

KERALA NEEDS US! – A STUDY ON THE SUCCESS OF CAUSE MARKETING ADOPTED BY PAYTM

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ABSTRACT:

Cause marketing is the marketing of a for-profit product or business which benefits a non-profit charity or supports a social cause in some way. Cause marketing means activities which are of philanthropic in nature. A brand when offers, free services, products, etc. for a particular cause, from its regular income, it is known as Cause marketing. But sometimes, apart from the technical definition, we see another aspect of cause marketing, wherein a brand comes forward to support a situation or a cause, but in the longer run, it is for the brand's benefit as well. God's own country, Kerala, the beautiful paradise with its calm backwaters was devastated by the worst floods in more than 100 years. The loss of life and property was unparalleled, with over 300 people having lost their lives & many displaced families living in relief camps. Paytm decided to reach out to its community & extend a helping hand by inviting contributions from the current and potential users of Paytm. The campaign was named **"Kerala needs us!"** Every contribution made was matched Rupee for Rupee by Paytm. All the donations collected by Paytm was transferred to the Kerala CM Disaster Relief Fund. This study focuses on analysing the success of Cause Marketing adopted by Paytm and its impact on the minds of the users towards the brand.

Keywords: Social Cause , Brand, Paytm , Impact, Contribution

INTRODUCTION

Cause marketing is a relatively new field in the marketing arena, introduced in 1976. Cause Marketing is defined as a type of Corporate Social Responsibility (CSR) in which a company's promotional campaign has a dual purpose of increasing profitability while bettering the society. Cause marketing takes place when a company *does well by doing good*. It is a process of implementing and formulating marketing activities that are characterized by an offer from the firm to contribute a specified amount to a chosen cause when customers engage in revenue-providing exchanges that satisfy individual and organizational objectives. Cause marketing campaigns run the scale from large, global causes to smaller, local efforts. General examples of cause marketing include public awareness campaigns for cancer, licensing of charity trademarks for use in sales, and requests for donations in store check-out lanes. Cause Marketing is a brand's ability to strike an emotional chord with their customers by offering them support in their testing times, the brands tend to retain the trust of their customers and more often than not, it results in a long and mutually beneficial association between the brand and the customer. The brands also gain market mentions and thus their brand-building exercise is taken care of. Paytm launched an option on its platforms for people who wish to donate money. Paytm said that it'll match each donation rupee for rupee, which means that the total donation will effectively be doubled.

REVIEW OF LITERATURE

Cause-Relating Marketing: The Effects of Purchase Quantity and Firm Donation Amount on Consumer Inferences and Participation Intentions

Judith Anne Garretson Folse

Ronald W. Niedrich, Stacy Landreth Grau

Abstract

A conceptual model for a cause-related marketing (CRM) campaign, which examines the effects of purchase quantity and firm donation amount on consumer perceptions of the firm and participation intentions, is developed and tested in three separate studies. Recommendations for the design of cause-related marketing campaigns and for future research are discussed.

Cause marketing: a new direction in the marketing of corporate responsibility

Author: Scott M. Smith (Professor of Marketing and Director of the Institute of Business Management in the Marriott School of Management at Brigham Young University)

Reports on recent marketing strategies that simultaneously demonstrate a sense of social responsibility and satisfies shareholders' demands for increased profits and market share, also known as cause marketing. Discusses the implementation of cause marketing through three forms of corporate sponsorship and examines consumer motivations and cause marketing strategies. Presents a study on consumer attitudes towards altruism and cause marketing segmentation with coupons. Provides managerial implications and recommendations for implementing strategies.

OBJECTIVES

1. To analyse the steps taken by Paytm to bring about awareness about the Kerala floods which struck and simultaneously stimulate people to donate money for the cause.
2. To study the strength and direction of the customers perception towards the campaign launched by Paytm.
3. To study the success of cause marketing adopted by Paytm to support the kerala victims.

SCOPE

In order to fulfil the objectives of the study, a sample size of 50 Paytm users were randomly selected from the city of Hyderabad.

LIMITATIONS OF THE STUDY

1. It is assumed that all the responses given by the respondents is true and unbiased.
2. The research covers to respondents belonging to the city of Hyderabad only whereas donors were spread all across the country.
3. Some respondents refused to participate in the survey due to moral pressure.

IMPORTANCE OF THE STUDY

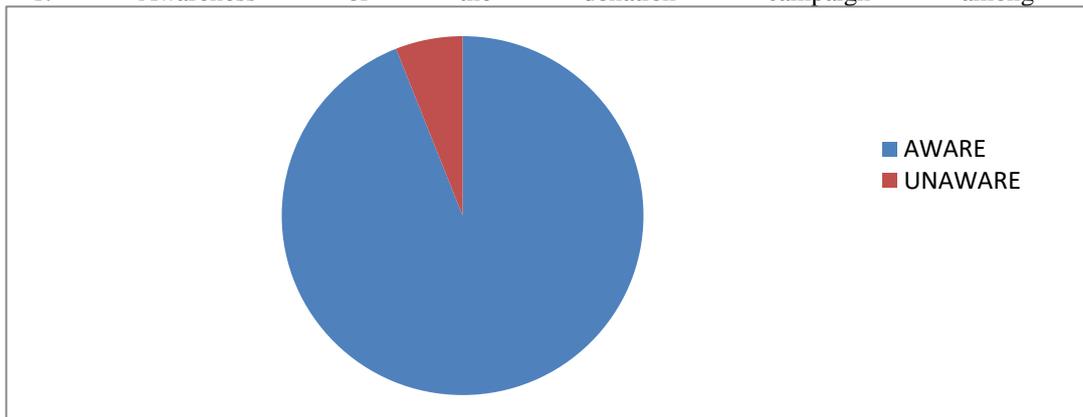
Cause Marketing brings about Financial Benefits to the company. Cause Marketing campaigns elevate buyer enthusiasm and boost the total sales. It boosts Employee Recruitment and Retention .Cause Marketing campaigns are the ideal way to demonstrate the commitment of the company towards the society thereby boosting the image of the company and creating a stronger bond with its consumers. So it is realised that there is a need to study Cause Marketing a stronger bond with its consumers. So it is that there is a need to study Cause Marketing and its impact on the company as well as well as customers.

RESEARCH METHODOLOGY

The study uses both primary and secondary data. Primary data is collected through the questionnaire and the secondary data is drawn from published articles, blogs and related websites.

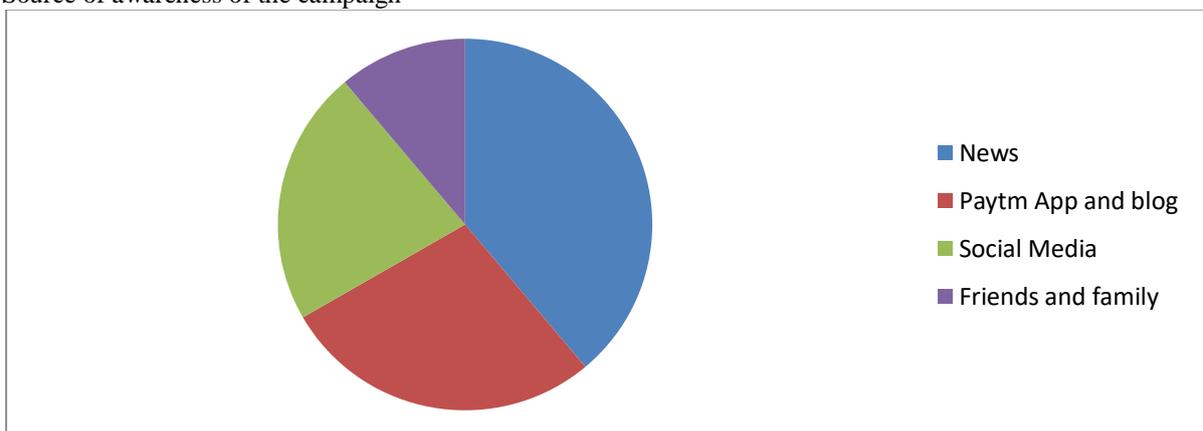
DATA ANALYSIS

1. Awareness of the donation campaign among Paytm users.



From the above pie chart it can be observed that 97% of the respondents who were Paytm users were aware of the campaign Launched by Paytm to help the kerala flood victims.

2. Source of awareness of the campaign

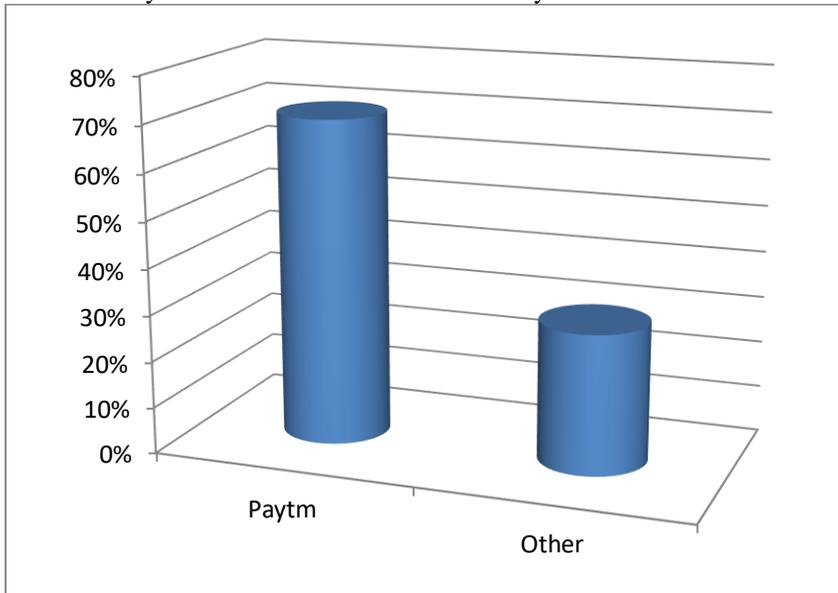


3.

Paytm put in maximum effort to spread awareness about the campaign among the users through news channels, Paytm App and Social media. They did not leave any stone unturned to reach the users and encourage them to donate for the noble cause. Some of the other steps taken by Paytm to encourage users to donate via the app are

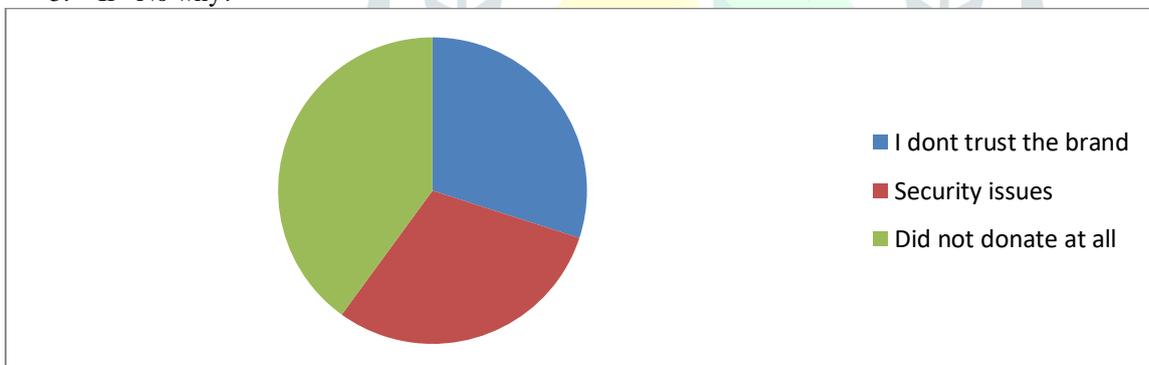
- Paytm claimed that they would match up the donation rupee by rupee which means that the total donation will effectively be doubled.
- All the donations made towards ‘Kerala CM’s Distress Relief Fund’ via the paytm app was 100% tax exempted under section 80G(2) of the Income Tax Act 1961
- The government of kerala issued tax receipts directly to all the patrons who donated via the Paytm app in due course of time.
- Paytm provided an instant Fast Forward Payment facility directly from the Paytm wallet which allowed the users to donate a sum of either Rs.500, Rs.1000 or Rs.2000 with just a click of a button quickly and hassle free.
- Usually Paytm pays some fees to various banks on each Payment which can go as high as 2% but in this case Paytm did not charge the user or the government any fee or transaction charge on the donations made on Paytm

4. Did you donate towards the cause via Paytm or other means ?



70% of the Paytm users who were aware of the campaign donated towards the cause via the Paytm application itself .

5. If No why?



- 30% of the respondents(15 out of 50 Paytm users), despite having Paytm App installed on their phone , chose not to donate towards the cause.
- 60% of the 15 respondents who did not donate at all, cited security and trust issues as the reasons for not donating.

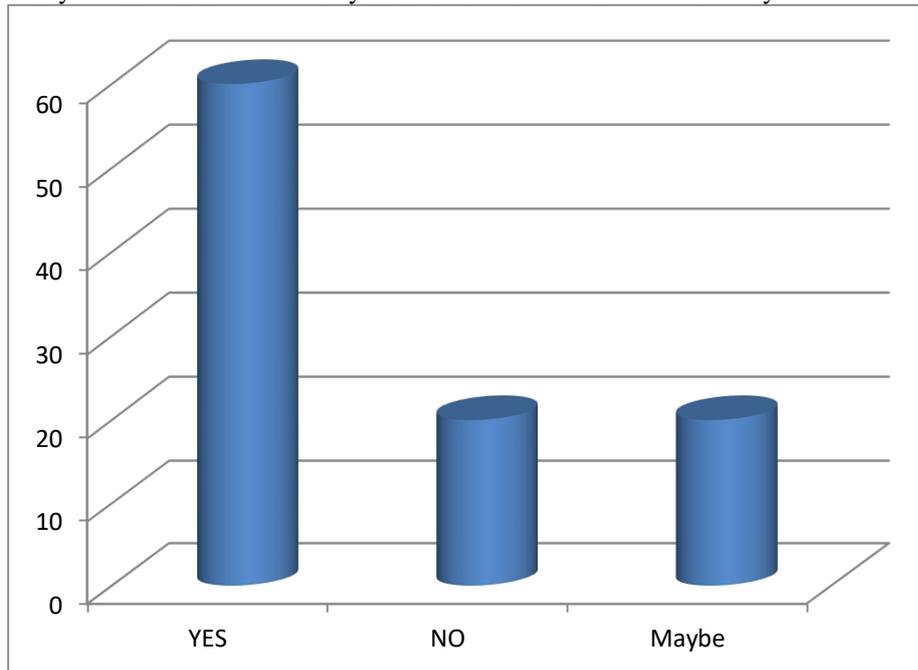
6. User Perception towards the campaign



7.

- 60% of the Paytm users applauded Paytm on this initiative. They responded that it was very easy to donate via the app because the entire process was completed in 2 minutes and they also received a payment confirmation message instantly.
- But 40% of the respondents had complaints regarding the issue of receipts. They believe that the company just took advantage of peoples' sentiments and were just promoting the company image and using the opportunity to the company's advantage for its own tax exemption.

8. Will you still continue to use Paytm in the Future to donate towards any cause



9.

- 60% of the respondents replied that they were satisfied with Paytm and would continue to use it in the future as it was trust worthy and hassle free.
- 20% of the respondents replied strongly against using Paytm in the future as they believed that it was a fraud because many of them did not receive receipts and were also unhappy with the CEO Mr. Vijay Shekar Sharma's contribution of just Rs.10,000

10. Success of the donation campaign launched by Paytm during the floods in kerala.

Despite criticism towards the campaign, this cause marketing effort by Paytm was successful as the company claimed that they received over 40 crores from more than 17 lakh Paytm users on their blog.

SUGGESTIONS

This Research has suggested that marketing practices should increasingly be considering cause marketing as an element of their overall marketing strategy. Marketers who engage in cause marketing should also consider actively communicating the connection between their brand and the cause to enhance the effectiveness of the strategy.

As an emerging area within the marketing discipline, there is a critical need for research in to the various elements of cause marketing strategies. The findings of the research have important implications for both practitioners and academicians.

The findings in this research indicates that cause marketing has a positive effect on the company as well as the users.

Consumers are likely to continue to demand more transparency with regard to the efforts and results of cause marketing campaigns, and with the explosion of social media and its increased use in cause- marketing, consumer scrutiny of cause marketing campaigns is likely to intensify.

This Research has detected signs of a public that are demanding more accountability from companies and causes engaging in cause marketing.

CONCLUSION

While the future of cause-marketing has a great deal of promise, there are a number of serious issues that may present obstacles or cause setbacks. Many consumers, although receptive to the concept of cause-marketing, are still sceptical about the motives of the companies involved. Some of consumers said that the primary motive of companies is a tax write-off and few others said it was publicity. Consumers are also not sure of how much money actually gets donated.

Cause marketing is, most of all, a marketing-driven and practitioner-based concept. During the past 30 years, cause marketing has become mature and widely used marketing tool. It is clear today that in spite of the campaign-oriented implementation of cause marketing, it is not a temporary buzz word or a fad but a sustainable model that links societal causes with for profit organizations.

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