

Emergence of Cause Related Marketing as a Management Strategy in the New Normal Era

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Abstract

Covid 19 pandemic ongoing in the world affected all the aspects of life. The marketers faced a lot of challenges in reaching out to the customers. In the current scenario, cause related marketing is emerging as an effective tool for marketers for reaching their target audiences quickly, along with building brand recognition, trust and loyalty. Customers have also managed to cope up with the new situation and new way of shopping as well. There was increased use of digital platforms, more use of social media platforms. Consumers have become more aware and sensitive about the social issues prevalent around them. There is increased empathy, compassion, and feelings of supporting each other.

The research paper examines the customer's aspects to understand their psychology and changes in behavior due to the pandemic. Research explores are the customer's expectations from marketers and in which ways they can be influenced now in new normal. It studied the changes in consumer behavior of the respondents due to the Covid-19 pandemic situation. It explored the views of the respondents towards the companies doing cause related marketing and also provided recommendations for Marketers for adopting cause related marketing as their management strategy.

A data of 150 respondents was collected using the non-probability convenience sampling technique. The data collected was analyzed using the SPSS software. Three factors were extracted using Exploratory Factor Analysis namely 'Cause Related Preference', 'Brand's Support in Pandemic' and 'Digitalization'. Several changes in consumer behavior are expected in the new normal. These are increased Price sensitivity of the customers, Switching to digital modes, Emergence of new mass media and increased concerns of safety, hygiene and quality.

Keywords: Cause related marketing; Consumer Behavior; COVID-19; New Normal; Marketing management.

Introduction:

“Out of adversity comes opportunity” – Benjamin Franklin

Covid 19 pandemic ongoing in the world affected all the aspects of life. The marketers faced a lot of challenges in reaching out to the customers. Due to lockdown, retail outlets were closed and there was only a limited variety of products available through e-commerce platform. Production houses were shut, and employees were not available for continuing the services. Since then, Marketers have been innovating the way businesses are done and continuously looking out for more creative ideas to engage with the customers. Maintaining the relationship with customers have become even more important than before.

Customers have also managed to cope up with the new situation and new way of shopping as well. There was increased use of digital platforms, more use of social media platforms. Consumers have become more aware and sensitive about the social issues prevalent around them. There is increased empathy, compassion, and feelings of supporting each other.

During these times, marketers need to deal with customers with sensitivity and kindness. The marketing of products and services cannot happen in the conventional way. In this scenario, marketers have increased the use of cause related marketing for reaching out to the customers for connecting with them. Few of the ways are using Emotional appeal or 4 Rs approach: Restart, Reset, Reengage, Reinvent, Empathy, Contactless delivery, Community Service, Support workers, encourage healthy habits, use of Digital initiatives, Raise money through campaigns and Money contribution to Government funds etc. This way marketers are trying to bind the customers to their brands.

Few prominent cause related marketing strategies have been used by brands across the globe like Ryan Reynolds' Aviation Gin donated 30% of their online sales proceeds to the United States Bartender's guild under their "Tip Your Bartenders" program. Haus Labs, a cosmetic line by Lady Gaga, promised to donate 20% of a week's worth of sales to food banks in NYC and LA. LVHM donated \$2.2 million to the Red Cross Society of China and ordered 40 million face masks from China for donation to France. CariClub which is a professional network partnered with Charity Navigator for creating a social impact. Together they launched a Community Inclusion Fund as a charitable campaign to

help out the vulnerable communities impacted by COVID-19.

In the current scenario, cause related marketing is emerging as an effective tool for marketers for reaching their target audiences quickly, along with building brand recognition, trust and loyalty. In the concept of transaction-based cause related marketing, a company decides to support a particular social cause which fits with the values of the brand like child education etc. When a consumer purchases a product from such a brand, they will donate a pre-decided amount of money to the charity or NGO associated with that cause. This way consumers also feel that they are contributing to that cause.

Purpose of the study

The research paper examines the customer's aspects to understand their psychology and changes in behavior. What are their expectations from marketers and how they can be influenced now? Then the paper explores and analyzes the marketing strategies adopted by marketers with special reference to cause related marketing.

Marketers need to understand the changing consumer behavior due to the situation of pandemic. Customer preferences and expectations from the marketers are different now. Marketers need to act fast to match up their efforts with competitors' strategies. The research explores the cause marketing strategies used by marketers in responding to Covid-19 situation. It also analyzes the impact of Cause Related Marketing on Consumer Behavior and consumers' perception about the companies associated with Cause Related Marketing.

Currently it is important to deliberate on the future for marketers after pandemic is over, in the new normal era. The changes could be both short term and long term as consumers' expectations from companies would also change.

Literature Review

Cause Related Marketing

Cause Related Marketing can be described as a process of formulating and implementing marketing activities characterized by an offer from the firm to contribute a

specified amount to a designated cause when consumers engage in revenue-providing exchanges that satisfy organizational and individual objectives (Varadarajan and Menon, 1988).

It serves as a strategic Corporate Philanthropy which helps the firms in gaining a competitive advantage by focusing on economic and social concerns. It acts as a marketing program which improves the corporates' performance and help worthy causes.

It is an approach in which CSR is endorsed and integrated with marketing strategy. According to Varadarajan and Menon (1998) cause related marketing is a kind of CSR initiative that aims at “Do Better by Doing Good” and it not only increases organizations revenue but also contributes to societal welfare.

The most common form of cause related marketing is transaction-based. Here fund raising for a cause is linked to the purchase of the firm's product and /or services by customers. On each purchase, a fixed amount is paid by them towards the chosen cause. Cause related marketing is a win –win strategy for the three stakeholders involved i.e. Company, cause, and customers. As a marketing strategy CRM benefits the community, generates goodwill and revenue for the company. It creates positive feelings for the consumer because of their decision to purchase products or services from that firm.

Collins (1991) emphasized that it is an extreme requirement of the corporate world to implement CRM strategy as it delivers several benefits such as ability to survive, competitive edge, higher ROI, positive word of mouth, and growth in goodwill. Interest of both companies and researchers in CRM across the world has been increasing (Patel et al., 2017).

Cause related survey reports have shown its influence on the U.S. residents. 80 percent of the respondents reported to have a positive image of those companies that support a cause for which they care for. 66 percent would be willing to switch to brands associated with a good cause. Almost 75 percent respondents approved of cause related programs as a business practice. A successful Cause Related Marketing program can develop a differential advantage for the firm through an enhanced corporate image with consumers.

The most prominent CRM campaigns in India have been “Project Shiksha” of P&G , “Let's Put India First” of ITC and “Do Kadam Shiksha Ki Aur” of Nihar Hair oil by Marico.

Consumer Behavior:

The goal of any organization is to satisfy customers profitably (Kotler, 1999), to increase and defend the market share. As markets have grown and expanded over the years, companies have shifted their focus from production to consumption and hence consumers. Organizations realize that consumers have an integral role in driving the profits of a brand. Even the governments are becoming concerned about living standard of people and welfare of society.

Consumer Behavior emerged as an autonomous discipline in 1960s. In the last few decades, it has developed significantly for understanding human consumption behavior. A consumer is any individual or group who engages in the process of consumption. Consumers purchase products or services offered by brands for their personal consumption or for meeting the needs of their family or households. The behavior portrayed by a consumer while making these decisions is called as consumer behaviour. It includes the various psychological and social processes preceding and following these actions. Kotler (1999) defined consumer behaviour as a mental, emotional and physical activity that individuals use to identify, purchase, consume and dispose the products or services for satisfying their needs and wants. Hawkins et. al (2001) defined Consumer Behaviour as a study of the individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impact that these processes will have on the consumer and society.

Different consumers have different needs and wants. These differences primarily exist due to difference in their perceptions, demographics, attitude, self-concept, cultural background, values, beliefs, personality, learnings, social class etc. Presence of all these factors have made consumer behaviour a complex and sensitive subject.

Management Strategies adopted by Marketers during Pandemic:

Marketers across the globe have modified their marketing

strategies, processes, promotional activities and technologies innovatively to cope up with the challenges posed by pandemic. Researcher has listed the strategies adopted below:

Product Innovation: In real estate industry actual property visits cannot be made. Marketers started using online video walkthroughs. This is an efficient way to shortlist properties as it saves customer's time, money, and effort. In new normal era, buyers/tenants can continue to use this option for quickly checking out different properties conveniently.

Innovation of Business Models: Aggregators from various fields like Ola, Uber, Box8, Swiggy, and No Broker entered the daily essential needs business through various tie-ups.

Tata Sky was able to handle the traffic of customer calls using WhatsApp for service requests in spite of shut down of their call centres. WhatsApp was used by customers for making service requests such as managing packs and recharges.

Innovation in Media Consumption: People have started spending more time at home due to the work from home situation. It leads them to watching more TV, engaging in social media, and availing more online content. Marketers need to consider these aspects while designing the media mix and include innovative ways to communicate with audience. Brands can develop a more personalised messaging strategy offering customised content.

Support local causes: Many brands channeled their production capacities for production of lifesaving equipment. Many partnered with NGOs and government agencies in the distribution as well.

Brand logo modification: Several brands modified their logos by altering its elements to spread the message of social distancing.

For instance, Volkswagen increased the gap between the V and W in its logo. The logo also mentioned "Thanks for Keeping Your Distance." Coca-Cola used the slogan, "Staying apart is the best way to stay united" and created space between each letter of its logo.

Offer Contactless Takeaway: This provision was done by Pizza Hut to assure the customers about the safety and hygiene of their products.

Research Objectives

The research paper examines the customer's aspects to understand their psychology and changes in behavior due to the pandemic. Research explores are the customer's expectations from marketers and in which ways they can be influenced now in new normal.

1. To study the changes in consumer behavior of the respondents due to the Covid-19 pandemic situation.
2. To explore the views of the respondents towards the companies doing cause related marketing.
3. To provide recommendations for Marketers for adopting cause related marketing as a management strategy.

Research Methodology

The initial search was done by studying the existing literature available on two aspects- changes in consumer behavior due to pandemic situation and impact of cause related marketing strategies during this time on the consumer behavior. Several secondary sources like Journal papers, Reports, newspaper articles, blogs, websites etc. were studied to understand the various aspects.

Then a primary survey was conducted. A structured questionnaire was circulated online. The questions were based on the 5-point Likert scale. A data of 150 respondents was collected using the non-probability convenience sampling technique. The data collected was analyzed using the SPSS software.

Data Interpretation

The first part of the survey gathered the demographic information about the respondents.

Table 1: Demographic Profile of the Respondents

Variables	Category	Frequency	Percent
Age	18- less than 25 years	92	61.3
	25- less than 50 years	50	33.3
	50 and above	8	5.3
Gender	Male	78	52.0
	Female	72	48.0
Occupation	Student	76	50.7
	Service	69	46.0
	Self-employed	5	3.3

Most of the respondents were in the age group of 18-25 years i.e. 61% in terms of gender 52% were males and in terms of occupation 51% were students.

Exploratory Factor Analysis

Behavioral changes and expectations of consumers from brands in the post Covid-19 'new normal' era

This part of the survey ascertained the changes in consumer behavior of the respondents due to the Covid-19 pandemic situation. A set of statements were provided in the questionnaire pertaining to changes in consumer behavior. The respondents had to rate each statement on a 5-point Likert scale ranging from 5 as 'Strongly Agree' and 1 as 'Strongly Disagree'.

a) Measure of Sampling Adequacy

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy tests whether the partial correlations among variables are small. High values (closer to 1.0) indicates that a factor analysis may be useful. Bartlett's test of sphericity tests the hypothesis that correlation matrix is an identity matrix, which implies that variables which are tested are unrelated. Small values of the significance level (less than 0.05) indicate that a factor analysis may be useful.

Table 2 indicates that in the present test Kaiser-Meyer-Olkin (KMO) measure was 0.665. Bartlett's sphericity test indicating Chi-Square = 624.113, df = 45 with a significance of 0.000. This implies that factor analysis can be used for the data analysis.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.665
Bartlett's Test of Sphericity	Approx. Chi-Square	624.113
	df	45
	Sig.	.000

b) Principal Component Analysis

Extraction communalities are estimates of the variance in each variable accounted for by the components. For the data communalities were ranging from .572 to .827, which indicates that the extracted components represent the variables well.

The variables with factor loadings less than 0.5 were rejected and the SPSS output of the exploratory factor analysis extracted three factors. Factor-1 loading was 36.77%, Factor-2 loading was 17.79% and Factor -3 loading was 13.41%. The three factors explained nearly 68% of the total variability.

Table 3 explains the different attributes under different factors based on their factor loadings. It also depicts the Reliability Tests of the Factors using Cronbach's Alpha.

Table 3: Rotated Component Matrix

Attributes	Component			Factor Name	Cronbach Alpha
	1	2	3		
I prefer the brands which are doing good for the society.	0.793			Cause Related Preference	0.755
I prefer to buy from a brand which supports a social cause over another brand which does not support a social cause.	0.781				
I will recommend the brands offering cause related products to my friends and on social media.	0.692				
While shopping, I seek purpose-driven brands that mirror my values and beliefs.	0.645				
Brands I choose should be more responsible towards me, to others, to the society, and for the sustainability of the environment.		0.773		Brand's Support in Pandemic	0.752

Attributes	Component			Factor Name	Cronbach Alpha
	1	2	3		
I will remember how brands reacted in the COVID -19 era influencing my future purchase decisions.		0.721			
I expect that companies will continue their efforts around social and environmental issues, even after the pandemic ends		0.718			
I would like to associate with a brand which engages in social causes.		0.676			
I shifted to online shopping without any hassles.			0.878	Digitalization	0.832
There was an increase in the number of unplanned purchases while shopping online.			0.859		

All the resulting alpha values are high and indicates a good internal reliability among the factors' attributes.

c) Naming of the Factors affecting consumer behavior in pandemic

Factor 1- Cause Related Preference

It has an Eigen value of 3.678 and explains 36.7% of variance. This factor relates to the preference given by customers to the brands which engage in cause related marketing. The respondents prefer the brands which are doing good for the society. They will prefer to buy from a brand which supports a social cause over another brand which does not support a social cause. This can become a differentiating factor for the brands to project themselves as better than their competitors. Respondents are also willing to recommend the brands offering cause related products to their friends and on social media. Marketers can rethink of their marketing strategies. While shopping, consumers seek purpose-driven brands that mirror their values and beliefs. Marketers must develop clarity on what are the motivating factors for their target consumers and which values and beliefs are most important to them. Accordingly, these values should be imbibed in their products and services.

Factor 2- Brand's Support in Pandemic

It has an Eigen value of 1.78 and explains 17.7% of variance. This factor exhibits the views of the respondents towards the companies doing cause related marketing and providing support during the pandemic. Consumers are

becoming more conscious about the product or brand choices they make as it should be more responsible to themselves, to others, to the society, and for the sustainability of the environment. Consumers would like to associate themselves with a brand which engages in social causes. They expect that companies will continue their efforts around social and environmental issues, even after the pandemic ends. Marketers must plan long-term cause related marketing strategies to build trust and have a long-term connection. Customers will remember how brands reacted in the COVID-19 era influencing their future purchase decisions. The response of a brand not only towards the customers, but towards their employees will also matter.

Factor 3- Digitalization

It has an Eigen value of 1.34 and explains 13.4% of variance. This factor depicts a very noticeable change in the consumer behavior across all the channels. Most of the consumers shifted to online shopping without any hassles. There was an increase in the number of unplanned purchases as well. This could be because they were in isolation and had a lot of time for engaging in online shopping. It also enhanced their mood and made them happy.

Findings

The analysis of these statements show that Covid-19 has immensely impacted the way consumers shop. These results can be very useful for the marketers for their

reinvention. There is a clear shift in the consumer behavior in the pandemic situation where customers have moved on to digital shopping platforms. Marketers must adapt an omnichannel approach wherein they are able to reach the target customers via both digital and traditional physical channels.

Second take away for marketers is to develop a strategy for meeting the expectations of consumers that a brand should exhibit responsible behavior. Customers are going to prefer the brands which are contributing to the welfare of the society including their employees, customers, and society at large. Cause related marketing can become such a tool for the marketers for their reinvention and as a way forward.

Changes expected in New Normal

The 'new normal' era refers to the new way of living life influenced by the constraints and challenges posed by Covid-19 pandemic across the globe. It is expected that there will be large scale behaviour shifts for both short and long term.

Price sensitivity of customers: There is an ongoing economic slowdown across economies. Customers have become more price sensitive. There is an inclination to save more and to cut down on the discretionary spends. Also, while spending money, customers are turning towards more discounted purchases.

Switching to digital modes: Another aspect would be switching to digital modes of experiencing the world and for shopping as well. People have switched to digital platforms for attending work meetings, performing financial and ecommerce transactions, app-based medical consultation, getting online education degrees, virtual concerts, virtual marriages etc.

Brands need to offer innovative digital solutions to attract new customers and create a long-lasting positive impact on the customer's mind.

Emergence of new mass media: People are actively using Webinars and live-streams. They prefer referring to product information videos and blogs for reviewing products and making buying decisions. There is increased use of digital portals, newsletters, and social media marketing to reach out to the customers.

Increased concerns of safety, hygiene and quality:

Customers have become highly concerned about the quality and safety of the products offered by marketers. It is a great need for marketers inform and assure about the high standards of their product hygiene in terms of material used, manufacturing facilities, People in contact, packaging and delivery.

All the findings lead to one direction that consumer behavior has changed dramatically due to the onset of Covid-19 pandemic and markets need to focus on building up a positive image of being responsible and giving through cause related marketing.

Recommendations for Marketers offering cause related marketing

Marketers should closely monitor the emerging needs and expectations of the customers in the new normal. They should strive to stay relevant, be empathetic, offer support and communicate genuinely.

Based on the findings in the research, marketers can consider adopting the below mentioned recommendations from the researcher. This will enable the marketers to connect better with the consumers in new normal era influencing them to engage in cause related marketing activities.

1. Brand promotion of social distancing: Brands can include the aspect of creating awareness of social distancing in their promotional activities. This will help to create a long-term and sustainable image of a socially responsible brand. This will create a positive brand image in the minds of customers that brand cares about the wellbeing of its customers over profits.

2. Brands should be empathetic: Brands need to be conscious of their role as an enabler and a friend for the customers- both internal and external. Focus should be to engage responsibly and build trust with a humane approach.

3. Brands must Develop capabilities for Digital Integration: Marketers need to gain insight into target audience and provide customized offerings. Several digital technologies like Artificial Intelligence, big data analytics, machine learning, and other processes are evolving as must-haves for all the organizations.

Brands should ensure the Security and safety of online or any digital transactions done by customers. This is imperative to develop feelings of trust and safety in the minds of customers.

4. Brand must focus on Enhancing their Brand Reputation: Customers are becoming more influenced by the social activities that a brand engages in. Marketers need to invest intelligently for building their Brand reputation and being perceived as trustworthy. This can be done by activating their purpose and focus on the values that are significant to their customers.

One effective strategy is to onboard influencers. The influencers can partner with fitness apps to help people stay fit at home. Brands can launch education apps to enable learning or for engage people gaming apps can be launched.

5. Brands should modify their marketing and media strategies: the market dynamics are evolving constantly. There is radical increase in digital media consumption. Marketers will need to identify the choice of media for their target consumers. This is the way to maximize the impact of media strategies.

A recent report by BARC & Nielsen on Covid-19 impact on television & digital media has reported that in India, there was a significant increase in the average time spent per viewer. It was observed that audience have spent increased time on chatting (+23%). There was increased engagement for all the social networking (+25%) apps as well. According to the report, total TV consumption increased by 8% across India, total time spent per user on smartphones increased by 6.2%.

For instance, the recent patterns show that audience are using multiple formats. It has been found that the younger generation is more inclined towards music and online games. Baby Boomers and Gen X prefer broadcast TV. Millennials are found to access more of online videos and like searching for healthy cooking recipes.

Managerial Implications

Marketers act as a vital link between an organization and its customers. They can be considered as a catalyst for meeting the new needs and expectations of the customers. The findings of this research would be useful for the marketers

to understand the changing consumer behaviour towards adoption of cause related marketing. This will enable them to design their marketing strategies to cope up with the threats and challenges posed by Covid-19 or any other unexpected turbulent times in future. The analysis of various marketing strategies adopted by marketers will enable marketers to pick a right strategy fitting their business needs.

Conclusion:

The research study shows the impact of Covid 19 pandemic on daily lives of everyone- individuals, companies, and society at large. All need to adapt themselves to new ways of living, working, learning, shopping, exercising and entertainment etc. Consumer behavior has modified their feelings and motivation for buying has changed and which may continue in the new normal era.

Brands must become conscious and empathetic to these concerns. Companies should promote positive messages and feel-good content. Content should be genuine and having a true purpose. Companies need to think about their overall management strategy based on 'solve and not sell'. It is important to reassure the customers by current positive brand actions and commitment, compassion, empathy and with facts. This way company can attain success in the long term.

Marketers now need to focus on modifying the marketing strategies, build strong connections with customers, enhance customer support and quick shift to digital adoption. All these strategies will aid in planning for success in the new normal era.

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