

Emotions that help

Emotions are becoming increasingly more important when selling a product. Cause-Related Marketing (CRM) is a marketing strategy that connects business and charity. It creates an experience of helping others when purchasing a product. The idea is that the company donates a certain percentage from the price of a product to a non-profit organization to support a charity project. This connection of business and charity benefits all those involved.

When ordering promotional items via the e-shop at www.detom.mmpartners.sk, the customer contributes 5% of the price to the project Hodina deťom (Children's Hour), which is a traditional public money collection event focused on helping children in Slovakia. The Children of Slovakia Foundation, which has organized this money collection for 14 years, has long cooperated on this event with MM Partners Slovakia, s.r.o., Bratislava. The Foundation receives a significant financial contribution from this company, which tries to express its socially responsible behavior this way.

The added value of this cooperation is that the customer, via buying a product, supports the employment of disadvantaged people who work on some of the products in the company's work shelter. In this way the company also fulfills their duty to support the employment of disadvantaged people. This partnership has also developed into logistical support of the Foundation's one-day money collection event in the streets of Slovak towns and its PR activities. "The partnership with the Children of Slovakia Foundation enables us to provide a different kind of help, but we also see it as a marketing and business channel for our products," says Pavel Mihálik, the owner of MM Partners.

The Foundation also cooperated with Shell in the past. This company allowed its customers to support projects via loyalty coupons.

For both business and charity

CRM is a marketing approach that has been on the rise lately, especially in American companies. In 2010, North American companies spent about \$1.62 billion on CRM (and in 2011 it was more than \$1.7 billion). CRM develops a long-term partnership between a company and a non-profit organization, which benefits both entities; the greatest benefit, however, goes to those who are helped.

According to CRM expert Sue Adkins, companies in a highly competitive environments, where the quality and the price of products are approximately similar, often choose to use this type of marketing. It is important for them to be visible and distinguished and to build trust with their customers. CRM can increase the company's reputation and customers' loyalty. It reinforces the company's positive image and facilitates penetration into the media, thus increasing sales. The relationship between the company and its clients is one of the key factors of its success on the market. A good corporate social responsibility strategy can be

one of the main reasons for the company to become established. It helps to build its reputation, which is very important. The use of the CRM contributes to meeting this goal.

A non-profit organization is interested in CRM because it needs a strong partner to become a stable source of income to cover the organization's public-benefiting activities. In addition, such a partnership helps to promote these activities amongst the public. It is a strategic form of cooperation where the non-profit sector offers its name as a means of supporting the sale of the partner company's product. According to HR managers, CRM also encourages the morale and loyalty of employees.

For CRM to be successful, a good communication campaign is essential, in which the company clearly declares that from each product sold, they will donate a part of the income to charity. The company should more visibly present the supported project or the theme, and the product itself should come second. For a CRM campaign, all promotion, marketing and public relations methods can be used.

The latest research has shown that customer interest in the

products of a CRM campaign is increases if they can choose from a number of projects to support. Customers thus have a feeling that they have supported the activity they deem the most useful.



Inspirations from history

CRM began in the USA in the mid-1970s. An early example of successful CRM is the renovation of the Statue of Liberty in 1983, which was done with support from American Express. The company decided to donate 2% of its turnover from AmEx card operations, 1% from the amount on checks issued that exceeded \$500, and \$1 for each new card application. During the three month campaign, AmEx card operations increased by 28%, and the number of new card applications increased by 15%. In the process, AmEx managed to raise \$1.7 million for the Statue of Liberty's renovation. As a result of the increased turnover, AmEx's profit was even higher. In addition, most people saw AmEx as the sponsor of saving of the Statue of Liberty.

Another good example comes from Tesco, which introduced a project called Computers for Schools in 1992. For each purchase over £10, the customer received a coupon to be given to a school. The schools used these coupons to buy computers, software, and other equipment. By the end of 1997, more than 11 thousand schools in Great Britain gained IT equipment with a value amounting to £34 million.



*Dana Rušinová,
Executive Director,
Children of Slovakia
Foundation*