CAUSE RELATED MARKETING AS A STRATEGY FOR COOPERATION BETWEEN BUSINESS AND NON-PROFIT ORGANIZATIONS

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Abstract

In order to obtain a competitive advantage companies introduce to their business different instruments that will help them in gaining and maintaining new clients.One such tool is cause related marketing. It assumes a collaborative partnership between the commercial organization whose aim is to solve social problems.The funds allocated for this purpose shall be generated mostly through donations stimulated by the purchase of the product or service. Through such activities the company may gain new customers and non-profit organizations obtain funds for the implementation of statutory activities. The aim of this article is to introduce the concept of cause related marketing and programs conducted in Poland.

Key words: *cause related marketing, non-profit organization, corporate social responsibility, social objectives*

1. INTRODUCTION

Nowadays companies incorporate a lot of measures to achieve a competitive advantage. In order to better satisfy customer expectations than their competition, they tend to offer a higher quality product at a relatively low price. They try to comprehensively satisfy the needs of the customer, which is becoming increasingly more demanding in the event of customers becoming more aware of how products are produced, drawing attention to the place of origin, the way it's produced and the raw materials used. For this reason, companies pay more attention to the introduction to these activities and adherence to the principles of Corporate Social Responsibility (CSR).

Corporate Social Responsibility involves a conscious impact on the company's strategic stakeholder groups whose aim is to satisfy their needs and expectations. It draws particular attention to building relationships with various groups of stakeholders and the environment in which the organization operates. The company in the implementation of the concept of CSR uses different tools. One of them is Cause Related Marketing (CRM), which involves the creation of partnerships between businesses and non-profit organizations that result in the solution of social problems. For this purpose, activities are undertaken to promote the company's image, products, or services in connection with the idea of society. The purpose of this article is to introduce the concept of Cause Related Marketing, determine the motives of cooperation between commercial organizations and nonprofit organizations, and to outline its implementation and the results. The article uses the method of criticism and analysis of the literature and an analysis of CRM programs conducted in Poland.

2. CAUSE RELATED MARKETING

Cause related marketing is an intermediate form between commercial marketing and social marketing.

The partnership between a product and a cause is referred to as Cause Related Marketing (Varadarajan and Menon 1988). Donating money to a charity based on consumer purchase has become a major corporate philanthropic trend. As consumers, they can make consumption decisions that simultaneously benefit themselves and the society (Kim and Johnson 2013).

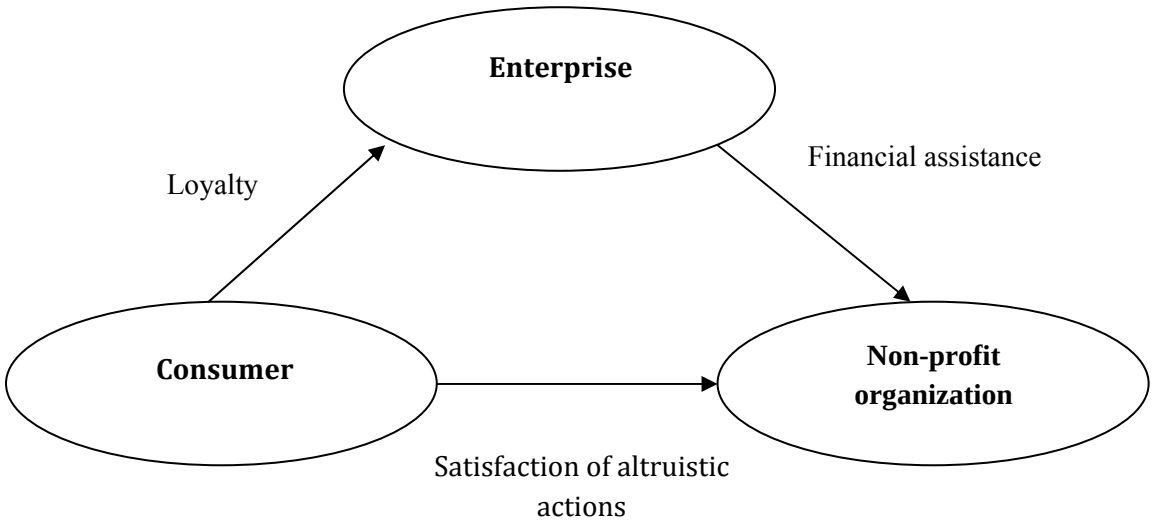
Cause Related Marketing is activities involving the promotion of a company's image, products, or services in connection with the idea of society. The aim of CRM is to collect funds for a specific purpose while building a positive social reputation, to increase the value of the company, to gain customer loyalty and sales support. Cause Related Marketing involves the use of budgets, techniques and strategies of marketing to support social objectives with simultaneous attention to support business activities. This strategy uses the cooperation of the three parties: non-profit organizations, businesses and consumers. There are also here two donors (enterprise and consumer). These brings advantages to all parties (Wasilewski 2007). Through the use of CRM non-governmental organizations gain financial resources for the implementation of its statutory objectives, the company reinforce its image, while the customers feel satisfied with altruistic action. In these type of activities specifically targeting companies involved in its activities the idea of corporate social responsibility.

The first time the idea of CRM was used in the United States in 1983, was when American Express agreed to donate one cent from every purchase made with its card to the fund for the restoration of the Statue of Liberty. Purchasing a product with a cause provides consumers with the feeling that they can ''make a difference in the world'' and ''makes philanthropy simple and convenient'' (Eikenberry 2009 pp 52–53). One year later, before the celebration of the 100th anniversary of the monument, a marketing campaign was conducted in a very innovative way. American Express issued a credit card, and the proceeds from this issue and the activities undertaken allowed for the renovation of the monument. As a result of the campaign, they generated $ 1.7 million and the use of cards increased by 27%. In 2004 the company changed its strategy and committed pay 1 cent from each purchase made using the card. This campaign was also a success (Iwankiewicz-Rak 2011, p. 192-193).

The task of marketing the implementation of joint projects by non-profit organizations and enterprises is mainly generating notoriety that affects the visibility of the campaign and improves the image of a commercial company (Grabarski 2011). For non-profit organizations marketing activities also are very important because they help in solving specific social problems and enable the realization of their statutory objectives. More so than in CRM it increases the participation of the society at large in implementing social objectives and helps to shape desirable, positive behavior among the population. For businesses, this is an opportunity to improve its image in the eyes of customers,increase brand awareness, and has the ability to increase sales and profits. Thanks to these measures it is possible to produce a strong bond with the consumer, and consequently increase the company's market value.

Cause Related Marketing strategy common cause lies in the cooperation of three parties: non-profit organizations, enterprises and consumers (Fig.1)

Figure 1. Strategy cooperation in the framework CRM.



Source: own elaboration

Customers supporting the implementation of social development through the purchase of a specific product, part or all of the funds obtained from the sale will be communicated to NGO. In this way, the company helps in achieving social objectives and at the same time improves their image and sales as a result. On the other hand customers gain satisfaction from the altruistic action through the purchase of a particular product and therefore the company earns their loyalty. Non-governmental organizations with funds received can pursue its statutory objectives and satisfy social needs.

3. FORMS OF CAUSE RELATED MARKETING

To implement the concept of CRM the cooperation of an NGO with a commercial organization is needed, more often such activities involve the company targeting in their business idea of CSR. The most popular form of commercial organizations participating in the joint venture is stimulated by purchasing donation. It is the sale of products, of which a part or all of the income will be forwarded, the implementation of the social objective defined by the non-profit organization. These products are marked with a special logo program, which is promoted in an advertising campaign. Commercial organizations involved not only financially, but also organizationally by designing the campaign. CRM success is dependent on the attractiveness of their products and the effective publicizing of its activities. The company's implementation of this strategy assumes that customers have pro-social attitudes which factor in purchasing decisions and will create opportunities to support the social program (Dejnaka, Iwankiewicz-Rak, Nogieć, Spychała 2013, p. 35-36).

A less popular form of cooperation between business and non-governmental organizations in the context of CRM is action. Its aim is to promote specific behavior or ideas in connection with the name of the company or product brand. Activities aimed at encouraging customers to participate in an event or exercise of the service that the company is obliged to make a donation of a certain amount for social affairs.

Another form of cooperation that is shared by the company is a license to use the brand by non-profit organizations. In this way the NGOs receive from commercial entities a flat fee or a percentage of profits from the sale of products or services signed by it (Grabarski 2011, p. 48-51).

Actions and share licenses are not frequently used forms of cooperation between businesses and non-profit organizations in the implementation of the CRM strategy. This is due to the difficulty of designing such a campaign and its implementation because they require more advanced solutions, forms and agreements of cooperation.A simpler solution is to convey part of the profit from the sale of specific products for the NGO. This action is much easier in promoting and acquiring clients who, through choice labeled products, satisfy their needs and promote the realization of social golas. In all forms of cooperation the most important of all is communication activities that enable the company to achieve its desired goal or target, anticipated by social resonance, and non-profit organizations to realize its statutory objectives.

4. MOTIVES, EFFECT AND RISKS OF TAKING COOPERATION WITHIN THE FRAMEWORK OF CAUSE RELATED MARKETING

Companies and NGOs establishing a partnership in the context of Cause Related Marketing in order to implement social activities. Non-profit organizations in this cooperation are focused on gaining funds for the implementation of their statutory objectives and solving social problems. Companies focus on developing their pro-social image among employees, customers and society and on activation of the market and obtaining sales growth. Significant in cooperation undertaken is to link the brand with social responsibility, which increases its chance and position in the market, because customers identify with the brand, often to support work by pro-social activities.

Commercial organizations joining the partnership in the CRM bring to the cooperation their capital, image, brand, customer base access distribution channels, enthusiasm, altruism and creativity of their own employees who are responsible for implementing the CSR strategy and may be creators or

originators of promotional activities carried out under this type of marketing. By participating in this cooperation, they can achieve many benefits such as increased visibility and brand value, achieve an increase in sales, acquire new customers, gain social influence, gain recognition among local communities and the perception of the company by current and potential employees as pro-social. The company implementing CRM should lead CSR activities in all areas of its business. Conducted promotional activities, community projects and organizational management should be consistent and apply to all actions taken within the company.

Non-governmental organizations in the CRM are responsible for solving social problems.To cooperate with commercial entities, they bring knowledge of social needs and expectations, pro-social image, commitment to social tasks, reliability, ease of making contacts with leaders of public opinion, which is very necessary during the promotion of the program for its perception by society as a worthy commitment and for its crediblity. With the implementation of the CRM program, they receive funding for their activities, implementation of social programs, objectives and mission of the organization. Well-designed and conducted promotional activities can also contribute to easier sourcing of volunteers, strengthen social image, increase public support and improve reliability (Iwankiewicz-Rak 2011, p. 204-207).

Collaboration between companies and NGOs in the framework of CRM can bring many benefits to both entities, as well as this society by obtaining sufficient funding and support from non-profit organizations reduces or eliminates important social problems. Also the customers who engage in the programs through the purchasing of certain products can get satisfaction from their altruistic action, they may also become more involved in resolving the social problem by making a donation for this purpose or involvement in volunteering.

A key factor for the success of its activities is to provide them with adequate notoriety and a very accurate and insightful development of conditions for cooperation with non-profit and commercial organizations. A threat to the partnership conducted in Related Cause Marketing is a need to compromise between the parties, which is not always fully beneficial to both organizations and can destroy the idea of social action. The occurrence of a crisis situation within one of the partners is a major threat to actions carried out jointly, because it can negatively affect both parties and result in loss of public face. CRM primarily used by the company to achieve economic targets may result in loss of social image of both partners and impair their prosocial image (Dejnaka, Iwankiewicz-Rak, Nogeć, Spychała 2013, 35-64).

5. CAUSE RELATED MARKETING PROGRAMS IMPLEMENTED IN POLAND

In Poland Cause Related Marketing is becoming increasingly popular. Currently, there are several programs conducted under this type of partnerships between companies and NGOs.

Table 1. selected Cause Related Marketing programs conducted in Poland.

Program name	Partners	Number of editing programs	Objective of the program	The effects of the program
„Give Children Sun"	Foundation Polsat Procter&Gamble	15	The treatment and rehabilitation of children in Poland.	The transfer of 71 000 000 PLN on the treatment and rehabilitation of children.
„Share your meal”	Danone Polish Humanitarian Organization	12	Help undernourished children in Poland.	Donating 14 million meals for children.

„On the side of nature"	Zywiec Zdroj State Forests	6	Environmental education, planting new trees, taking care of the environment in Poland.	5 million planted trees, 300 km refurbished mountain trails.
„Soft Toys for Education campaign"	Ikea UNICEF Foundation Save the Children	12	Education of children in countries where the action leads to UNICEF (in Africa, Madagascar)	67 million euros to support 99 projects in 46 different countries.
„Lipton plays with the Orchestra"	Lipton (Unilever) Great Orchestra of Christmas Charity	2	The treatment and rehabilitation of children and elderly in Poland.	No financial data of this cooperation.
„Give health not only of himself"	Foundation Hasco-Lek Natur Kaps	3	Helping children with hearing impairments in Poland.	The transfer of 700 000 PLN on the treatment and purchase hearing aids for deaf children.

Source: own elaboration

The most popular are the „Give Children Sun" conducted by the Foundation Polsat with the company Procter&Gamble, „Share your meal", which is implemented by Danone and the Polish Humanitarian Organization and „On the side of nature" supported by Zywiec Zdroj and State Forests. These programs have proven very popular with the public, who willingly buy specially marked products and participate in events or grant programs. In this study other less popular common cause marketing programs carried out in Poland will be presented.

5.1 „Soft Toys for Education campaign"

The program „Soft Toys for Education campaign" has been led since 2003 by Ikea in collaboration with UNICEF. In 2006, the Foundation Save the Children joined the program. It allows children in all Ikea shops throughout the world to draw their dream plush toy that will have the chance to become a reality. On the basis of children's projects the created toys, can later be bought in stores. The action lasts from 10th November until 4th January. At that time, for the sale of each purchased stuffed toy or book Ikea agrees to transfer the amount of 1 euro to support educational programs conducted by UNICEF and Save the Children. Purchased toys can be left in the shop, then they will be delivered to children in medical institutions in Poland

Over the last 12 years, during the program, the IKEA Foundation donated 67 million euros to support 99 projects helping over 11 million children in 46 different countries. These funds have seen an increase of 80% of children who begin primary education, among others in Burkina Faso and in Madagascar. The organization UNICEF distributed 57.5 thousand school starting kits in the poorest regions of these countries. In Bangladesh, Save the Children in collaboration with local NGOs running a project for improving the living conditions of children from Bangladesh. These are just some of the initiatives to be developed within this program, they show that even a little support can mean big changes in the lives of many children. (Ikea Foundation 2015).

5.2 „Lipton plays with the Orchestra"

Cause Related Marketing program, „Lipton plays with the Orchestra" has been carried out since 2013 with the cooperation of Lipton which belongs to the Unilever group and the Great Orchestra of Christmas Charity (GOCC), which is a very famous Polish foundation, which has been operating for 23 years. The action is undertaken from November 15th to the grand final of the Great Orchestra of Christmas Charity, which takes place in early January and is connected to a nationwide fundraising

action for the treatment of children and seniors. At that time, part of the proceeds from the sale of specially designed packages of Lipton, with a distinctive logo GOCC supply the account of the foundation. These activities are supported by an advertising campaign which informs the public about the action. The collected funds are earmarked for implementing the goals of the annual final of GOCC, which are, for example, the purchase of special equipment for pediatric emergency medicine and decent medical care for the elderly (WOSP 2013).

Each finale of the Great Orchestra of Christmas Charity is a huge venture, the foundation tries to raise funds in various ways, including the use of cause related marketing. Cooperation with the company Unilever has proved a good idea. However, it is not known what amount contributed to the account of the foundation of this cooperation, because there is no such information on the website of the foundation. The foundation during the annual collection brings together over 50 million PLN, with these funds equipment is purchased which saves the lives and health of children and the elderly (WOSP 2015).

5.3 „Give health not only of himself"

Since 2012, the Foundation Hasco-Lek in cooperation with Natur Kaps leading Cause Related Marketing program „Give health not only of himself". Since May 2012 3% from the sale of dietary supplements Natur Kaps marked with the campaign logo is transferred to the Foundation Hasco-Lek. These funds are earmarked for the purchase of hearing aids for children, for the purchase of psychological tests for the leading centers of Polish Association of the Deaf, to finance the renovation of a psychological-pedagogical cabinet and for the rehabilitation of children with hearing impairments. The program has collected more than 700 thousand PLN. The action is carried out all year round (CRM Hasco-Lek 2012).

6. CONCLUSIONS

Cause Related Marketing is associated with the concept of Corporate Social Responsibility, which is becoming more popular. Activities management personnel in a socially responsible company should be consistent and every individual in the company should be subordinated to this strategy. CRM is one of the tools of CSR, whose good use and planning can bring us many benefits. Moreover CRM increases the activity of society in implementing social objectives and creates desirable, positive behavior among the population. For businesses, this is an opportunity to improve its image in the eyes of customers, increase brand awareness and to gain a competitive advantage. Thanks to these activities it is possible to form a strong bond with the consumer, and as a result increase the company's market value.

CRM in conclusion is a partnership between a company and a non-profit organization making it possible to gather funds for social purposes. The activities carried out by NGOs in this action more often rely on the support, health and lives of children, the elderly and people in a difficult financial situation. These actions can have a global, nationwide or local range. It depends on the activities carried out by both partners. This is seen in partnership with pet shops and animal shelters or others who help care for them. However, local partnerships are not widely promoted in the media, so it is difficult to obtain information about them. Large organizations can afford to appropriate promotional activities, so that knowledge of the programs conducted by them is readily available.

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