

Cause-Related Marketing Practice of Some Selected Firms In Bangladesh And Its Effect On Target Segment

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Abstract:- There has been significant growth and interest in Cause Related Marketing (CRM) over the past few years. An important element of cause related marketing is the level of customer awareness and involvement. Cause Related Marketing is simply marketing with a worthy cause. Together, these powerful alliances (not-for-profit organizations and companies) can successfully work together with unique marketing tools to influence change and create better solutions. CRM is a form of marketing that uses various strategies, tools and traditional advertising methods to change attitudes, perceptions and behaviors as they relate to social issues. Non-profit organizations and companies form alliances to market images, services and products. People have a more favorable view of a company that contributes or sponsors a cause that they think is worthy. For instance, people are more likely to be interested in a company that is contributing to cancer research than one that is contributing to insect research. Cause Related Marketing is an exciting concept where both business and charity (or good causes) can benefit. It also attracts new sources of funds, resources and support. It is an innovative and potentially powerful tool to improve the lives and well-being of individuals, create environments that support social objectives, re-orient social services to be customer-driven, develop social capital, lead to improved public policies, and ultimately, achieve social goals. This research paper focuses the practices of cause related marketing of some of the selected firms and how it affects the consumer in our country as a new policy.

Index Terms:- Cause-related marketing (CRM), Community support, Integrity, Loyal employees, Marketing Edge, Market Differentiation, Mutual Benefits, Transparency.

INTRODUCTION

Altruism, Corporate responsibility, Philanthropy these are often used to describe cause-related marketing, an activity in which businesses join with charities or causes to market an image, product, or service for mutual benefit. Embracing a cause makes good business sense. Nothing builds brand loyalty among today's increasingly hard-to-please consumers. Cause-related marketing (CRM) has emerged in recent times in Bangladesh that increases company revenues, at the same time appearing to be supporting worthy causes. One needs to develop a partnership between a nonprofit cause and a corporation that consumers will accept and to which they want to 'donate'. Cause Marketing is the commitment of a business to contribute to economic development while improving the quality of life of the work force and its families as well as the local community and society.

lead to potential donors reducing their commitment to charitable causes. People feel that they have given enough, or are just basically tired of the constant stream of requests to support a vast range of causes. . Yet, by tying together the forces of business; selling on the back of a product that customers see as one that they would buy, and the power of advertising, then each person's small contribution can have a major impact on the money that a charity can raise. Therefore, charities can benefit from these liaisons with commercial interests. By purchasing the product several times consumer can 'donate' on more than one occasion. Thus, charities can get more by the contribution of each single consumers/donors.

CRM PRACTICES IN BANGLADESH

Many different organizations are practicing CRM in our country. Among them some major organizations like Standard Chartered Bank, Dutch-Bangla Bank Ltd. (DBL), Bashundhara group, and Square are elaborately practicing it and contributing big amount each and every months for some reasonable causes. These companies started CRM recently suppose Bashundhara started it in the year 2000, Square started it in 2003. These organizations do not take any third part advice. Among the three only Dutch-Bangla Bank Ltd., has its own foundation named "Dutch-Bangla Foundation". By this foundation DBL donate money to the distress people. On the other hand the rest of the organizations donate money by different non-profit organizations for example-

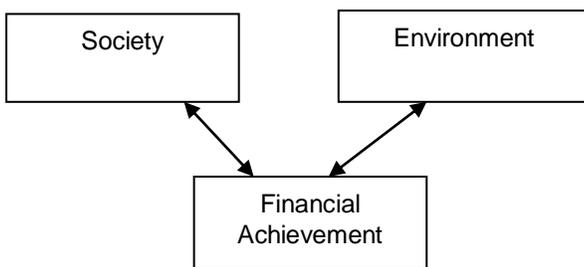


Figure 1: CRM-Society, Environment and financial achievement.

The goal of every cause-related, social and community-based marketing campaign is to promote a greater awareness and consumer participation of the existing programs to demonstrate the power of brand in partnership with charities and social causes in order to make a positive impact on society as a whole.

REASONS FOR PRACTICING CRM

Nonprofit organization always faces the need to raise revenue. The individual in a society is constantly asked for donations to support a plethora of causes. Thus, this situation can in turn

Table 1: Major Associated Companies and their Non-Profit Organizations

Associated Companies	Non-Profit Organizations
Standard Chartered Bank	SSI, Trust for Development, Vision 2020, Action Aid, Ashar Alo
DBL	Dutch-Bangla Foundation
Square Group	Acid Survivors Foundation (ASF)
Bashundhara Group	Shandhani

The Table underneath is showing the major causes and supporters companies in our country.

Table 2: Major causes and major supporters

Cause	Companies Supporting
Acid Survivors	Dutch-Bangla Bank Ltd, Square Group
Remove avoidable blindness	Standard Chartered Bank, Bashundhara Group
School cricket program	Standard Chartered Bank
Student Scholarship	Standard Chartered Bank, Dutch-Bangla Bank Ltd
AIDS/HIV awareness	Standard Chartered Bank

CRM POLICIES OF THE ORGANIZATIONS

Different organizations have different CRM police. Standard Chartered Bank and DBL contribute money from the part of their profit. This is not fixed amount that has to be provided for each month or year. They contribute it base on the situation. For DBL they contribute it through their foundation and for Standard Chartered Bank they contribute it throws their different aligned organization. Different time's different aligned organizations submit their estimation for helping the particular distress people. More over Standard Chartered Bank has different programs throw CRM which has performed in a planned and organized way. For the rest two FMCG companies, Square contributes Taka 1 per pack of Senora sanitary napkin in different size and price and Bashundhara contributes Taka 1 per box tissue in different size and price.

Table 3: Companies contribution policies

Companies	Contribution
Standard Chartered Bank	Not fixed
DBL	Not fixed
Square Group	Fixed Taka 1 per pack of Senora Sanitary Npkin
Bashundhara Group	Fixed Taka 1 per box of tissue

COST BENEFIT ANALYSIS

Cause-related marketing can become a cornerstone of a company's marketing plan. CRM activities should highlight the company's reputation within its target market. CRM can positively differentiate the company from its competitors and provide an edge that delivers other tangible benefits, including:

- ⇒ Increased sales
- ⇒ Increased visibility
- ⇒ Increased customer loyalty
- ⇒ Enhanced company image

CRM is the combinations of the above benefits. But our survey found that the four companies do not agree with this definition. The organizations differ with the first benefit that CRM

increases sales. However, the organizations do agree with the rest of the four benefits, e.g., increased visibility, increased customer loyalty, enhanced company image, enhanced company image. So here the issues of profit become pale. The organizations are practicing CRM because of the social responsibility. They are earning money and feeling to contribute some of the money to the public.

THE BENEFITS OF CRM FOR NONPROFIT ORGANIZATIONS AND THE ASSOCIATED COMPANIES

The important benefit for the cause is that they get the necessary financial resources. . In some cases they may get the volunteers from the company for the cause. Sometimes this association may bring substantial managerial assistance and new managerial practices within the organization dedicated to the cause. This association may create a larger presence in the market for the cause and thus be able to generate more consumer-based donations. It may also create more awareness for the issue involved, which is especially important in social marketing activities in which the nonprofit organizations are trying to motivate individuals to modify their behavior like in case of cruelty against animals or some environmental issues or something like this. This association also brings some benefit for the companies as this creates more awareness about the company and obviously results in more sales for the company. The change in image can also sometimes be used to counter negative publicity. In comparison to normal advertising this type of publicity may create more loyal customers. This association also results in higher employee morale as the employees also start identifying themselves with the cause and take pride in the company's policies.

THE DISADVANTAGES OF CRM FOR NONPROFIT ORGANIZATIONS AND ASSOCIATED COMPANIES

The association between the Company and the non-profit organization may render the organization dependent on the company. CRM could also compromise the cause and exploit the audience. Individual donors may perceive that some causes no longer need assistance because of exaggerated corporate support and may shift their individual support to other worthy causes. This can also lead to one more potential problem and that is shifting a cause's activities and direction. It may result in socially important issues being discounted or not considered if these issues cannot attract funding. In case of some controversy, consumers may become skeptical of CRM programs and might also believe that the cause was a willing participant, which would result in the cause losing financial support from donors as well as damage its image. In case of the companies, the negative publicity can also result in the loss of the consumers as they may think that the company is trying to exploit the cause. To make CRM a success each partner should respect the other's objectives and there should be some degree of leveraging ability on both sides.

CUSTOMER AWARENESS ABOUT CRM

The survey has been conducted on four organizations Standard Chartered Bank, Dutch Bangla Bank Ltd., Bahundhara Group, and Square respectively. The customer survey found that 52% of total customers are aware about the CRM practices of the organizations on the other hand 48% of the customers are not aware about the CRM practices. Not too

long CRM policy is practicing in our country. The data shows that people are not that much conscious about the CRM. It can be said that the organizations are practicing it very recently and it is confined in some big companies.

Table 4: Total customer awareness about CRM

Awareness about CRM	Number of Respondent	Total
Yes	26	50
No	24	

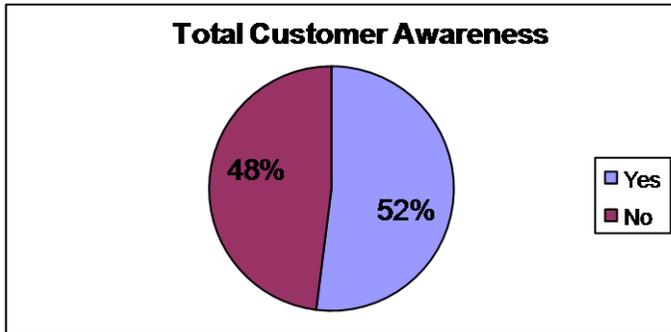


Figure 2: Total customer awareness about CRM

The survey has been conducted on two FMCG production organization and two Banks. Here the survey found that 55% of the customer of FMCG product consumer is not aware about the CRM activities of their particular product purchase. They came to know about the companies' contribution to the particular causes after purchasing of that particular product. 45% of the total customer is known about the CRM activates. Among them most of the customers came to know about the activates by different medias such as Electronic media, friends and very few customers are known by the company newsletter, Newspapers and magazines.

Table 5: Customer awareness about CRM (FMCG Goods)

Awareness about CRM	Number of Respondent	Total
Yes	18	40
No	22	



Figure 3: Customer awareness about CRM (FMCG Goods)

Here for Banks ten (10) clients have been surveyed among the

customers eight (8) of them said 'yes' they are known about the CRM operations of their Bank. The customers were selected arbitrarily. So here 80% customers of Banks are known about the CRM activities of the particular Bank. In this study two Banks are surveyed and between these two Banks, Standard Chartered and Dutch-Bangla Bank Ltd., Standard Chartered Bank have no stakeholder, on the other hand, Dutch-Bangla Bank Ltd. has its stake holders. So customer survey has been performed over the Dutch-Bangla Bank Ltd. Only.

Table 6: Customer awareness about CRM (Banks)

Awareness about CRM	Number of Respondent	Total
Say yes	8	10
Say no	2	

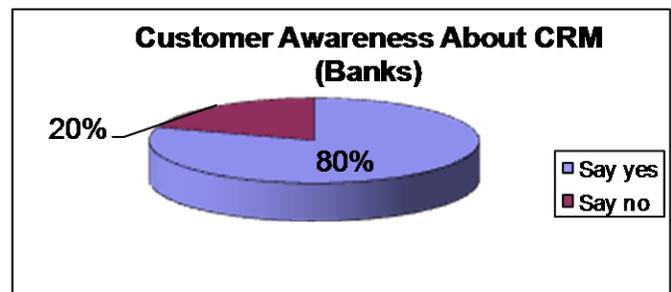
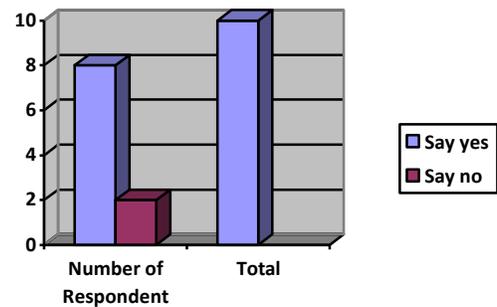


Figure 4: Customer awareness about CRM (Banks)

CUSTOMER VIEW ON CRM

Here on the perspective of view point the survey found that 85% of the customers are agree that CRM is a good policy and by this policy they (customer) got the opportunities to help the distress people, on the other hand 15% customer thought or feel doubt about the CRM. They are not clear about the total policy or activities, they raise the question whether this is a good policy or not. Companies could boost their sales by showing the image by taking brand loyalty of the customer.

Table 7: Total customer view on CRM

Customer View	Number of Respondent	Total
Good policy	22	26
Feel doubt	4	

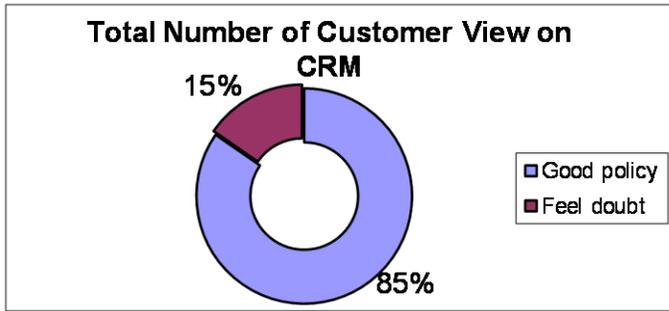


Figure 5: Total customer view on CRM

The survey finds that 83% of FMCG product consumers think that the activities of CRM is The survey finds that 83% of FMCG product consumers think that the activities of CRM is customers shows their doubt whether this is a good policy or not. They tried to express their opinion in a way that companies are making profit by showing philanthropy and attacking the customers' sense of helping the distress people.

Table 8: Customer view on CRM (FMCG Goods)

Customer View	Number of Respondent	Total
Good policy	15	18
Feel doubt	3	

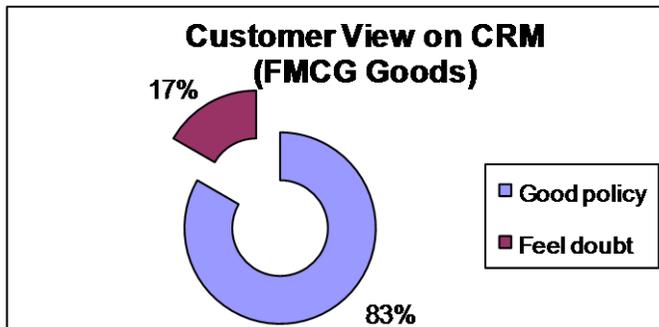
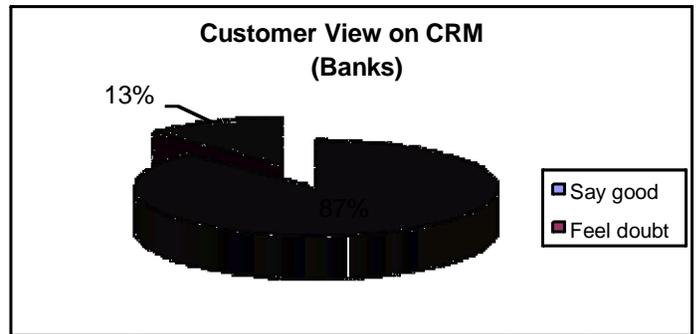


Figure 6: Customer view on CRM (FMCG Goods)

The survey found that CRM is creating loyalty to the customer. Because customer who once comes to know about this operation is continuing their purchase and is making word of mouth to others about the CRM operation. They are feeling good and proud having the opportunities helping to the distress people. Here 87% of the Banks customer thinks that the organization is doing a good practice contributing a part of their money to the distress people. And rest of the 13% customer feels doubt the CRM practice of the organization.

Table 9: Customer view on CRM (Banks)

Customer View	Number of Respondent	Total
Say good	7	8
Feel doubt	1	



Companies have some major issues and under it they are operating some other operations which is not visible to all kinds of people. The major CRM issue of Standard chartered Bank in Bangladesh is to remove the blindness and they have different programs on "Seeing is Believing" project which is elaborately visible, beside this they are contributing in different sectors suppose, School cricket program, various cultural programs, scholarship for the outstanding results, young learners association etc.

CRM NEWS MEDIA

As CRM is very new in our country, it is interesting to know how customer got known about CRM. The survey found that customer came to know about the CRM by different media. Here the graph below shows that most of the customer knows about the electronic media which is 38% of the total. Then comes the media of friends which has been occurred by the word of mouth. This is interesting that a major part of the customer knew about the CRM after purchasing the product; here from the graph it is seen that 35% consumer knows about CRM by friends' media. Then gradually 15% by Newspaper or magazine, 4% by company news latter and 8% by others.

Table 10: CRM news media

Media	Number of Respondent	Total
Electronic Media (TV, Radio, Website)	10	26
Newspaper, Magazine	4	
Company newsletter	1	
Friends	9	
Others	2	

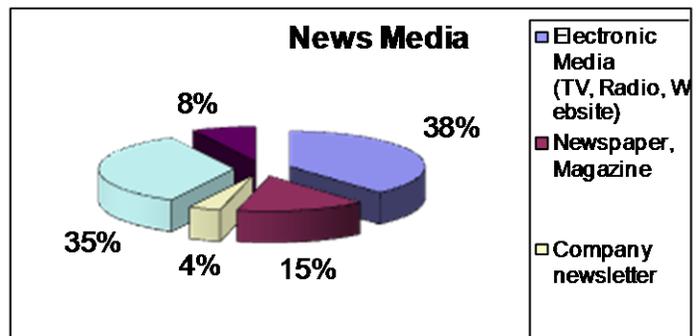


Figure 8: CRM news media

CONSUMER ACCEPTANCE OF THE CONCEPT

CRM is a new concept in our country. A major portion of consumer in our country is not very much aware as the western consumers are. But this scenario is changing day by day. Companies are showing variations of products and consequently the question of quality is coming to the front. Consumers are getting conscious day by day. Though consumers are not very much aware about CRM, survey found that most of them are appreciating it as they are willing to or have a deep sense of helping the distress people suppose Acid burned or to blind people which are the major issues of the CRM practicing companies in our country. So consumers are accepting lively the CRM practices in our country. Here the companies have got the obligation to aware people those who are still unknown about it.

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CONCLUSION

Cause Related Marketing (CRM) is already gaining wide acceptance with businesses, consumers, charities and causes. This enthusiasm is easy to understand. Cause Related Marketing is a two way street, both sides, business and the community, contribute and both sides benefit. Cause Related Marketing has enormous potential to make a significant difference; this potential is currently underestimated. Well-implemented and communicated Cause Related Marketing programs have the potential to bring enormous rewards to all parties in the partnership. A poorly executed CRM campaign can backfire and damage the reputation of the partner organizations and can harm the work of the charity or cause involved. This is in no one's interest. Consumers are quick to identify any imbalance between the business and the cause it supports. Cause-related marketing is the issue of obligation and commitment to society beyond business that has risen to prominence among management circles as well as the wider public; it is still a promising subject among stakeholders. Companies need to be responsible and accountable to other stakeholders in society such as their local communities, their employees, or nonprofit organizations. The term corporate social responsibility or cause related marketing is generally used to express the idea that companies have obligations that extend beyond shareholders.

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