CHAPTER – I

INTRODUCTION

1. Brief Introduction to FMCG

Fast Moving Consumer Goods (FMCG) goods are also called as Consumer Packaged Goods (CPG). The products included in this category are which is used frequently for day to day life and with high return. In recent years, the effort of corporate’s in sales promotion in this area is greater than before all over the world. This sector’s products have less unit value and frequently required items.

Items which have a rapid revenues and comparatively low price are known as Fast Moving Consumer Goods. It sold rapidly and consumed at a consistent basis, as opposed to durable goods which are changed only after lengthy periods. FMCG products are those that get changed within a year. Examples of FMCG consist of a wide assortment such as toiletries, soaps, beauty products, tooth cleaning products, shaving products and other non-durables like glass made items, lights, battery power, stationeries and plastic goods. FMCG may also consist of medication, packed foodstuffs; wipe tissue, and Choco sweets.

In the 90's the development of FMCG market was 15% yearly. But in 2000 the situation was reformed in the development of FMCG was trapped up and decreased for the four years down. Though the consumer’s income
increased widely and quick starting up the economic system assisted the consumer’s to invest in new methods of expenses. A wide fall in interest levels caused consumer’s demand on durables. The enticement of spending in new methods of expenses limited the customers to invest on FMCG.

1.1 FMCG Market in India – Overview

Indian FMCG industry is the biggest industry in the economic system and makes employment opportunities in various related activities. Its major groups are Household items, Personal items and Food & Soft Drinks. It has a powerful MNC existence and it has a well-networked supply chain, powerful competition between the organized and unorganised sections and low functional cost. Accessibility to raw materials, less expensive labours and existence across the entire value sequence gives a competitive advantage. The FMCG market is set to expand from US$ 11.6 billion dollars in 2003 to US$ 33.4 billion dollars in 2015.

The household consumption of most product groups like jams, skin related products and hair wash items in are comparatively less. It indicates the untouched market potential. The native Indian populations are growing, particularly the middle-class and the non-urban sections. It makes an opportunity to makers of labelled items to turn consumers to labelled items. In India 300 million people expected to move to prepared and packed meals by 2017, India needs around US$ 28 billion dollars of financial commitment in the food-processing industry.
The FMCG industry is significant factor to GDP. The FMCG industry is estimated to threefold from its currently determined value within 10 years of time. The Indian non-urban industry with its wide size offers a huge opportunity for invest mentors.

1.2 FMCG Market in Tamilnadu – Overview

The FMCG Market in Tamil Nadu is growing and it has incredible growth prospect due to rapid industrialization of the state. Tamil Nadu is one of the most energetic and happening place in terms of business activities. FMCG Market in Tamil Nadu has vast scopes with the upsurge in the income of the general people. The state has made major improvement in the Information Technology sector along with Automobile and Telecommunication sectors. Tamil Nadu has big companies like TCS, IBM, Cognizant, Wipro, Nokia in the IT and Telecommunication sector. Tamil Nadu is also the home for several automobile manufacturing units. Furthermore, the state has become one of the main destinations for quality technical education in India. All these factors along with the fact that its capital - Chennai is a also a metro city has driven the growth of the city.

The state is one of the largest producers of agro-products like tea, coffee, sandalwood, cashew, coconut, spices, and rice which have facilitated the growth of food industry in the state. The state of Tamil Nadu has a number of important cities like Chennai, Coimbatore, Sivakasi, Trichy, Erode, Kodaikanal, Ooty etc, which has made great progress. Industrialization of Tamil Nadu has led to the further development of
consumerism in the state. This increased consumerism facilitated growth of the FMCG market in Tamil Nadu. The FMCG industry in Tamil Nadu is shaping up under the umbrella of organized sector and it is distinctly classified into four different segments like Food and Beverage industry, Cleaning, Disinfectants and Home Care, Personal care and Electronics.

1.3 FMCG Category and Products

Table 1.1 FMCG Category and Products

<table>
<thead>
<tr>
<th>Category</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Beverages</td>
<td>Health Beverages, Soft Drinks, Staples/Cereals/Bakery products, Snack food, Processed fruits, Vegetables, Dairy products, Bottled water, Flour, Rice, Sugar, Salt, Juices, etc.</td>
</tr>
<tr>
<td>Household care</td>
<td>Cloth wash (Laundry soaps and Synthetic detergents), House cleaning products.</td>
</tr>
<tr>
<td>Personal care</td>
<td>It includes all kind of cosmetic products.</td>
</tr>
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</table>

1.3.1 Food & Beverages

Food processing industry is one of the fifth largest industry in India in terms of production, growth, consumption, and export. The packaged food segment is expected to grow 9% annually to become a 6 lakh crore industry by 2030, dominated by milk, sweet and savoury snacks and processed poultry among other products, according to the report by CII-McKinsey.
According to estimates arrived at the World Tea and Coffee Expo 2013, the ready-to-drink tea and coffee market in India is expected to touch 2,200 crore in next four years. Branding could drive the next growth wave in the country’s food processing sector. The cold beverages market is seasonal business because of its nature and consumption also depends on the climatic condition. The market share is mainly from urban even though it has 25% contribution from rural areas too. Coca cola and Pepsi are the major market players in Indian soft drinks market.

1.3.2 Household care

The fabric wash market size is increasing day by day. The demand for detergents has been growing annually for the last five years. On account of convenience of usage, increased purchasing power, aggressive advertising and increased penetration of washing machines, the urban market prefers washing powder and liquids.

The regional and small unorganized players hold a major share of the total detergent market in volumes. Household Care category recorded robust volume and value growth during the year through focused innovation in the portfolio to provide greater consumer value. Vim bar continues to delight consumers by delivering superior performance and new offerings like the Anti-Germ Bar and the Monthly Tub Pack. Vim liquid continues to develop the liquid dish wash category driven by superior product quality and strong advertising. It has effectively accomplished the dual job of growing the
liquids market by reaching out to more households, while increasing consumption in existing households.

1.3.3 Personal Care

The personal care products (PCP) market in India is estimated to be worth USD 4 billion per annum. Personal hygiene products (including bath and shower products, deodorants etc.), hair care, skin care, colour cosmetics and fragrances are the key sections of the personal care market. Each of these segments shows its distinctive trends and growth patterns. The prime segment of personal hygiene products largely dominated by bar soaps, has grown in the last five years. The second major segment, hair care products has seen a greater growth during the same period.

- The hair products can be categorised into oils, shampoos, dye, conditioners and gels. The coconut oil market has a wide share in the oil segment.
- The skin care market is at a key level in India. The changes in life styles, increase in disposable incomes, larger product choice and availability, people are becoming more aware about personal upkeep.
- The oral products can be categorised into three are toothpaste, toothpowder, and toothbrushes.
1.4 New Launches and Product Extension by FMCG Companies

New launches, innovation and product expansion are few motivational factors for a FMCG company to increase their profitability to a larger degree. Indian customers are more willing to consume range of products across the globe. A strong demand for existing FMCG products is encouraging FMCG players to lengthen their brand and multiply their product portfolio. Most of the FMCG companies are going for brand extension strategy because to have higher market share and to sustain long-term. For instance, HUL’s one of the largest brands, Lifebuoy aims to change hand washing behaviour of people by educating them about health and hygiene. In the festival namely Mahakumbh Mela, Lifebuoy partnered with many restaurants around the area to raise awareness about hand wash. Over 2.5 million Rotis carried the stamp “Lifebuoy se haath dhoye kya? It reminds people to wash their hands before eating.

1.5 The FMCG Industry: Growth in the Last Decade

The FMCG industry, which became a major contributor of India’s GDP and is anticipated to contribute further. From the year 2005 onwards the industry has proved a high rate of growth because of favourable economic conditions, improvement in standard of living in rural areas, change in consumption-culture. The last five years are well for the industry with a considerable annual growth rate. Even while in the economic recession, the FMCG industry sustained with decent growth rates. So this sector proved that recession-proof.
1.5.1 Growth in Urban Market

The city section is the major contributor to the industry, almost two-thirds of complete FMCG industry revenue is from city section, semi-urban and non-urban sections which are expanding as well. Cheaper packs have increased the transmission of the FMCG industry in city sides. The areas that are seeing great growth consist of high sodium treats, enhanced delicious oil, healthcare products, iodised sodium, etc. Hair products, and tooth products have quite great transmission in both city and non-urban marketplaces while the sales of instant dinners, floor cleaning solutions and hair colours is great in city marketplaces due to higher attention.

1.5.2 Growth in Rural Market

Rural India has consumers 70% of the country’s total population. The Indian rural market is likely to rise, presenting a huge opening for leading FMCG brands. One of the key drivers of the rural FMCG market has been the growth of smaller packaging options. Lower priced packs have improved accessibility and increased the penetration of FMCG products in rural areas. According to Nielsen, FMCG growth in the rural sector for the quarter ended March 2014, stood at 17.2%, exceeding the urban segment at 16.5%. The purchasing power in rural areas has beaten that of urban areas as non-farm incomes boosting consumer spending on FMCG products. Rural consumption growth has beaten urban consumption with the percentage increase in monthly per capita expenditure in rural markets greater than urban markets during the period 2011-2014. Noteworthy progress in
literacy levels, higher government spending on welfare programs, growing support to agricultural sector, which is the major occupation of rural India and better infrastructure, DTH and mobile connections have also acted as a facilitator in boosting rural demand for FMCG products. There are many measures taken by the government to support the rural population and to enhance the purchasing power of this segment.

1.6 Government Policies and Regulatory Frame Work

Goods and Service Tax (GST)

GST helps to replace the compound indirect taxes charged on FMCG sector and it is streamlined and single-pint taxation system. The proposed GST may reduce prices, encouraging consumption for FMCG products.

Foreign Direct Investment in FMCG Industry

The Government announced its policy towards FDI that on multi brand is 51% and there is no investment restriction for single brand, this is the positive turn for FMCG sector. This decision will create employment in supply chains, increasing consumer outlay, and inspiring more product take-offs. The cumulative FDI inflows in India from 2000 to 2014 in the food processing sector is around INR nine thousand crore, cosmetics & toiletries was around INR three thousand crore.
Relaxation of license rules

Industrial licenses are not mandatory for most of the food-processing industries, excepting certain items like alcoholic products, cane sugar, and animal fats & oils.

1.7 Top 10 Companies in FMCG Sector

The top ten India FMCG brands are follows.

Hindustan Unilever Limited

HUL was established in the year of 1933. It is India’s biggest consumer goods company based in Mumbai, Maharashtra. British-Dutch company Unilever which manages majority share in HUL. Its items include foods & drinks, cleaners and personal maintenance products. Hindustan Unilever’s covers major retail stores across India directly and its items are available in across India. As per Nielson research the market data reveals, two out of three Indians use HUL items.

ITC

ITC was incorporated in 1910 under the name Imperial Tobacco Company of India Limited. In 1970 the company was reformed as India Tobacco Company Limited and then to ITC Limited in 1974. It has headquarters in Kolkata, West Bengal, India. In FMCG it has a strong presence in cigarettes, food, apparels, cosmetics, stationary, safety matches.
and agarbattis. The range of brands are Aashirvaad, Minto, Sunfeast, Bingo, Yippee, Wills Lifestyle, John Players Fiama di Wills, Vivel, Classmate, PaperKraft, Mangaldeep and Aim.

_Nestle_

It is a Swiss based international nutritive and health care consumer goods company. It is the biggest food company on the globe calculated by earnings. Nestle’s products include baby food, cereals, coffee, confectionary, dairy products, pet foods and snacks. Nestle India’s first production facility was setup at Punjab. The Nestle India headquarters is situated at Gurgaon along with other division workplaces in Delhi, Mumbai, Chennai and Kolkata. It has around two lakhs employees and 8000 range of products across the globe.

_Amul_

Amul is a Gujrat based largest Indian dairy company. Gujrat Co-operative Dairy Marketing Federation Ltd established in 1946. It has also stepped into marketplaces globally. Amul’s product range includes all kind of milk products and chocolates. It has sales offices, wholesale dealers and retailers all over the country. It has biggest milk managing capacity in Asia.
Dabur

Dabur India Limited is originated from the Kolkata in the year of 1884 by Dr. S K Burman. It is the largest FMCG public company listed in Indian stock exchanges. It has modern manufacturing units and its products spread around the globe. The products are Amla, Chyawanprash, Vatika, Hajmola and Real.

Asian Paints

Asian Paints is an Indian Chemical company headquartered in Mumbai, India founded in the year of 1942. It is India’s biggest company for paints and Asia’s third biggest company for paints. It is operated in more than 15 countries. In the year 1967 Asian Paints emerges as India’s leading Paint Company ahead of any international competition. Currently Asian Paints is one of the largest decorative paint companies in the world.

Cadbury

Cadbury headquartered in Mumbai commenced its processes in India in the year of 1948. Cadbury has industrial facilities in Maharashtra, Madhya Pradesh, Karnataka and Himachal Pradesh and its sales offices are in New Delhi, Mumbai, Kolkata and Chennai. Cadbury’s major products are chocolates and health mix. They are the market leader in the chocolate confectionary business with a decent level of market share. Cadbury has worked well with the Kerala Agricultural University to perform research on chocolates.
Britannia

Britannia is Kolkata based Indian food-products company was established in the year of 1892. Britannia biscuits are popular throughout India. The Bakery items are major products of Britannia. The brand name of the biscuits include VitaMarieGold, Tiger, Nutrichoice, Good day, 50 50, Treat, Pure Magic, Milk Bikis, Bourbon, Thin Arrowroot, Nice, Little Hearts and many more.

Procter and Gamble

P&G is one of the prime and the fastest growing company in Indian FMCG sector, established in the year of 1964. It serves to consumers across India. Its deals with the cosmetics segment, household items and health care segment. The followings are the brands under P&G Ambipur, Olay, Ariel, Pampers, Duracell, Vicks, Tide, Gillette, Pantene, Head & Shoulders, Wella and Oral-B. P&G operates two listed entities in India; those are Procter & Gamble Hygiene and Health Care Limited and Gillette India Limited.

Marico

Marico founded in the year of 1987 and its headquarters is at Bandra, Mumbai, India. It is an Indian FMCG company deals with Health and Beauty based in Mumbai. Their brands are Eclipse, HairCode, Aromatic, Fiancee, Parachute, Saffola, Nihar, Mediker, Revive, Manjal, Xmen, Hercules, and Black Chic. Parachute is the top brand of Marico which includes delicious quality edible oil.
1.8 FMCG versus Industrial Marketing

Table 1.2 FMCG Vs Industrial Marketing

<table>
<thead>
<tr>
<th>FMCG</th>
<th>Industrial Marketing</th>
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<tbody>
<tr>
<td>Product oriented</td>
<td>Relationship oriented</td>
</tr>
<tr>
<td>Maximize the value of transaction</td>
<td>Maximize the value of relation</td>
</tr>
<tr>
<td>Huge focus on market</td>
<td>Slight focused market</td>
</tr>
<tr>
<td>Single step buying process</td>
<td>Multi step buying process</td>
</tr>
<tr>
<td>Shorter sales scale</td>
<td>Larger sales scale</td>
</tr>
<tr>
<td>Psychological buying decision</td>
<td>Balanced buying decision based on</td>
</tr>
<tr>
<td>on position, desire or price</td>
<td>business value</td>
</tr>
</tbody>
</table>

1.9 FMCG Roadmap to 2020

Booz & Company analysis indicate that the FMCG industry may grow at a base rate of at least 12 per cent annually. Additionally, if some of the positive factors play out favourably, it could even record a 17 per cent growth over the next decade.

Base Case models, the assumptions are that GDP growth will continue at the same level (of about 7 per cent) in the next decade and there will be no major change in regulations.

Optimistic Case models a scenario that GDP growth will touch 9 per cent in the next decade, and favourable changes in regulations (such as FDI in multi-brand retailing or rolling-out of the GST) will unlock industry potential.
While the overall growth rates may be anticipated to lie in the 12-17 per cent range, many product categories are likely to grow much faster as increase in consumer’s incomes, change in behaviours. In many product categories development may be multiplied by the intense economic increase, young customer platform and the impact of the worldwide press. Some of that impact is already evident in a category like liquid hand-wash which has shown very strong growth driven by increased consumer awareness around personal hygiene specifically for children. Given the emerging stage of development led fast development. For instance, many packed food categories have seen fast growth rates motivated by improved existence of modern trade.

1.10 Consumer Role in FMCG Sector in India

Consumers play an important part in the Indian FMCG segment, the price of each FMCG product is fixed depending on the consumer’s targeted by the company. There are number of alternatives are available in each brand in the FMCG sector. The personal care items, home care items, processed foodstuffs are more consumed by the urban classes than rural population. FMCG organizations are offering high-priced items as these organizations target the top level and upper middle-class customers. These high-priced items do not have huge sales in the non-urban areas as much as it does in the city area of India. Processed food producers obtain more benefit in the towns as the city inhabitants have a higher preference for
ready-to-eat foods. The intake of personal care items is extraordinary in the non-urban places. High literacy rates and an upsurge in the per capita income led to rise in the usage of the FMCG products in the India.

1.11 Corporate Social Responsibility (CSR) Overview

The negative effect of corporations on various aspects has changed consumers’ consumption styles in western world, and gradually in developing nations. The companies are assessed on the reasons for its effect on the surroundings and community. This means that organizations have to improve their initiatives to enhance their corporate responsibility and reliability in the sight of clients. A firm’s public guidelines need the effective participation of the whole company (Varadarajan and Menon, 1988). In last few years the notion of corporate social responsibility (CSR) appeared as a main idea for organizations.

CSR can be described in very wide conditions as “good citizenship,” or being a “good” organization that is helpful of its investors as well as community. CSR includes a variety of a company’s activities, which ranges from human resources management, ecological protection, and contain every part of a firm’s effect on community. CSR is not simple for the people to understand. Concentrating on particular social problems is often suitable for effective interaction, and increases the public’s interest to a firm’s advertising initiatives. An organization might need to describe what they take a position for, how business liability is performed, and how individuals
advantage from such activities. The typical way to connect the CSR attempt of a company is the financial or non-financial assistance of a particular cause.

1.11.1 CSR in the Global Context

In CSR, each definition that currently exists fortifies the impact that businesses have on society. The origins of CSR lie in philanthropic actions of organizations. The view of CSR has changed and now contains all related ideas such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, corporate sustainability and business responsibility.

According to the World Business Council for Sustainable Development (WBCSD) CSR is “the continuing dedication by business to promote economic development while helping the total well-being of the employees and their dependents as well as the civic.”

According to the United Nation’s Industrial Development Organization, “CSR is a concept whereby organizations incorporate public and ecological issues in their business functions and communications with their stakeholders..

CSR is usually recognized as being the way through which an organization accomplishes a stability of financial, ecological and public requirements while simultaneously dealing with the objectives of investors and stakeholders. In this logic it is very important state a difference between CSR, and charitable organization, sponsorships or philanthropy.
1.11.2 CSR in India

CSR in India has been seen as a philanthropic activity. In olden days it was in practice but not considered in Indian tradition. As a result, there are poor evidential documents on these kinds of actions. It clearly indicates the national character, whether it is inspiring organizations to willingly take part, and rooted with the idea of trusteeship.

In India the philanthropic is a boundary where the organisations play a role within those space CSR activities. The scenario has slightly from institutional care to social development oriented projects. Nowadays companies are clearly publishing the CSR reports with the activities are undertaken under the Umbrella of CSR.

The Companies Act, 2013 has given more importance on promoting greater transparency of CSR activity. Schedule VII of the Act suggests the organisations to concentrate on social welfare and even to go beyond communities and the philanthropy space.

1.11.3 CSR Guidelines

A comprehensive guidance for companies concerning to CSR is available in the form of several globally recognised guidelines, frameworks, principles and tools, some of which are discussed below. It must be noted that most of these guidelines relate to the larger concept of sustainability or business responsibility, the fact that these concepts are closely associated with the idea of CSR.
United Nations Global Compact - UNGC

UNGC is world’s largest corporate citizenship initiative with the objective to manage the adoption socially responsible policies by businesses around the world.

ISO 26000: Social responsibility

This is a regulation given by the ISO which facilitates organisations to realize the connotation and importance of social responsibility. It is important to note that this is not a certification but only a guiding tool. Hence, organisations which fulfil with these criterions are self-certified.

National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGSEERB)

These guidelines is from the Indian Ministry of Corporate Affairs with the objective of providing guidelines for Indian businesses to understand the shades of responsible business, applicable to all kind of enterprises. They are easy to understand and implement.

1.11.4 Legal Clauses

CSR Rules under Companies Act, 2013

This rule is effective from April 2014, which is applicable for both private and public firms. Under the Companies Act Section 135 and Schedule VII spells guidelines for the companies. It clearly defines core set
of conditions about contribution slabs. As per that every company must contribute if they have a net asset worth of Rs.500 crore or a business turnover of Rs.1,000 crore or their net profit of Rs.5 crore, they supposed to spend 2% of their average net profit for the corporate social responsibility activities. The CSR activity undertaken by the company must be as under list of the activities mentioned in Schedule VII. If the company contributes any political parties will not treated as a CSR activity and the activity within the Indian Territory would be considered as CSR activity.

The slabs are to be calculated as per the guidelines stated in the Section 198. If the company receives profit from its overseas branch which is operated as a separate company then those profits need not to be included in the calculation of net profits of a company.

As per the guidelines specified in the Section 135, a company need to form a CSR Committee which inclusive of at least three directors as a member of a committee in order to regulate and control the CSR policy of a company. CSR Rules stipulates a private and a foreign company essential to have at least 2 members in CSR Committee.

A company can commence its CSR events thru a trust registered by law or with its staffs or implementation agencies. While appointing an agency to manage CSR activity does not outstrip 5% of the entire CSR outflow of the company in a fiscal year.
If the company does not fulfil the conditions continuously for 3 fiscal years then the company need not to perform the CSR activities. If not so, CSR become to load companies which are unable make consecutive profits.

The CSR Committee need to prepare a yearly report about the CSR initiatives of the company based on the format given in the CSR Rules. If the company unable to fulfil the least required level on CSR activities, then Board need to prepare the detailed report for not doing so.

1.12 Marketing

Marketing is everywhere. It is greatly implanted in our day-to-day lives like the clothes we wear, to the web sites we click on and everywhere. Marketing is also important for every company, because financial success often depends on marketing ability (Kotler & Keller, 2009).

1.12.1 Definition of Marketing

Marketing is about categorizing and meeting human needs. Kotler & Keller (2009) state that “marketing is meeting need profitably” and “the marketing aims to sell more stuff to more people in frequently in order to make more profit.”

Marketing guides the entire organization, they further define it as “the corporate function that finds customer needs and wants, decides target markets, and produce suitable products, to serve these markets.”
1.13 Marketing Communication

Marketing communication is a critical aspect of company’s overall marketing mission and a major determinant of its success.

1.13.1 Definition of Marketing Communication

Marketing communication refers to “the communications between a company and its customers which highlight the benefits and unique differences of a particular brand with purchase intention” (Westberg, 2004). Schultz (1996) suggested that in the current environment, communication is so critical to the marketing effort that it is inseparable from marketing itself.

Marketing communication is different from promotion. Because marketing promotion points of just highlighting the good bits. While marketing communication implies two-way process, where customers have the chance to listen to what the marker has to say and also to talk back (Ace, 2001).

1.13.2 The objective of Marketing Communication

The objectives of marketing communications are resulting from an general marketing objective of a concern. The objectives of marketing communication are viewed in many ways, but incline to similar in nature (Westberg, 2004). Many researchers have discovered that the objective of marketing communications are related to making a brand image and motivate purchase intent (Rossiter & Percy, 1998).
Kotler & Keller (2009) have studied how marketing communication helps to achieve marketing objectives. The marketers can convey all the information about the product like guidance for usage benefit. Marketing communication facilitates the consumer to know about brand which helps to establish the brand in their mind and generates a brand image, followed by purchase intention.

The role of marketing communication enables the customer to acquire awareness and knowledge which ultimately lead to purchase intention (Belch & Belch, 1999).

1.13.3 Cause Related Marketing (CRM) is one form of Marketing Communication

Westberg (2004) denotes cause related marketing is an exclusive marketing communication strategy, which is different from sale promotion. Bronn and Vrioni (2001) suggested that this is a “practice of promoting cause related marketing is a marketing communication activity.”

1.14 The Emergence of Cause Related Marketing (CRM)

CRM can be viewed as an appearance of the arrangement of corporate philanthropy and rational business interest. It is basically a marketing program that tries to achieve two objectives that are improve corporate performance and help worthy causes by linking fund raising for the benefit of a cause through the purchase of the firm's products and/or
services. CRM programs is the indicative of the marketing thrust, contributions to charity through CRM do not come from its regular philanthropic foundation budget. A portion of the marketing budget that normally would have been expended for advertising and/or sales promotion is instead reserved for contribution to a cause on behalf of those customers who engage in revenue-producing transactions with the firm during a specified time period and comply with other terms of exchange. Also indicative of the marketing thrust of CRM programs is the fact that the amounts expended by the firms in promoting the programs, and thereby stimulating demand for their brand(s), tend to be substantially higher than their promised maximum contribution to the cause. For example, during 1983, American Express Company launched a Cause Related Marketing Program (CRMP) in support of the renovation of the Statue of Liberty. American Express Company promised to donate a penny to the renovation for each use of its charge card and a dollar for each new card issued in the U.S. during the fourth quarter of 1983. The results were great, the number of transaction rose 28% in relation to the same period the previous year, the number of card members rose 45% and the amount donated to the renovation of the Statue of Liberty was 1.7 million dollars.
1.14.1 Cause Related Marketing Conventional Pattern

![Diagram of Cause Related Marketing Conventional Pattern]

**Figure 1.1 Cause Related Marketing Conventional Pattern**

- FPO
- Product/Brand Alliance
- Cause
- CRM Campaign
- Sales Revenue
- Directly spend the agreed level of donation to help the cause
1.14.2 Cause Related Marketing Social Alliance Pattern

Figure 1.2 Cause Related Marketing Social Alliance Pattern
1.14.3 Types of Causes

**Predominant Causes**

- Social Causes
  - Domestic Violence
  - Drug Abuse
  - Child Labour
  - Female Infanticide
  - Gender Inequality
  - Disease
  - Child Hunger
  - Old age care

- Economic Causes
  - Poverty
  - Sanitation
  - Economic Inequality
  - Children Education

- Environmental Causes
  - Pollution
  - Deforestation
  - Wildlife Refuge
  - Disaster Relief

**Figure 1.3 Predominant Causes**
1.14.4 Choice of Cause(s)

A systematic approach to the choice of causes to support, it is necessary that the firm study alternative causes and the communities to whom those causes appeal. Should there be a match between the firm’s customer profile and the cause. If so the firm may choose to tie-in with the cause. For example, the positive, upbeat, hopeful family image associated with Special Olympics was viewed as well-matched with the image P&G preferred consumers to associate with its products. Other factors that might influence a firm's choice of causes are (1) the characteristics of its product offerings, (2) brand image and positioning, and (3) the characteristics of its served market. The many causes have benefited from independent or joint relationships established with several brands and firms. However, as the number of tie-ins with high prominence cause increases, to get more attention in the crowd, a firm should appraise the merits of such alternatives as tying in with less visible causes, forging alliances with causes on an exclusive basis, or initiating worthy causes on its own.

In addition to this, firms try to improve the efficiency of their CRMPs by using a range of creative approaches to differentiate their program from other CRMPs. For instance Bharat Matrimony announced that if you take a premium membership on 26th January Indian Republic Day Bharat Matrimony will pay Rs. 100/- for Swach Bharat activity. If you take a premium membership on 05th March Women’s Day Bharat Matrimony will pay Rs. 100/- for Girl Child Education.
1.14.5 Types of Cause Related Marketing Campaigns

Cause related marketing campaigns differ in its scope, non-profit partner, and the nature of the relationships between companies and their marketing partners.

Transaction Based - Donating a Portion of Each Purchase

The most common type is a company giving a portion for every single transaction when someone makes a purchase or uses a corporation’s product or service during a specific period of time to the non-profit entity. E.g. Project Shiksha according to which, with every P&G’s product purchase, some portion goes to poor child education fund. Another example is of ITC,

ITC launched a campaign called as ‘Aashirvad - Boond Se Sagar’, for water preservation. Aashirvaad will donate Rs.5 per kg of sales of the organic spices to its rainwater collecting plan. Customers who buy Aashirvad spices were created conscious that from its selling, a deserving participation was being created to the water preservation initiatives of the country. The Tsunami catastrophe provided adequate opportunity for hundreds of retail outlet stores to say they will provide to Tsunami Relief Funds for if the people made a purchase at their store.
Joint Issue or Message Promotion - Engage in Educational or Awareness-Building Activities:

The campaigns engage educational or awareness-building activities. Joint issue promotion or message promotion involves joint campaigns that raise awareness about the cause. For instance, save tiger campaign from Aircel. Save our Tigers campaign is joint attempt from Aircel and WWF India to save the life of tigers. MTV, being a youngsters channel, consistently designed outstanding public service ads targeted at youngsters on problems which matter to the young of this nation for example on the significance of mature series to first time voters.

Licensing - License Given to a Company by a Non-Profit Organization

In this technique, a non-profit permits an organization to create, generate and market product that is promoted either with the brand name or with both the for-profit and non-profit’s brand name for a set of items created or for a set of time period. For example: World Wide Fund (WWF) for Nature logos on ITC Classmate notebooks.

1.14.6 Benefits of Cause Related Marketing Campaigns

The terms "cause related marketing" continued to grow in usage. In recent years it describes a variety of marketing initiatives based on the efforts of business and charitable causes. This concept is beneficial for both the parties. On the one hand, the campaign helps the for profit organizations
in improving their corporate image, customer loyalty and increasing sales, whereas on the other hand, it helps to raise funds to the charity which is working to support a special cause.

Cause related marketing is the pillar of the marketing plan. It can help the company gain a competitive advantage over its competitors by projecting a positive reputation in the target market.

- Excellent connections with the mass media
- Enhanced corporate image
- Improved sales
- Additional customer loyalty
- Brand advertising
- Certain markets (Niche) can be entered if they are partnered with non-profit organizations

In a competitive market, 'survival of the fittest' theory succeeds and only those organizations can survive long. Those organisations are able to build long-term relationships with customers. Cause related marketing can deliver conjoint benefits to the company and the non-profit enterprise. It is a win-win situation. Organizations can able to improve their sales revenue, while non-profit companies get more donations and the consumer get satisfaction because a part of their purchase is going for a good cause.
Benefits for the for-profit

It is imperative that non-profit managers understand not only how their organizations can benefit from cause related marketing, but also what advantages for-profit organizations receive from the partnerships. Polonsky and Wood (2001) determined two areas where corporate benefactors can receive an edge in their market due to CRM’s effects: First, consumers perceive that in purchasing the goods they are also contributing to society. This may also remove any cognitive dissonance associated with purchasing the product. Second, the link between non-profit and for-profit organizations may serve to differentiate firms in consumers’ minds and provide the “just noticeable difference” enabling customers to distinguish between two equal products.

These benefits clearly give the corporate partners a much-needed competitive boost in their respective industries. Van Yoder (2007) further describes several additional benefits that a corporation can use to their benefit by employing cause related marketing strategies: “increased sales, increased visibility, increased customer loyalty, enhanced company image, and positive media coverage”.

A CRM relationship can increase the consumer base for the corporate partner by leveraging the positive association the public has with the not-for profit partner. For example, a young woman is purchasing bottled water. She has a choice of two products, equal in size and price. The young woman sees
a pink ribbon on one label and reads that that brand donates a percentage of their profits to breast cancer research. The woman has recently had a close relative die from breast cancer, and she has a strong urge to support the cause. Because one bottle offers monetary support to a charity she supports and the other does not, she chooses the water with the pink ribbon on the label. Corporations know that they can use *pathos* to appeal to a customer. Research (Pracejus, Olsen, and Brown, 2004) supports the idea that consumers are more likely to choose a product that has been marketed to a cause. “Choice between brands is one such important behaviour. Results here strongly indicate that the amount of the donation can have a significant impact on choice. If consumers are more apt to notice, and possibly choose, a product specifically because it supports a cause, corporations can take advantage of that knowledge and use different methods of marketing their product to capture those consumers. For instance, corporations can use the pink ribbon on the front portion of their packaging to draw the interest of those who support breast cancer research.

A study conducted by Krol. C (1996) found that “not only do most Americans expect big businesses to be socially responsible, but that brand loyalty can be affected by cause related marketing”. The study also found that an astonishing “92% of respondents believe it’s important for marketing to search for the ways to be a worthy corporate, and they are most enthusiastic about those that get engaged in ecological, education and health
issues”. This support of causes could account for the large number of corporations that choose to support research into breast cancer and heart disease; these causes are ones that consumers consistently find most interesting or worthy.

This swell in growth shows the increasing relationships between corporations and non-profit organizations. By developing more relationships with non-profits, the corporations are boosting their sales by building their reputations in the public eye.

Benefits for the non-profit

For a successful working relationship with for-profit partners, non-profits must understand the history of CRM as well as the corporate organizations with whom they wish to pair. Procedures and policies must be determined before the program is implemented. For example, will the company donate a percentage of the proceeds or all income from the campaign to the non-profit, and is there a minimum or maximum amount that the organization will donate?

Many non-profits rely heavily on either grants or philanthropists to fund the work of their organizations. Those who do not have grant funding survive only through the generosity of society. Their corporate partners provide financial assistance to the organizations so that they may offer support to as many community members as possible. Because fund-raising is a resource-consuming activity for non-profits, one of the most beneficial
results of CRM is that the organization does not have to solicit potential donors, at least not as frequently. With the support of the corporation, the financial dependence of non-profits on donors can decrease, and they may focus their manpower on other community efforts. This independence may occur through the marketing efforts of the organizations boosting the community awareness of the non-profit as well as through increased monetary donations from the corporate partner (Polonsky and Wood, 2001).

It can be a difficult process to establish a valid non-profit organization. Small, local charities are often overlooked due to their lack of presence in their field. They need not only funds, but also increased public awareness and trust. For non-profits that do not have the advantage of a large national presence, receiving the support of a corporation can legitimize their community efforts. The corporation offers a sense of practicality to the organization, lending their own brand awareness in the eye of the public to the not-for-profit group (Polonsky and Wood, 2001).

Another important benefit is that the non-profits receives free promotion of their organizations. A large corporation generally makes their philanthropic efforts known through publicity events and news releases. The non-profits in turn receive publicity through the extra attention created by the corporate partner, resulting in more public knowledge of the charity. As Polonsky and Wood write, CRM “may create a larger presence in the market and thus be able to generate more consumer-based donations”.
Benefits for consumers

It is important for non-profits to recognize one of their key audiences—consumers. Consumers will determine the success of the campaign by engaging in the programs or purchasing products. Consumers benefit from CRM because they have the opportunity to donate to a cause with little or no additional monetary cost. It allows consumers to be socially empowered without extra cost or time commitment.

Purchasing products that use CRM is also a time-saving way for the consumer to stay socially active. “The consumer purchases from product categories that are most probably already included in their normal shopping routine. The only major decision relates to brand switching, which when done for a good cause is no real choice” (Polonsky and Wood, 2001). In today’s fast paced world, many consumers do not have the ability to donate a significant amount of time to the aid organization of their choice. By purchasing products that donate to charities, consumers are able to give to an organization without sacrificing time and energy.

A consumer can also increase his or her social awareness by purchasing or participating in philanthropic events. When he or she purchases a product associated with CRM, they are supporting a cause, thus creating a bond between the consumers and the cause. Consumers purchase a product because they have an affirmative relationship with the supporting
organization. When this relationship is positively reinforced by the good feeling of donating to charity, the consumers are more likely to engage in the behaviour again, becoming repeat customers.

1.14.7 Cause Related Marketing Implementation Strategies

![Figure 1.4 Cause Related Marketing Implementation Strategies](image)

**Figure 1.4 Cause Related Marketing Implementation Strategies**
Table 1.3 Cause Related Marketing Implementation Strategies

<table>
<thead>
<tr>
<th></th>
<th>Transaction-based</th>
<th>Joint-promotion</th>
<th>Donation in-kind</th>
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<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Giving a percentage for every single transaction when some makes a purchase or uses a corporation’s product or service</td>
<td>It refers to the cooperation in advertising effort between a for-profit corporation and a cause</td>
<td>It refers to non-financial corporate contribution towards the improvement of a social cause</td>
</tr>
</tbody>
</table>

Source is obtained from Gordon Liu and Wai-Wai Ko (2011), An Analysis of Cause Related Marketing Implementation Strategies through Social Alliance: Partnership Conditions and Strategic Objectives
1.14.8 Role of Non-Profit Organization (NPO) in Cause Related Marketing Campaigns

The NPOs have considerable or regular sources of income. They often face strong competition from newly registered NPOs. Hence the decrease of donation from the Government and increase of public requirements, NPO needs to seek the resources to achieve organizational mission and to improve social welfares. Corporate’s ultimate goal is to achieve maximum profit, and it will never perform social responsibilities through donation at the cost of forfeiting its benefits. Even in this act, the enterprise may select the cause which has more public attention and can bring effects on ads and can influent on consumers’ behaviours. CRM assimilates both corporate and NPOs strengths and encourage NPO’s employee to acquire more growth from corporate causes through their participation efforts. The donation can be used to meet social public’s welfare demands, and can promote the consumers to form favorable attitude toward the firm, and its products. The fund requirements of NPO’s have become a power for CRM, which is a reason for most of companies selecting NPO to form social alliance. CRM alliance provides huge opportunities to the NPO. The primary opportunity for the non-profit is the marketing support that becomes available in linking up with the corporation. CRM alliances is strong positive for NPO’s development, because of the type of advertising exposure afforded by the partner firm, and this can provide great value for the NPO. Considering this, the NPO is also need to pull the formation of CRM alliance.
1.14.9 Cause Related Marketing Campaigns across the Globe

*Marriott and the March of Dimes* is the first "Cause Related Marketing" campaigns arose in the year of 1976. The March of Dimes Foundation is a USA based non-profit organization that performs to enhance the wellness of moms and children. The business purpose was to do advertising and press coverage for the starting of Marriott’s Great The United States.

*Famous Amos Cookies and Literacy Volunteers of America* is another instance of a "Cause Related Marketing" technique was performed in 1979. In this, Wally Amos became the National Representative for the Literacy Volunteers of America.

*American Express* Cause promotion has been with us since our regional stores and cafes set up collection containers for contributions near their pay counters. The term “Cause Related Marketing” coined in the year of 1983. They launched three-month marketing program namely Statue of Liberty Restoration Project. The objective of them is to increase the usage and the sales. Meanwhile raise money to create consciousness and support for the non-profit Restoration Fund was too their objective. They contributed one cent for every card dealings and one dollar for every new card sales. The results were amazing. In three months of time, the Renovation Fund upraised over $1.7 million. The usage of American Express Card raised 27% and new card applications raised 45% compared to the last year.
In partnership with ACCION, is a global non-profit organization that supports microfinance institutions. American Express has committed to serve an underserved and underfunded segment of the small business market. In this program the Community Business Card, a credit card offered to small business owners, which allocates 1% of all cardholder spending to one of the three microenterprise development partners who, in turn, provides small loans and training for micro entrepreneurs in need. Launched in April 2001, both American Express and its partners have already received significant recognition for their work from consumers and other interested parties.

**Ford Division:** In 1995, Ford Division was a leading partner of the Susan G. Komen Breast Cancer Foundation’s Race to increase awareness to eradicate breast cancer. The funding of them to the foundation is not connected to sales. Ford has donated US$ 48 million to the Komen for media provision and in-kind gifts. In addition, the company created Ford Force with the combination of Ford dealers, employees and the general public in the fight against breast cancer. As part of members more than 12,000 Ford employees have walked in Races across the country, and over 3,000 dealers have contributed in local events.

**ConAgra Foods:** In October 1999, ConAgra Foods food company, a parent company to over 80 household brands. They launched Feeding Children Better, an initiative devoted exclusively to ending childhood
hunger by partnering with America’s Second Harvest and other foremost anti-hunger organization. The program commenced with funding nearly 50 Kids Cafes, after-school that provide composed meals for children. In addition, fresh produce and frozen fish deliveries increased, as a result of the programs newly created Rapid Food Distribution System. They brought the face of childhood hunger into the limelight.

1.14.10 Cause Related Marketing Campaigns in India

*Tata Salt*

Tata Salt, the innovators and frontrunners in the brand-named iodised eatable salt group, repeated its dedication to support deprived children across the country with their *Desh Ko Arpan* Programme (DKAP). As part of the social and communal development initiatives Tata Salt introduced a campaign 'DESH KO ARPAN' with Child Relief and You (CRY) through that they donated 10 paise for each kilogram of salt sold for the duration of
the months of January (Republic day of India) and August (Independence day of India) to educate underprivileged children across the country.

_Aircel_

Tiger is the national animal of India and it has been a key aim of thieves and in 2009 alone India lost 86 tigers. The existence of tiger was around 40,000 numbers in the latter epoch. Now there are 1411 tigers only left in India. AIRCEL, initiated the campaign in partnership with WWF-India to support “Save Our Tiger”. Aircel "Save Our Tiger" is the latest campaign where it brought attention to falling existence of tigers across the globe. Aircel tries to create awareness through TV, print advertising and website. It induces people to create blog and buzz in Facebook, twitter. It
has also facilitated where people can contribute cash to NPOs working stubbornly for the cause

_Proctor and Gamble – Shiksha_

India has the greatest number of illiterate kids. "Shiksha" is a CRM campaign of P&G to support children education with Child Rights and You (CRY). Procter and Gamble launched a project 'Shiksha' to educate deprived kids across the country with Child Relief and You (CRY). According to this project a portion of the incomes generated by the selling of large packs of Tide detergent, Ariel detergent, Pantene shampoo, Head and Shoulders shampoo, Rejoice, Vicks VapoRub and Pampers was donated to support the above said cause. P&G has promised to donate at least of INR 1 crore to Shiksha, in order to focus on education projects. Shiksha received great
support from consumers. It results P&G contributed Rs.1.26 crore which helped to support the education. Shiksha has enabled to generate awareness to construct new schools with better facility and enrolling more children into formal schools.

*Proctor and Gamble – Drishti*

Proctor and Gamble's wide range of cause related marketing initiatives in India adequately demonstrate its strategic intent in helping the community in India. Procter & Gamble Hygiene and Health Care India had initiated campaign called as “Drishti” - sight restoration project in partnership with the “National Association for the Blind” (NAB). Under this project necessary medical treatment and required operations has been
provided and through that around 250 blind girls got back the eye sight across the country. This campaign was linked and facilitated in June 1999 by the P&G’s brand Whisper. The selling of each pack rupee one donated to this “Project Drishti” fund with an first funding of Rs.25 million. Whisper's sales recorded a remarkable growth of 32% in spite of stiff competition from lower-priced brands. It was well executed strategic cause marketing program.

Proctor and Gamble – Pampers

P&G Pampers and UNICEF joined forces in 2006 to fight maternal and neonatal tetanus (MNT), a disease virtually unknown in the
industrialized world, but a ‘silent killer’ causing mothers and new-born babies in the developing world a most painful death. Through a cause-related marketing campaign under the banner of ‘1 Pack = 1 Vaccine’, Pampers has raised significant funds to help eliminate this disease and raise its public profile, particularly in developing countries.

Maternal and Neonatal Tetanus is a deadly infectious disease responsible for the loss of thousands of women and new-borns in developing countries each year. It is caused by tetanus spores in the environment and is completely preventable through maternal immunization with low-cost tetanus toxoid vaccine before or during pregnancy and through hygienic birth practices. Despite the availability of the vaccine for some 80 years, thousands of women and approximately 58,000 new-borns continue to die yearly from tetanus, which can be contracted by either mother or child during childbirth. Most of the mothers and new-borns dying of tetanus live in Africa and South Asia, generally in areas where women are poor, have little access to health care, and have little information about safe birthing practices.

Once the disease is contracted, the fatality rate can be as high as 100 per cent without hospital care. The true extent of the tetanus death toll is not known, as many new-borns and mothers die at home and neither the birth nor the death is reported.
UNICEF and Pampers, together with other partners, aim to remove the threat of MNT, which still endangers the lives of over 100 million women and their new-born babies in the 34 countries across the globe where it has not yet been eliminated.

The World Health Assembly first called for the elimination of neonatal tetanus in 1989, prompting the launch of the Neonatal Tetanus Elimination Initiative. In 1999, the goal was expanded to include the elimination of maternal tetanus, and the initiative was accordingly relaunched by UNICEF, WHO and UNFPA as the Maternal and Neonatal Tetanus Elimination (MNTE) Initiative. With UNICEF coordinating implementation since then, the initiative engages national governments, donors, civil society and the private sector in combined efforts to decrease the rate of neonatal tetanus incidence to less than one case per 1,000 live births yearly in all districts in all countries by 2015.

1 Pack = 1 Vaccine

The UNICEF-Pampers ‘1 Pack = 1 Vaccine’ partnership in support of the MNTE initiative began in the United Kingdom as a Christmas holiday marketing campaign in 2006. The success and simplicity of that campaign led Pampers and UNICEF to expand it in 2007 to more than a dozen countries in Western Europe and ultimately to sign, in 2008, a global agreement that runs in about 60 countries worldwide.
Although it has evolved over the years, at its simplest, the ‘1 Pack = 1 Vaccine’ cause related marketing campaign functions as it has from the beginning: For a limited time every year, for every specially marked Pampers’ pack of diapers and wipes sold, Pampers donates US$.07 to UNICEF to help fund or deliver one dose of tetanus toxoid vaccine.

Within the partnership, UNICEF advocates for MNT issues at global and national levels, helping the governments of developing countries build technically sound plans to achieve and sustain MNT elimination and cooperating with them to implement those plans. UNICEF also supports the procurement and delivery of vaccines, maintenance of cold chain systems to protect the vaccines from excessive exposure to heat, the training of health workers and the development of communication and social mobilization plans.

In addition to the UNICEF-Pampers partnership, for nearly 20 years, P&G has supported UNICEF through national-level partnerships between local P&G offices and UNICEF country offices and national committees.

Proctor and Gamble – Other CRM Activity

When the Tsunami hit in India, P&G and its employees contributed a total of INR 32 lakhs to the Prime Minister's Relief Fund for recovery efforts. P&G, USA, also donated towards the Tsunami recovery efforts by monetary and the distribution of its "PUR" water cleaning pouch which made an incredible number of litres of filtered water to the sufferers.
The campaign “OPEN MINDS” is facilitating 20,000 working children get an education and “Project Poshan” is a project to fight against the complaint of malnutrition across the country.

Aviva's Street to School programme

Aviva propelled of its “Street to School” programme in association with Save the Children. The campaign’s aim is to deliver education to 50,000 deprived children over the next 3 years. Aviva’s staffs have offered a day's remuneration INR 24 lakhs to “Street to School” campaign. In the year 2010 onwards, 50% of the group's total charitable contributions focused on “Street to School” campaign. Aviva performed a survey namely “Aviva Young Scholar Insights” on the savings habits of young parents. There are 2,250 people surveyed, 67% of respondents stated that financial preparation for a child's future takes more priority.
"Colgate is providing free dental check-ups to underprivileged children in association with Pratham” (NGO). In 2008, Colgate arranged transportable dental care vans across the India to provide free dental check-ups in deprived parts of India, which have no or limited access to healthcare. In addition to performing free check-ups, the dental practitioners also make aware children and their own families about good dental cleanliness methods. In 2012, Colgate organized and performed 2.86 lakhs of free check-ups across the country by using mobile dental care vans. The success of this activity has motivated Colgate to continue with this exercise even in more areas and spread the significance of dental health. In 2014, mobile
vans performed 3.5 lakhs free dental check-ups which covered the consumers across India.

*Hindustan Unilever Limited*

HUL's Fair and Lovely offers the “Project Saraswati” grants for higher studies which are provided to young girls who are economically restricted. The main aim of the “Project Saraswati” is to enhance the financial power of India's young girls. Under this grants INR 1 lakh offered to young women across the country, for any graduate student and postgraduate course within India.
There are still large numbers of people who has schools only in dream. ITC is assisting some of them to turn their dream into real. ITC classmate products campaign namely “Let’s put India first” which told that for every four classmate notebooks you buy, ITC donates Rupee one to its non-urban development effort that facilitates, among other tasks, primary education and learning across the country. People may feel proud that their contribution is part of it.
ITC, Aashirvaad has organized a nationwide programme for water preservation campaign namely “Boond Se Sagar”. This effort results 31,000 acres of land received irrigation which helps to get benefit over 40,000 people within a decade. Aashirvaad will donate Rs.5 per kg of sales of the organic spices to its 'Boond Se Sagar' Rainwater Harvesting programme. Consumers who purchase Aashirvaad products were made conscious that from its selling, a donation was being made to the water preservation initiatives of the country. This effort allows Aashirvaad joined with an incredible number of consumers who buy Aashirvaad products, to make a significant participation to the water preservation initiatives of the country. ITC has been continuously working towards the conservation of water for the last 10 years.
Bharat Matrimony Campaign Cleaner India.

Bharat Matrimony is one of the leaders in providing internet enabled matrimony service. It has been recognised as the most reliable online matrimony by Brand Trust Report. Bharat Matrimony also has been presented in “Limca Book” of records number of documented marriages online. In 2015, Bharat Matrimony announced that, the free members those who are upgrade their free membership into a paid membership on Republic Day, it offers special discount in charges of paid membership. Also when a free member pay online and upgrade their membership, Bharat Matrimony contribute Rs.100/- to the Swachh Bharat.
In 2015, Pillai Matrimony announced that, the free members those who are upgrade their free membership into a paid membership on (7th & 8th March, 2015) Women’s Day, it offers flat 15% off on Gold, Diamond, & Platinum membership packs. Also for every upgraded membership, Pillai Matrimony contribute Rs.200/- towards Girl Child Education.
In 2015, Pillai Matrimony announced that, the free members those who are upgrade their free membership into a paid membership on Independence Day, it offers flat Rs.900/- off on Gold membership packs. Also for every upgraded membership, Pillai Matrimony contribute Rs.100/- towards Child Education.

For every upgrade today, we will contribute Rs.100 towards Child Education

**FLAT Rs. 900 OFF on Gold Pack**

For payment assistance, please call our helpline **1800 3000 4466**

Best wishes,
Team - PillaiMatrimony
In 2015, ICICI runs the campaign “Share What You Care About”. Here ICICI invited the Creative Masters to fill their drawing sheet with an imaginative and vibrant drawing to depict what they feel most for. From grandkids to grandparents, each and every family member can be part of this contest. People can submit a maximum of 10 entries across all age groups.
put together. People can make the drawing at home and submit it on their website or even can visit any of their branches during the contest period to make the drawing at the branch itself. The most motive to take part is the selected drawing will be offered for sale, the income earned through will be used for a public cause.

*AQABA Restaurant*

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Aqaba initiated an exciting activity in partnership with Concern India Foundation in Mumbai. Aqaba is a famous restaurant for its Italy, Middle East, Mediterranean, Lebanon and Greek dishes. Aqaba announced that the 50% of the bill amount at lunch and dinner would be donated for charity.
The money was given to Concern India Foundation in order to help over 270 of various social initiatives across India.

*Cocoberry*

Supporting her EDUCATION is as simple as rounding off your bill!

Every rupee donated can help a child in need.
Create a big change in her life when you donate your small change.

*Cocoberry* introduced an interesting campaign that was started in 2013 in association with Concern India Foundation across India. The campaign is still running in seven cities Delhi, Mumbai, Bangalore, Lucknow, Chandigarh, Pune and Surat. Under this every billing amount is
rounded off to the next closest digit and the extra change goes as donation. The funds raised from this campaign are utilised to support education of the underprivileged children.

*Pizza Hut*

**THE IMPACT OF ONE**

Begins with you

ONE idea can transform communities
ONE belief can change societies

The power of ONE is YOU

Begin today by adding ₹ 1* to your bill
Every rupee donated can help a child in need
Please inform us if you wish to donate more to support Concern India Foundation

in aid of

supported by

www.concernindiafoundation.org

*If you do not wish to participate, kindly inform your server at any time during your meal.

Pizza Hut launched cause related marketing campaign in association with Concern India Foundation, the campaign ran in five cities in April-May 2014. It was an easy idea that involved individuals into charitable activity by
asking consumers to add Rs. 1 to their invoice, to help underprivileged people across the country. The collected funds have been redirected to Concern India Foundation to support education, health care and social welfare initiatives across the country.

*Dine Out*

The campaign “Each One Feed One” was an initiative launched by Dine Out in association with Concern India Foundation, ran from 16-27 October 2013. There are 14 restaurants across the country supported for this
campaign. In this campaign whenever somebody went to any of these dining places they had a chance to contribute as little as Rs.20 to their invoice to a person in need. The collected funds have been redirected to Concern India Foundation to support education, health care and social welfare initiatives across the country.

*Croma Retail*

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Croma is prominent retail chain store in selling durable goods and electronics across India. Croma help for girl child education along partnership with Concern India Foundation. The company runs campaign during the International Women’s Week from March 1\(^{st}\) to March 8\(^{th}\) 2013 across India. A certain portion of the selling of all durable goods and
electronics products was contributed to Concern India Foundation. “A woman wants” was the concept marketed on Facebook and Twitter which had a remarkable reaction with females writing from all over India.

*Other Corporates’ CRM Activity*

Asian Heart Institute associated as the Medical Partner to the Mumbai Marathon conducted in the year of 2006 and offered Free Tread Mill Tests to all participants. This is a perfect example for a fit between the cause and the service the offered (Product-Cause Fit).

At the time of Tsunami hit Gujarat, Novartis India Ltd. offered 2% of the value of sales of Ovaltine Plus towards CRY’S rehabilitation operations. The total amount raised was around Rs.40,000.

The Oberoi Hotels had specially created and printed covers placed in all Oberoi possessions, wherein their guests could contribute to CRY which was a huge success, collecting more than Rs.6.50 lacs in 18 months.
1.14.11 Effective Cause Related Marketing Campaign (CRMC)

An effective cause related marketing campaign should achieve certain goals and objectives outlined by the various stakeholders. The definition of an effective cause related marketing campaign may vary due to different expectations. The following are three definitions developed from previous literature findings on the benefits associated with Cause Related Marketing Campaigns.

Organization: An organization define an effective cause related marketing campaign as follows; an effective cause related marketing campaign that is able to improve the company's image, differentiate themselves from competitors, increase sales, and increase market share through newly acquired customers.

Charity: A charity may define an effective cause related marketing campaign as follows; an effective cause related marketing campaign that is able to increase awareness, improve charity image and increase fundraising.

Consumer: A consumer may define an effective cause related marketing campaign as follows; an effective cause related marketing campaign that is able to increase charity donations.
1.14.12 Factors affecting the success of Cause-Related Marketing Campaigns

However, the success of these campaigns is contingent upon several factors, the most significant of which is consumer perception of corporate motives for engaging in CRM. The study conducted by Barone, Miyazaki, and Taylor (2000) strongly supports this idea. In fact, several participants in their experiment were willing to accept lower performance or higher price of products in return for perceived corporate social responsibility. On the other hand, if consumers regard a CRM campaign as cause exploitative or as a “marketing gimmick” to further organizational objectives of increasing sales and profits, they are likely to have a less favourable attitude toward the same (Smith and Alcorn 1991).

Research has identified various factors that enhance consumers’ perception of credibility toward CRM campaigns. First of all, a match must exist between the characteristics of products promoted, their positioning, the corporate image, and the demographics of the target market (Till and Novak 2000). This is important because an illogical fit may be regarded with suspicion (Gray 2000). Likewise Ross et al. (1990) have found that people exhibit more positive attitudes toward campaigns supporting disaster relief causes rather than ongoing causes. In this regard, Ellen, Mohr and Webb (2000) explain that due to the external, uncontrollable nature of disasters, people are less sceptical about CRM campaigns that assist disaster relief.
causes. Similarly, consumers perceive less exploitation and more benefit to campaigns when corporate donations are large (Dahl and Lavack 1995). Another study demonstrated more consumer credibility toward non-transaction based CRM campaigns than transaction-based campaigns (Cui et. al 2003). Lafferty’s (1996) research uncovered that consumers respond more positively when the cause is important to them. From this finding we might expect a local company or cause versus an international company or cause to be more relevant to consumers and therefore potentially more important. Finally, an organization’s commitment to social responsibility as measured by the length and frequency of support to charities engenders favourable consumer attitudes towards the company and its CRM campaign (Drumwright 1996).

Apart from credibility, nature of the products advertised, geographic scope of the campaigns, company reputations etc., also influence response to these advertising campaigns. Research has revealed that CRM campaigns are more effective when they are associated with luxury products than practical ones, as the donation to charity offsets the feeling of guilt associated with the purchase and consumption of frivolous products (Strahilevitz and Myersl995). Likewise it is observed that consumers are more responsive to campaigns that support local causes than national ones (Ross et al. 1991).
Thus by employing several means, American corporations have used this communication strategy successfully in USA. There also have been instances of effective implementation of CRM programs in other countries like the United Kingdom (Dockerty and Hibbert 2003) and New Zealand (Chaney and Dolli 2001). These success stories could entice Indian and American marketers to introduce similar strategies in the emerging markets as well.

1.14.13 Cause Related marketing – Sponsorship – Corporate Philanthropy

Cause Related Marketing is something different from corporate philanthropy or sponsorship. In CRM system contributions to the non-profit body are based on the product sales income. The aim of cause related marketing programs is increasing the sales in order to contribute more. Aashirvaad has organized a nationwide programme for water preservation campaign namely “Boond Se Sagar”. This effort results 31,000 acres of land received irrigation which helps to get benefit over 40,000 people within a decade. Aashirvaad will donate Rs.5 per kg of sales of the organic spices to its “Boond Se Sagar” programme. Consumers who purchase Aashirvaad products were made conscious that from its selling, a donation was being made to the water preservation initiatives of the country.

Sponsorship is an activity of offering money or gifts to a particular cause for recognition. For instance, Sahara India is a major sponsor to Board
of Control for Cricket in India (BCCI) by providing various sorts of accessories and funds to the Indian Cricket Team. In return, BCCI prints Sahara’s name and logo on team uniforms and equipment and the award known as “Sahara Cup”. This sponsorship has been executed with the expectation of getting brand awareness for Sahara India. There is an anticipation that this contribution will lead to higher product attention for Sahara Indian and focus on market affinity.

Another distinction is both philanthropy and sponsorship; the contribution to the cause is discussed on prior and is fixed. In cause related marketing the donation amount varies on the basis of sales. The below mentioned table summarizes the differences between cause related marketing, sponsorship and corporate philanthropy.
Table 1.4 Cause Related Marketing – Sponsorship – Corporate Philanthropy

<table>
<thead>
<tr>
<th>Basis of distinction</th>
<th>Cause Related Marketing</th>
<th>Sponsorships</th>
<th>Corporate Philanthropy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Focus</strong></td>
<td>Product</td>
<td>Product and organization</td>
<td>Organization</td>
</tr>
<tr>
<td><strong>Goals</strong></td>
<td>Increase product sales</td>
<td>Increase brand awareness and target market affiliation</td>
<td>Develop and link Organizational abilities to social cause</td>
</tr>
<tr>
<td><strong>Time edges</strong></td>
<td>Traditionally of limited duration</td>
<td>Traditionally of limited duration</td>
<td>On-going</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td>Association</td>
<td>Association</td>
<td>None</td>
</tr>
<tr>
<td><strong>Organizational</strong></td>
<td>Marketing department</td>
<td>Marketing Department</td>
<td>Top Management</td>
</tr>
<tr>
<td><strong>Members involved</strong></td>
<td>Personnel</td>
<td>Related personnel</td>
<td>Decision / employee wide contribution</td>
</tr>
<tr>
<td><strong>Revenue Flows</strong></td>
<td>Split between the cause and the sponsor</td>
<td>Exclusively to the Sponsor</td>
<td>None</td>
</tr>
<tr>
<td><strong>Sales Impact</strong></td>
<td>Direct sales impact</td>
<td>Indirect sales impact</td>
<td>None</td>
</tr>
<tr>
<td><strong>Key Outcomes</strong></td>
<td>Behaviour (sales)</td>
<td>Attitude (positioning)</td>
<td>No key outcomes</td>
</tr>
<tr>
<td></td>
<td>Intention (preference)</td>
<td>Behaviour (Sales)</td>
<td></td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>Variable</td>
<td>Fixed</td>
<td>Fixed</td>
</tr>
</tbody>
</table>

*Source:* The above mentioned details has been obtained from the research article titled “Cause Related Marketing in India: A Conceptual Paradigm” by Agarwal, et. al., 2010.
1.14.14 Conceptual Relationship between Cause Related Marketing and Corporate Social Responsibility

Corporate Social Responsibility and Cause Related Marketing are conceptually quite different, but in real both are frequently used synonymously. CSR is a broader idea and more complicated mainly because of the range of social responsibility. So giving a specific and generally accepted definition is difficult. In literature there are different definitions are available. For instance, CSR is “a concept which refers to the corporate citizenship behaviour legally adopted to achieve sustainable development.” Another view is that CSR mainly focused on societal goals, and is not proportional to the objective of an organization.

Organizations implement the CSR idea tactically by choosing social activity that fit with business values: for example select initiatives which can support for organisation objectives, products, markets, and to attain marketing goals. CSR is often practiced by assisting the specific causes. Cause plays a major in while implementing CSR. The activity of supporting a cause becomes a marketing instrument which is termed as “Cause-Related Marketing”.

Varadarajan and Menon (1988) “CRM is a practice of developing and applying marketing actions that are characterized by proposal from the company to donate certain amount to a particular cause when customers take part in revenue-providing transactions that fulfil organizational and individual goals”.
CSR is the company’s social reliability. CRM is not a synonym but in certain aspects has an appearance of CSR, for instance cause specificity of CSR. This research proposes that CSR is cause specific, in this way CRM resembling CSR.

1.14.15 Differences between CSR and CRM

Corporate Social Responsibility (CSR) is not new concept and actually it is presence in the literature in the 1950s. “Corporate social responsibility not only companies charity contribution from their profits, even it covers also the way they make profit”. CSR is something corporations just did (workplace issues, community impact, human rights issues, and ethical investment), not something they promoted.

Corporate Social Responsibility explains how corporation expose social responsibility and behave to its society, and natural resources. The concept of “Giving back” is part of that program, but originally CSR is to maintain a strong public relations. So people look on whether a company can be socially responsible before donating a portion of its profit to society.

Cause Related Marketing (CRM) is linking a brand with a charity to raise product sales, differentiate the product from competitors through position its product in market. Cause related marketing, worthy donation to the charity in order to create a real difference in society, and cause is deliberately matched with products.
Cause Related Marketing (CRM) “is when companies partner with non-profit organizations to help the society and to achieve their goals. A company promotes a media campaign and donates to the cause from money generated through the sale of products.”

There are lot of ambiguities and mix-up in the literature, and in the workstations, about the way these terms are differing with each other. These definitions continue to be discussed and more points to be considered to reveal the differences between the two because people are started to use them interchangeably.

Corporate Social Responsibility is, if the food product company decides not to produce harmful food to children and instead commits to produce healthily food. If a food product company partnered with charitable or non-profit organisation helps to feed hungry children that’s cause related marketing.

Corporate Social Responsibility is when the company tries to put back to the community what it benefits from it. Cause Related Marketing is when it spends money towards a particular cause for earning profit.

1.14.16 Differences between Promotional Campaign vs. Advertising

Companies frequently use both promotional campaigns and advertisements to market their products. There are characteristic differences between these two types of marketing methods. Campaigns are known as
sales promotions. Companies use promotional campaigns to provide discounts or incentives to consumers in order to induce them to purchase products. Advertising is simply communicates the reasons people should make a purchase.

Compare to advertisements campaigns are runs only for very limited duration. Because campaigns are more product or service focused. For instance, a cafe may enhance special offers on one food item for certain time, and then skip into another item.

In general companies running their advertisements continuously, but campaigns are not so, it moves from one product to another. So it concludes that advertisements are one-way communication with limited information. Customer generally interacts with sales representatives or other retail employees to get more details.
1.15 Evaluation of Cause Related Marketing Structural Elements (CRMCSE)

Proposed Research Model

Figure 1.5 Proposed Research Model
1.16 Need for the Study

There is less number of academic researches available about the Cause Related Marketing Campaigns (CRMC). This allowing for a unique opportunity to identify and explore the model. This study will identify consumers’ perception and reactions toward the CRM campaigns, feelings about CRMC, and how consumers’ self-identities affect their decision-making with regard to cause related purchases.

This research offers both theoretical and practical contributions. From a theoretical standpoint, the proposed framework for CRMC could provide an integrated understanding about how consumers respond to CRMC strategies and which factors should be considered in implementing the CRMCs. This study can help the development of customer-based CRM theories by testing the relationships among variables. From a practical and managerial standpoint, this study presents useful information for marketing practitioners. FMCG companies can potentially utilize the information from the model to implement CRMC initiatives. To illustrate, suppose that high congruence between a FMCG organization and a beneficiary and socially-driven motives engender more positive consumer reaction toward CRMC programs. Practitioners can then use this information to inform the choice of highly congruent associations between a FMCG and a cause to maximize impacts on consumers. Also, practitioners can consider the need to carefully advertise the CRMCs so as to be perceived by consumers as socially-motivated.
Through this study, the researcher sought to add to the literature by measuring the reaction to a CRM campaign specifically designed to target Indian consumers. The results might assist companies’ marketing managers in enhancing the effectiveness of their advertising strategies for targeting the Indian consumers by helping them develop effective CRM programs that could increase consumers’ attention.

1.17 Organization of the Study

The goal of this chapter is to provide an overview of the study and the need for research in this area. The remaining chapters present the theoretical base, hypotheses, method, results, and conclusions of the study.

Chapter two provides a review of the literature relevant to Cause Related Marketing Campaign Structural Elements (CRMCSE) as well as providing the conceptual and theoretical base for the study. The model is described and the hypotheses that will be tested are outlined.

Chapter three presents an outline of the pre-tests that were conducted as well as the findings from these tests which were used to develop the survey instrument. This chapter also provides background on the design and procedure that was used in the main study as well as an explanation of the method chosen to analyse the data.
Chapter four presents the results from the test of the measurement model for the latent variables with multiple measures. This chapter also presents the research results concerning the hypotheses and the fit of the proposed model. SPSS 20 was used to test the hypotheses as well as the relationships proposed in the model.

Chapter five provides the conclusions and limitations of the study as well as the implications for practitioners and researchers.