

Operation & IT Management

Cause Related Marketing: Giving More Than Just Spare Change?

Today's marketplace is flooded with brands in all product categories. With ever-increasing competition, a company is expected to conduct business such that it stands for not just the financial returns to itself but for comprehensive social and economic returns to the customers and the society at large. Customers of today believe that a company rather than solely working on the bottom line for the owners also has certain obligations to the society. In fact, a company that stands for more than just profits connects better and longer with the customers.

She can you can by Tupperware, *Soldier for Women* by Gillette, *Real beauty sketches* by Dove, *Thank you mom* by Proctor & Gamble and *Jaago re* by Tata Tea are thus a few examples of attempts made by leading corporations across the world to do well by doing good. These campaigns are launched under a marketing strategy rooted back in 1983, when Jerry Welsh, the then vice president of American Express announced a donation of \$1 for every new card issued and \$0.01 for every transaction to restoration of the Statue of Liberty. He termed this novel strategy as 'Cause-related Marketing'.

What is cause related marketing?

Cause related marketing is a marketing strategy wherein a product/service/brand/company is marketed in association with a designated 'cause'. This identified cause is generally a problem that is prevailing in customers' setting. It can be social like women empowerment, child welfare, health and hygiene, environmental like global warming, wildlife conservation or even abstract motivations like friendship, family bonding, patriotism etc. Cause marketing campaigns are used by companies strategically to create brand differentiation by enhancing brand equity and credibility. Now, more than ever, the companies are realizing the power of aligning themselves with the causes. Earlier it was used mostly to augment sales and profits, but now it is used as a compelling brand positioning tool as it works on invigorating brand equity and enhancing corporate image with significant economic and community impacts.

Cause-related marketing: a distinct strategy

Cause Related Marketing and Corporate Social Responsibility (CSR) are often used interchangeably but there exists a vast difference between the two, especially in terms of their drive. CSR is a responsibility an organization undertakes for welfare of society. It refers to the philanthropic activities done by the company, commonly in fields of environment and social welfare. The underlying objective is to project oneself as a responsible corporation resulting in positive brand image in eyes of consumer. It is purely altruistic in nature, at least in definition. Cause Related Marketing on the other hand is a marketing strategy done with a sole objective of building surplus i.e. profit and goodwill. It is done by associating the product with a designated cause which can either be environmental, social or political and is characterized as a profit-motivated giving. It is a strategic move to lure the consumers relating with the cause. Unlike CSR, it is more targeted approach and a less selfless philanthropy.

KAIZEN

ITS ALL ABOUT COGNIZING

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BRAND SPEAKS



Type	Subsidiary
Industry	Confectionery
Founded	Birmingham, U.K(1824)
Headquarters	Uxbridge, London, United Kingdom
Products	Sweet chocolates in different flavours
Revenue	£5,384 million (2008)
Operating income	£388 million (2008)
Net income	£364 million (2008)
Employees	71,657 (2008) ⁽¹⁾
Parent	Kraft Foods (2012-present)
Website	www.cadbury.com

Online shopping in India is an emerging trend for marketers to promote their merchandise in wide geographical area using internet and the trend looks likely to grow upwards over the coming decade. India is the 5th country in world ecommerce and 2nd country in Asia. India seems to have grasped the ability to shop merchandise through internet. Mobile internet is being enormously responsible for opening up the online world to Indian consumers. There are reports suggesting that by the end of 2013 over 300 million Indians will have access to the internet through mobile phone technology and other platforms, about the same amount of people in USA to put that into context Reports show that out of the millions accessing the internet in India, over 8 million regularly shop through internet. This figure is set to grow exponentially as well. Google is the internet search engine that is predominately used throughout India. Below is a breakdown of top 4 popular searches in 2012 in India.

- Electronics 28%
- Books/educational material 15%
- Beauty and personal care products 10%
- Home products/furnishings 6%
- The market share in India is one of the fastest growing e-commerce markets in Asia-Pacific and the industry expecting it to grow \$8.8 billion by end of 2016.
- India has encountered a great exponential increase in its online market. The youth of our country have contributed a lot to this increase irrespective of the geographical locations. The people of age group 15-25 years literally live and breathe through internet. Purchasing items with just few clicks has become the newest and the latest trend of shopping, which has not only saved time but more importantly money. In today's world, no one has time to walk to different shopping malls or to cover great lands to buy products to fulfill their daily needs. A recent statistical data has shown that Indians more than ever are purchasing all sorts of products through online shopping portals. These days even used computers are being purchased online. As of June 2012, India has the base of 137 million internet users and the inclination towards online shopping in youth will help the online retail industry to reach a mark of 7,000 crore by 2015. The penetration of online shopping and money spent in India is much lesser when compared to USA and UK, but it is growing at a much faster rate than expected and with new entrants in larger number.

FINANCIAL MANAGEMENT

Green Supply Chain-The Evolution

“Will Green be a magical word in 2013?” is the question which most of the companies are asking as green attributes continue to be important factors affecting purchasing decisions, according to Euromonitor International’s survey on green and not-so-green consumers. Green has thus far centered on energy consumption efficiency and the scope will likely be broadened from solely green products to green products that incorporate well-being and health-conscious features. In case of consumer appliances, whereas price and functionality dictated purchasing decisions in the past, saving achieved in electricity and water usage by the appliance will become the next big deciding factor moving forward. Marketers are beginning to generate products and marketing claims that link consumers’ lifestyles and wellness needs to the wider environmental cause in product innovations, thus further lengthening the lifecycle of the green trend as a key selling point in consumer appliances. **Definitions:** GrSCM is-GrSCM= Green purchasing + Green manufacturing/materials management + Green Distribution / marketing + Reverse logistics

Motivation for companies behind implementing Green Supply Chain: For companies, the motivation to incorporate the word “Green” into their Supply Chain comes from the fact that such conversion has resulted in increased profits. A number of companies have shown that there exists a strong link between improved environmental performance and financial gains. As an instance, establishment of a reusable container program with the suppliers at General Motors have reduced its disposal costs by \$12 Million. Also with the increased focus of buyers on environment improvement, organizations have begun to regard environment improvement as a social goal rather than it being a practice to polish their public image. Investments in “Green” have so far resulted in reduction in usage of resources, elimination of waste and improvement in productivity. Thus, Green has become the key business value driver in the current scenario.

Evolution and Classification of Green Supply Chain: Evolution of the GrSCM began with the understanding of importance of GrSCM, followed by Green Design of the Supply Chain. **Green Design** emphasized on both environmentally conscious design (ECD) and life-cycle assessment/analysis (LCA) of the product. Green Design concentrated mainly on understanding the relationship between Product design and its environmental compatibility. Key aspects which were dealt with in the researches in green design included design for material, design for recovery, and design for compatibility and finally design for waste minimization. ECD i.e. Environmentally Conscious Design requires design strategy to be modified to integrate environmental constraints. While LCD i.e. life-cycle assessment/analysis (LCA) is used to access and evaluate environmental consequences of a product throughout its life cycle stages comprising of extracting and processing raw materials, production, transportation and distribution, use, remanufacturing, recycling and final disposal. Green Design Concept was followed by the concept of “Green Operations” which dealt with the key challenges of GrSCM including integrating remanufacturing with internal operations, understanding the effects of competition among remanufacturers, integrating product design, product take-back and supply chain incentives, integrating remanufacturing and Reverse Logistics with supply chain design.

HUMAN RESOURCE MANAGEMENT

Insider: Struggle of a Whistleblower

The movie, “The Insider” is about the struggle of a whistleblower in tobacco industry. It is a rare case where an entire industry was based on publically told lies. One man tries to step out for general good while sacrificing his family life, financial security and personal safety. While watching this movie, the managers need to understand that in their management career, they may face a choice between the easy way and the right way. The learning and the events become more so important due to the fact that the movie is based on true story. 60 Minutes, a show compiled by correspondent Mike Wallace and producer Lowell Bergman, recorded an exclusive interview with Dr. Jeffrey Wigand. Dr. Wigand, a fired Brown & Williams (a tobacco company) corporate V.P. who had decided to blow the whistle on his former boss' lies to congress. The power of Tobacco industry was such that the show was shelved. When The New York Times printed an exposé about what had happened, CBS News was forced to re-consider the decision. The show was finally aired and tobacco giants like B&W were sued for damages to public health.

The Right Way or The Easy Way? Right choice is often a difficult one. “The Insider” offers multiple instances where such choices are made and the consequences for each. The first and the most significant is the choice made by Dr. Wigand for coming forward and agreeing to testify on national television against B&W. On one hand was a truth that needed to be uncovered in the interest of public health, the other hand was equally heavy with his family, health cover for his asthmatic daughter, severance package and personal safety. Easy way would have been to stay quiet and spend the life by suppressing the guilt, however, Dr. Wigand chose the difficult life without his family, financial support and personal safety.

Being Ethical Is Of High Competitive Advantage The tobacco industry was highly profitable. The managers were hiding major facts against public health so that sales were not affected. However, once Dr Wigand blew the whistle against them, the industry had to pay \$246 billion in law suits .Hence, being ethical is of long term competitive advantage. Today, the top companies of the world are also the ones that are known for their ethical standards. Even in India, the largest market cap is held by TCS, which follows ethical standards of the Tata Group.

Legal Aspects Of Business Gone are those days when only lawyers knew law, only accountants knew accounts and only data entry operators knew excel. Managers need to know much more than that. CBS management made this mistake by letting only the legal department take business decision. CBS shelved the “60 Minutes” which was the most profitable and highest rated show on television. Apart from being most profitable it was also the show that was identity of true journalism. Hence, managers while doing a difficult show should have had legal aspects covered from the start. In today’s business scenarios, managers need a good understanding of the law as well.

Conclusion Managers today are not just responsible to the business but society as well. Today, managers may face difficult choices during their work. So the choice is not always between easy way and difficult way, it is about the right way. The Insider is a classic example why the right way is the best way.