EFFECTS OF CAUSE-RELATED MARKETING (CRM) ON BUYING DECISION: DOES IT MATTER IN FMCG SECTOR

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Abstract

Cause-Related Marketing is considered as a strategic tool for exploring consumer attachment with organizations. This study explored the role of product price, market communication and consumer attitude in designing effective Cause-Related Marketing strategies. Quantitative data was collected from 210 product consumers of selected organizations that practice CRM (Rose Petal, Nestle Nesvita & Kausar cooking Oil). The results showed that product price and market communication are major elements that influence consumer buying behavior. Consumers are more concerned about supporting local/national social-welfare societies other than international NGOs. Overall, we could conclude that CRM Strategy is good tool for increasing organizational sales, good-will and generate long-term revenue. From managerial perspective, CRM is a win-win strategy for both parties (commercial organization & non-profit organization) and customer feel happiness as they are serving for the betterment of the society. This research also highlights the importance of choosing NGO because it matters a lot for customers.

Keywords: Cause Related Marketing, Business Organization, Strategy.

1. Introduction

In 21st century, organizations are getting wisely active as the markets have expanded beyond boundaries. Their sales and profit margins are subdued due to the entrance of many competitors; thus, firms are finding new ways to attract customers because same product has been advertised by many firms. Considering five years back firms used heavily budgeted advertisements and personal selling to target their customers. They used every possible way to attract the customers but currently, the techniques to capture market and promote products have totally transformed due to advancement of consumer knowledge. New Integrated marketing communication (IMCs) tools are introduced like Cause-Related Marketing (CRM) which guide firms to nurture the brand name. With these techniques, firms promote this message to target customers that they are not only maximizing the profits but also contributing to the welfare of the society. These techniques help them to survive in the market and proceed with better skills of marketing (Kotler & Gertner, 2002).

According to Heinrich (2005) Cause-Related Marketing (CRM) is considered as the initial step of corporate world where corporations take steps for the welfare and betterment of the community. It is also proved by the study of UK borders that Cause-Related Marketing is one the most influential elements regarding buying behavior of consumer and other vital factors are price and the quality of the product/service (Dawkins & Lewis, 2003). This
marketing tool helped companies to retain a good image in public sector by earning fair profit. Furthermore, people tend to buy products from those firms who contribute in societal development. CRM is a productive technique to achieve business goals by supporting a social cause which brought them corporate respect and alliances with various NGOs/local customers (Aaker & Keller, 1990).

Cause-Related Marketing leads to exceed sales volume which is considered as a good aspect of ROI and build a strong corporate image in society (Webb & Mohr, 1998). Prior researchers concluded that it’s a philanthropic activity performed by manufacturing/service firms in which they oblige NGOs to support them in return to generating their sales (Bednall et al., 2001). Cause-Related Marketing might not give a guarantee that consumer will buy the specific product/service but it promotes the message to target customers about their Corporate Social Responsibility (CSR) activities. The work of Oliver et al. (1997) concluded that philanthropy and Cause-Related Marketing two quite different things because organizations select budget for philanthropy, however organization don’t allocate budget for Cause-Related Marketing because it’s related with their sale volume. Prior studies of concluded that the traditional philanthropy is declining and the cause related marketing is increasing (Hamil & Wilson, 2004; Smith & Higgins, 2000). Thus, people respond more positively to cause related marketing firms than simple philanthropic ones. In survey in Australia it is being proved that donations by individual have increased and philanthropy has decreased overall and concluded that people respond and trust more on cause-related marketing than any other way (Polonsky & Speed, 2001). The work of Cunningham (1997) suggested that Cause-Related Marketing is different form of sponsorship and sales promotion.

It is clear, that Cause-Related Marketing is used to achieve business goals such as high sales and volume of profits on the investment which can achieve through it (Amick III et al., 2002). On the contrary, these strategies are just a formality to achieve all corporate goals attached with sentiments of the people with is deemed to be more profitable but not right ethically. The work of Pringle and Thompson (2001) concluded that Cause-Related Marketing is a long-term activity while charity programs are short-term activities. So, CRM are considered as a long-term promotional activity to retain relationship with customers. Through, Cause-Related Marketing organizations collect revenues from their sales volume and donate a part of it to non-profitable organizations (NGOs) (Bennett & Sargeant, 2005). According to Andreasen (1995) the Cause-Related Marketing is a combination of three-way partnership which involves consumers, organization and NGOs. These relationships built customer satisfaction and positive word of mouth for organizations & NGOs (Smith & Higgins, 2000).

The organizations which implemented Cause-Related Marketing get benefits such as media coverage through which multinational firms earn moral support from people. Prior studies suggested that Cause-Related Marketing strategies can spread a positive brand image of the organization. The organizations that are attached with such strategies provide multiple social benefits such as awareness among people and raising money for the solution of various social issues. Thus, people bought those branded products that support Non-Profitable organizations (NGOs) through Cause-Related Marketing. The work of Okechuku (1992) concluded that marketing managers knew how to sell their products/services by associating themselves with a social cause.

Cause-Related Marketing (CRM) leaves a psychological impression on customer’s minds that boost organizational brand image. In this modern age, organizations have become wise in promoting their brands through developing a psychological relationship with customers. The corporate social responsibility (CSR) act a key factor but people though it as a responsibility for every firm operating in a society (Barone et al., 2000). Cause-Related Marketing (CRM) is a comparatively new strategy for obliging people. Moreover, it has gained lot of importance due to digital world which promotes every activity regarding customer opinions and suggestions. Heavy spending on advertisement cannot provide those benefits which are attained through CRM because it provides discounts as well as earn customer support for a social cause and present a good corporate image (Adkins, 2007). This clearly concluded that high competition and growing customer demand create opportunities for organizations to use Cause-Related Marketing as a tool to attract target customers. On the contrary, corporate goals of every organization aim to earn maximum profit also through promoting their CSR strategies. These strategies use Cause-Related Marketing for boosting their corporate goals. Moreover, Cause-Related Marketing regenerates the economic and social growth of society as well as specifies a unique identity for an organization (Brön & Vrioni, 2001). According to Trimble and
Rifon (2006) consumer buying behavior is process in which consumer decides whether he should buy his required product or not by keeping in mind his resources. It can also be said the consumer buying behavior is process in which consumer evaluate his consumption-related goods and take a decision either he should buy consumption-related goods or not (Hamlin & Wilson, 2004). The work of Peng Tan and Cadeaux (2012) concluded that price, culture, marketing communications tools and consumer attitude effect purchasing decision. In Cause-Related Marketing related products most of organizations deliver the product information through marketing communication such as Print/TV advertisement and sponsorships.

There are several examples of Cause-Related Marketing that exist all over the world but the study evaluated only those organizations that operate in Pakistan. The examples of Cause-Related Marketing are explored in this study such as; Rose-Petal which donates amount to save the wild life WWF, Pampers which donates amount for children vaccination and Kausar Banaspati which donates amount to Shaukat Khanum Cancer Hospital. Therefore, by considering organization perspective we explored the influence of Cause-Related Marketing on buying decision in multiple industries of Pakistan. Moreover, this study compared the brand performance of those firms that implemented Cause-Related Marketing as a marketing tool.

2. Literature Review

The work of Bhattacharya and Sen (2004) summarized that the outcome Cause-Related Marketing bring about positive response for organization who adopt it as a marketing communication tool. Cause-Related Marketing could increase organizational strength in terms of HRM practices and social capital (Boustani et al., 2014). It led marketing managers to understand the role of CSR in increasing corporation performance. For instance, the collaboration between Marriott and March of Dimes whose objective was cost efficient promotion and media coverage for their 200 acres’ family amusement center. Their main objective was to increase fund raising and motivate people about it. This promotional technique was conducted at that time in 6 to 7 cities of USA and was the foremost winning promotion in the history of USA (Griffin & Hauser, 1993). The traditional marketing perspective showed that organizations spent millions of dollars on their advertisement by providing a customer orientation approach which deliver personal benefits to consumers. However, such promotional techniques have been transformed by presenting a value addition package of benefits regarding social and corporate responsibilities (Kuhn & Epstein, 1979).

Cause-Related Marketing (CRM): According to Bagozzi and Phillips (1982) the growing interest in Cause-Related Marketing has observed by many other factors as well that helps the business, non-profit organization and government to prevail. These factors are related to macro-environment such as social changes, environmental hazards and technological advancement affect consumer decision making (Barone et al., 2000). The work of (Creswell & Miller, 2000) summarized that intense competition in local as well as international markets have transformed business strategies regarding their spending on each promotional tool. Meanwhile, customers are demanding higher quality with competitive prices. The study of Dovidio (1984) explained four areas of CSR which includes: economic, ethical, legal, and discretionary responsibility. This study considered discretionary responsibility means when the society wants the organization to get involved in the welfare of the society. Thus, a firm’s contribution to the community welfare is considered as its CSR on part of its customer thinking (Ross III et al., 1992). Cause-Related Marketing also presented a strategic approach which analyzes allocation of resources and collaborations with NGOs that provide them support in critical market situations (Zikmund & d’Amico, 2002). Such collective goals and promotional campaigns spread clear communication which led to the path of success for each partner. However, NGOs also found new sources for funding their social cause through such business oriented strategies. The current debate about Cause-Related Marketing is not related to its effective but its cost-benefits analysis which brought new targets along with other promotional tools. The study of Daneshvary and Schwer (2000) explored that Cause-Related Marketing increase product selection and impact purchase decision. The advantages of Cause-Related Marketing benefit both business and the non-profit organizations. A study revealed that CRM motivates employees to spread WOM about their organization which act as a promotional strategy but its objective is to boost sales (Fowler Jr, 2013). The additional
benefits comprised on raising awareness about a social cause which in return may increase amount of donation and attracting new volunteers through personal marketing of customer (Macalister, 2002).

**Product Price:** According to Duncan (2001) product price has always some sort of impact on buying decision. Customers choose those cheaper products which are not link to CRM but the size of product price difference matter a lot (Strahilevitz & Loewenstein, 1998). If the price difference is huge then the customer purchase the product that are not linked with CRM and if the price of a product is equal or little bit high, it is more chances that customer will buy the product which is linked with CRM. A research conducted in United Kingdom showed that customers want to buy those products which are linked with CRM but the interesting fact is that they do not want to pay any extra amount for this purpose (Schultz, 1998). Moreover, the work of Pringle (1999) concluded that when CRM is introduced as marketing tool, consumer don’t demand discount but they appreciate to buy product on actual price.

**H1:** Product Price positively impact buying decision in Cause-Related Marketing strategy.

**Marketing Communication Tools:** According to Andrews and Shimp (2017) marketing communication is defined as “the collection of information from customers and deliver them the organization’s message”. It is a very difficult task which require strategic planning and loyal customers who are willing to guide managers to designing an appropriate marketing mix (Schultz et al., 1994). The study of (Barone et al., 2000) concluded that Cause-Related Marketing impact product selection which means that consumer motivation increase when organization promote products through supporting a social cause. Marketing communication objectives suggest different type of strategies like advertising, sales promotions, personal selling and public relations for gaining effectiveness during CRM (Grau & Folse, 2007). Advertising is the process of highlighting the attributes of products/services for getting sales benefits or generating revenue. Advertising work like a special force who clicks in customer’s minds in different ways (Oliver et al., 1997). According to Lemon and Nowlis (2002) defined sales promotion which includes coupons and end-of-aisle displays. Sales promotions are considering direct and aggressive method as compare to advertisement (Bergkvist & Rossiter, 2007). However, sales promotion might create negative image in customer’s mind because people through those products cheap as compared with others (Mela et al., 1997). The work of Drumwright and Murphy (2001) indicated that when advertising compare to sponsorship, it found that sponsorship mostly click on consumer’s mind and advertising force customer to buy the product.

**H2:** Marketing Communication positively impact buying decision in Cause-Related Marketing strategy

**Consumer Attitude:** According to (Lafferty & Goldsmith, 2005) a strategy for an effective Cause-Related Marketing involves consumer attitude towards that brand which is induced by the cause supported by an organization. The role of the marketing strategy is to change or enhance brand attributes and consumer attitude towards the product for making a purchase decision (Wagner & Thompson, 1994). In a competitive environment, Cause-Related Marketing has become a main stream for increasing sales even it is directly related to consumer attitudes (Webb & Mohr, 1998). Thus, Cause-related marketing is carried out for promotional objectives and it is technically designed to target customer with a soft corner that generate response from them. A study conducted in Australia has being carried out by (Webb & Mohr, 1998) concluded that impact of personal values and interpersonal things which attract consumer towards cause-related marketing. Prior studies revealed that those consumers who give emphasis on relationships, self-esteem, security and entertainment in life tend to present more positive attitude towards Cause-Related Marketing. According to (Adkins, 2007), women are wiser towards Cause-relating marketing products and they also endorse such activities which create a societal image for organizations. There are two types of customer attitude, first is personal attitude and second one is the impersonal attitude (Westberg & Pope, 2005). Personal attitude towards a brand can be long term and consistent while the impersonal attitude can be short term and non-consistent (Percy, 1998). Impersonal attitude can be affected by sales promotions and short term offers but it is very tuff to affect the personal attitude (Trimble & Rifon, 2006). Based on prior studies, we hypothesized that

**H3:** Consumer Attitude positively impact buying decision in Cause-Related Marketing strategy.
One of the success factors proposed by organizations for the success of the strategy is the strategic negotiation between the cause and the brand. According to Lafferty et al. (2004), CRM is mostly brought up as nonprofit partnership or a cause-company alliance. Moreover, Cause-Related Marketing is a type of brand alliance to secure the sales of the company and improve the image of the brand. The work of Gupta and Pirsch (2006) recommended that retailers should be strategic in their selection for choosing a charity partner and consider to what extent the cause and brand fit. The objectives of marketing communication are updating the customer, aware them from organizations policies, knowing their liking/disliking and understanding their behavioral intentions. The work of (Huck et al., 1974) concluded that people are forced to think that if firm is working for cause and asking to purchase their product based on CRM promotions then why organizations are spending high amounts on advertisement they could use the same amount to CRM.

3. Methodology

This study was exploratory in nature followed by quantitative research approach. A fully structured questionnaire was designed to analyze the proposed hypothesis. We collected data from those respondents, who use our selected Cause-Related Marketing products which in (Rose-petal, Nestle Nesvita & Kausar cooking oil). Thus, non-probability sampling technique was adopted based on judgmental and convenience sampling (Sekaran & Bougie, 2003). For each CRM, related product, 210 respondents are selected out of 350 respondents. The questionnaire consisted on three sections: Firstly, record consumers demographic and likeness towards NGOs affiliations, second section consisted on 3-items regarding consumer attitude adopted from work of Roy and Graeff (2003), 4-items items regarding marketing communication adopted from Hajjat (2003) and 3-items regarding product price adopted from Holmes and Kilbane (1993). Last section recorded respondents buying decision behavior which is based on 5-items from the study of Keller and Aaker (1992). The questionnaire consisted on likert scale rating (1-strongly agree to 5-strongly agree).

Pilot study was conducted and questionnaire language was modified according to respondent feed-back. While collecting data, one point was considered carefully that only those respondents must fill the questionnaire that are buying CRM related selected products. The reliability and validity of data is analyzed through Cronbach alpha and VIF (Muller et al., 2005). The background about selected FMCG products and their affiliations NGOs regarding Cause-Related Marketing is explained as under:

- Rose Petal - CRM campaign with WWF
Rose Petal is a brand of tissue paper manufacturer and a top selling product in its product category. However, WWF (World Wide Fund for Nature) is an organization which was working for environment and animals. WWF was formed in Pakistan in 1970. The purpose was clean the environment and save the life of animals. Rose Petal started a Cause-Related Marketing (CRM) campaign with WWF by donating a percentage of its sales. For that reason, Rose Petal displayed WWF panda’s picture on its products packets for increasing awareness in society about Wild-Life.

- Nestle Nesvita - CRM with International Osteoporosis Foundation

Nesvita milk is a product of Nestle Pakistan. The head office of Nestle international was established in Switzerland. The objective Nestle is provide “Good Food, Good life” to its customers. Nestle also got different types of quality maintained certificates from different organizations. However, International Osteoporosis Foundation (IOS) is an organization which aims to educate the people about bones diseases. IOS was also training the doctors for this purpose. IOS was also working for the innovation of treatment. Nestle Nesvita started CRM campaign with IOS. Nestle Nesvita became member of this foundation by providing them platform to educate young women about this disease and its prevention measures. This brand- NGO alliance got very popularity among young-educated women.

- Kausar cooking Oil - CRM campaign with Shaukat Khanum Hospital

Kasuar cooking oil is a cooking oil brand with a large distribution network in Pakistan. This organization ensures to provide best quality with best value demanded by customers. Moreover, Kasuar cooking oil supports societal issues by contributing through different sources like funding. However, Shaukat Khanum Memorial Cancer Hospital and Research Centre is non-profit organization which treats cancer patients who are poor and cannot afford cancer treatment. Kausar cooking oil started CRM campaign with Shaukat Khanum Memorial Cancer Hospital by donating Five PKR on the sale of every cane of 5 Kg. The basic objective is to support poor people and provide platform to generate charity behavior about customers. It also prints Shaukat Khanum Memorial Cancer Hospital pictures on its packaging which showed alliances among these organizations.

4. Results

The respondents’ demographic information showed in (Table-1), presented that majority of respondent are male which represent 56.7% of total sample size. With respect to age group, people among 30 years to 45 years are interested in Cause-Related marketed products with represent 43.8% of sample. However, 29.5% of respondents are above 45 years. The income level/month showed that majority of respondents earn Rs. 30,000 to Rs. 50,000 that accounted for 47.6%. The occupation of respondents showed that majority of respondents are engaged in doing their own business with accounted for 38% followed by private jobs that accounted to 31.4%.

<table>
<thead>
<tr>
<th>Table-1 Demographic profile of sample: (N=210)</th>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Age (in years)</td>
</tr>
<tr>
<td>Less than 30</td>
</tr>
<tr>
<td>30-45</td>
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<tr>
<td>Above 45 years</td>
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</tbody>
</table>
For Rose-Petal: The result of Cronbach Alpha test has shown that data collected is moderately good. The value of Cronbach alpha is 0.643. The correlation analysis has shown that there is significant relationship between the consumer buying behavior and all the independent variables. The relationship between the consumer buying behavior and consumer attitude is strongest as the value of Pearson correlation is .531. Relationship between dependent variable and other two independent variables is moderate. The value for Pearson correlation is .388 and .434 for marketing communication and price respectively.

For Kausur cooking oil: The value of Cronbach alpha’s value is .567. Data is considered best reliable when the value is near about .70. Correlation table have shown that dependent variable (impact) have moderate relationship with attitude, market communication, price as the Pearson correlation value is .544, .407, .398 respectively. These relationships are significant as P<0.001.

For Nestle Nesvita: Data collected for Nestle Nesvita is reliable as the value of Cronbach alpha test is .55. Correlation analysis shows that each of the independent variable has good relationship with the dependent variable. The Pearson Correlation values for relationship of dependent variable with attitude, market, and price are .544, .407 and .323.

<table>
<thead>
<tr>
<th>Income (in months)</th>
<th>Less than 30K</th>
<th>30K to 50K</th>
<th>Above 50K</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81</td>
<td>100</td>
<td>29</td>
</tr>
<tr>
<td>Occupation</td>
<td>Private job</td>
<td>66</td>
<td>31.4</td>
</tr>
<tr>
<td></td>
<td>Govt. Employee</td>
<td>19</td>
<td>9.00</td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td>80</td>
<td>38.0</td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>45</td>
<td>21.4</td>
</tr>
<tr>
<td>Education</td>
<td>College</td>
<td>72</td>
<td>34.2</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>105</td>
<td>50.0</td>
</tr>
<tr>
<td></td>
<td>Post-graduate</td>
<td>33</td>
<td>15.7</td>
</tr>
</tbody>
</table>

Table-2: Linear regression

<table>
<thead>
<tr>
<th>ROSE-PETAL</th>
<th>KAUSUR COOKING OIL</th>
<th>NESTLE NESVITA</th>
</tr>
</thead>
<tbody>
<tr>
<td>β</td>
<td>Sig</td>
<td>t-value</td>
</tr>
<tr>
<td>α</td>
<td>1.60</td>
<td>.00</td>
</tr>
<tr>
<td>Product Price</td>
<td>.283</td>
<td>.01</td>
</tr>
<tr>
<td>Consumer Attitude</td>
<td>.317</td>
<td>.00</td>
</tr>
<tr>
<td>Market Communication</td>
<td>.225</td>
<td>.04</td>
</tr>
</tbody>
</table>

R² .379**        .423**      .400**
Adj. R² .350      .397        .373
F-Value 13.4      16.2        14.6

Dependent variable: buying decision

** significant at 99%, * significant at 95%

The model summary (Rose-petal) table of regression results has shown that model fitness is moderate as the value of R square is .379. R square shows that how much the combination of all independent variables causes change in the dependent variable. While the value of R shows the strength of relationship between the independent and dependent variables. For this case the value of R is .615 showing that there is good relationship between the independent variables and consumer buying behavior. Coefficients table have shown that there all the independent variables (Consumer attitude, Market Communication, and price) have significant impact on the consumer buying behavior. Consumer attitude is significant at 1% as the value of P<0.001.
Market communication and price are significant at 5% as P= 0.041 and 0.010 respectively. Values of standardized coefficient beta shows that one unit change in Consumer attitude, Market Communication, and price cause 0.317, 0.225, and 0.283 change in consumer buying behavior. Table-2 of model summary (Kausar Cooking oil) showed that all the independent variable has moderately good impact on dependent variable. Because the value of R square is 42% and R is 65%. Value of R shows that their good relationship among the variables. Coefficients table has shown that all the independent variables have significant impact on the dependent variable. Attitude is significant at 5%. Market communication and price are significant at 1%. Values of beta have shown that one unit change in the attitude, market communication, and price causes .247, .358 and .359 change in the dependent variable.

Model summary (Neslte Nesvita) and ANOVA tables show that the whole model is good. The value of R is .633 and R square is .400. whole model is also significant as P<0.001. Coefficients table have shown that all the independent variables have significant impact on the consumer buying behavior. The significance level for attitude is 5% and for market communication and price is 1%. Coefficients tables also shows that one unit change in attitude, market communication and price causes .299, .343 and .303 units change in buying behavior respectively.

5. Discussion

The simple and biggest impact of Cause Related Marketing (CRM) strategy is social welfare. It has usually been noted that when FMCG organizations donates money to NGOs or any such sort of thing or project, it has some visible and immediate impact on organizational performance (Polosky & Speed, 2000). These CRM are visible and immediate because donor promotes such marketing strategies based on consumer attitude. After all, it is a marketing tool and obvious objective is to soften the image of company and to improve organizational sales. When organizational sales increases, it effects loyalty, re-purchase intentions and customer satisfaction.

However, whatsoever the organizational objectives are, CRM transformed brand image and motivate top-management to participate in societal development in terms of donation and well-being of society (Pracejus & Olsen, 2004). Another aspect of Cause Related Marketing (CRM) motivates the consumer to think about market information of related products and its brand role in improving social justice. Nowadays, it’s vital for MNCs to invest in societal development because people need psychological relationship with product and brand. The psychological attachment with brand not only impact buying decision but also generate a long-term relationship with brand based on its CRM tools. Usually, people prefer to buy those products with whom a noble cause is attached. It has proven through prior studies that people around the globe are concerned about peace and social development (Smith & Higgins, 2000). Moreover, it has been observed that when a consumer chooses one product that supports CRM would surely purchase other products that also support such marketing tools. Thus, Cause-Related Marketing not only bridge consumer will social cause but also impact their buying decision.

The consumer attitudes towards donating funds to NGOs not only enhance their buying decision but also impact their product recommendation and WOM. The outcome of positive consumer attitude promotes organizational image. However, CRM is preferred as a short-term marketing tool because people think it as a market information about their CSR and marketing effects. Prior researchers, usually compare philanthropy with Cause-Related Marketing (CRM). Philanthropy usually has not a propaganda mechanisms to boast of their generosity but companies have their marketing tools in this sense (Barone et al., 2007). If a consumer purchase $100 products than $25 will be donated to a NGO. In philanthropy, organization usually provide services, generating new idea of NGOs and financial support. However, in Cause-Related Marketing amount of donation is not fixed. It depends on sales volume rather than proposition of selling price. In this situation, social cause got support for a period such as ADIS control programs. Cause-Related Marketing (CRM) is truly a marketing concept which is derived from philanthropic projects.
6. Conclusion

From managerial perspective, CRM has become a vital mechanism for increasing sales volume as well as brand attachment. A product may have lost its prestige, volume or repute, but it can be revitalizing by attaching it to a noble cause. If NGOs has a good reputation and popular among general people, to whom company is donating, it will have more powerful effect then the otherwise case. Furthermore, people affiliation with a noble cause increase their brand attachment as well as product promotion because they are psychologically associated with that noble cause. CRM is an innovative tool for increasing competition among organizations. Such, economic activities are beneficial for improving social justice. The CRM also provide free media coverage to NGOs from print as well as electronic advertisement. It also ensures better sources for donations to NGOs because it bridge gap between haves and have not’s.

Three major stakeholders contribute for the success of CRM strategies: first, organization that implemented Cause-Related Marketing for increasing its sales secondly, customer who are willing to promote and purchase those products and thirdly, NGOs that generate its revenue through such contemporary strategies. On the contrary, if brand image of any stake-holder is negative it will impact the overall CRM strategies. Therefore, it is very important to select stake-holder specially NGOs that presented a positive and sustainable image. Overall, CRM is a win-win strategy because customers feel happiness as they contribute for social welfare, organizations gets more profit and NGOs gets charity for its usage. Low price reduces the impact of CRM because customer compare them with other CRM related products. It also creates psychological pressure on customer’s mind because customer thought as a social responsibility and manufacturing organizations also want such type of psychological pressure to sell their products. The frequency of marketing communication has a strong impact on CRM strategies because, it not only promotes brand image but also create affiliation and sense of community.

Reference


