Impact of Cause Related Marketing on Brand Affinity of Youth in FMCG Sector

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Abstract - Organizations are progressively increasing their emphasis on social responsibility, regardless of whether its women's rights, securing the climate or endeavouring to decimate poverty. From an optics viewpoint, socially capable organizations project more alluring pictures to the consumers as well as stakeholders. Gone are the days where companies can sell their products just by offering quality, price or packaging, now people are more inclined towards society, they are giving to charitable organisation in high numbers, especially millennials are more active. That's why companies are focusing more on targeting major social issues as CSR for bolstering their image and building the brand by showcasing the same in cause related marketing. This paper assesses the perception of customers towards Cause Related Marketing and its impact on their brand affinity for FMCG sector. Descriptive research design is used to study the attitude and behaviour towards CRM activities, according to customers which cause is important is also found. The factors affecting the customer's decision for CRM were analysed utilizing factor analysis in SPSS. The research sample constitutes of 105 individuals from Ahmedabad and Delhi and were collected through structured questionnaire.

Key words: Cause Related Marketing, Brand affinity, CSR, Factor analysis, FMCG, Perception.

I. INTRODUCTION

In this day and age where each organization is giving an extreme rivalry to one another for product, value, accessibility, features and the quality, Cause Related Marketing remains as a main impetus for organizations to attract the customers and make them loyal purchasers for their offerings.

The expanding association of corporates in philanthropic or socially related causes has prompted the development of Cause Related Marketing (CRM) across the world (Deepak, 2019) [1] CRM developed as a promoting methodology used by business to shape an partnership for common advantage with a charity association or a good cause (Pringle, 1999) [2]. CRM procedures have assisted enterprises with improving their standing and corporate picture, fortify binds with employees and increase sales and profits (Francisca FaracheKeith, 2008) [3]. It addresses the needs of the community more specifically by devoting itself to a specific social. In addition, to profit increment companies also accomplish non-monetary goals of marketing such as increasing brand awareness, firm reputation, customer loyalty, turnover, and brand image. The most familiar form of cause-related marketing is to donate a certain percentage of sales revenue to a specific social cause. There are many ways through which companies practise cause related marketing, from which the

most common are advertising, sponsorship, facilitated giving, direct marketing and purchase triggered donations. The most famous FMCG companies like HUL, ITC, P&G use CRM as a tool to attract and maintain their customers.

To foresee future consumer behaviour, it's imperative to acquire information on individuals' awareness, motivations and its perception with CRM activities of companies. At this backdrop, the current study was also planned with an intension to reveal the basic understanding of customers towards CRM in FMCG industry.

II. LITERATURE REVIEW

(Sheeba, 2020) [4] Studied about perception of customers purchase pattern towards CRM, through this descriptive study it was found that the main motivation to purchase cause related marketing products consists of charity image, extra quantity offers and other motivational factors. The selection of CRM products was often influenced by price, quality.

(Pieper, 2020) [5] Had analysed the critical success factors related to cause related marketing and their influences on customers. Quantitative data was collected through questionnaire consists of close-ended questions based on likert scale He found that that participants were mainly attracted by CRM campaigns, although they had a very high scepticism about the company's motives for a CRM

campaign. Besides the key factors "donation amount" and "cause proximity," the "cause fit" was verified most crucial. The interaction of the above key factors played an essential role in the overall credibility of a company and, with it, the success of a CRM campaign.

(Dr. S. NAMASIVAYAM, 2020) [6] Researched on perception of customers purchase pattern towards cause related promotion of FMCG products. Descriptive research was done on 79 respondents through structured questionnaire to know the purchasing pattern and awareness of people on CRM. And through the examination it was discovered that Cause related showcasing can be perceived as a key brand positioning.

(Srivastava, 2019) [7] The study was to explore the connections and the viability of cause- related or social advertising on client discernment, perceived brand inspirations, and the direct and indirect impacts that these variables have on brand alliances, attitude, and buy expectations. Descriptive study was done on 425 users of soap and oil.

(Nagaraja Pandukuri, 2017) [8] Studied that what customers feel about CRM and how they respond to its campaigns. Customers are more likely to support a local or national cause as compared to regional or international cause as they find themselves more attached towards local causes or have a patriotic feeling when they contribute towards a national cause.

(Vivek Aggarwal, 2016) [9] Researched relationship between Cause related marketing and new companies to study the impact of CRm campaign on customers. ; Structural equation modelling and hierarchical analysis was used over the data collected from 1425 customers from India. It was found that customers purchase intention is derived from the cause involved in CRM campaign.

(Singh, 2016) [10] Undertook an empirical research to analyze the influence of Cause Related Marketing campaigns on consumer's purchase intention in National Capital Region of India to find whether the consumer purchase of a product associated with cause is well thought decision or it is spontaneous. The effect of gender has also been explored. To find out the relationship amongst CRM campaigns and consumers' purchase intention hypotheses were tested with the help of descriptive and regression analysis. They found that duration of CRM campaigns and company's commitment to such campaign is important.

(Ghai, 2014) [11] Studied perception of young customers towards cause marketing of FMCG brands. They carried this research by collecting 250 responses from respondents of Delhi and NCR region aged between 18-25. Researchers found that perceive cause as a more responsible tool to contribute to society. They appreciate the initiatives taken by marketers joining hands with NGO working for noble cause. The research suggest that a well-designed cause

marketing campaign can bring benefits to the company. It works as a differentiator in FMCG as there are so many similar offerings in the market.

(Vanhamme, 2012) [12] Had identified the significance to maintain the balance between the organization & the nature of cause that greatly influences corporate image as well as connection of influence between customer preferences on brand choice, brand attitudes and the cause. The research was conducted as field experiment in Netherland which examined the influence of important three 48 attributes namely cause type, cause scope and cause acuteness on the perception of customers on corporate image. This study proved a hypothesis true that corporate image can be enhanced when customer identifies the cause has mediating influence on it.

(Emmanuel Chéron, 2012) [13] Researchers carried out this research for studying the effects of brand-cause fit and campaign duration on consumer perception of cause-related marketing in Japan This study was carried out with the objective to examine the effect of brand-cause fit and campaign duration on company and brand image, commercial objectives and buying intention as perceived by Japanese consumers. The study also aims to evaluate the moderating role of gender and participation in philanthropic activities on the impact of cause- related marketing CRM programs in Japan. For the study researcher used an experimental design with 196 Japanese subjects completing a survey online.

(Syed Tauqeer Ahmad, 2011) [14] Studied the outcomes of cause related marketing practices in Fast Moving Customer Goods industry. This descriptive research was carried out to investigate the relationship among the determinants of CRM and demographic variables. For the research a sample of 629 post graduate students and employees of different universities and organizations.

(Shahbaz Shabbir, 2010) [15] Undertaken this empirical research for Cause related marketing campaigns and consumer purchase intentions: The mediating role of brand awareness, this research was carried out with the objective to investigate the kind of relationship between Cause Related Marketing (CRM) campaigns, brand awareness and corporate image as possible antecedents of consumer purchase intentions in the less developed country of Pakistan

III. OBJECTIVES OF THE RESEARCH

1. To study the awareness of consumers for brand's social cause (Cause Related Marketing)

2. To study the impact of CRM on buying behaviour of people

3. To study the important social cause according to consumers which impact their buying decision.

4. To understand the perception of customers on Cause Related Marketing in FMCG industry

IV. RESEARCH METHODOLOGY

This research paper uses the quantitative approach of data collection using descriptive research method. A well-structured questionnaire was used to collect primary data for registering the opinions of the respondents through survey conducted over 105 respondents from Ahmedabad and Delhi.

V. DATA ANALYSIS

Demographic details: Table1 gives demographic details of the participants. Among 105 respondents, male compasses of 54% and female 46%. 56% had post- graduation degree, 22 % had under graduation degree and 1% had doctorate degree. Occupational statistic shows that 32% were students and 30 % were involved in business. Out of 105 respondents 55% had family monthly income between INR 500,000-10, 00,000. As the study was between the two cities so 50.5 % were from Ahmedabad and remaining respondents were from Delhi.

Table 1: Demographic Data

Variable	Category	Percentage
Age	Below 20 years	16
	21-25	34
	26-30	17
	31-35	6
	36-40	13
	Above 40	14
Gender	Male	54
	Female	46
Education	SSC	11
	HSC	7
	Undergraduate	22
	Postgraduate	56
	Doctorate	1
	Others	3
Occupation	Business	30
	Service	11
	Professional	13
	Student	32
	Home maker	14
Level of income	Less than 5 lacs	30
	500000-1000000	44
	100000-1500000	18
	1500000-2000000	5
	More than 20 lacs	3
City	Ahmedabad	50.5
	Delhi	49.5

Measures: Considering the objective of the survey, responses on various statements regarding awareness, important social cause, and perception for CRM were taken. Respondents were asked to rate all the statements on a five pointer Likert scale. Reliability test was applied on all variables and the Cronbach Alpha constant corresponding to data came out to be .925 which confirmed the reliability of data.

Table 2: Reliability Statistics

Cronbach's Alpha	No. of items
0.925	22

Buying behaviour of consumers mainly depends upon their awareness, perception and information about the product concept. The behaviour towards the products that has social cause is tabulated in Graph1
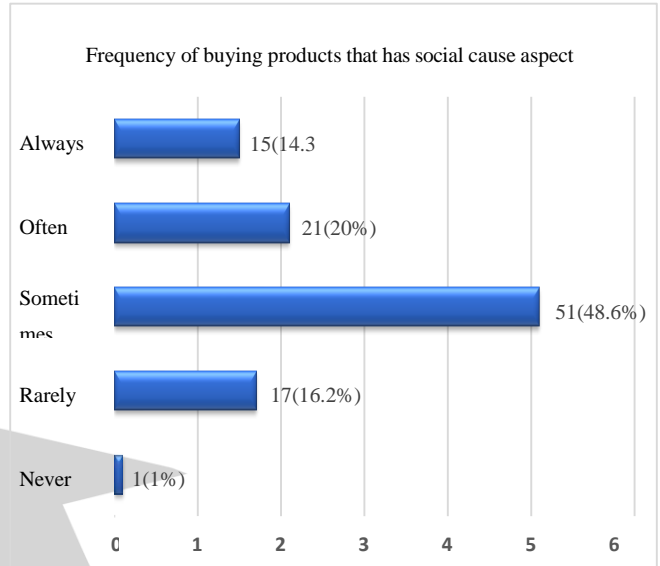
Graph 1: Frequency of buying products that has social cause

From the graph it is clear that out of 105respondents, 1(1%) never buy such products which has any social cause, 17(16.2%) rarely buys, 51(48.6%) sometimes buy, 21(20%) often buys such products and 15(14.3%) always buy the products which has social aspect behind.

**Table 3: Frequency table of which social cause is given more importance by the respondents**

Cause	Frequency of importance given by respondents				
	Very important	Important	Neutral	Less important	Not important
Women empowerment	58	37	9	1	0
Child education	73	27	5	0	0
Health care	65	34	6	0	0
Old age support	64	32	7	2	0
Green cause	63	33	9	0	0

From the above table it can be concluded that maximum importance was given to child education that was 73% and on second 65% to health care social aspect following to old age support with 64%,
Green cause 63% and last to women empowerment with 58%.

The study also aimed at finding the awareness of CRM activities of top FMCG brands and it was found that people

have maximum awareness of CRM activities done by P&G brand that is 71 respondents and least aware for HUL with just 38 respondents. From Table 2 it can be interpreted that P&G holds first position in successful creating social cause awareness as well as recall of the same and then ITC with 62 respondents awareness in both the cities which is then followed by Tata with 57 respondents in continuous to Dabur with 55 respondents.

Graph 2: Awareness of CSR activities for FMCG brands.

Awareness of CRM activities by brands
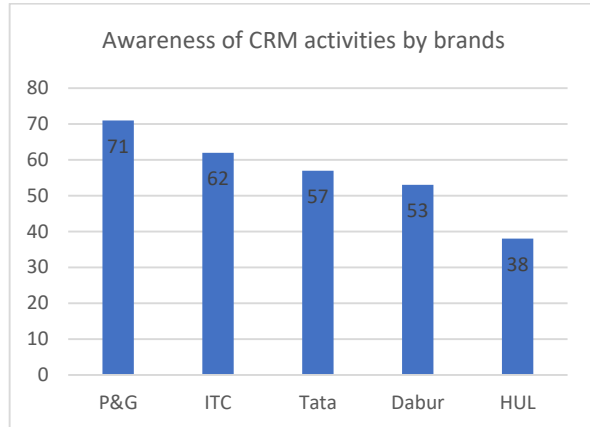
ONE WAY ANOVA TEST

The statistical one way anova is used to check the dependency among variables in table 4. After conducting the test on respondent's occupation and product they buy with social cause, it was concluded that there is no relationship between two as significant value is 0.63 which was higher than 0.05 so null he hypothesis was accepted.

Table 4: One way Anova Test

	Sum of squares	df	Mean Square	F	Sig.
Between groups	2.311	4	0.578	0.642	0.634
Within groups	89.937	100	0.899		
total	92.248	104			

In order to check the factors affecting the perception of customers for the CRM activities of FMCG brands factor analyses was applied in Table 6 and table 7**.**

Table 5 : KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.921
Bartlett's Test of Sphericity	Approx. Chi-square	1372.860
	df	120
	Sig.	.000

Looking at the table 5, KMO value measure is .921 hence, it was inferred that sample size is adequate for the factor analysis.

In this data, The Bartlett's test shows that p value as .000 for chi square statistics (1372.860) at 120 degree of freedom and hence the hull hypothesis is rejected. Therefore it is established from the statically measures that the variables have some correlation and therefore, factor analysis is appreciated.

Table 6: Rotated Component Matrix

Rotated Component Matrix		
	Component	
	1	2
CRM should be supported by government.	.821	
Companies does not perform social activities for profit motive but only for social cause	.799	
It is important for organizations to choose a fit cause related management	.786	
CRM create a loyalty feeling towards companies engaged in social activities.	.773	
The efficiency and effects of CRM strategy motivate you to increase your purchase from a certain FMCG brand	.766	
A brand with strong CRM support would be my first choice.	.755	
The effect of CRM on your perception towards company can be considered as the key factor of your buying decision.	.738	
You are willing to pay more in order to buy the products and services of socially responsible company	.688	.456
IF we consider that you have to decide between two similar products with similar specifications you will choose the product of a socially responsible company over the product of a company which is not	.652	.541
You are willing to support a FMCG brand if it supports the cause which is close to your heart.	.577	.527
Your purchase is based on your motivation to support the ethical behaviour conducted by FMCG companies engaged in CRM	.550	
In my opinion companies are engaged in social responsibility to do good to the society in reality		.838
I think that CRM is done without expecting anything in return from the society.		.814
I agree that CRM activities enable companies to build their brand.	.506	.682
I will not jump to another substitute brand if my favourite CRM brand is not available in the market.	.495	.641
You buy the products of socially responsible companies to increase the awareness about cause they are supporting.	.591	.594
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 3 iterations		

Table 7: Factor Extraction

S. No	Variables	Factors
1	CRM should be supported by government.	Motivation
	Companies does not perform social activities for profit motive but only for social cause	
	It is important for organizations to choose a fit cause related management	
	CRM create a loyalty feeling towards companies engaged in social activities.	
	The efficiency and effects of CRM strategy motivate you to increase your purchase from a certain FMCG brand	
	A brand with strong CRM support would be my first choice.	
	The effect of CRM on your perception towards company can be considered as the key factor of your buying decision.	
	You are willing to pay more in order to buy the products and services of socially responsible company	
	If we consider that you have to decide between two similar products with similar specifications you will choose the product of a socially responsible company over the product of a company which is not	
	You are willing to support a FMCG brand if it supports the cause which is close to your heart.	
	Your purchase is based on your motivation to support the ethical behavior conducted by FMCG companies engaged in CRM	
2	In my opinion companies are engaged in social responsibility to do good to the society in reality	Attitude for the company
	I think that CRM is done without expecting anything in return from the society.	
	I agree that CRM activities enable companies to build their brand.	
	I will not jump to another substitute brand if my favorite CRM brand is not available in the market.	
	You buy the products of socially responsible companies to increase the awareness about cause they are supporting.	

Table 6 and table 7 extracted in total of 16 variables into 2 main factors namely "Motivation to buy products with social cause" and "Attitude towards company using CRM" through factor analysis.

VI. CONCLUSION

The finding serves as an input to marketers of FMCG industry by extracting significant factors affecting respondents to create perception about companies adopting CRM as their new marketing strategy. From the above study it can be concluded that customers do consider social cause as one of their important aspect while purchasing any FMCG product. Even they are well aware with the CRM activities of top 5 brands studied in this research, which showed that it is helping companies not just to spread awareness for social cause but also increasing new customers and creating loyalty for the brands.

Government has also started taking initiative in this field by enabling environment for the corporate sector to work in partnership with the government, non-government, civil and society organizations for CSR activities. Government also provide deduction in activities like farming and education. This research was also undertaken with the similar aspect for helping FMCG industry in order to create self-regulating business model that helps them be socially accountable—to itself, its stakeholders, and the public.

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