

**SUSTAINABLE, SOCIALLY RESPONSIBLE BUSINESS:  
THE CAUSE – RELATED MARKETING CASE.  
A REVIEW OF THE CONCEPTUAL FRAMEWORK**

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**Abstract.** Issues of sustainable development and socially responsible business currently have been discussed a lot. Nevertheless there are no many evidences about causal relationships between social responsibility and profit. But it appears that companies begin to have strong stimuli to pursue social responsibility as a driver of value added in monetary terms. In this context, cause - related marketing obtains higher importance and can be employed for directing activities of profit seeking companies towards socially responsible activity. The presented paper is devoted to analyze Cause-Related Marketing (CRM). Numerous authors have tried to define Cause-Related Marketing concept to realize its field and to differentiate it from others terms. However, there is still no general agreement about the definition, content and scope of CRM, especially in countries such as Spain, where there is a higher conceptual confusion accentuated by translation errors. In this sense, the main objective of this paper is to review and complete the conceptual framework where the theoretical development of CRM is based.

**Keywords:** Sustainability, Cause-Related Marketing (CRM), Corporate Social Responsibility (CSR).

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## 1. Introduction

Cause-Related Marketing (CRM) can affect various areas of SMEs functioning and successfully lead to sustainable and socially responsible business oriented to innovations (e.g. Dudzevičiūtė, Tvaronavičienė 2011; Laužikas, Dailydaitė 2013). Cause-Related Marketing (CRM) has been defined by numerous authors to realize its field and to differentiate it from others terms (e.g. Varadarajan and Menon, 1988; Barnes 1992; Andreasen 1996; Guardia 1998; Adkins 1999; Pringle and Thompson 1999; Cone and Roper 1999; Garcia – Izquierdo 2000; Ballesteros 2000; Gibaja *et al.* 2001; Kotler and Lee, 2005; Gonçalves and Alves, 2011). However, there is still no

general agreement about the definition, content and scope of CRM, especially in countries such as Spain, where there is a higher conceptual confusion accentuated by translation errors. In this sense, the main objective of this paper is to review and complete the conceptual framework where the theoretical development of CRM is based. For this reason, we analyze CRM concept: its origin and evolution, its content and scope, as well as various well-known definitions. We also separate CRM concept from other related or similar terms, and we describe different types of CRM campaigns. Finally, we present the most relevant conclusions.

## 2. Conceptual framework

The conceptual framework where the theoretical development of CRM is based focuses on three aspects. First, the evolution of marketing concept toward the social perspective, that has been a key aspect in the origin of CRM. In addition, the holistic marketing concept, the emergence of nonprofit marketing, social marketing, and social responsibility of marketing, form the CRM basis. Second, Corporate Social Responsibility (CSR), as a corporate culture based on ethical management, which serves to improve competitiveness and company reputation, and it can be a source of competitive advantage. And third, cause -related marketing. This concept was originated in the U.S.A. in the eighties. Over the years, it has expanded to other countries, evolving into a longer-term strategy, incorporating the social action into the company mission, focusing on the stakeholders, and reaching virtually all sectors.

### 2.1. The evolution of marketing concept toward the social perspective

Traditionally, marketing had been only linked to business activities. However, in the sixties, a process of broadening in marketing took place, according to two dimensions (Santesmases 1999), (Figure 1).

(1) The conceptual broadening: it was based, on the one hand, on the inclusion of ideas as a product type (giving rise to *social marketing*) and, on the other hand, on the *social responsibility of marketing* (with this new

approach, the organization's interests must be subordinated to society's ones). Accordingly, achieving customer satisfaction (in the short and / or the long term) is not sufficient, but the company must also consider the society's general interests in which it is framed. Thus, the social dimension of marketing is established, which will be a key aspect in the development of cause-related marketing.

(2) The scope broadening: there is a discussion about what activities are likely to apply marketing tools, going as far as organizations that are not strictly businesses. Thus the non-business marketing arises, in which, in turn, different types can be distinguished:

- *Non-Profit Marketing*: its purpose is to improve the exchange activities of all non-profit institutions, although, with more restrictive criteria, that designation is reserved for private nonprofit organizations (NPOs) or non-governmental organizations (NGOs). This marketing type will be crucial in the development of cause-related marketing.
- *Public Marketing*: it is referred to exchange activities of public agencies or civil services; i.e. it is especially referred to the services provided by Public Agencies to satisfy social needs (e.g. health, education, civil protection, etc.).
- *Political Marketing*: it focuses on activities to influence the citizens' behavior. It is developed by political parties to get support for their ideas, programs and candidates, and get the electors' vote.

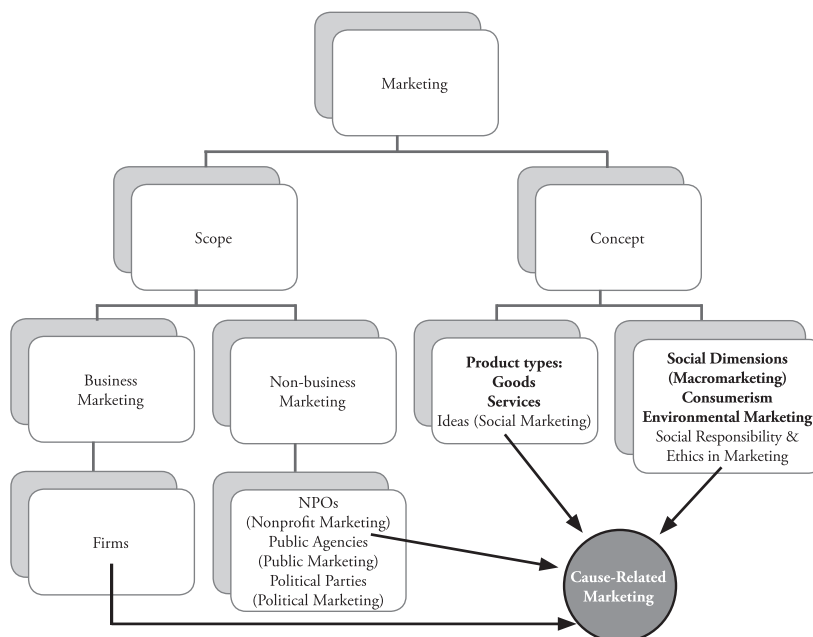


Fig.1. Broadening process of marketing and its relation to CRM

Later, new paradigms from marketing management appear: the focus of the field changes from corporations to customers, from products (goods and services) to benefits, from transactions to relationships, from manufacturing to value co-creation with business partners and customers, and from physical resources and work to knowledge resources and company position in the value chain (Webster 2005: 125).

Thus, from the late eighties and early nineties there are two streams of research that have experienced an important development: relationship marketing and market orientation. These tendencies affect the practical application of the marketing concept and its approach, and, again, they represent an expansion of its boundaries. They are considered different lines of research but with convergent approaches (Galera 2002: 99): seeking the creation and delivery of superior customer value, drawing management attention to the satisfaction of consumer needs, involving the entire organization (not just the marketing department) and focusing attention on the long term. Market orientation and relationship marketing are two key tendencies in the origin and development of cause-related marketing (Galan 2002: 25). On the one hand, *market orientation* is a new understanding of the marketing activity, identifying, among other things, values and social causes. On the other hand, *relationship marketing* basically seeks greater complicity between the company and the customer, so that the latter feels more identified with the organization to be able to interact with him / her differently than the simple act of buying products. Today marketing is characterized by a holistic marketing orientation (Kotler *et al.* 2006), i.e., it tries to identify previously the consumer needs and desires, and satisfy them, obtaining a profit. In addition, it also considers other stakeholders. Now even sustainability is also being considered (Hult 2011; Hunt 2011; Crittenden *et al.* 2011). For example, Hult (2011) points out that market-focused sustainability leads the efforts of market orientation beyond the 'narrow' focus on customers (and competitors, suppliers, etc.) to incorporate additional stakeholders and 'triple bottom line' issues at a strategic level. Thus, this author points out that market-focused sustainability equals market orientation plus multiple stakeholders plus corporate social responsibility. Meanwhile, Crittenden *et al.* (2011) also talk about market-oriented sustainability basing on the Resource - Advantage Theory (Hunt and Morgan 1995), which advocates the market orientation as an advantage of intangible

resources that gives an equal or greater competitive advantage than tangible resources.

## 2.2. Corporate Social Responsibility (CSR)<sup>1</sup>

Currently, expectations on businesses go beyond what is strictly required by law. Citizens are increasingly better informed and their values have evolved, increasing their environmental and social awareness, so that they require businesses 'something more' than mere efficient production of goods and services (Fuentes *et al.* 2005: 68). CSR, defined as '*the voluntary integration, by enterprises, of social and environmental concerns in their business operations and their interaction with their stakeholders*' (Commission of the European Communities 2001: 7), can provide a differential competitive advantage, in which the consumer moves from a more rational choice to a choice based on criteria of greater emotional involvement (Lizcano and Nieto 2006: 19). CSR is a new way of thinking, a corporate culture based on ethical management and social responsibility as a channel to improve competitiveness and corporate reputation while covering society's demands on these issues (Foretica 2002: 13). To actually get a competitive advantage, CSR should be integrated into the corporate culture, strategy and mission. In short, it requires the involvement of the entire company and, for this, the commitment of everyone in the organization, at all levels, is needed (Arenas 2006: 38–39). The increase in CSR initiatives has been caused by both companies (which increasingly recognize CSR as a key to success), as NPOs (which have increasing needs for resources). In this way, CSR is becoming an intangible resource, even more important than the rest of the organization's assets. There are several theories that relate to CSR. Among them, two stand out: the Stakeholder Theory and the Resource – Advantage Theory. The *Stakeholder Theory* views the firm as a wide and complex network of relationships. The corporate management is directly linked to this network of relationships. The stakeholders' harmonization of interests (which are often multiple, divergent and even opposite) would be an essential part of social strategy. The Stakeholder Theory has a pluralistic approach and

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<sup>1</sup> Kotler y Lee. 2005: 2) include a variety of terms used as synonyms for *Corporate Social Responsibility (CSR)*: *Corporate Citizenship*, *Corporate Philanthropy*, *Corporate Giving*, *Corporate Community Involvement*, *Community Relations*, *Community Affairs*, *Community Development*, *Corporate Responsibility*, *Global Citizenship*, *Corporate Societal Marketing*.

conceives the corporate legitimacy from the perspective of creating wealth for the whole of society and welfare for the different stakeholders. It is therefore a business model that combines efficiency and equity to support the total net wealth creation in the long term and sustainable manner (Lizcano 2006: 23). Moreover, the foundations of the *Resource – Advantage Theory* are that competitive advantage will come from companies that developed the best resources in a heterogeneous and changing environment. This theory assumes, for example, that companies can find socially responsible activities that also help to get the resource advantage (Ferrell 2010). Therefore, an application of the Resource – Advantage Theory may be the defense of business ethics and social responsibility (Ferrell 2010). Although many companies

and their stakeholders see CSR as a voluntary activity that is not necessarily linked to obtaining a differential advantage and to increase the financial result, this potential benefit is a powerful incentive to encourage companies to be socially responsible. Thus, CSR could become an intangible resource embedded in the structure of organizational culture (Ferrell 2010).

From these and other theories, the theoretical framework of CSR has been developed. Currently, there are a variety of issues that fall under the CSR “umbrella”, but we can highlight 6 types of initiatives (Kotler and Lee 2005: 22–25 and 49–50): cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible business practices (Table 1).

**Table 1.** Major CSR initiatives

INITIATIVES	MAIN FOCUS
Cause Promotions	Persuasive communications, to raise awareness or interest for a social cause. Emphasis on promotional strategies (focus on external communications). Target audiences, outside the organization.
Cause-Related Marketing	Contributions and support, linked to sales of company’s specific products. It depends on the action or consumer’s response. It includes more communication (mainly advertising).
Corporate Social Marketing	Influence individual’s behavior changes (focus on behavior change).
Corporate Philanthropy	‘Extending a check’. Direct contributions to a cause or a charity (cash donations and / or in kind). It is the most traditional of all corporate social initiatives.
Community Volunteering	Corporate volunteering service in the community (employees donate their time and talent).
Socially Responsible Business Practices	Discretionary business practices and investments that support social causes to improve the community’s welfare and to protect the environment.

*Source:* Adapted from Kotler and Lee (2005)

### 2.3. Cause-Related Marketing

The origin of cause-related marketing stands at the U.S.A. Although some authors argue that CRM programs already existed in the first half of the twentieth century in that country (Pringle and Thompson 1999; Kiger<sup>2</sup> 2002), it is not until the eighties when there is rapid growth in CRM, for the convergence of social, economic, and political pressures (Austin 2000: 69), reflected in several simultaneous or parallel situations in time (Galan *et al.* 2004: 53).

<sup>2</sup> Kiger (2002) states that the CRM roots back to the early 20<sup>th</sup> Century (1902), when a candy maker in New York boosted sales by offering to donate a percentage to a local orphanage. Back in the seventies, Wally Amos created its ‘Famous Amos’ cookies store chain without paying advertising, but instead he announced he would donate a percentage of revenues to literary programs.

(1) Consumers became more ‘aware’ and started to demand more corporate responsible actions. In addition, they began to watch what companies were behind the products, affecting such observation, positively or negatively, to their purchase.

(2) Some companies realized their customers’ changing wants and expectations, and began to create their own philanthropic foundations, experiencing evident improvements in their image and getting an emotional differentiation (based on values) in a saturated market, to associate the company with a cause. At the same time, they noted that their participation in society, seeking ways to benefit it while also promoting business goals, was profitable because it ensured the community’s welfare in which they were selling their products.

(3) NPOs had to start looking for new resources (Austin 2000: 69), new forms of financing to raise funds, because of cuts to financial aid from the U.S. government and the reduction of government support, as well as the decline of corporate and individual philanthropy. The rising number of NPOs increased “competition” between them to get funding, and costs (both monetary - e.g. postal items - and time - e.g. the “door-to-door”, that caused the need for more volunteers - Chaney and Dolly 2001). In addition, the broadening of the marketing concept, the call to corporate social responsibility, and the need for a ‘public initiative’ as it was seen by the U.S. government, created an opportunity for profit and nonprofit organizations to undertake a radical change from traditional means of corporate philanthropy

and fundraising to a new concept to support the objectives of both types of organizations: cause-related marketing (Suter 1995: 2), capturing synergies derived from complementarities. Subsequently, the use of CRM in other countries was triggered by similar situations. The American Express campaign in the early eighties to restore the Statue of Liberty is regarded, by virtually all authors, as the starting point of CRM, besides being the first to be called this way. After the success of this campaign, other U.S. companies copied it. Later, it jumped to other countries (especially Anglo-Saxon, such as the UK, Canada or Australia, but also to other Europeans ones<sup>3</sup>). Today, these campaigns have become a common marketing tool, used in many countries around the world (Fries *et al.* 2009) for their numerous advantages (Table 2).

**Table 2.** Summary of the main CRM advantages

Companies	<ul style="list-style-type: none"> <li>· Tax incentives.</li> <li>· Purchase motivation: sales and market share are increased.</li> <li>· Product and / or brand promotion.</li> <li>· New values to consumers. A growing number of customers. Purchase repeated. Loyalty. Relationship improvement.</li> <li>· Employee motivation. Productivity, loyalty, commitment and team spirit are increased. Low turnover. A corporate culture is promoted.</li> <li>· Organizational image and reputation are improved.</li> <li>· Brand and / or company recognition. Positioning is improved.</li> <li>· Competitive advantage: differentiation from competition (based on ethical and social dimensions).</li> <li>· Access (and in better conditions) to the media. Free advertising. Visibility.</li> <li>· Added value to the product.</li> <li>· Possible acceptance of price increases (by customer).</li> <li>· Attracting good investors. Their contribution is encouraged and financial benefits are provided.</li> <li>· Support for market entry (in new market segments and new geographic markets). The customer base is expanded.</li> <li>· Relationships with stakeholders are improved.</li> <li>· Sympathy is generated.</li> <li>· Greater transparency.</li> <li>· Increased return on marketing investment.</li> <li>· A healthier and stronger society's economy.</li> </ul>
NPOs	<ul style="list-style-type: none"> <li>· Diversification of funding sources.</li> <li>· Funding and logistical support are grown. Increased effectiveness of programs.</li> <li>· It is made known, spreading their cause or mission.</li> <li>· Access to the media. Free advertising. Visibility.</li> <li>· Their image and participation in society are enhanced.</li> <li>· The number of partners, donors and volunteers is increased.</li> <li>· Learning from the company (management, for example). Greater professionalism.</li> <li>· Education on values. Awareness.</li> <li>· Improvement of relations with society.</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>· Value added to the product: new values.</li> <li>• Ability to participate in charitable causes.</li> <li>• Knowledge about the situation of certain groups and populations from other countries.</li> <li>• They become more aware of their purchase.</li> <li>• They feel good when purchasing (added dimension to the buying decision).</li> </ul>

*Source:* Adapted from Altermarketing (2001), Fundacion Empresa y Sociedad (2001), Garcia (2000), Varadarajan and Menon (1988)

<sup>3</sup> In Spain, it came in the nineties.

Throughout these years, cause-related marketing has evolved (Kropp *et al.* 1999: 71; Bennett *et al.* 2008): first, CRM was identified as a type of sales promotion; later, CRM was described as an element of corporate philanthropy linking marketing strategy; and, subsequently, CRM was recognized as a separate marketing phenomenon, deserving a more complete investigation. At present, it is considered a CSR initiative (Kotler and Lee 2005). The degree of CRM incorporation to business strategy has also evolved: from applying it to usual products, to modify the product linked to the campaign to be socially responsible, and even changing the corporate culture so that the cause (support to cause) is integrated in it. CRM has also moved from simple campaigns focused on a particular period of time, to becoming in strategies with a longer term time horizon, integrating social action in the corporate

mission, and orienting not only on customers but also to stakeholders in general (Galan *et al.* 2004: 57). It has undergone an extension virtually all sectors: financial, communications, food, toys, cosmetics, cars, etc.<sup>4</sup> Its popularity and volume have grown substantially since the nineties (Wulfson 2001: 141). Many authors have proposed various key criteria for CRM. Perhaps Business in the Community<sup>5</sup> (BITC)'s principles are the best known and accepted worldwide: integrity, transparency, sincerity, mutual respect, partnership and mutual benefit. At the academic level there are two main paths of CRM analysis, and another third has been added: the first one, it is centered on the conceptual dimension; the second one, on the consumer reaction; and, finally, the third one, it is focused on the experience from the NPO's perspective (Table 3). This work is integrated into the first stream.

**Table 3.** Main research streams in CRM

STREAMS	MAIN AUTHORS	
Delimitation of the CRM concept, to realize their field and differentiate it from other terms.	Varadarajan and Menon (1988) Barnes (1992) Andreasen (1996) Guardia (1998) Adkins (1999) Pringle and Thompson (1999)	Cone and Roper (1999) Garcia - Izquierdo (2000) Ballesteros (2000) Gibaja <i>et al.</i> (2001) Kotler and Lee (2005) Goncalves and Alves (2011)
Consumer responses to CRM (in different countries)	In Australia In Bangladesh In Canada In Cyprus In Germany In Italy In New Zealand In Portugal In Singapore In Spain In USA In several countries (a comparison between Australia, Canada, Korea and Norway)	Kropp <i>et al.</i> (1999) Mohiuddin, B. and Mohiuddin, M. (2008) Pracejus <i>et al.</i> (2003) Demetriou and Papisolomou (2011) Moosmayer and Fuljahn (2009) Langen <i>et al.</i> (2010) Baghi <i>et al.</i> (2010) Chaney and Dolli (2001) Proenca and Pereira (2008) Subrahmanyam (2004) Fundacion Empresa y Sociedad (1999a, b) Mujika <i>et al.</i> (2000) Curras (2005) Bigne <i>et al.</i> (2010) Barnes (1992) Ross <i>et al.</i> (1992) Webb and Mohr (1998) Cone and Roper (1999) Ellen <i>et al.</i> (2000) Cone (2004) Kim (2005) Lavack and Kropp (2003a, b, c)
NPO perspective	Runte <i>et al.</i> (2009)	

<sup>4</sup> See, for example, Galan *et al.* (2004), a study about CRM situation in Spain (including the sectors with more CRM campaigns).

<sup>5</sup> *Business in the Community* (BITC) is a nonprofit organization dedicated to corporate social responsibility since 1982. It is participated by 850 companies from different sectors and sizes.

### 3. Scope and Content of CRM

#### 3.1. Delimitation of the concept

In the case of CRM, there are many misconceptions that have arisen and continue to be raised in relation to its title, scope and content. The most often used term to name this strategy is *Cause-Related Marketing*, but also used other as a *Joint Venture Marketing*, *Cause Branding*, *Passion Branding*, *Win-Win-Win Marketing*, *Cause Promotion*, *Cause Related Promotion*, *Social Responsibility Marketing*, *Strategic Donation* or *Pragmatic Altruism*, *Cross-sector Collaborations*, *Corporate Societal Marketing*, *Corporate Issues Promotions*, or *Social Issues Marketing*<sup>6</sup>. Analyzing some of the different and numerous definitions that exist, most of them (belonging mainly to the Anglo-Saxon context) consider it as a commercial activity, a marketing mix tool, a marketing strategy and, therefore, with a for-profit character (*‘the motivation of CRM programs is within the business scope’*, according to Seitanidi and Ryan 2007). However, there is no a unanimous criterion. The result has been a great conceptual confusion enhanced by translation errors in various countries,

which continues nowadays, leading to many misunderstandings about its definition, scope and content. The most crucial aspect of the CRM definition is that the donation is contingent upon the sales of a certain product, the link between donation and product sale is what most distinguishes this initiative (Kotler and Lee 2005: 82); i.e. corporate contribution levels depend on the consumer action (that is its most distinctive feature). CRM was innovative at the beginning, because it was a strategic option linking the profit and nonprofit organizations, sharing both targets and results. In essence, it represents a joint venture between a profit organization and a nonprofit organization (Chaney and Dolly 2001: 157) whose main objective is therefore positively affect consumer attitudes and buying behavior (Fries *et al.* 2009). The power of CRM over the more traditional forms of marketing is that both rational and emotional consumer commitment can be gotten. It engages both the consumer heart and mind, and also has the potential to build a much stronger and more durable relationship (Adkins 1999). Table 4 summarizes the main issues contained in the CRM definitions analyzed.

**Table 4.** Main topics included in CRM definitions analyzed

DEFINITIONS	AUTHORS (by years)	
It is a relationship, partnership or alliance between: A company or brand, and An NPO or cause	Varadarajan and Menon (1988) Benjamin (1998) File and Prince (1998) Pringle and Thompson (1999) Amery (2000) McCall (2000a, b) Nowak and Washburn (2000) Chaney and Dolli (2001) Business for Social Responsibility (2001-2002)	Barnardos (2002) Biz/ed (2002) Business in the Community (2002) Cavill + Co (2002) CSR Europe (2002) Krotz (2002) RNID (2002) Kotler & Lee (2005) Seitanidi and Ryan (2007) Fries <i>et al.</i> (2009)
It is an expression of CSR	Adkins (1999) Cavill + Co (2002) Resource Centre (2002)	Kotler and Lee (2005) Thomas (2008)
It is a part of marketing – mix	File and Prince (1998) Adkins (1999)	Biz/ed (2002) Sightsavers (2002)
It is a commercial activity	Varadarajan and Menon (1988) Benjamin (1998) Business for Social Responsibility (2001-2002) Business in the Community (2002)	Barnardos (2002) Biz/ed (2002) Marie Curie Cancer Care (2002) RNID (2002)
It is a marketing strategy	Varadarajan and Menon (1988) Adkins (1999) Cone / Roper (1999) Pringle and Thompson (1999)	Barone (2000) CSR Europe (2002) Resource Centre (2002)

<sup>6</sup> Some of these terms are not really synonymous, so sometimes they lead to confusion.

However, as above and based especially on Kotler and Lee (2005)'s and Santesmases (1999)'s definitions, we conclude that cause-related marketing is lucrative (companies seek an economic purpose, but also have social interests), it is included in the corporate marketing mix, and it is not synonymous with social marketing, so we propose the following definition: "Cause-Related Marketing is a CSR activity. It is an agreement between a company and a NPO to collaborate on a social cause and obtain, in this way, a mutual benefit. The company commitment is focused on contributing (financially or in kind) to the cause in terms of sales (the donation will depend,

therefore, on consumer behavior). Normally, the campaign is conducted for a certain product, for a specific period, and with a particular NPO.

### 3.2. Cause-Related Marketing and other related concepts

The disparity and the terminological confusion discussed above lead us to differentiate the concept of cause-related marketing from other related terms (but they are not exactly synonymous). Because of its importance, we highlight the following concepts (Table 5).

**Table 5.** Main differences between CRM and other related concepts

OTHER CONCEPTS	DIFFERENCES
Cause Marketing, Cause Promotions	In CRM, contributions and corporate support are based on consumer response, they are linked to sales of specific corporate products (in cause promotions, they are not).
Fair Trade	In CRM, products are not usually from the so-called "fair trade". A product linked to a CRM campaign can be any commercial product (good or service)
Corporate Philanthropy	In CRM, a return is expected, there is a lucrative objective behind (in philanthropy, there is not; and it is not related to sales). Moreover, money usually comes from corporate marketing or advertising budgets (and not from corporate philanthropy, community relations, or corporate foundation budgets).
Relationship Marketing	In Anglo-Saxon literature, the use of acronyms is frequent. Cause-related marketing is usually identified with the CRM acronym, the same one that is used for Customer Relationship Marketing and Customer Relationship Management. This can be sometimes misleading.
Nonprofit Marketing	CRM is developed by enterprises, but NPOs also participate (only NPOs take part in Nonprofit Marketing).
Corporate Social Marketing	In CRM, focus is not on behavior change (but it is in corporate social marketing).
Patronage	In CRM, profit objectives are pursued (however, the patronage just looks for a social evaluation of the corporate initiative in the community)
Sponsorship	CRM combines business objectives with social ones, and it is a post-purchase donation (sponsorship has a purely commercial purpose and it does not usually have a social objective; it is also a pre-purchase donation).

*Source:* adapted from Kotler and Lee (2005); Polonsky and Wood (2001); Andreasen (1996); Holmes (2002); Varadarajan and Menon (1988); Santesmases (1999)

### 3.3. Typology

CRM includes a wide range of activities, from simple agreements to donate a percentage of the purchase price of a particular item to a charity for a specific project, to wider and more complex arrangements. For this reason, CRM campaigns vary in scope and design, in types of nonprofit partners and in the nature of relationships between companies and their marketing partners. The most common CRM type is one in which a company donates a portion or percentage of every purchase made by its customers (transaction-based promotions) during a specific period of time, to the NPO. However, there are some variations in

this and not all CRM campaigns channeled money into the NPO<sup>7</sup> (contributions in kind may also be: food, equipment, services, etc.). Furthermore, it is usual that there is a 'ceiling' (a maximum amount of donation by the company). Some examples about the types of product links and common contribution agreements are included in Table 6.

<sup>7</sup> Andreasen (1996) considers that licenses (involving the transfer of the NPO's names and logos to corporations in exchange for a fee or percentage of income) and promotions of joint issues (where a company and an NPO address a social problem through tactics such as distribution of products, and promotional materials or advertising) are other types of alliances. However, authors such as Varadarajan and Menon (1988) do not consider them strictly as CRM programs.



**Table 6.** The most common types of product links and contribution agreements

TYPES	EXAMPLES
According to the donation type	A specific amount of money for each product sold
	A specific amount for each application
	A percentage of a product sales or transaction is donated to the NPO
	A portion of an item sale will be donated to a charity (without specifying the amount)
	The company adjusts the consumer contributions relating to the product
According to number of products involved	A company's specific product
	Some company's products
	All company's products
According to the duration of the campaign <sup>8</sup>	A specific period of time
	For an indefinite period
According to the chosen cause <sup>9</sup>	Health
	Childhood
	Basic needs (e.g. combating hunger)
	Environment
	Other causes
According to the number of NPOs involved	A NPO
	Some NPOs
According to who pays the cost of the campaign	The company pays the cost
	Consumer and company pay the cost
	Consumer pays the cost <sup>10</sup>

Source: adapted from Kotler and Lee (2005: 83-84); Barone et al. (2000); Varadarajan and Menon (1988: 63-67)

**4. Conclusions and main theoretical contributions**

Cause-related marketing is a relatively young area of study, where its conceptual framework and boundaries are not yet fully defined, and in which does not even exist yet unanimous agreement on the term that should be used to call it. This causes continuous errors in its definition, confusing CRM with other concepts. In addition, there are problems caused by errors of translation into different languages. Throughout this paper, we tried to reduce this confusion reviewing the most relevant existing CRM definitions, classifying them according to the main aspects they highlight, and selecting those that, we believe, reflect the real essence of CRM. Finally, we propose a definition. Although CRM has its roots in the social dimension of marketing, in the social responsibility derived from the marketing practice, it is also a commercial activity, a for-profit corporate strategy (firms pursue economic objectives). Its main feature is that the donation is contingent upon the product sale, it depends on the consumer action (there is a link between donation and product sale). Thus, its main objective is to positively affect consumer attitudes and buying behavior. Cause-related marketing is the result of the management and marketing convergen-

ce in the field of social causes. It lets bring together private donations for the benefit of certain social needs, getting a return (profit) for the company. That is, there is a synergy between the consumer's social interests, corporate values and brand personality, the NPO's objectives, and the real and tangible benefit to society (Galan et al. 2004: 62).

The peculiarity of CRM, as opposed to other more traditional forms of marketing, is that it can get a consumer commitment, both rational and emotional. This second aspect, the emotional one, is key to achieve a competitive advantage (based on differentiation by psychographic aspects, like consumer values). Moreover, the consumer sensitivity or interest toward CRM depends on who (the company or the consumer) assumes the cost. The higher the cost to the customer, the greater the information needed for

<sup>8</sup> It can also be classified in short and long-term programs.

<sup>9</sup> It can also be focused on one or more causes. Or according to the geographical scope (e.g. local, regional, national, international, or global causes).

<sup>10</sup> In this situation, there is a higher interest in receiving information about the results. Consumer sensitivity depends on who (the consumer or the company) pays the cost. Information will have a positive effect on consumer behavior when consumer pays, at least, a part of the costs, and will avoid a post-purchase dissonance. Thus, information is decisive for message credibility.

the campaign credibility (for the message, in particular). Therefore, companies should provide more detailed information as possible about the CRM program. In consequence, CRM is an example of the current marketing approach: holistic marketing approach, assuming the corporate social responsibility and also considering sustainability.

CRM has grown quickly in just three decades. Programs have multiplied and have experienced great diversification, achieving virtually all sectors. An evolution in CRM is also seen. It has gone from a short-term approach to a long-term one (an extension of the commitment, avoiding specific campaigns); from a tactical approach to a more strategic one; from being a simple action to being integrated within the corporate mission; from focusing only on consumers, to focusing on stakeholders; from focusing on increasing sales to focusing on creating brand and reputation; and from being exclusive from the Marketing Department to involving the entire organization. As a major contribution of this work, we note a classification of definitions and comments of interest regarding the conceptual framework of CRM, with contributions to academic debate. As the main implication for companies, CRM should be considered by organizations for the many benefits it provides. If CRM can influence consumer attitudes and the subsequent behavior and buying habits, then it can become an essential marketing tool. If it can enhance corporate reputation, improve brand and / or corporate image, increase customer satisfaction and customer loyalty, increase sales and benefit the society at the same time, then, CRM should become an intrinsic part of the strategy marketing. Only companies that get adapted to new consumer wants and needs, and share values with them, may remain and grow in the current competitive environment. CRM can be a means to success.

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