THE IMPACT OF CAUSE MARKETING AMONG CONSUMERS – AN ANALYSIS

Management

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ABSTRACT

Trending scenario of the organization has induced and led to focus on social responsibility and profits. Organizations that concentrates more on the survival, growth and profit for a long run obviously started to travel on the new path called cause marketing. At this juncture, some common questions which has raised are what is cause marketing?, why the organizations prefer cause marketing? and what are the positive and negative impacts of cause marketing among consumers? these questions induced the researcher to pick a research study entitled “ The impact of cause marketing among consumers – An analysis”. Even though cause marketing have some negative impacts, it can also offer many positive benefits and play an important role in the betterment of the society and general welfare to a far extend. Knowing the negative effects can help us to take effective steps to minimize or eradicate it at the earliest possible time.

KEYWORDS

Cause Marketing, Profit & Non-profit Organization, Positive And Negative Impact.

INTRODUCTION

In the growing realization of today's corporate world, every organization is supposed to fulfill their social responsibility. The corporate social responsibility is considered to be a common business practice among the organizations, for that purpose the organizations use cause marketing as a tool to fulfill it with increasing its profit while at the same time bettering the society too. Cause marketing is a communication tool which helps to increase customer loyalty and to build brand loyalty. Cause marketing is nothing but a marketing that is done by a for profit organization that tries to increase its profits and also focus on the betterment of the society in accordance with social responsibility. Cause marketing is also known as cause related marketing. A translation about consumer beliefs on cause marketing is considerably known as purchase behavior. In everyday life, consumers are supposed to make decisions regarding their purchase behavior and consumption decisions regarding the benefits of themselves as well as society. Cause marketing provides opportunities for the consumers to make their own purchase decisions. Generally, in cause marketing both profit and non-profit organization involves together actively and with full co-operation in all the activities of the organization for mutual benefits attained there from.

Literature Review

Review of literature plays a vital role in the research and helps the researchers to be on the correct path to proceed the study.

John W. Pracejus, G. Douglas Olsen and Norman R. Brown, (2004), opined that, a series of three studies has been undergone to examine the advertising copy of the potential consumer confusion used in cause related marketing campaigns. It is revealed as, the first one says, the majority of the formats (69.9%) are abstract (eg., a particular portion is donated), (25.6%) are estimable (eg., some X% of profits donated) and (4.5%) are calculable (eg., the price off X% will be donated). Simultaneously, the other study depicts that, (1) the amount which is donated by consumers has differences with the variations on abstract in advertising copy, (2) among individuals the estimated amount of donation for abstract copy will vary, and (3) it impacts the donation amount. And finally, it is resulted as, the majority of vast advertising copy is used to explain the donations of Cause related marketing is abstract, which impact the choice of consumer on donation levels.

Chattananon A., Lawley M. A., and Supparerkchaisakul N., et al, (2008), highlights that, an attempt off case study has been done among 1071 respondents were collected to test societal marketing thai model which has an impact on corporate image with the use of cause-related marketing campaign. It is found that the cause-related marketing program has positive attitudes on corporate image. Especially, one specific characteristic in demographic profile shows variation as the households with low income creates more positive attitudes comparing with the households with high income.

Donald P. Roy, (2010), portrays that, the aim of the paper is to examine the relationship between response of consumer to cause related

marketing programs and sponsor-cause congruence. It also aims to analyze the consumer response on service type of a cause sponsor and possible existence of interaction of congruence. It resulted as the congruence-service type interaction are significant.

Jae-Eun Kim and Kim K. P., Johnson (2012), in their article, with the use o survey method, US (n=180) and Korean (n=91) undergraduates were taken as a sample. The study focused on at what extent the moral emotions operate across a cultural variable and (self-construal) an individual difference variable. And, it resulted as, an ego-focused moral emotion (i.e., pride) is greater for US comparing Korean, where the other emotion (i.e., guilt) is greater for higher interdependent participants. This research also finds valuable message for marketers and policy makers in developing customer relationship programs.

OBJECTIVES OF THE STUDY

Further the researcher throws light on the study by stating two clear objectives as following,

- To understand the positive impact of cause marketing among consumers.
- To investigate the consumer's negative impact towards cause marketing.

RESEARCH METHODOLOGY

Methodology of the study consists of both primary and secondary data. Primary data was collected using a structured questionnaire from 80 samples from Nagercoil Town. Secondary data was collected from various online journals, articles and magazines. The sample for the study has been adopted using the random sampling method.

Data Analysis and Interpretation

The data has been analyzed using Percentage analysis and Fried Manns Rank Tool. The positive and negative impacts of cause marketing among consumers are analyzed and ranked based on the respondents valuable opinions and that are represented below,

Demographic profile of the respondents

Table No: 1

S.No	Categories	Particulars	No.of respondents	Percentage
1	Age	Below 18 yrs	6	7
		18-30 yrs	20	25
		31-40 yrs	32	40
		41-50 yrs	19	24
		Above 50 yrs	3	4
2	Gender	Male	36	45
		Female	44	55
3	Educational Qualification	HSC	17	21
		UG	36	45
		PG	23	29
		Diploma	3	4
		Others	1	1

4	Income	25k – 50k	45	56
		50k – 75k	23	29
		75k – 1lac	5	6
		Above 1lac	7	9
5	Marital Status	Married	57	71
		Unmarried	23	29

Source: Primary Data

Table 1 reveals that the respondents who are all aged below 18 years are 6, between 18 to 30 years are 20, between 31 to 40 years are 32, between 41 to 50 years are 19 and above 50 years are 3. Among all 44 respondents are females where 36 are males. The respondents educational qualification are HSC holders were 17, UG holders were 36, PG qualified persons were 23, Diploma holders are 3 and Others are 1. The income level of the respondents ranges from 45 are under 25,000 to 50,000 category, 23 are under 50,000 to 75,000, 5 are under 75,000 to 1,00,000 and the respondents with more than 1,00,000 are 7. There were 57 respondents were married where 23 are unmarried.

Positive Impact of Cause Marketing

Positive impact of cause marketing are brand loyalty, increase employee morale, increase in sales, increase customer loyalty, customer attraction and retention, generating awareness and so on.

Positive impact of cause marketing among consumers

Table No: 2

S.No	Particulars	Mean Score	Rank
1	Brand loyalty	5.02	4
2	Increase employee morale	3.57	6
3	Increase in sale	5.71	3
4	Increase customer loyalty	6.32	2
5	Customer attraction and retention	6.46	1
6	Generating awareness	4.30	5
7	Others, specify	1.20	7

Source: Primary data

Table 2 represents the opinion of samples on the positive impact of cause marketing among consumers are the point customer attraction and retention has 6.46 mean score so it occupies first rank, increase customer loyalty occupies second rank with the mean score of 6.32 and the last two ranks are occupied by increase employee morale with 3.57 mean score and the other factors which includes differentiate from competitors and positive press coverage and company respectively.

Negative Impacts of Cause Marketing

Negative impacts of cause marketing are termed as public perception, controversial behavior of non-profit of organization, High cost invested, Fails to get intended effects, Public criticism, Choosing senseless causes, and so on.

Negative impacts of cause marketing

Table No: 3

S.No	Particulars	Mean Score	Rank
1	Negative public perception	6.80	1
2	Controversial behavior of non-profit organization	4.33	5
3	High cost invested	6.66	2
4	Fails to get intended effects	5.92	3
5	Public criticism	5.24	4
6	Choosing senseless causes	3.41	6
7	Others, specify	2.06	7

Source: Primary data

Table 3 depicts the negative impacts of cause marketing opined and ranked by the 80 respondents. All the means scores are of closer value which reveals that all the factors are equally occupying its role in the negative impact of cause-marketing. Among which the leading two issues are negative public perception and high cost invested. Since it has got the highest means scores comparing with this, all the other problems have lesser serve than these, they are ought to be concentrated on and to be rectified soon.

Limitations of the study

- This study were done around Nagercoil Town and the results may get varied if the research has been conducted in other areas.
- Due to the time constraints, the sample size for the study were

limited with only 80 respondents.

Findings

- The positive impact about cause marketing were it attracts the customer and retains them factors holds the mean score as 6.46.
- Also, cause marketing increases the customer loyalty among the consumers with a mean score of 6.32
- The last ranks were occupied by increase employee morale factor with a mean score of 3.57.
- And the other factors which includes are, differentiate from competitors and positive press coverage & company.
- The negative impact factors mean scores are closer to one another.
- Among all the negative impact factors of cause marketing among consumers, the leading one is Negative public perception with the mean score of 6.80.
- And, the second leading one is high cost invested with the mean score of 6.66.
- By considering all the negative factors comparing the above two remaining are with less effects.

Suggestions

- Negative public perception can be reduced based on the clarity of message and choosing the apt cause.
- To reduce public criticism the donations so collected for a particular cause can be handled in an explicit manner.
- Avoid opting senseless causes create a space for retaining existing customers.

CONCLUSION

Even though cause marketing have some negative impacts, it can also offer many positive benefits and play an important role in the betterment of the society and general welfare to a far extend. Knowing the negative effects can help us to take effective steps to minimize or eradicate it at the earliest possible time. Cause Marketing is now-a-days adopted by many enterprises not only for earning profit but also for taking the opportunity to serve the society in a better manner.

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