

# Effectiveness of Cause Marketing in Boosting Sales

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***Abstract- Cause-related marketing is an effective way for organizations to support causes that are important to their customers while simultaneously raising their own public profile. It helps organizations fulfil their obligations in corporate social responsibility and demonstrates strong ethics to customers. Understanding this type of marketing and how to use it to increase brand visibility helps you develop as a marketing professional. In this article, we explore what cause marketing is, what its primary advantages and disadvantages are and how to build a marketing campaign around a cause.***

***Indexed Terms- cause-related marketing; consumer behavior; loyalty; corporate social responsibility; corporate communications; structural equation modelling***

## I. INTRODUCTION

Cause Related Marketing (CRM) is a marketing approach where businesses align themselves with specific social causes or charitable organizations. This partnership aims to create mutual benefits for both the company and the chosen cause. By integrating social responsibility into their marketing efforts, businesses can enhance their brand image, increase customer loyalty, and drive sales while supporting meaningful causes.

Cause-related marketing is a type of marketing where organizations partner with non-profits and charities to support a good cause while raising their public profile. It's a collaborative type of marketing that relies on mutual input from both the profitable organization and the non-profit organization. The acting business conducts a marketing campaign that supports the cause and usually donates a percentage of profits to the cause. In return, the non-profit promotes the business and the campaign, which increases the brand's visibility.

Cause-related marketing often has positive results for both the acting business and the non-profit taking part in the campaign. These campaigns often lead to increased sales because customers are more willing to spend money on purchases if some of the proceeds are going to a good cause. Some businesses may donate profits or products to the cause, while other organizations invest in marketing campaigns designed to raise awareness and visibility for the cause.

For example, Starbucks' Red Cup campaign supports various charitable causes during the holiday season. The company encourages customers to purchase products in special red cups, with a portion of the proceeds going to nonprofit partners. This campaign has successfully raised funds and awareness for numerous causes. To raise funds and awareness for World AIDS Day, Starbucks teamed up with RED. They pledged to donate 10 cents for every red cup sold in their Canadian and US stores and ended up raising over \$12 million in total.

Cadbury collaborated with Age UK to fight against ageism and loneliness in elderly people by encouraging people to reach out to older people in their personal lives and those they encounter on a daily basis on public transport and other spaces.



Moore and Rodgers showed that skepticism toward advertisements is lower in the print media (newspapers and magazines) and greater in the new internet-based media. Furthermore, consumers are very skeptical about the credibility of online social networking sites

advertising, and the industry trends emphasize the Internet's lack of credibility as an advertising medium.

Wang, H.; Tong, L.; Takeuchi, R.; George (2016) Consumers not only want quality products and services at a lower price, but they also want them to be produced and sold in an environmentally friendly way that follows ethical standards.

Ellen, P.S.; Webb, D.J.; Mohr, L. A (2006) Companies are considered more expert and their products of higher quality when they have a firm commitment to carry out social actions.

**Steps to Implement Cause-Marketing into your Brand Strategy**

**Define Your Cause:** Identify a cause that aligns with your brand values and resonates with your target audience. Consider issues that are relevant to your industry and meaningful to your customers.

**Partnership Selection:** Choose reputable nonprofit organizations or environmental groups to partner with. Ensure that their mission aligns with yours and that they have a track record of impactful work.

**Campaign Development:** Develop a creative and compelling campaign that highlights the cause and engages your audience. Consider incorporating storytelling, interactive elements, and social media to maximize reach and impact.

**Transparency and Authenticity:** Be transparent about your motives and actions. Communicate clearly how your campaign will support the cause and how consumers can get involved. Authenticity is key to building trust and credibility with your audience.

**Measurement and Evaluation:** Set measurable goals for your campaign, such as funds raised, awareness generated, or social media engagement. Track progress and evaluate the impact of your efforts to make informed decisions for future campaigns.

**Integration with Brand Strategy:** Integrate cause marketing seamlessly into your overall brand strategy and marketing efforts. Ensure consistency in messaging and branding across all channels to reinforce your commitment to the cause.

**Employee Engagement:** Involve your employees in the cause marketing campaign to enhance internal buy-in and engagement. Encourage staff participation in volunteer activities or fundraising events to strengthen your company's commitment to social responsibility.

The Body Shop's Bio-Bridges program is an exemplary cause marketing campaign aimed at environmental conservation. Through this initiative, for every purchase of selected products, The Body Shop pledges to restore one square meter of habitat in partnership with conservation organizations. This campaign not only aligns with The Body Shop's brand values of sustainability and ethical sourcing but also actively engages consumers in environmental activism. By transparently communicating the impact of each purchase on habitat restoration, The Body Shop fosters a sense of connection and purpose among its customers. As a result, this campaign has not only enhanced The Body Shop's brand reputation but also contributed to a significant increase in sales. According to internal reports, sales of products included in the Bio-Bridges program increased by 25% compared to the previous year, indicating a strong resonance with environmentally conscious consumers.

### Types of Cause Marketing

Cause marketing has evolved over the years, adapting to the changing needs of society and the increasing demand from consumers for businesses to play a role in addressing social and environmental issues. As a result, various types of cause marketing strategies have emerged, each with its unique approach and benefits. Here's a deeper dive into the different types:

#### Transaction-Based Campaigns:

This is one of the most common forms of cause marketing. For every purchase of a specific product or service, a company pledges to donate a certain amount or percentage to a designated cause.

#### Licensing Campaigns:

In this model, non-profit organizations allow companies to use their logos, names, or branding in exchange for a fee or a portion of the sales from the promoted product. The Pink Ribbon symbol,

representing breast cancer awareness, is licensed to various companies, and a portion of the sales from products bearing the symbol goes towards breast cancer research.

#### Message Promotion:

Here, companies collaborate with non-profits to amplify a specific message or awareness campaign. While there might not be a direct ask for donations, the primary goal is to raise awareness and educate the public. Dove's partnership with various organizations to promote body positivity and self-esteem among women and girls.

#### Employee Engagement:

Companies motivate their employees to get involved in charitable activities, either through volunteering, fundraising, or direct donations. Often, companies will match employee contributions or provide incentives for volunteer hours. Microsoft's Employee Giving Program matches employee donations and provides grants to organizations where employees volunteer.

#### Sponsorships:

Businesses provide financial backing for a non-profit's event, program, or initiative. In return, they receive publicity and association with the cause, often through branding opportunities at the event or in promotional materials. Johnson Tiles partnered with the NGO Enable India to build red ramps in public spaces across India. Red ramps are designed to be more visible to people with visual impairments, and they help to make it easier for them to navigate their surroundings.

#### Cause-Related Products:

Companies create specific products where a portion of the sales or profits are directed towards a cause. These products are often co-branded with the non-profit or carry a special design signifying the partnership.

#### Joint Fundraising:

Both the company and the non-profit collaborate to raise funds together. This can be through events, online campaigns, or other fundraising initiatives. Ariel India in 2015 was launched a campaign to challenge gender stereotypes about household chores. Ariel partnered with the NGO Plan India to raise awareness about the issue of gender inequality. The

campaign was a huge success, and it helped to change the way people think about household chores.

Types of cause marketing companies can engage in A brand can incorporate cause marketing to promote itself through the following means:

**Sponsorship** - This is when a business funds a charity event or a program on behalf of an NGO.

**Licensing** - A business uses a charity's intellectual property, such as a logo, on its products and marketing materials. Learn more about brand licensing here.

**Advertising** - A business aligns itself to a cause and effectively communicates that message to its target audience using marketing

**Purchase related donations** - A business pledges a certain amount or percentage of sales to charity

**Direct marketing** - A for-profit and non-profit organization collaborate to raise funds and awareness

**Facilitated giving** - A brand gives donations from itself or customers to a charity

**Employee engagement** - Ask employees to volunteer for charity and use the photos, videos, and written content to promote it on and offline

#### Benefits of cause-related marketing

##### Increased Sales

It's no surprise that consumers are often more willing to buy from companies that support or promote a cause they're passionate about. If you position your brand as an avid supporter of a particular cause, then you can expect that other supporters of that cause will be motivated to do business with you — and even purchase your products or services at a premium rate. For the customer, it justifies their purchases, knowing their proceeds are going to an important cause or towards a business that supports a particular cause.

##### 2. Enhanced Brand Reputation

The public typically views companies committed to social and environmental issues in a more positive light vs. companies that are not. When your brand is associated with a good cause, people are more inclined to purchase your products or use your services, feeling

good about the purchase they made. Cause marketing is an excellent way to boost your brand's reputation in the local community, regionally, and even nationally.

### 3. Customer Loyalty

Supporting a specific cause may not be the primary reason why customers stay loyal to your brand. But it certainly is a key factor in their decision-making. Buyers are much more likely to stick with a company that supports causes they care about. They will see your business supports meaningful causes and want to continue business with you continually.

### 4. Employee Engagement

Marketers reputation and values matter in terms of employee engagement. Interestingly, 67% of men and 86% of women would refuse to join a company with a bad reputation, according to one survey. On the other hand, a good brand reputation attracts top talent. When employees come to work every day knowing that their efforts are helping make a positive impact in the world, they're more productive, happier, and less likely to leave for another job. This creates a happy and healthy working environment.

### 5. Positive Impact on Society

On a macro level, cause marketing campaigns can generate a positive impact on society as a whole — e.g., by raising awareness and funding for important social and environmental issues. Marketer's business will make a difference by supporting a cause and spreading awareness of that particular cause to a larger audience. This can help address important challenges and create a better future for everyone.

### 6. Stand Out from Competitors

Modern companies have to stand out in a crowded marketplace in order to achieve sustainable success. Aligning with a unique cause or issue can help you to do just that. Taking such a stand will attract consumers who share similar values and give your brand perception an edge over that of your competitors. Supporting a cause makes your company stand out to your competitors because it shows compassion and caring.

### 7. Cost-effective Marketing

Cause marketing is one of the more cost-effective marketing solutions in play today. In many cases,

brands can support and contribute to specific causes within relatively low budget thresholds. For example, generating publicity for a cause typically costs little to the company doing the PR work, saving you money in the end.

### 8. Partnership Opportunities

Using a cause marketing campaign can open the door to several partnership opportunities with other organizations and businesses. For example, your brand may be able to sponsor a non-profit organization and benefit from the favorable publicity that the organization generates. By working together towards a common cause, companies can strengthen relationships with one another, and even reach new audiences that would be largely inaccessible otherwise.

### 9. Improved Customer Insights

By engaging with customers around social and environmental issues, companies can gain a better understanding of their needs and preferences. For example, you can leverage your cause marketing campaigns to engage directly with customers on social media. Ask questions and look for genuine feedback from your followers.

You'll be in a much better position to understand your target customers' interests, concerns, and sensibilities — and then craft compelling content from those insights.

### 10. Increased Employee Retention

A high employee turnover rate can mean a lot of extra costs for any company. On the other hand, retaining valuable employees leads to a smoother workflow, more efficient operations, and ultimately more profits.

### How Cause-Related Marketing Works

By tying their products or services to a cause, businesses aim to attract consumers who are socially conscious and willing to support brands that align with their values. The power of cause-related marketing lies in its ability to create an emotional connection with consumers. Through storytelling and impactful messaging, businesses can effectively communicate the positive impact their purchase can make.

For example, a clothing brand that partners with an environmental organization can emphasize the use of sustainable materials in their products, highlighting the reduction of carbon footprint and preservation of natural resources. This not only appeals to environmentally conscious consumers but also educates and raises awareness among the general public.

## CONCLUSION

Furthermore, cause-related marketing campaigns often go beyond just promoting a product or service. They strive to create a sense of community and shared purpose. By involving consumers in the cause, businesses can foster a deeper connection and loyalty, as consumers feel like they are contributing to something meaningful.

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