ENVIRONMENTALISM-BASED CAUSE-RELATED MARKETING
A STUDY OF SOME INDIAN COMPANIES

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ABSTRACT

Cause-related marketing is the marketing activity where a social cause is used for the promotion of a product or a service. One of the popular ‘causes’ of cause-related marketing is environmentalism. Environmentalism aims at addressing issues like unrestricted consumption of natural resources, generation and management of wastes, pollution, loss of biodiversity etc.

The purpose of current research study was to find out the general impression of marketers about environmentalism based cause-related marketing and its usefulness in achieving the company’s marketing objectives. One hundred companies both from the manufacturing and service sector were selected for this purpose. A suitably designed questionnaire was administered to the marketing heads of these companies and the collected data was analyzed. The analysis showed that most of the companies were familiar with the concept of environmentalism based cause-related marketing. Further, most companies believed that this type of cause-related marketing can be an effective tool for the promotion of their products and services. However, the companies felt that they may only partially achieve their marketing objective through this tool.

Keywords: Social factors, Business Environmental factors, Marketing Management.

Introduction:

One of the most common accusations against marketing is that it is too profit oriented and often overlooks the best interests of the society. In a way, this is true. A firm may totally satisfy its customers by offering excellent products and services but, while doing so, may adversely affect the society. A paper manufacturing unit may, for example, manufacture and supply good quality paper to the consumer, but will pollute the river during the manufacturing of the paper.

This has resulted in the emergence of the concept of societal marketing. Kotler et al define societal marketing as ‘to determine the needs, wants and interests of target market and to deliver the desired satisfaction more effectively and efficiently than competitors in a way that preserves or enhances the consumer’s and the society’s well being.’ Lazer and Kelley define societal marketing as ‘That branch of marketing concerned both with the use of marketing knowledge, concepts and techniques to enhance social ends as and actions.’ In short, societal marketing is any form of marketing that takes into consideration the needs and wants of the consumer and the well-being of society. Societal marketing is thus marketing combined with social responsibility. Most companies recognize that socially responsible activities improve their image among customers, stockholders, the financial community, and other relevant publics. Ethical and socially responsible practices are simply good business, resulting not only in favourable image, but ultimately in increased sales.

Cause-related marketing is a form of societal marketing that has at least one non-economical reason to the marketing efforts – a certain amount of money from the sales goes to a social cause; the marketing campaign increases the awareness about a major environmental issue etc. British Airways appealing its customers to donate the leftover foreign currency for UNICEF through the ‘Change for Good’ campaign is an example of such an effort. Aircel’s ‘Save Our Tigers’ campaign in India is another. Companies all over the world believe that cause-related marketing will help them in improving brand image and ultimately increase sales, in addition to addressing some major social issue.

Environmentalism is a broad philosophy and social movement regarding concerns for environmental conservation and improvement of the state of the
environment. Environmentalism can be defined as a social movement that seeks to influence the political process by lobbying, activism, and education in order to protect natural resources and ecosystems. Environmentalism based cause-related marketing is long recognized as a powerful marketing tool for the promotion of products and services. Many companies are projecting themselves as ‘Green Companies’ or their products as ‘Green Products’ through environmentalism based cause-related marketing. The purpose of such a projection is to achieve differentiation and to bring in a change in consumer behaviour. However, in order to appreciate the environment friendliness of a company and her products, the consumer has to have a certain degree of ‘Environmental Literacy’. Further, the environmentalism based cause-related marketing by a company should result into a significant change in consumer behaviour with respect to their willingness to pay more for the environment friendly products and/or change to the environment friendly brands. Only if this happens, the companies will be able to fulfill their marketing objectives through the use of environmentalism based cause-related marketing.

Research Methodology:

The research was based on the hypothesis that the selected companies view cause-related marketing as an effective tool for differentiation of their products or services. Since this was a pilot scale study and a more comprehensive and systematic study is to follow, those companies were selected randomly with availability of data as the primary selection parameter. The sample size was 100. Based on the aforesaid hypothesis, a suitable questionnaire was developed. This questionnaire was administered to the chosen sample size. The data thus collected was analyzed and interpretations were drawn.

Primary Data:

I. Sector Wise Breakup of The Samples

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Manufacturing</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>68</td>
<td>32</td>
</tr>
</tbody>
</table>

II. Familiarity with the concept of environmentalism based cause-related marketing

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Fully Familiar</th>
<th>Somewhat Familiar</th>
<th>Not Familiar</th>
<th>Can’t Say</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>84</td>
<td>11</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

III. Whether the company promotes its products/services through the use of environmental issues

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Yes</th>
<th>Occasionally</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>98</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

IV. Extent to which the company thinks that their marketing objective is achieved through the use of environmentalism based cause-related marketing

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>To a large extent</th>
<th>Somewhat</th>
<th>Not at all</th>
<th>Can’t Say</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>4</td>
<td>95</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

V. Impression about environmental issues being a good cause for marketing of products & services in India

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Yes</th>
<th>To some extent</th>
<th>No</th>
<th>Can’t Say</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>77</td>
<td>15</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

VI. Impression about the environmental sensitivity of the customers to appreciate the environmentalism based cause-related marketing

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Sensitive</th>
<th>Sensitive to some extent</th>
<th>Not sensitive</th>
<th>Can’t Say</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>8</td>
<td>91</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

VII. Impression about if the customers would pay extra for an environment friendly product or service

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Yes</th>
<th>Some May Pay</th>
<th>No</th>
<th>Can’t Say</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>6</td>
<td>91</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

VIII. Impression about if the customers will change to an environment friendly brand purely for their environmental concern

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Yes</th>
<th>Some may change</th>
<th>No</th>
<th>Can’t Say</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>22</td>
<td>75</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

IX. Impression about the extent to which environment based marketing offers a competitive edge to a company in India

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>To a large extent</th>
<th>Somewhat</th>
<th>Not at all</th>
<th>Can’t Say</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>4</td>
<td>95</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

X. Future plans of the company for the use of environmental issues as a marketing tool

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Yes</th>
<th>May be</th>
<th>No</th>
<th>Can’t Say</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>99</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Interpretations:

A. 84% of the respondents said that they were fully familiar with the concept of environmentalism based cause-related marketing. This high percentage suggests the future potential of this concept being used by other...
companies. 98% respondents claimed that their companies regularly used this as a marketing tool.

B. A far lesser percentage of respondents were, however, certain that this tool would help the companies achieve their marketing objectives. Only a small percentage of respondents felt that environmentalism was not a good cause for marketing of products & services in India.

C. Most respondents felt that their customers have enough environmental sensitivity to appreciate environmentalism based cause-related marketing and that the customers would pay extra for an environment friendly product. However, the respondents were not so sure if the customers would change to an environment friendly brand purely for their environmental concern.

D. Most of the respondents felt that environmentalism based marketing offers a competitive edge to a company in India and almost all certainly planned to use environmental issues as a marketing tool in future.

Conclusions:
The present study suggested that environmentalism based cause-related marketing is considered as an important marketing tool by most marketers of the selected population. Further in-depth studies are required to evaluate the efficacy of the tool.

References:
[22] http://www.download-it.org/free_files/Pages%20from%20Chapter%209%20Social%20and%20Societal%20Marketing%20and%20Film%201d27cb0644885daa8a1b7f7fe109c82.pdf
[27] http://sdgateway.net/introsd/definitions.htm

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