

MEASURING THE EFFECTIVENESS OF CAUSE RELATED MARKETING INITIATIVES

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Abstract:

The present research study is an attempt to understand the cause related marketing initiatives of the select telecom companies. A comparative assessment of the campaigns has been done in terms of time duration, congruence, resource investment and senior management involvement. Furthermore effectiveness of these campaigns has also been studied in terms of their ability to enhance behavioural intentions and brand image. The data has been collected using the field survey method using a structured questionnaire that was pre-tested and personally administered to the target population of individual mobile subscribers. The data was collected using convenience sampling technique. The results indicate that there exists a significant difference between the Cause Related marketing initiatives of the select telecom companies. The analysis further indicated that there is significant variation between the campaigns in terms of behavioural intentions and brand image.

Keywords:

Cause related marketing, congruence, behavioural intentions, brand image, brand cause fit.

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Introduction

Corporate social responsibility (CSR) as a concept has emerged over a period of time and its roots can be seen emerging out of corporate philanthropy. It has surfaced as a tool that delivers immense corporate benefits and as such organizations have been rolling out marketing campaigns and promotions that are based on social dimensions. In line with these trends, the business firms have been undertaking a wide variety of social initiatives ranging from corporate philanthropy, green marketing, Cause Related Marketing etc that intend to protect and improve societal welfare (Luo and Bhattacharaya, 2009).

Cause Related Marketing (CRM) has been described as an initiative wherein there is a commercial marketing partnership between a business and a non-profit entity to market an image, product or service linked to a social cause or issue, for mutual benefit (Perlman & Chang, 2007). According to the IEG Sponsorship report (IEG, 2014), in 2013, corporate cause sponsorship grew by 4.8% to reach \$1.78 billion, whereas the overall sponsorship category was only up by 4.5% in North America. This projection indicates that organizations are spending huge amount and resources in CRM initiatives and as such there is also a need to study the effectiveness of such marketing activities.

Cause Related marketing is widely being implemented in the western nations, but in India very less attention has been given it as a strategic tool. Therefore a much needed study is required in the Indian context so that the benefits of the CRM campaigns can be reaped by the Indian organizations as well.

Telecom companies are now initiating Cause Related Marketing, as a type of CSR activity, for achieving their business as well as social objectives. Operators are now focussing on Strategic CRM initiatives which have the capacity to build sustainable and credible brand. Feeling the pulse of the situation, many telecom companies have initiated Cause Related Marketing campaigns for accomplishing their marketing as well as societal objectives.

The telecom sector is a booming industry in which India has made a mark with the second largest telephone network in the world, only after China. The teledensity has increased from 18.22 per cent in March 2007 to 73.34 per cent as on 31 December 2012 (Economic survey, 2012-13), thus suggesting a phenomenal increase in the telecom services.

In India, the national Telecom Policy -2012, has put special emphasis on adoption of technology that would offer viable options in overcoming developmental challenges in education, health,

employment generation and other basic sectors. These developments are vital as NTP-2012 holds the vision of transforming India into empowered and inclusive knowledge based society, using telecommunications as a platform. Therefore in such a scenario, there exist a lot of opportunities for the Indian telecom operators with a possibility of merging their social objectives with the business objectives.

Therefore in light of the above discussion it has been highlighted that the companies are investing heavily in Cause related marketing initiatives, thus making it mandatory to measure the effectiveness of such initiatives. Furthermore the present study has been undertaken in the Indian telecom sector, as it has a lot of potential for growth. The study brought into light the CRM initiatives in the select telecom companies namely Airtel, Vodafone, Idea and Aircel. The CRM initiatives of these select telecom companies have been studied in depth and the data has been collected and analysed with respect to the campaigns added in the annexure.

Literature review

The research of Brink et. al. (2006) has propounded that tactical and strategic CRM differ on four dimensions: the congruency between the cause and a company's core competency (Precejus and Olsen, 2004), the duration of a campaign (Till and Nowak, 2000), the amount of invested resources (Macleod, 2001), and the degree of senior management involvement (Miller, 2002).

Till and Novak (2000) have suggested that the effectiveness of a CRM program increases with its duration. Companies which consistently support a specific cause can benefit significantly (Welsh, 1999). The next important factor for consideration under CRM is the level of association between firm and cause; such an association is of organizational, product or divisional or brand level. The organizations most often select the cause that is either consistent with the image of the product promoted, characteristics of the product promoted or with the demographics of the target market served by the company. This condition argues for importance of fit between the company and the sponsored cause in a cause-related marketing alliance. Greater fit between company and cause in the Cause Related Marketing alliance leads to a more favorable response to the alliance in the form of a favorable evaluation, either through the process of positive associations developed as a result of partnering with a cause, or through elaboration of the company's public identity based on this association (Gupta and Pirsch, 2006).

Senior management involvement and amount of resources invested in the CRM campaign also are key variables with significant role in effectiveness of CRM. Therefore, while referring to the

management involvement dimension of the approach, it deals with the degree of management support and involvement in the CRM approach (Miller, 2002). Apart from financial means, a company may invest in a CRM program through employee expertise, volunteer work or any other non-monetary alternative.

Along with the increasing popularity of cause related marketing practices, both scholars and practitioners have extensively evaluated cause-related marketing strategies and tactics, and analyzed their impact on consumers' perceptual and behavioural relationship with the sponsoring brand and/or the sponsored cause (e.g., Barone, Miyazaki, and Taylor, 2000; Cone, Feldman, and DaSilva, 2003; Hoefler and Keller, 2002; Sen and Bhattacharya, 2001).

Organizational reap lot of benefits for participating in cause-related marketing initiatives. The major benefits include generating favourable customer attitudes towards the sponsoring firm (Brown and Dacin 1997), increasing favourable purchase intentions towards company brands (Barone, Miyazaki, and Taylor 2000), creating a higher level of visibility for the organization, generating a differentiated image due to the association with social causes and enhancing corporate image (Bronn and Vrioni 2001). Of all the rewards for a company that engages in a cause-related marketing program, however, the key benefit of such initiative continues to be the generation of favourable purchase intent or product choice among the organization's customers (Mohr, Webb, and Harris 2001).

Lichtenstein, Drumwright, and Braig (2004) have provided evidence that consumers' perceptions of corporate social responsibility have a favourable effect on perceptual corporate benefits (e.g., loyalty or emotional attachment) and behavioural corporate benefits (e.g., purchase behaviour) when the consumers' self-concepts are similar to their perceptions of the corporation. Therefore looking at the effectiveness of Cause Related Marketing, the business firms are increasingly adopting the CRM initiatives in their marketing plans. However the program's effectiveness varies from organization to organization. Hence, hypothesis of the study is proposed as follows:

H₁: There exists a significant difference between the effectiveness of the Cause Related Marketing initiatives of the companies under study.

Keeping in view the hypotheses of the study, the following research objectives were set:

1. To compare the Cause Related Marketing initiatives of the companies under study.
2. To compare the effectiveness of the Cause Related Marketing initiatives of the companies under study.

3. To suggest measures to marketers for enhancing the effectiveness of the CRM campaigns.

Research methodology

The present study is exploratory in nature and is based on primary as well as the secondary information. The primary data has been collected using the field survey method. A structured questionnaire was developed, pre-tested and personally administered to the target population of individual mobile subscribers. The questionnaire was based on technique using seven point Likert scale for measuring various variables under study namely: Cause Related Marketing, Behavioral intentions and Brand Image. The data was collected using convenience sampling technique, by collecting responses from 400 mobile users each from three areas of north India viz. Jammu, Delhi and NCR (comprising of Gurgaon, Noida, Gaziabad and Faridabad) from the subscribers of four major telecom players in these areas vis-à-vis: Airtel, Aircel, Vodafone and Idea cellular. The questionnaires were filled personally by interacting with the mobile users of the companies under study. A total of 1200 questionnaires were collected and after preliminary examination, 986 questionnaires were found to be complete and valid that constituted 82.16 % response rate. The sample size was calculated by using the sampling by proportions method with 95 percent confidence interval and margin of error of 5 percent.

Reliability and validity

The primary data collected from the respondents for the study has been tested for reliability and validity. The reliability of the instrument has been tested by measuring the value of Cronbach's alpha coefficient. Further, the data has been checked for content validity, convergent validity and discriminant validity. Convergent validity results have proven that majority of the variables under extracted factors exhibit appropriate consistency ($R > 0.5$).

Data analysis

Analysis of variance (ANOVA) as a statistical tool is used to compare the means of more than two populations. In the present study, the data was subjected to ANOVA test in order to analyze the variation in Cause Related Marketing Campaigns with respect to different telecom companies.

Objective 1: To compare the Cause Related Marketing initiatives of the companies under study.

The table 1 below presents the ANOVA of factors of Cause Related Marketing with respect to four organizations chosen for the study viz, Airtel, Aircel, Idea and Vodafone. It is clear from the significance column that in terms of time, congruence, resources invested by the company and the senior Management Support at least one organization is perceived differently from the rest of the organization.

Table 1: ANOVA: Cause Related Marketing with respect to the organizations

		Sum of Squares	df	Mean Square	F	Sig.
Time duration	Between Groups	34.005	3	11.335	9.296	0.000
	Within Groups	1175.420	964	1.219		
	Total	1209.425	967			
Congruence	Between Groups	64.843	3	21.614	18.429	0.000
	Within Groups	1130.592	964	1.173		
	Total	1195.435	967			
Resources invested by the Company	Between Groups	40.417	3	13.472	9.328	0.000
	Within Groups	1392.261	964	1.444		
	Total	1432.678	967			
Company's Senior Management support	Between Groups	59.736	3	19.912	17.845	0.000
	Within Groups	1075.682	964	1.116		
	Total	1135.417	967			

Source: Authors calculations.

Post hoc Test

Tukey's honestly significance difference (Tukey's HSD) test was used identifies homogeneous subsets of means that are not different from each other at an alpha value of 0.05. Table 2 highlights that statistically customers perceive no difference in the time duration for which the CRM campaigns of Aircel, Airtel and Vodafone have been running. Furthermore the CRM campaigns of these organizations are presumed to be of longer duration as compared to the campaigns promoted by Idea.

Table 2: ANOVA: Tukey's HSD Homogeneous subsets for TIME duration of CRM campaign

Organization	N	Subset for alpha = .05	
		1	2
Idea	162	5.0000	
Vodafone	364		5.3310

Airtel	254		5.5197
Aircel	188		5.5426
Sig.		1.000	0.185
Means for groups in homogeneous subsets are displayed.			
a Uses Harmonic Mean Sample Size = 220.067			

Source: Authors calculations.

In terms of congruence, resources and senior management support in CRM campaign, Vodafone and Airtel are perceived as having higher degree of congruence, resources and senior management support as compared to Aircel and Idea (Table 3, 4 and 5 below).

Table 3: ANOVA: Tukey's HSD Homogeneous subsets for CONGRUENCE in CRM campaign

Organization	N	Subset for alpha = .05	
		1	2
Idea	162	4.7185	
Aircel	188	4.7596	
Airtel	254		5.2087
Vodafone	364		5.3154
Sig.		0.979	0.730
Means for groups in homogeneous subsets are displayed.			
a Uses Harmonic Mean Sample Size = 220.067			

Source: Authors calculations.

Table 4: ANOVA: Tukey's HSD Homogeneous subsets for RESOURCES invested in CRM campaign

Organization	N	Subset for alpha = .05	
		1	2
Aircel	188	4.7766	
Idea	162	4.7963	
Vodafone	364		5.1223
Airtel	254		5.2854
Sig.		0.998	0.484
Means for groups in homogeneous subsets are displayed.			
a Uses Harmonic Mean Sample Size = 220.067			

Source: Authors calculations.

Table 5: ANOVA: Tukey’s HSD Homogeneous subsets for senior Management SUPPORT in CRM campaign

Organization	N	Subset for alpha = .05	
		1	2
Idea	162	4.8807	
Aircel	188	5.0319	
Airtel	254		5.4003
Vodafone	364		5.5064
Sig.		0.437	0.718
Means for groups in homogeneous subsets are displayed.			
a Uses Harmonic Mean Sample Size = 220.067			

Source: Authors calculations.

Objective 2: To compare the effectiveness of the Cause Related Marketing initiatives of the companies under study.

The effectiveness of the Cause Related Marketing initiatives has been assessed due to the fact that earlier the researchers have suggested a clear impact of Cause Related Marketing on enhancing Brand image (Schiller 1988; Fombrun and Shanley 1990; Larson 1994; Meyer 1999; Bronn and Vrioni 2001) and generation of favourable purchase intent or product choice among the organization’s customers (Shell 1989; Lawrence 1993; Mohr, Webb, and Harris 2001).

The following table 6 reflects the effectiveness of the Cause Related Marketing campaigns by depicting the analysis of variance among the customers of the select organizations regarding behavioural intentions and brand image. It is clear from the p value (significance column) that there is significant variation between the groups in terms of behavioural intentions and brand image with respect to different organizations viz, Airtel, Aircel, Idea and Vodafone. The significant difference among the groups signals the application of Post hoc test that would help in identifying the homogeneous subsets of the organizations.

Table 6: ANOVA: CRM effectiveness with respect to the organizations

		Sum of Squares	Df	Mean Square	F	Sig.
Behavioural Intentions	Between Groups	29.480	3	9.827	7.155	0.000
	Within Groups	1323.890	964	1.373		
	Total	1353.370	967			
	Between Groups	68.207	3	22.736	20.498	0.000

Brand	Within Groups	1069.246	964	1.109		
Image	Total	1137.454	967			

Source: Authors calculations.

Post hoc Test

It is very much clear from the table 7 that the customers have higher behavioural intentions for Vodafone and Airtel as compared to Aircel and Idea.

Table 7: ANOVA: Tukey's HSD Homogeneous subsets for Behavioural Intentions

Company	N	Subset for alpha = .05	
		1	2
Idea	162	4.8909	
Aircel	188	4.8936	
Airtel	254		5.1929
Vodafone	364		5.2857
Sig.		1.000	0.840
Means for groups in homogeneous subsets are displayed.			
a. Uses Harmonic Mean Sample Size = 220.067.			

Source: Authors calculations.

From the table 8 it can be understood that the Vodafone and Airtel have been able to attain a higher brand image in the market as compared to Aircel and Idea.

Table 8: ANOVA: Tukey's HSD Homogeneous subsets for Brand Image

Company	N	Subset for alpha = .05	
		1	2
Idea	162	4.8292	
Aircel	188	4.9255	
Airtel	254		5.3530
Vodafone	364		5.4698
Sig.		0.773	0.650
Means for groups in homogeneous subsets are displayed.			
a. Uses Harmonic Mean Sample Size = 220.067.			

Source: Authors calculations.

Thus it is evident from the analysis of variance that Vodafone and Airtel both have been able to generate enhanced brand image and further manage to have higher behavioural intentions that reflects positive attitude towards the organization as well as higher purchase intentions.

Hypothesis testing

The analysis reflect that there is significant difference between the effectiveness of the Cause Related Marketing initiatives of the companies under study. Furthermore it has been analysed that there exists a significant difference between Cause Related Marketing campaigns of different companies in terms of behavioural intentions and brand image with respect to different organizations viz, Airtel, Aircel, Idea and Vodafone.

It is clear from the p value that there is significant variation between the groups in terms of behavioural intentions and brand image with respect to different organizations viz, Airtel, Aircel, Idea and Vodafone. Analysis indicates that the customers have higher behavioural intentions for Vodafone and Airtel as compared to Aircel and Vodafone. From the table 8 it can be understood that the Vodafone and Airtel have also been able to attain a higher brand image in the market as compared to Aircel and Idea.

Hence, **H₁ accepted.**

Conclusion

The present study has under taken Cause Related Marketing initiatives of the select telecom companies operating in North India. The telecom companies under study have whole heartedly undertaken the CRM initiatives as they are seen as a new marketing tool for generating positive customer response. Through these campaigns, each organization has tried to link itself with a social cause to fulfil its societal as well as marketing obligations. All the companies have tried to well knit the campaigns with the key dimensions – time duration, congruence, resource investment and senior management support, for making them effective in generating higher behavioural intentions and brand image.

It is concluded from the data analysis that there exists a significant difference between the Cause Related Marketing initiatives of the select telecom companies with respect to its time duration, congruence, resources invested and the senior management involvement. On the basis of time duration, the mobile subscribers perceive difference between the cause campaign of Idea cellular and rest of three telecom companies. The campaigns of Airtel, Aircel and Vodafone, in terms of time duration, are presumed to be of longer duration as compared to the campaigns promoted by Idea. The analysis is supported by the fact that Idea cellular is promoting its services by constantly coming up with new social causes varying from saving paper, no language barrier, and education for all and so on and so forth. And all such campaigns have been short lived.

Further in terms of congruence, resources invested and senior management support in CRM campaign, Vodafone and Airtel are perceived better as compared to Aircel and Idea. The results of this analysis is supported by the fact that the Airtel's "Delhi half marathon run" campaign and Vodafone's "Sanchar Shakti" campaign have been able to generate a fit between the cause and the telecom services. Furthermore these campaigns had been very well supported by the visible and enthusiastic involvement of their employees as well as senior management people.

Further, the analysis has also clearly shown that the CRM initiatives of the select telecom companies have been effective, as these campaigns have been able to generate higher behavioural intentions and enhanced brand image. The analysis is indicative of the fact that these CRM campaigns had helped the telecom companies in meeting their marketing objective in the form of generating positive attitude, enhancing purchase intentions and building image of the company.

In line with this, the ANOVA analysis has pointed out that customers of Airtel and Vodafone have higher behaviour intentions and brand image perception. Comparatively lower behavioural intentions and brand image perceptions in case of Idea and Aircel can be contributed to the fact that their CRM initiatives are deficient in terms of congruence, resources invested and senior management support.

Suggestions

- Time duration of the CRM campaign is one of the important factor to be considered. And it has been seen that the CRM campaign of Idea cellular was a short lived campaign. Thus Idea cellular can focus on making the campaigns that run for a longer period to make them more effective.
- Aircel and Idea cellular need to focus on building congruence in their CRM campaigns by choosing the causes that are consistent to their brand as well as to the telecom services. The brand cause fit has to be focussed on.
- Again the CRM campaigns of Aircel and Idea cellular were lagging behind the campaigns of Airtel and Vodafone in terms of resource investment and senior management involvement. The CRM campaigns must be centrally organised with visible and enthusiastic employee participation. More commitment can be given to these campaigns by forming employee teams that work for the cause at grass root level. Employee voluntary participation can be encouraged along with investing monetary funds to the cause supported. Visibility and

participation of CEO's or senior management at the launch or certain intervals of the campaign can increase the credibility of the campaign and thus make it more effective.

- The telecom companies must look at CRM campaigns as business investments as these have the capability of generating ROI (return on investment) in the form of enhanced behavioural intentions and brand image.

Limitations of the study

- Data was collected using survey method that may have included errors. Although the questionnaires were personally administered by explaining the things to the respondents. But error due to misunderstanding or data entry can't be ruled out.
- As the data was collected from select Northern India cities, therefore the results may vary.
- Low level of awareness regarding the cause campaigns of the companies may have a bearing on the results of the study.

Research contribution

A number of research studies have been undertaken across the globe to understand the effectiveness of cause related marketing campaigns, but very less research exists that deliberates in depth the Cause related marketing initiatives of the telecom companies of India.

The importance of this study is also highlighted from the fact that none of the previous researchers have studied Cause related marketing as a strategic tool in the global telecom industry. However, most of the researchers have talked about corporate social responsibility in the telecom industry, but none has focused on Cause related marketing as a tool to communicate CSR to the consumers.

In India, Cause related marketing is in infancy stage and very less work has been done so far. As what little bit has been done has been focused mostly in the fast moving consumer goods sector. So it is one of the initial Cause related marketing study that is being undertaken in Indian telecom industry. As the Indian telecom industry is facing a high growth along with stiff competition, this study would help the industry to get an insight on using Cause related marketing as a strategic tool for gaining competitive advantage for long term sustainability.

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Annexure

Cause related Marketing campaigns of the select telecom companies

Brand “AIRTEL” supporting “Child Education” cause



- Airtel’s Delhi Half Marathon (November 2011).
- The Airtel Delhi Half Marathon created an excellent platform to bring together corporate, NGOs, individuals, employees and students of schools and colleges.
- It created a perfect space for Bharti Foundation to drive awareness about the Satya Bharti School Programme
- Bharti Foundation raised 60 Lakhs for education initiative.
- 78 NGO’s registered for the event to support various causes
- 3.30 crores raised.

Brand “VODAFONE” & Cause “Women empowerment”



- VODAFONE along with DOT - Sanchar Shakti Program
- The President of India launches 'Sanchar Shakti' - To empower rural women through mobile connectivity.
- Vodafone initiated this to benefit around 2500 women across 80 villages of Andhra Pradesh.
- The execution is in partnership with an NGO - Ankuram Sangamam Poram (ASP).
- Project Categories:

- a) Provision of mobile VAS subscription
- b) Setting up of mobile repair centers in rural areas
- c) Setting up of modem repair centers in rural areas
- d) Setting up of solar based mobile charging centers in rural areas.

Brand “**IDEA**” & Cause “**Population control**”



The new ad from Idea Cellular
Click on the image to play

- IDEA CELLULAR’s ‘3 G pe Busy’ campaign.
- Campaign message - ‘No Aabaadi, No Barbaadi’ because people will be ‘3G pe Busy’.
- Idea promoting the issue of population explosion.
- Idea Cellular has been continuously promoting social causes.
 - 2008 - “Voice of people” & “Education for all”
- 2009 - “ walk when you talk”
- 2010 - “ Go green” & “Breaking language barrier”
- 2011- “Keep Cricket clean”.

Brand “**AIRCEL**” supporting “**Wildlife preservation**” cause



- **Aircel's - "Save Our Tigers" campaign**
- Aircel, along with the World Wildlife Fund, kicked off the campaign in 2008.
- A pan-India campaign on TV, Outdoor and digital Tagline with tagline “Just 1411 Left” .
- Aircel along with NDTV, held the 1st and 2nd Save Our Tigers Telethon in 2010 and 2012. Besides the large awareness that it created, over Rs 10 Cr was donated by the public to work on Tiger conservation.
- Aircel invited sixteen of India's leading to paint for the cause. Their paintings were auctioned at an event in Delhi to raise funds and create awareness amongst the elite in Delhi.
- Raised Rs 50 million as donation for the cause.
- Funds collected are being used to provide Rapid Response Units [RRU] to equip and train Forest Departments to respond during emergency situations like man-animal conflict, anti-poaching patrolling, fire-fighting among others.