$: The Brand Awareness through Cause Related Marketing Leads towards purchase intention.

The scale reliability was calculated through cronbach alpha for the understanding of the concept of cause related marketing Brand Awareness and Purchase Intention among the respondents.

The awareness of concept of cause related market

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
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</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
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<tr>
<td>No of Items</td>
</tr>
<tr>
<td>.839</td>
</tr>
<tr>
<td>12</td>
</tr>
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</table>

Reliability statistics of Brand Awareness

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
</tr>
<tr>
<td>No of Items</td>
</tr>
<tr>
<td>.845</td>
</tr>
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<td>10</td>
</tr>
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</table>

Reliability statistics of Purchase Intention

<table>
<thead>
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<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
</tr>
<tr>
<td>No of Items</td>
</tr>
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<td>.912</td>
</tr>
<tr>
<td>14</td>
</tr>
</tbody>
</table>

V. DATA ANALYSIS AND INTERPRETATION

Through descriptive statistics we calculated the Acceptance, Brand Awareness and Purchase Intention of Cause related marketing among the students of the two universities, the table -1 exhibits the descriptive statistics of the Concept of Cause Related Marketing.

The table-1 explains that the mean and standard deviation of the statement regarding the concept of cause related marketing; the students showed their agreement towards the concept of cause related marketing. However they feel that these activities can’t be considered as altruistic and also this concept cannot be the part of corporate social responsibility.

<table>
<thead>
<tr>
<th>Statements</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cause related marketing is an act of philanthropy</td>
<td>3.00</td>
<td>1.25</td>
<td></td>
</tr>
<tr>
<td>There are companies that are associated with cause related marketing</td>
<td>3.75</td>
<td>1.26</td>
<td></td>
</tr>
</tbody>
</table>
It is an act of corporate social responsibility 2.60 1.02
Helps in uplifting of society 3.52 1.06
it is a way of befooling the customer 1.89 1.18
Companies that are socially responsible do such acts of 3.29 1.36
Philanthropy
Association of brand with cause is the will help in uplifting the society 3.16 1.25
The cause associated with brands are genuine 3.22 1.29
These activities are altruistic 2.14 1.12
Business has to help the society 3.40 1.22

The descriptive statistics for Brand Awareness in the below mentioned table-2 states the agreement of the students towards the brand awareness through cause related marketing but they do not believe that cause related marketing can lead to the positive brand Image.

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through Advertisement I got to know about Cause Related Marketing</td>
<td>120</td>
<td>3.24</td>
<td>1.83</td>
</tr>
<tr>
<td>I am Aware of the Shiksha Campaign of Procter and Gamble</td>
<td></td>
<td>3.16</td>
<td>.82</td>
</tr>
<tr>
<td>The brands associated with cause create brand preference</td>
<td></td>
<td>3.28</td>
<td>1.77</td>
</tr>
<tr>
<td>Cause related marketing has increased the awareness of the brands</td>
<td></td>
<td>3.11</td>
<td>1.80</td>
</tr>
<tr>
<td>I am aware of brands associated with cause related marketing</td>
<td></td>
<td>3.51</td>
<td>1.76</td>
</tr>
<tr>
<td>These campaigns create a positive brand image</td>
<td></td>
<td>2.01</td>
<td>1.98</td>
</tr>
</tbody>
</table>

Further we calculated the correlation to test the hypothesis and to understand whether cause related marketing leads to the brand awareness and purchase intention among the students. Table-3 shows the correlation matrix.

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Cause related marketing concept</th>
<th>Brand Awareness</th>
<th>Purchase Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pearson Correlation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cause Related Marketing concept</td>
<td></td>
<td>.753**</td>
<td>.717**</td>
</tr>
<tr>
<td>Brand Awareness</td>
<td></td>
<td></td>
<td>.801**</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td></td>
<td>.717**</td>
<td></td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Statistical package was used to calculate the correlation between the awareness of the concept of cause related marketing Brand Awareness and Purchase intention, the result of the correlation matrix reveals that all the variables show the positive correlation, that means the knowledge of cause related marketing has created the brand awareness and brand awareness through cause related marketing can lead to purchase intention, further change in any variable will affect the other variable in same direction. Therefore accepting the alternate hypothesis we can say that the cause related marketing leads o brand awareness.
VI. FINDINGS, SUGGESTION AND FUTURE IMPLICATIONS

With the help of above mentioned data analysis we concluded that the millennial generation studying in the two universities of Punjab are aware of the concept of cause related marketing, they are aware of the brands that are associated with the cause related marketing, they do believe that such activities can help in uplifting and strengthening of the society, as they consider these activities as an ethical way of marketing and an act of philanthropy by the companies. They believe that these activities create the awareness of the brands that are associated with the cause related marketing and hence affecting their purchase intention, therefore this can be believed that the millennial generation does exhibit the behavior civic minded with a strong sense of community at a local level.

Our suggestion to the companies associating their product to the cause would be to make these campaigns a long term campaigns so that the awareness created would lead to the positive image for the brands. Since the study was on the effect of cause related campaigns on millennial generation we could not study the gender aspect among the generation that is which gender gets more influenced by these campaigns.

REFERENCES