

# Emergence of Cause Marketing Strategy: New Consumer Behaviour Paradigm

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## **ABSTARCT**

The pandemic has demonstrated that the world requires more time to recover, and nothing will return to the way it was before. In a world of isolation and solitary existence, people increasingly relied on the digital realm. The challenges faced by consumers have led to a shift in their purchasing behavior after the lockdown. Every aspect, including attitudes, preferences, purchasing channels, and post-purchase behavior, has transformed. Many companies have revisited their marketing strategies during the pandemic. From a strategic perspective, investment in Cause Related Marketing during this period is seen not only as an additional cost but also as a way for organizations to remain profitable in a highly competitive business environment. Consequently, every organization today is aiming to incorporate a Cause Related Marketing strategy into their marketing plans. This research aims to assess various Cause Related Marketing campaigns that illustrate how companies made efforts to demonstrate their commitment to society while also focusing on their survival amid the stillness of the world. The study further examines how companies restructured their marketing strategies to align with the evolving buying behaviors of consumers. It also seeks to explore how changing consumer preferences led to an increased demand for numerous products. The fundamental reason for companies to adopt Cause Related Marketing campaigns was their recognition that the pandemic presented an appropriate opportunity to emotionally connect with their customers while pragmatically setting aside the primary objective of profit-making, given that the pandemic posed significant challenges for many organizations.

**Keywords:** Pandemic, Cause Related Marketing strategy, buying behaviors, consumer preferences, profit-making.

## **Introduction**

In the past, organizations focused more on their production processes, prioritizing bulk production. However, when they began to accumulate large amounts of stock, it became clear that product quality was far more crucial. With this realization, they started conducting marketing surveys to better understand customer needs. Nowadays, organizations can no longer simply produce whatever they choose; customers now hold them accountable for how effectively they respond to those in need. The approach of merely manufacturing what customers want has shifted to focusing on the societal benefits of purchased products, which is what consumers value today.

Following the pandemic's significant economic downturn, marketing has emerged as a simple yet powerful strategy for many organizations to rapidly engage with a large portion of their target audience. Cause Marketing has aided numerous companies in enhancing brand recognition and fostering brand loyalty. Consumers cannot be left to feel isolated after purchasing goods or services; instead, it's

essential to maintain ongoing communication with customers in ways that are advantageous for both parties while addressing community needs. Organizations with a global presence must identify the most effective strategies for implementing Cause Marketing efficiently.

### **Cause Marketing**

Cause marketing is a form of marketing that involves collaboration between a for-profit company and a non-profit organization for their mutual advantage. Successful businesses often serve as examples for other organizations and the broader community by demonstrating a commitment to corporate responsibility, which encompasses three key elements:

- Operating a thriving business.
- Upholding ethical practices throughout their operations.
- Working towards societal improvement.

Cause marketing, also known as cause-related marketing, refers to the collaborative initiatives between profit-driven and non-profit entities aimed at mutual gains. It includes a wide range of commercial activities that connect a business or brand with a cause to create both business and societal advantages. Cause marketing can be described as a potentially profitable venture undertaken by a for-profit organization or brand to enhance awareness, raise funds, or foster consumer participation in social or environmental issues.

'Cause marketing' should not be confused with 'corporate philanthropy'—which is the act of donating (without expecting direct benefits in return) to charitable causes through financial contributions or resources made by companies.

'Cause marketing' differs from 'corporate social responsibility'—which involves conducting business in a way that considers its social and environmental effects, aiming to take responsibility for its actions and foster a positive influence through its operations on consumers, employees, the environment, local communities, stakeholders, and the general public.

'Cause marketing' is distinct from 'social marketing' as the latter involves the application of marketing strategies by non-profit and public organizations to influence social behaviors, such as anti-smoking campaigns, pollution prevention, and drug avoidance.

### **Literature Review**

**Angela M. Eikenberry (2009)** conducted an analysis to evaluate whether companies genuinely support philanthropic efforts without imposing significant burdens on their customers. The researcher argues that while cause marketing serves dual important roles—generating profits for the business and contributing to charity—it carries potential long-term hidden costs that overshadow short-term benefits. These hidden costs may manifest as offering individual solutions to collective issues and obscuring the ways in which these companies contribute to social problems initially, which can result in impulsive purchasing behavior among consumers. By examining various case studies, such as Endangered Species Chocolate and the Product Red campaign, Eikenberry demonstrates that these initiatives, referred to as consumption philanthropy, are inadequate for fostering true social change.

**Francisca Farache et al. (2008)** conducted a study on consumer perceptions of cause-related marketing and partnerships between companies and nonprofit organizations. The researchers discovered that consumers generally hold a more favorable view of companies engaged in charitable work than those that are not, although they recognize that these companies also derive benefits from their contributions.

Additionally, the study revealed that consumers primarily prefer to support causes associated with children, noting that a company's connection to a cause significantly impacts consumer attitudes toward that specific cause. Consumers expressed a willingness to spend more on products linked to charities, especially when companies actively promote awareness of their efforts. The findings indicated that the alignment between cause attributes and consumer values can greatly influence corporate image.

**Christoffer Nilsson et al. (2007)** investigated the strategies employed by companies in cause marketing, the execution of various cause marketing initiatives, and the timeframe associated with these programs. They utilized a qualitative case study approach, collecting data through telephone interviews with participants from retail chains in Sweden. The researchers emphasized that an effective collaboration between the company, its objectives, and the cause it supports is a crucial guideline to adhere to rather than merely focusing on market positioning. Furthermore, fostering collaboration with customers is considered an optimal strategy, as modern marketing efforts are increasingly customer-centric. They also highlighted that companies should pursue limited yet broad programs through a multi-phase approach specifically tailored to the products or services they aim to offer.

**Laurentiu Dan Anghe and colleagues (2007)** explored how cause marketing attracts new customers, boosts the sales of products and services, builds a positive brand image, and raises funds for social causes. Their research emphasized that as technology advances, information can be communicated to customers more efficiently and rapidly. Customers tend to trust companies that maintain continuous, transparent, and sincere communication; therefore, organizations aiming to achieve competitive advantage and contribute to the sustainable development of society should engage in corporate social responsibility to secure long-term success. The study primarily recommended that organizations participate in more cause marketing initiatives, as effectively communicating these campaigns can enhance the company's image.

**Paul N. and colleagues (2007)** identified the most effective way for companies to balance their marketing efforts between general marketing and cause marketing. Utilizing conjoint analysis, their research demonstrated that cause marketing can yield the best return on investment, and positive exposure to a well-conceived cause marketing promotional initiative can evoke more favorable sentiments towards the brand in customers' minds. Additionally, the study indicated that cause marketing enables companies to establish a unique identity in a competitive marketplace.

**Hae Joo Kim and team (2005)** discussed the potential negative impacts of cause-related marketing, which may arise from the fact that the same companies contributing to a cause are also the ones responsible for it. Their research illustrated how cause marketing can adversely affect brand perception from the customers' perspective when there is a connection between the cause and the product's risk. The researchers conducted an experimental study in the food industry, investigating a company that participated in the fight against obesity, revealing partial support for their hypothesis that cause marketing could negatively impact brand image. This study affirmed the idea that a company's credibility can foster a more positive attitude towards the brand, in addition to the effects of cause marketing.

### **Objectives of Cause Marketing**

The goals of cause marketing differ between non-profit and for-profit organizations.

For non-profit organizations, the goals of cause marketing include:

- Securing funding

- Increasing public awareness
  - Expanding their services and programs.
- For for-profit organizations, the goals of cause marketing are:

- To boost brand visibility.
- To improve public relations outcomes.
- To drive higher sales.
- To generate more profits/revenue.
- To enhance customer loyalty to the brand.
- To elevate corporate reputation.
- To appease customer groups and encourage repeat buying.
- To access new market segments and geographical areas.

### **Pandemic challenges to business organizations**

As a result of the pandemic, numerous countries implemented quarantines and social distancing measures to curb the spread of the virus. The initial significant impact of the pandemic was on the economy, causing all business operations to come to a standstill. The International Monetary Fund, World Bank, and various global institutions predicted a decline in growth during this time. Many sectors, including tourism, aviation, textiles, manufacturing, transportation, furniture, and appliances, faced severe repercussions. Additionally, even after the lifting of restrictions, hotel and theater occupancy rates did not recover to previous levels.

The primary challenges posed by the pandemic presented organizations with several critical questions, such as:

1. How can prospective customers be identified during this time?
2. How can customers be reached during the lockdown?
3. Do customers still genuinely require the products offered by the organization during this period?
4. How can brands maintain their presence during the pandemic?
5. How should organizations navigate the competitive landscape during the pandemic?
6. Is there a necessity to develop new products that align with the current reality?
7. Have customers' spending habits shifted entirely during and after the pandemic?
8. What innovative methods can be used to engage with customers during the pandemic?
9. How are various government subsidies impacting organizations during this pandemic era?
10. How can brands support community wellness?
11. How can organizations keep pace with customer engagement until reopening?
12. Who are the key endorsers that should be focused on during the pandemic?
13. What types of promotional activities should be implemented to foster positivity and a good cause?

### **Strategies adopted during the pandemic**

Organizations during the pandemic must acknowledge the circumstances and continuously embody positive values that will maintain engagement with customers and the community. Below are a few strategies that have been implemented:

1. **Social Media:** Utilizing various platforms such as Instagram, Twitter, and Facebook to connect with customers and assist those in need. For instance, many individuals circulated contact information and addresses of those requiring daily essentials when they were unable to leave their homes.

2. **Use of Influencers:** Numerous media influencers emerged during this time, offering help to countless individuals. Organizations began partnering with social media influencers to promote their products.
3. **Promotional Devices:** Employing giveaways to engage customers during these challenging times. For example, many companies provided gift cards to frontline and healthcare workers, which helped foster customer goodwill and loyalty.
4. **Commercial Co-Ventures:** Millions affected by the pandemic sought assistance, prompting many to unite in their efforts to reach those in need by collaborating with companies.
5. **Addressing Consumer Concerns:** Proactively reaching out to potential or loyal customers to alleviate their worries and encourage them to overcome their purchasing anxieties by assuring them that all safety precautions were being followed.

### **Cause Marketing Campaigns amid the Pandemic**

The Covid-19 pandemic has led to numerous transformations in marketing strategies today. Organizations have had to rethink and reassess their marketing efforts, including advertising, promotions, and financing, in light of these changes. Many companies are currently striving to find the appropriate tone during this global health crisis while also looking to adjust their marketing approaches to cope with heightened competition and innovative strategies in the future.

An examination of various companies and their Cause Marketing Campaigns is outlined below:

1. **Halo:** The Halo video game franchise, affiliated with Xbox, contributed a significant amount to the Corona relief fund from the proceeds of sales generated from their merchandise. During the lockdown, they provided virtual access for sports enthusiasts to purchase T-shirts and other gear, ultimately donating a substantial \$450 million to the Global Pandemic fund.
2. **Casetify:** With a rising demand for health-conscious options during the spread of the virus, Casetify, a company that sells mobile cases, seized the opportunity to offer a UV phone sanitizer for disinfecting phones. They also pledged to donate all profits from the initial sales of the new device to Covid-19 relief efforts.
3. **Away:** The travel and tourism industry faced severe challenges due to the pandemic. Away, a manufacturer of unique luggage designs, aimed to maintain customer connection despite the travel restrictions. They contributed all their earnings to the Pandemic fund, focusing on self-care and promoting wellness through the creation of personal health kits.
4. **Nike:** A prominent brand in the sports equipment and footwear sector, Nike adopted innovative manufacturing practices during the pandemic by collaborating with health professionals from Oregon Health and Science University to address the urgent need for manufacturing large quantities of PPE kits.
5. **Cottonelle:** As one of the world's leading producers of toilet paper, Cottonelle sought to alleviate consumer buying concerns by sending a clear message. They utilized social media to promote their hashtag, ShareASquare, pledging to donate one dollar for each use of the hashtag, in partnership with a U.S.-based charity. Additionally, they contributed one million dollars along with one million rolls of toilet paper to the global pandemic relief efforts, promoting their slogan about the kindness of their consumers.
6. **McDonald's:** In response to heightened health concerns post-pandemic, McDonald's implemented new safety protocols, such as temperature checks for employees. They positioned themselves as a



community wellness partner during the pandemic, emphasizing their commitment to food preparation quality and cleanliness.

7. **Ford:** A leading automobile manufacturer for over a decade, Ford emphasized in their advertisements how they have previously responded to emergencies, such as producing military equipment during wartime. By referencing their historical commitment, they assured consumers of their dedication during the pandemic crisis by also manufacturing medical equipment. Furthermore, the company introduced flexible payment options and deferred payment plans to support consumers during challenging financial times.
8. **Walgreens:** As the largest manufacturer of pharmaceutical products, it has been one of the most trusted companies in the U.S. healthcare sector. During the Covid-19 pandemic, the organization initiated virtual sessions with health experts to address customer inquiries related to the virus. They also informed customers about safe delivery options for their medications and offered virtual consultations during the challenging time when many were unable to leave their homes.
9. **Ikea:** While countless individuals were confined at home during the pandemic, many were struggling to find ways to pass the time. To show solidarity with their customers during these lonely days, the company encouraged them to create fun and heartwarming videos showcasing their homes and the cherished memories made during lockdown, aiming to restore hope and maintain a connection with their community.
10. **Burger King:** The food and restaurant industry was among the hardest hit after tourism, with many people reluctant to dine out for an extended period due to fears of Covid-19 transmission. Additionally, numerous individuals lost their jobs and could barely afford a meal. In response, Burger King pledged to provide an extra complimentary meal for children with every adult meal purchased online. The company also participated in the production and donation of face masks.
11. **Starbucks:** Throughout the pandemic, economic activity slowed and unemployment surged. Many individuals had to work exceedingly hard just to earn a single rupee. In light of these struggles, Starbucks, like several loan-providing institutions, extended the expiration date for customers' star loyalty points. The organization additionally donated three million dollars to support efforts against the pandemic.
12. **Apple:** As one of the wealthiest companies, it has donated over ten million face masks to healthcare workers in the U.S. and Europe. Moreover, the company has contributed fifteen million dollars to communities affected by the virus. They have actively engaged their employees in making contributions to pandemic relief funds and provided essential health supplies to healthcare professionals during this time.
13. **Dove:** The brand has previously engaged in Cause Marketing through its real beauty campaigns. During the pandemic, it vividly showcased the intimate realities faced by health workers, depicting the tremendous challenges they encountered. It conveyed gratitude to healthcare professionals with the slogan "courage is beautiful."
14. **Uber:** For a company, it's challenging to communicate something that contradicts their own interests. Uber implemented a reverse marketing strategy infused with elements of Cause Marketing. In a gesture of kindness, the company encouraged people not to use their service. Their intention was to demonstrate that their concern extends beyond profits; they genuinely care about their customers. They sent a sincere message thanking individuals for not riding with them and for prioritizing their safety during the pandemic.

**15. BrewDog:** This well-known brewery decided to utilize its resources to address urgent needs during the pandemic. Recognizing the global shortage of hand sanitizers, they began producing sanitizers using alcohol as a key ingredient and distributing them free of charge to frontline and healthcare workers. This commendable initiative has been adopted by numerous other leading alcoholic brands worldwide as well.

### Suggestions

Numerous organizations demonstrated their ability to maintain their brand reputation by offering support to many individuals in the community during the Covid pandemic. Cause Marketing allowed these organizations to connect with their audience in a distinctive manner. While Cause Marketing has proven effective as a marketing strategy, it is wise for each organization to thoroughly evaluate the non-profit partners they choose to collaborate with, as associating with the wrong organization could tarnish the reputation of others.

### Conclusion

The pandemic resulted in a significant stillness across the nation, affecting every sector of businesses. The economy experienced a profound downturn. Nonetheless, many organizations viewed this as a chance for customer acquisition. There was a surge in the utilization of online platforms, enabling companies to gather new customer data. With this information, more tailored offers were created to fulfill customers' expectations. Numerous organizations took the opportunity to critically assess their capabilities and enhance their profitability. Adapting their products to provide assistance during this challenging period was essential for every company during the pandemic. Communication played a crucial role in promoting and implementing cause marketing initiatives throughout the pandemic.

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