

Leveraging social causes

Corporates' genuineness to a cause will gain customer loyalty

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Amidst the pandemic, a survey of urban Indians revealed an interesting story: When the price and quality are comparable, as many as 65 per cent are likely to switch brands to help support a cause.

Now more than ever, a cause-related marketing programme must demonstrate and communicate a genuine support of the cause if a company wants to optimise the effects on customer loyalty.

The concept of cause-related marketing was introduced in 1983 with the American Express's programme to help restore the Statue of Liberty.

During a three-month campaign, AmEx raised \$1.7 million for the restoration project, generated by a combination of a percentage of AmEx card purchases, a percentage of AmEx travellers' cheques and vacations sold, and a dollar amount for new credit card customers. As a result AmEx card usage rose 28 per cent and new card applications increased by 17 per cent during that period.

About a month ago, Mercedes Benz India advertised across media that it would donate ₹15,000 per car sold to PM-CARES for the first 100 buyers of its C-Class.

Today, there are countless cause-related marketing programmes around the world by all types of brands. Remember the recent Burger King ad requesting their patrons to also buy from McDonald's and others to save jobs that are affected by the lockdown? For a corporation, the benefits include building brand and customer loyalty.

There have also been many cause-related marketing failures too, and the primary reason is the public's perception that a company is not genuine in its support of a cause. McDonald's faced the ire of the Black community despite its supportive ads during the #BlackLivesMatter campaign.

Key factors that increase customer loyalty with a cause-related marketing programme include aligning the cause with the company's social responsibility statement. Equally important is a non-profit partnership that is effectively developed and managed. Finally, a long-term partnership shows more of a commitment to a cause than a short-term promo.

When developing a cause-related marketing programme, a brand needs to understand the partnership's relevance, which is communicated most easily when the company chooses a programme that aligns with its CSR plans.

The CSR statement documents a company's social values and why it supports a cause, and is often used in press releases and marketing materials. When designing a cause-related marketing programme, the CSR statement needs to be used

in programme communications so that stakeholders understand its validity. Support of a specific cause needs to make sense to customers. Once a cause has been defined by a company's social responsibility statement, executives can evaluate prospective non-profit partners against it.

Partnering with non-profits

Companies can start by evaluating whether the non-profit organisation's mission and values fit with their social responsibility statement. Companies will generally create an employee volunteer team to review a non-profit's financial stability, board governance, operational effectiveness, administrative capabilities and success with other partnerships.

A successful cause-related marketing programme starts off with measurable expectations, a measurement process and defined responsibilities for both parties. Customers are savvy and if they think a company is using a non-profit to benefit only them, they will speak out and act against it by boycotting its products and services.

Though McDonald's supported the black lives matter campaign, customers were upset that it was not truly into it because of the poor safety protocols for black employees during the pandemic lockdown.

The last important step in a cause-related marketing plan is to develop an integrated employee volunteer programme. Without visible employee involvement and executive commitment, a company's cause-related marketing programme will not produce the planned loyalty results.

When developing such a programme the project team must include representatives from human resources department to drive the creation, management and implementation of an employee volunteer programme. They will develop and measure specific volunteer goals during the cause-related marketing programme, such as number of employees involved in specific activities that provide visibility for the company.

India is only waking up in recent times just as social responsibility of India Inc had to be mandated by a government CSR plan. Companies should quickly realise that no longer would lower prices or offers alone ensure loyalty.

Customers will overwhelmingly respond to cause-related marketing campaigns that have senior level management support, and that demonstrate the company's genuine support of a cause by integrating visible employee volunteer efforts and are part of a long-term partnership.



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