

Cause Branding: 'Out of the box' approach

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Executive Summary

This dissertation starts with analysis of the evolution, growth and current status of Cause branding in India. It also tries to pin-point the reasons which led to Cause branding gaining prominence in India.

Then, the dissertation presents three successful Cause branding case studies viz. Infosys, HLL, and Dr. Reddy's. After analysis of these case studies, it deduces the general factors which make a successful Cause branding program.

Then, an innovative Cause branding strategy has been designed for CRISIL after analyzing questions like what are CRISIL's core brand values, what CRISIL stands for, and what is CRISIL's vision. The recommended Cause branding approach, named in the dissertation as **CRISIL- Entrepreneurial India**, is to "create a multitude of entrepreneurs in India by unleashing the entrepreneurial potential of youth belonging to bottom 10-15% of the socio-economic class". Finally, the impact of this Cause branding approach on CRISIL has been analyzed.

First part of this dissertation aims at critically analyzing the evolution, growth, and current status of Cause Branding in India. Second part of the dissertation aims at

designing an innovative and impactful Cause Branding program for CRISIL that can help it differentiate itself and at the same time build corporate reputation.

Part A: Evolution, Growth and Current status of Cause branding in India

Cause branding is not a new phenomenon in India. Years before the current fad of Cause branding caught the attention of corporate houses we had philanthropic efforts by Birlas (temples, dharamshala etc.), Tatas (JN Tata Endowment Fund, Tata Foundation scholarships etc.), and Bajaj (Jamnalal Bajaj Seva Trust).

The current craze for Cause branding has its origin in mid 90's. It was also the time when cause related branding strategy was being taken seriously by corporate houses around the globe.

In 1993, the first Cone/Roper study captured consumers' enthusiasm for this evolving trend and gave executives and nonprofits benchmark results and fresh ammunition to create a burst of cause programs. During this time, innovative companies began to recognize the power of cause programs to create additional value, beyond just short-term increases in sales¹. By 1998, cause marketing had become a common practice.

It was also during this time when Indian corporate houses realized the potential of Cause branding. Leading corporate houses like Infosys, Wipro, Aditya Birla Group, Dr. Reddy's, Ranbaxy etc. started coming out with their cause branding strategy to blend business with social causes.

¹ CAUSE BRANDING IN THE 21ST CENTURY By Carol Cone,
<http://www.psaresearch.com/causebranding.html>

What led to Cause branding gaining prominence in India?

Today's market place has become cluttered with numerous brands. It has reached a saturation point where it is difficult for marketers to "out innovate" or "out advertise" competitors. Differentiation based on product quality and benefits is no longer effective as most of the offerings are identical thanks to access to technology. Moreover, consumers are more educated now and concerned about not only themselves but also the society they live in. As a result of all these developments, Cause branding has emerged as an effective alternative to differentiate one's offering from that of competitor's and at the same time building an emotional chord with the consumers by aligning business with social commitments.

Strategic cause programs provide companies and nonprofits with valuable leadership and differentiation strategies as well as enhanced brand equity and credibility, greater reach and significant resources and relationships. Now, more than ever, corporations and nonprofits are realizing the power of aligning companies and causes.²

Some Indian case studies: Successful Cause branding programs

Infosys

² CAUSE BRANDING IN THE 21ST CENTURY By Carol Cone,
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Infosys has been at the forefront of aligning business with social causes. It started Infosys Foundation in 1996. The focus areas of Infosys Foundation are health care, social rehabilitation, rural upliftment, education, and art and culture. It receives an annual grant from Infosys which is equal to 1% yearly profit of Infosys.

This foundation has built several hospitals in Karnataka. It has also introduced a novel pension scheme for the benefit of aged, destitute, widows, and people suffering from cancer, leprosy, defects of heart/kidney, mental illness and other major disorders. The scheme helps them meet the substantial medical expenses. Other activities involved building schools, orphanages, girl's hostel in Tamil Nadu, Orissa and other states.

The Foundation has also undertaken an innovative program called "A Library for Every School", one of the largest rural education programs in the country. So far, more than 6,500 libraries have been set up in the government schools in rural Karnataka. The foundation also identifies talented students from economically weaker sections and gives scholarship to them. It has set up science center in remote village to promote the cause of science among rural students.

All these initiative on social front has helped Infosys in gaining a highly esteemed corporate reputation. These have helped Infosys in surrounding itself in a halo effect of "socially oriented capitalism" where the profit motive is deeply embedded with social responsibility.

Hindustan Lever Limited

In recent times, HLL has been investing heavily in Cause branding. It is getting actively involved with social causes. It is not only blending its business with social causes but also exploring business growth through these programs.

The most important of HLL's Cause branding efforts is **Project Shakti**, which is currently running in states of Andhra Pradesh, Karnataka, Madhya Pradesh and Gujarat, and comprises 5000 villages in 52 districts. This project is financially empowering poor women, mostly below poverty line, in rural India and making entrepreneur out of them. At the same time it is helping HLL in distributing its products deep inside the Indian hinterland. Project Shakti is one of the foremost examples of blending business with community.

Other efforts in Cause Branding by HLL include projects like **Asha Daan, Ankur, Rural education, Integrated rural development etc.**

In the field of education, HLL has invested a lot in many programs that are directly targeted at underprivileged women. Pioneering among them is **Fair & Lovely Foundation**, which seeks to encourage economic empowerment of Indian women through information and resources in the areas of education, career and enterprise. Other projects include **Project Saraswati** (aims to provide women with scholarships for education such that it opens career avenues for them), **Project Disha** (aims at providing career guidance by organizing career fairs in over 20 cities across the country, offering counselling in as many as 110 careers), **Project Sanjivini** (a three-month Home Healthcare Nursing Assistant's Course in partnership with Dr. Reddy's Foundation for women in 18-30 age group

with formal education ranging from 8th grade to 12th grade), and **Project Kaladarshan** (an effort towards skill development in the areas of embroidery and garment designing for women's self-help groups of Andhra Pradesh)

All these cause branding programs has ensured that people see HLL as a socially responsible company and feel proud to use its brands. Moreover, through programs like Project Shakti, HLL has ensured that its brands reach areas of low access and market potential. And given the fact that 30% of FMCG business comes from villages with population of less than 2000, it is definitely a profitable proposition with a cause.

Dr. Reddy's Laboratories Limited

Dr. Reddy's has come up with a highly innovative Cause branding program called "**THE Livelihood Advancement Business School (LABS)**". It runs under Dr. Reddy's Foundation. It aims at providing young adults with economically underprivileged backgrounds an opportunity to assimilate into competitive job market. This is achieved through administering skill training aimed towards sustainable livelihood with industry linkages. Impressed by the program, the Municipal Corporation of Hyderabad as well as the Government of Andhra Pradesh has extended support for this program.

The LABS project focuses on bottom 15 per cent socio-economic category of youth, who are needy, and normally have no access to market-oriented employment service training programs. After the LABS program, these youth are able to earn anywhere between Rs.2000-6000 a month. The training includes

computer data entry, IT enabled services, motor driving, videography, garment manufacturing among others.

Dr. Reddy's runs another foundation called **Dr. Reddy's Foundation for Health Education (DRFHE)**. Its primary objective is to promote health education in the country by creating qualified healthcare professionals who would complement and add value to the existing healthcare system and work with the medical fraternity to offer an integrated multidisciplinary approach to good health.

All these efforts have paid off by giving Dr. Reddy's Laboratories a humanitarian face in the pharmaceutical industry.

What makes a successful Cause branding program?

Analyzing these three case studies throws up some key insights as to what makes a successful Cause branding program. These insights are general in nature and can be applied to a wide spectrum of businesses and industries.

These are:

- 1. Integration with corporate value system and business model:** For a Cause branding program to be successful, it must, in some way, be related to vision, mission, values and business model of an organization. Moreover, Cause branding needs top management commitment. Ingraining it with value system is a sure way to get commitment from top management. Cause branding exercise must also be amply supported by money, time, human resources and promotion. All these need unwavering commitment from top management.

- 2. In-depth understanding of one's brand:** Cause branding will succeed if the core brand values are associated with the cause. Before designing a Cause branding program, it is imperative to do a rigorous analysis of the brand. If one knows exactly what one's brand stands for, it becomes relatively easy to design an impactful Cause branding program.
- 3. Long-term strategy:** Any branding effort is a long term strategy. Cause branding is no different. To get a favourable impact, Cause branding must be a long-term strategy with an eye on future.
- 4. Collaboration with other organizations:** Collaboration with other organization, generally non-profit organizations, Government etc., greatly enhances the efficiency of a Cause branding program. Since these organizations are more aware of the social problems and possible solutions, it is always a good idea to make them partners.
- 5. Addressing a highly critical and visible social cause:** To be effective, Cause branding must address a social cause that is critical and in urgent need of support. Moreover, the cause must also be sufficiently visible so that people can relate with it.
- 6. Involving employees at all levels:** Cause branding should be a complete organizational effort. It must involve everyone in the organization so that every individual feels to be a part of a noble cause and the enthusiasm is maintained as well as sustained.

7. **Effective communication:** Communication is vital. Unless people know about a Cause branding effort, it is useless in enhancing corporate reputation or image.
8. **Impact of Cause branding must be measurable:** As with other branding exercise, results of a Cause branding effort must be measurable. This is necessary as support of top management depends on showing results. Unless the impact is measurable, the Cause branding effort can't be sustained on a long-term basis.

Part B: Designing a Cause branding program for CRISIL

Before designing a Cause branding program for CRISIL, it is imperative to answer a few questions that will help in understanding the brand "CRISIL" in a comprehensive manner.

What are CRISIL's core brand values?

The core brand values of CRISIL are "analytical rigour, independence, integrity, commitment, and innovation".

What CRISIL stands for?

CRISIL stands for excellence exemplified. It is known for its thought leadership which shapes innovative products and methodologies across businesses to create new industry standards on a regular basis. CRISIL creates milestones for others to cross.

What is CRISIL's vision?

The vision of CRISIL is “to be the leading opinion maker and provider of comprehensive solutions”. This means creating a critical mass of thought leaders who collectively give CRISIL a reputation of “the leading opinion maker”.

Recommended Cause branding approach for CRISIL

CRISIL may go for a Cause branding program, named here as, “**CRISIL-Entrepreneurial India**”. The vision of this program should be to create a multitude of entrepreneurs in India. But the focus of CRISIL should not be on creating entrepreneurs out of MBAs from top B-schools. **CRISIL-Entrepreneurial India** should try to make successful entrepreneurs out of the youth belonging to the underprivileged socio-economic class of the society. The aim should be to target the entrepreneurial potential of the bottom 10-15% of the socio-economic class.

CRISIL-Entrepreneurial India should involve itself with identifying potential entrepreneurs among these underprivileged youth, training them, working with them to select the type of business they should enter, providing them with initial seed capital, mentoring them, guiding them to minimize business risk, and evaluating their performance.

Every employee, from a peon to the CEO, of CRISIL should be involved in this effort. A good way to ensure that could be to ask employees to work for 10 days every year on this project.

To start with, CRISIL may make an initial corpus fund for this project amounting to Rs.10 million. Apart from this an annual budget should be there as a fixed percentage of CRISIL's annual net profit, say 1%.

Initially, it should finance Rs.10,000 to Rs.100,000 for starting businesses. The business could range from a *pan* shop to a small mechanical workshop. But there should be no rigid rule. If some highly innovative ideas crop up then CRISIL should go about financing it even if it means committing more capital.

This program should be launched in the slums of Mumbai. For the first year CRISIL could target to finance 50 small businesses amounting to a total of Rs.2 million. At the end of the year, CRISIL must do performance evaluation for this program by calculating how much value its underprivileged entrepreneurs have added to its investment in their business. This will help in measuring effectiveness of the program. It will also help in identifying any problem or obstacle and timely incorporation of remedial measures to ensure that this program runs smoothly over years.

To make this program more efficient, CRISIL should collaborate with a leading NGO working for youth in slums of Mumbai. This will help CRISIL in efficiently focusing its resources in right direction. Moreover, the NGO could help it in understanding the youth of these slums.

In the long run, as the business of CRISIL expands, it should aim to take this program national.

Impact of this Cause branding approach on CRISIL's image and reputation

This will greatly enhance the reputation and image of CRISIL as its business and the proposed cause branding program are closely related. Customers will see CRISIL as an institution that really cares for the development of business in India as it is a cause of “promoting business without any business interest”. This Cause branding program has also the potential to win support from government organizations, which in turn could give excellent publicity to CRISIL and help it in becoming a “leading opinion maker”. Overall, this approach can give a lot of business leverage to CRISIL in the long run.

Bibliography

- ◆ Hamish Pringle and Marjorie Thompson, *Brand Spirit: How Cause Related Marketing Builds Brands*, John Wiley & Sons, 1999.

- ◆ James Austin, *The Collaboration Challenge*, John Wiley & Sons, 2000.