

# A Study on Role of Indian Corporates towards Sustainable Development: Special reference to Corporate Social Responsibility and Cause Marketing

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**Abstract:** Several Indian companies have invested in CSR, Social marketing and Cause Marketing campaigns in order to meet the mandatory requirements and participate in the societal causes so that companies develop good brand imagery in the minds of the customers. CSR and cause marketing have become major tools for companies to closely associate with its stakeholders in the society. Many companies have been engaged in efforts to achieve building infrastructure, production of food grains, science and technology and spread of education, despite this, there are many areas identified in which Indian society encountering a variety of problems is related to sustainable development, there is an urgent need for addressing issues like climate change, environment protection, pollution. Indian corporates have to earmark some portion of their CSR and Cause marketing investment towards these issues. This study analyses the current position of CSR in India and compare CSR and Cause marketing activities from the perspectives of sustainable development. It also makes an assessment of current trends and future directions for incorporating sustainability components into CSR by applying case study methodology.

**Keywords:** Case study, CSR, Climate change, infrastructure and sustainability

## Introduction

Majority of the population of the Indian society is suffering from poverty. Poverty is a phenomenon which is objective as well a subjective. Objectively, poverty implies a deplorable condition in which people are unable to cater to their own basic needs. Subjectively, poverty stands for perceived deprivation. In the meantime, it may be relative as anybody can feel poor by comparing himself as herself with a rich person. Poor people lack the necessary resources and capacity to satisfy basic needs like food, shelter, health and education. They live under difficult conditions which are not supportive enough for the development of their human potential. It is well understood that for healthy human development a child needs environmental support for survival and development. Poverty is a major obstacle to natural development in many ways. For instance lack of or inadequate nutrition arrests mental development during early childhood. The unavailability of stimulating environment and absence of effective role models decreases the motivation level. In addition, a large section of poor children do not go to school. Even if they go they become drop outs and fail to complete education. In this context it may be pointed out that poverty is also related to the social structure.

Illiteracy is another major problem facing the society. It is terrible disheartening that a country which had higher level of literacy (than British) at a time when British came two centuries ago is now facing the challenge of a huge number of people who are illiterate and cannot read or write. The lack of these skills renders them vulnerable in the face of the opportunities for upward social mobility. Such people have to depend on others for various things and are exploited in various ways. For example the poor rural people are asked to put their thumb impression of various legal documents and are subjected to exploitations and legal hassles. Keeping these repercussions in view the government is trying to universalize primary education. The lack of reading and writing skills makes a person

incapable of availing the various opportunities to help themselves. Each and every educated person, therefore, is expected to contribute to the literacy mission and making it a success.

It was in the 18<sup>th</sup> Century that the modern Western understanding of the term ‘philanthropy’ emerged as the state and private individuals began to assume responsibility for the care and welfare of the less fortunate; a role traditionally held by religious authorities. Etymologically, philanthropy means love for man (*mankind*). More generically, the term signifies activities of voluntary giving and serving primarily for the benefit of others beyond one’s family, in other words for the larger public good. This broad definition is crucial, for philanthropy in India today reflects traditions and institutional structures of the diverse cultures and religions that shaped the sub-continent’s history before and after its independence in 1947. The definition of philanthropy used here enables meaningful, cross-cultural comparisons while at the same time encompassing understandings and practices particular to Indian society.

The Indian word that implies the essence of philanthropy is *daan*. But the social science research focuses more on philanthropy and voluntary action. As understood in this part of the world, charity is aimed at providing immediate relief to some lack or need. This commonly occurs in the shape of welfare disbursement, where people “in need” are typically provided with food, shelter or money; whereas, philanthropy has the broader and long-term connotation meaning “social investing”. The shift towards social investing signifies that philanthropy would move beyond charity towards building human and social capital: it should invest in education, in enhancing social and economic opportunities for those who are less privileged, and in building strong organizations to address social ills. In other words, “philanthropy” as used here is about “teaching people how to fish”, as opposed to ‘giving people fish to eat’. Philanthropy for social investment has a longer gestation period, and is more difficult to undertake than charity.

Domestic philanthropy in India has been focused more on charitable and welfare purposes; it has supported many religious and welfare organizations to serve the needs of the poor. From homes for the destitute to food for hungry, clothing and shelter for the homeless and health for the sick, education for the ignorant—philanthropy in India has contributed to many aspects of human life to ensure survival and development. Recent researches have begun to reflect upon the growing importance of domestic philanthropy in India. CAF Index Report (2011) suggests that philanthropic giving has been increasing at the rate of about 10% per annum in India. Thus, it is clear that philanthropy is growing rapidly. Encouragingly, more people and foundations are giving more and more. In addition, corporate philanthropy is also increasing in the country. Though India has been faring rather poorly in this index in comparative terms there has been some positive movement of late. The Indian concept of philanthropy arose from two quite different historical currents – a strong tradition of religious charity and a history of patronage practiced by the royalty and the wealthy to advance the work of those considered having artistic or intellectual promise.

India’s indigenous philanthropists include both individual and corporate givers, who have donated/contributed money, goods or time to benefit others. Several schools, hospitals, widow homes, lepers’ homes, travellers’ rest houses across the country have been built by individual philanthropists. Many of such institutions are more than a hundred years old. The family of the Tatas established India’s first grant making organization in 1902, much before the Rockefeller family of USA founded their now globally famous foundation. In this regard, the current work lavishes enough attention on Cause Marketing and encapsulates the social concern of the corporates.

### **Cause marketing as Social Investment**

Cause Marketing and reminds us about the early 1990s which caused Philanthropy to emerge as a ‘social investment’ in the light of major economic changes experienced and is still going on quite strongly. At this juncture, several disparate factors recommend for ‘social investment’, such as (i) strong growth in the Indian economy since its liberalization, (ii) the de-emphasis of the government owned public sector for many social services, and (iii) continuing restrictions on eligibility and use of international funding for private, not-for-profit organizations. Further, he says that social investment is emerging as a new means of promoting social and economic growth by combining two traditionally diverse uses of capital : (i) investments ventured for future financial gains and(ii) philanthropic charity, including grants-in-aid, endowments and other pure ‘gifts’. Social investment may therefore be broadly defined as investment activity seeking to achieve a dual objective: financial as well as social returns on initial capital ventured. Having, by definition, these two yardsticks for success, social investment enterprises are also sometimes referred to as ‘dual bottom-line companies’.

Besides, this Unit also throws some light on subtle differences between Philanthropy and Cause Marketing. The Chapter “Cause Marketing Resources” says that Cause Marketing is distinct from corporate philanthropy because

the corporate dollars involved in cause marketing efforts are not outright gifts to a non-profit organization, so they are not treated as tax deductible charitable contributions. Non-profits potentially benefit from increased fundraising and exposure. Likewise, corporations that are socially involved potentially benefit from increased brand loyalty and employee morale. Studies have shown that for products of similar quality, consumers will consider the company's image and reputation when choosing a brand.

### **Marketing and social cause**

Marketing that is driven by social causes. The overall impression of the Unit is that as India began to become an economic powerhouse, as Indian corporations began to acquire companies in Europe and North America, as Indian government began to assert its place in G20, many parliaments around OECD countries began to wonder why development aid should at all flow to India.

It needs a mention here that Indian government sent back OECD aid agencies rather unceremoniously in 2003, claiming that it had all the resources needed for internal development. In addition, Indian political leaders began to speak about India's own development assistance programme in Africa and Asia. As a result, as a middle income country (though it's per capita GDP is only \$1600 per annum), India began to be moved away from the list of countries eligible for development assistance. As bilateral cooperation programmes closed down, interestingly enough, the international NGOs from OECD countries also began to shift their funding away from India. As regards the flow of money towards charitable purposes is further understood when we pay attention to the fact that the ones who were heavily dependent on their own government's funding had no choice but to follow the directions of their official aid policy. Interestingly enough, the Foreign Contributions Regulation Act (which regulates the flow of foreign funding to NGOs in India) has been further amended in 2010-11 to make it far more restrictive and controlling of types of activities that can be considered legitimate for NGOs to undertake. The Chapter titled "The Marketing of Social Causes: The First 10 Years" effectively explores the fact that during the past decade the "territory" of marketing has expanded to include the marketing tasks of non-profit organizations and the marketing of worthwhile social causes.

### **Cause Marketing and Social Development**

Mutually beneficial commercial relationships between corporations and not-for-profit organizations championing a specific cause. In fact India's GDP has gone up three times in the past decade; public sector spending on social and development sectors, including anti-poverty programmes, has increased five-fold in this period; each of the 600 districts have nearly \$ 3-400 mn per annum for such spending; a whole new set of rights—right to information, employment, education and forests—have been legislated during this era. Yet, India continues to languish at 131 spot on global Human Development Index; nearly 42% of its children are malnourished; a third of all girls and women are still illiterate; nearly 40% of world's poor live in India (400 million); more Indians have mobiles now than access to toilets; India will not achieve any of the major Millennium Development Goals (MDGs) by 2015. So, there are huge resources available, and yet no impacts on the lives of the poor and the excluded.

Conclusively, the whole book arrives at the centre of this paradox where there is the need to reform governance at all spheres of public life and institutions in India; reforming governance entails administrative, judicial, police, electoral reforms; reforming service delivery requires accountability of service providing agencies and officials; enhancing people's empowerment and participation requires genuine and serious devolution to local governments—panchayats and municipalities. What needs to happen is already well-known; how it will come about is unclear. It is in this scenario that the roles of independent civil society—social movements, NGOs, media and academia—acquires considerable significance. The contributors to the book also mention that India is one of the few countries of the world where grass-roots and indigenous associations engaged in pursuit of public goods have been active in every town and block of the country.

## Scope of the Study

The study, as the title indicates, restricts itself in the context of CSR and Cause Marketing

## Research Objectives

1. To understand CSR activities from the perspective of Sustainable Development
2. Examine whether CSR spending is as per Companies Act 2013
3. Critically examine CSR and Cause Marketing
4. Ascertain the Cause Marketing Campaigns by the various Organisations-Case studies
5. Ascertain how the customers and Marketing Consultants perceive the CSR and Cause Marketing

## Hypotheses

1. Companies are investing significantly in sustainable development through CSR activities.
2. Companies are following Companies Act 2013 provisions of CSR
3. CSR and Cause Marketing campaigns are being commercially used by the companies without benefitting the society.
4. Cause marketing campaigns are successful in increasing sales.
5. Customers buy products due to Cause Marketing Campaigns of the companies.
6. Cause marketing is a positive sum game from the perspective of the marketer and the customer

## Sampling and Data Collection Methods

- Primary data collected from sampling units comprising of 80 retailers and 25 marketers
- Secondary data collected from KPMG, E & Y, Ministry of Corporate affairs, Articles from Journals, Newspapers.

## Literature Review

1. **The concept of cause marketing refers to a type of marketing involving the cooperative efforts of a “for profit” business and a non-profit organization for mutual benefit (Greene, 2012).** Cause marketing differs from corporate giving (philanthropy) as the latter generally involves a specific donation that is tax deductible, while cause marketing is a marketing relationship not necessarily based on a donation. This trend of for-profit organizations partnering with non-profit organizations in order to sell products or services is not a new one by any means but it is definitely having an impact. There are millions of cause marketing campaigns out there, each with their own pledge of giving and awareness for different causes so as a business owner and a patron; it may be well worth your time and money to pick the one with the little pink ribbon. This article emphasises more on comparison of cause marketing with philanthropy but there is a gap in contrasting the cause marketing from the perspective of Corporate Social Responsibility(CSR)
2. **Conventional promotional programmes simply stress the benefits of buying a specific brand while affinity marketing programmes prominently and publicly identify a company’s association with a particular sport, entertainment event, non-profit organization or a social cause (Paul N. Bloom, 2006).** Experiments conducted by the researchers suggest that the research method known as conjoint analysis could be a valuable market research tool to help companies predict which of several alternative affinity marketing affiliations would provide the best return on investment. Furthermore, based on both theory and our initial findings from a set of studies using conjoint analysis, many companies will obtain better returns through creating an affinity with a social cause than through affiliating with other, more clearly commercial ventures. This article provides good analysis of relationship between return on investment and marketing campaigns with social cause but it is silent on the factors that customers would consider while buying these products.
3. **Social Cause Related Marketing (CRM) has emerged as a top management priority in the last decade due to the growing realization that it is one of the most valuable intangible tools that firms have to gain better corporate image from internal as well as external customers (Sneha Rajput).** This paper identifies some of the influential work in CRM area, highlighting definitions, meanings and previous findings on the topic. The main aim of paper is to find out the relationship between Social Cause Related Marketing and Customer Brand Preference. It also seeks to assess the impact of CRM as an independent

variable on Customer Brand Preference, as a dependent variable. The study was conducted in Gwalior region. The findings of the study match the objectives undertaken. The results obtained from regression tests clearly show that the impact of Social Cause Related Marketing on Customer Brand Preference is significant at 0 percent level as also the relationship between the two. Respondents give a high level of importance to self-image in case of CRM and brand awareness in brand preference with the Eigen values of 32.870 and 35.008 respectively. After reviewing this article, still there is need for studying relationship of other factors apart from brand preference.

4. **There has been a significant growth and interest in Cause Related Marketing (CRM) over the past few years (Shah, 2013).** An important element of cause related marketing is the level of customer awareness and involvement. Cause Related Marketing is simply marketing with a worthy cause. Together, these powerful alliances (not-for-profit organizations and companies) can successfully work together with unique marketing tools to influence change and create better solutions. CRM is a form of marketing that uses various strategies, tools and traditional advertising methods to change attitudes, perceptions and behaviours as they relate to social issues. Non-profit organizations and companies form alliances to market images, services and products. People have a more favourable view of a company that contributes or sponsors a cause that they think is worthy. For instance, people are more likely to be interested in a company that is contributing to cancer research than one that is contributing to insect research. Cause Related Marketing is an exciting concept where both business and charity (or good causes) can benefit. It also attracts new sources of funds, resources and support. It is an innovative and potentially powerful tool to improve the lives and well-being of individuals, create environments that support social objectives, re-orient social services to be customer-driven, develop social capital, lead to improved public policies, and ultimately, achieve social goals. This research paper focuses the practices of cause related marketing of some of the selected firms and how it affects the consumer in our country as a new policy. This study has focused more on policies and practices of cause marketing but there is need for regulatory studying regulatory angle of cause marketing like CSR.
5. **In this age of worldwide competition, deteriorating brand differentiation and growing mass media, organisations are reaching beyond the conventional marketing tools to enhance the value of intangible assets (Bijal Mehta & Monali Chatterjee, 2014).** During the past few decades, a move from function-centric branding to emotion-centric and value-centric branding is visible. The external communication used by organisations for gaining recognition through these cause-related campaigns can become a relevant strategic marketing tool. The researchers study the cause marketing initiatives of three well known organisations. One is a private firm, one is an NGO and one is an entrepreneurial initiative-turned-cause marketing company. Through this qualitative research, the role of external communication in marketing campaigns as a whole and specifically on these three different kinds of organisations is compared. The researchers conclude that cause marketing relationships require consumers to believe that the companies they patronise are serious about the cause and that their contribution will be used prudently. It is essential to study few companies cause marketing campaigns in the context of Indian consumer perception towards these programs.
6. **Agreements and differences between Corporate Social Responsibility, Social Marketing and cause-related Marketing (Gustavo Cusot & Gabriela Falcon,2012)** This investigation gets closer to the management of Social Corporate Responsibility, Social Marketing and Marketing related to a cause, with a deep look to the stakeholders, making emphasis inside these consumers. In the study you will be able to observe the characteristics of each of the business strategies before mentioned and examples will be raised and studies of cases on its execution. Some of the conclusions point to the fact that consumer companies give each time more priority to its consumers which have an impact in the improvement of its products and services and its coexistence with the community.
7. **Cause-Related Marketing: A Coalignment of Marketing Strategy and Corporate Philanthropy (P. Rajan Varadarajan and Anil Menon,1988)** Cause-related marketing represents the confluence of perspectives from several specialized areas of inquiry such as marketing for non-profit organizations, the promotion mix, corporate philanthropy, corporate social responsibility, fund-raising management, and public relations. The authors outline the concept of cause-related marketing, its characteristics, and how organizations, both for-profit and not-for-profit, can benefit from effective use of this promising marketing tool.

8. **A Text Mining-Based Review of Cause-Related Marketing Literature (Joaõ Guerreiro Paulo Rita & Duarte Trigueiros, 2015)** Cause-related marketing (C-RM) has risen to become a popular strategy to increase business value through profit-motivated giving. Despite the growing number of articles published in the last decade, no comprehensive analysis of the most discussed constructs of cause-related marketing is available. This paper uses an advanced Text Mining methodology (a Bayesian contextual analysis algorithm known as Correlated Topic Model, CTM) to conduct a comprehensive analysis of 246 articles published in 40 different journals between 1988 and 2013 on the subject of cause-related marketing. Text Mining also allows quantitative analyses to be performed on the literature. For instance, it is shown that the most prominent long-term topics discussed since 1988 on the subject are “brand-cause fit”, “law and Ethics”, and “corporate and social identification”, while the most actively discussed topic presently is “sectors raising social taboos and moral debates”. The paper has two goals: first, it introduces the technique of CTM to the Marketing area, illustrating how Text Mining may guide, simplify, and enhance review processes while providing objective building blocks (topics) to be used in a review; second, it applies CTM to the C-RM field, uncovering and summarizing the most discussed topics. Mining text, however, is not aimed at replacing all subjective decisions that must be taken as part of literature review methodologies.
9. **Cause-Brand Association – An Emerging Trend in India (Deepa Rohit,)** with the intense competition and brand proliferation; creating unique positioning in minds of consumers is a marketing challenge. Today’s new-age consumers are educated, techno-savvy and are socially responsible. Therefore the brand managers are looking for innovative ways to influence consumers’ attitudes and purchase decisions. In this context, linking a brand to a social cause could be an effective marketing strategy. Several researches propose that cause inclusion has significant impact on consumers’ attitudes towards the brand and therefore buying decisions. Although it is an emerging trend in India, there seems to be an overlap and confusion over various alternative terms used for Cause-brand association like Cause Branding, Cause Related Marketing etc. and whether Cause Related Marketing is part of Corporate Social Responsibility or an extension of the same etc. Therefore the current paper is an attempt to provide a conceptual framework of an emerging trend of Cause and Brand Association in an Indian perspective.
10. **Corporate social responsibility and cause-related marketing: an overview (Peggy Simcic Brønn & Albana Belliu Vrioni)** this article looks at the subject of corporate social responsibility and how companies use it in their marketing communication activities, a practice known as cause-related marketing (CRM). According to the definition of Angelidis and Ibrahim (1993), corporate social responsibility is ‘corporate social actions whose purpose is to satisfy social needs’. Corporate social responsibility requires investment and it yields measurable outcomes. It is commonly accepted that cause-related marketing is a communications tool for increasing customer loyalty and building reputation. The expected change in a company’s image because of CRM campaigns appears to depend a great deal upon how customers perceive the reasons for a company’s involvement in cause-related programmes and the amount of help given to the cause through a company’s involvement (Webb and Mohr, 1998). Mohr et al. (1998) suggest that consumers with a high level of scepticism will be less likely to respond positively to CRM campaigns as opposed to consumers with a low level of scepticism.
11. **Differentiation of Social and Cause-Related Marketing in Professional Sport (Jennifer Renee Pharr & Nancy L. Lough,2012)** The purpose of this study was to show how both are unique strategies employed in sport to achieve corporate social responsibility. A qualitative content analysis was utilized to analyze the outreach programs of the NBA, NFL, NHL and MLB as described on each website. A directed content analysis was used to categorize outreach programs as CRM, social marketing or other community outreach based on five variables that differentiate each strategy. Forty three programs were evaluated. Twenty two (51.2%) were categorized as social marketing, eight (18.6%) as CRM and thirteen (30.2%) as other community outreach. Social marketing programs were identified significantly more than CRM. The findings demonstrate how the major leagues have embraced the use of social marketing strategies to demonstrate corporate social responsibility.
12. **How Social-Cause Marketing Affects Consumer Perceptions (Paul N. Bloom, Steve Hoeffler, Kevin Lane Keller and Carlos E. Basurto Meza, 2006)** this study focuses on how should companies determine the best way to allocate marketing dollars between conventional promotional programs and affinity marketing programs? The former simply stress the benefits of buying a specific brand, while the latter prominently and publicly identify a company’s association with a particular sport, entertainment event,

non-profit organization or social cause. Experiments we have conducted suggest that the research method known as conjoint analysis could be a valuable market research tool to help companies predict which of several alternative affinity marketing affiliations would provide the best return on investment. Furthermore, based on both theory and our initial findings from a set of studies using conjoint analysis, many companies will obtain better returns through creating an affinity with a social cause than through affiliating with other, more clearly commercial ventures.

13. **Options for Cause-Related Marketing with the Mutual Fund Industry (Tessa Hebb, 2002)** this research work recognizes the rigorous process any non-profit, NGO or charity must go through to develop a successful cause-related marketing campaign. The template takes you step-by-step through each stage of CRM business case development. Before embarking on the development of a business case, however, it is assumed that your organization has closely examined its mission and ethical base to determine if such an approach is right for you.
14. **Profiting In (Red): The Need For Enhanced Transparency In Cause-Related Marketing (SARAH DADUS, 2006)** this is an analysis of live case study.
15. **The Marketing of Social Causes: The First 10 Years (KAREN F. A. FOX & PHILIP KOTLER)** the application of marketing to the promotion of social causes was proposed a decade ago. The authors position social marketing as an approach to social change, describe its evolution, and review social marketing applications and assess their impact.

### Research Gap Analysis

The reviewed literature has no doubt thrown some valuable light on the implications of cause marketing. However, in the Indian context, where a plethora of regulations characterises trade and industry, the concept of cause marketing has to be understood in the backdrop of other mandatory requirements like CSR and voluntary actions like philanthropy that carry implications for Sustainable Development, etc. The reviewed literature has not reviewed cause marketing & CSR in this backdrop. Towards this end, the study suffers from a gap. It is this gap the present study seeks to bridge.

### Analysis and Interpretation

**Objective 1: To understand CSR activities from the perspective of Sustainable Development**

**Hypothesis 1: Companies are investing significantly in sustainable development through CSR activities.**

**Table1: Priority wise – Environment Initiatives**

Environment Initiatives	Spending Contribution
Green Initiatives	1
Waste Management	3
Water Conservation.	2

**Table 2A: No of companies reported Sustainability (Ranking)**

S.No.	Name of the Company
1	Tata Chemicals Ltd.
2	Tata Steel Ltd.
3	Tata Power Company Ltd.
4	Shree Cements Ltd.
5	Tata Motors Ltd.
6	UltraTech Cement Ltd.
7	Mahindra & Mahindra Ltd.
8	ACC Ltd.
9	Ambuja Cements Ltd.
10	ITC Ltd.

11	Coca-Cola India Pvt. Ltd
12	Bharat Petroleum Corporation Ltd.
13	Infosys Ltd.
14	Cisco Systems India Pvt. Ltd.
15	Reliance Industries Ltd.
16	Larsen & Toubro Ltd.
17	Indian Oil Corporation Ltd.
18	Hindustan Unilever Ltd.
19	HCL Technologies Ltd.
20	Hindustan Zinc Ltd.
21	Steel Authority of India (SAIL) Ltd.
22	GAIL (India) Ltd.
23	Oil And Natural Gas Corporation Ltd.
24	Vedanta Ltd.
25	Jubilant Life Sciences Ltd.
26	JSW Steel Ltd.
27	Hindustan Petroleum Corporation Ltd.
28	Toyota Kirloskar Motor India
29	YES Bank Ltd.
30	Hindustan Construction Company Ltd.
31	Wipro Ltd.
32	Tata Consultancy Services Ltd.
33	Maruti Suzuki India Ltd.
34	Dr. Reddy's Laboratories Ltd.
35	Adani Power Ltd.
36	Dabur India Ltd.
37	Tech Mahindra Ltd.
38	Cummins India
39	Apollo Tyres Ltd.
40	HDFC Bank Ltd.
41	NMDC Ltd.
42	Nestle India Ltd.
43	Jindal Steel & Power Ltd.
44	Chambal Fertilisers & Chemicals Ltd.
45	Axis Bank Ltd.
46	Reliance Infrastructure Ltd.
47	Bharat Heavy Electricals Ltd.
48	Oil India Ltd.
49	Godrej Consumer Products Ltd.
50	IndusInd Bank Ltd.
51	Mahindra & Mahindra Financial Services Ltd.
52	Jain Irrigation Systems Ltd.
53	Power Grid Corporation of India Ltd.
54	Siemens Ltd.
55	Rashtriya Chemicals & Fertilizers Ltd.
56	Adani Ports & Special Economic Zone Ltd.
57	Bajaj Auto Ltd.
58	NTPC Ltd.
59	Hindalco Industries Ltd.



60	Asian Paints Ltd.
61	Dalmia Bharat Group
62	Bharat Electronics Ltd.
63	Idea Cellular Ltd.
64	Bharti Airtel Ltd.
65	Bosch Ltd.
66	Cairn India Ltd.
67	Tata Global Beverages Ltd.
68	ABB India Ltd.
69	Titan Company Ltd.
70	Coal India Ltd.
71	Hero MotoCorp Ltd.
72	National Aluminium Company Ltd.
73	IDFC Ltd.
74	Havells India Ltd.
75	Godrej Industries Ltd.
76	GMR Infrastructure Ltd.
77	Mangalore Refinery and Petrochemicals Ltd.
78	Chennai Petroleum Corporation Ltd.
79	United Spirits Ltd.
80	State Bank of India
81	Tata Communications Ltd.
82	Rural Electrification Corporation Ltd.
83	Aditya Birla Nuvo Ltd.
84	Welspun Corp Ltd.
85	Lupin Ltd.
86	Union Bank of India
87	Kotak Mahindra Bank Ltd.
88	Jaiprakash Associates Ltd.
89	Marico Ltd.
90	Glenmark Pharmaceuticals Ltd.
91	NHPC Ltd.
92	Eicher Motors Ltd.
93	Sun Pharmaceutical Industries Ltd.
94	Reliance Communications Ltd.
95	Punjab National Bank
96	Grasim Industries Ltd.
97	Bharat Forge Ltd.
98	Apollo Hospitals Enterprise Ltd.
99	Neyveli Lignite Corporation Ltd.
100	Exide Industries Ltd.

**Table 2B:**

CSR spending	2014-15	2015-16	2016-17
Environment	1213 crores	923crores	795 crores

(Source: A study conducted by Next Gen)

### Top companies spending on environment through CSR

- FMCG - ITC (72 crore), HUL (22 crore)
- Energy companies – NTPC (44 crore), IOCL (30 crore)
- IT and financial services companies – Wipro (48 crore), Axis Bank (28 crore)

(Source: A study conducted by Next Gen)

**Interpretation:** No of companies reporting sustainability is increasing YOY, but the spending ratio on sustainable environment needs to be enhanced.

**Objective 2: Examine whether CSR spending is as per Companies Act 2013 requirements**

**Hypothesis 2: Companies are following Companies Act 2013 provisions of CSR**

**Table 3. Development Sector Wise CSR expenditure (in crores)**

S. No.	Sectors	Expenditure
1	Health/ Eradicating Hunger/ Poverty and malnutrition/Safe drinking water / Sanitation	3117
2	Education/ Differently Abled/ Livelihood	3073
3	Rural development	1051
4	Environment/ Animal Welfare/ Conservation of resources	923
5	Swachh Bharat Kosh	355
6	Any other Fund	262
7	Gender equality / Women empowerment / old age homes / reducing inequalities	213
8	Prime Minister's National Relief Fund	136
9	Encouraging Sports	95
10	Heritage Art and Culture	90
11	Slum area development	9
12	Clean Ganga Fund	3
13	Other Sectors ( Technology Incubator and benefits to armed forces and admin overheads and others* )	497
	<b>Total Amount</b>	<b>9822</b>
	<b>Number of Companies for which data compiled</b>	<b>5097</b>

Source: Ministry of Corporate affairs, GOI.

**Interpretation:** Companies are spending as per the provisions of the Companies Act 2013

**Objective 3:** Critically examine CSR and Cause Marketing in the context of societal benefits

**Hypothesis 3:** CSR and Cause Marketing campaigns are being commercially used by the companies without benefitting the society.

**Table 4. Area wise spending**

Thematic Area	Crores	No of Projects
Education Skills	2973	1598
Poverty alleviation/healthcare	2131	1260
Rural Development	1091	433
Environment Sustainability	795	433
Protection of Heritage and Art	190	110
Rural Sports and Paralympic	181	115
Gender equality and women empowerment	146	177
Technology incubation	45	11
Benefits to armed forces	32	17
Others(Projects/admin/etc)	862	NA

Source: <http://ngobox.org/media/India-CSR-Outlook-Report-2017-NGOBOX.pdf>

**Table 5: Spending pattern of 1030 companies**

No of Companies spent on CSR	951	92.33%
No of Companies spent at least 2%	533	52%
No of Companies spent less than 2%	413	40%

Source: CSR Report 2016(CII-ITC Centre of Excellence for Sustainable Development)

**Table 6: Year wise CSR spending (in crores)**

2014-15		2015-16		2016-17	
Prescribed	Actual	Prescribed	Actual	Prescribed	Actual
7888	5952	8169	7549	9275	8446

Source: India CSR Outlook Report 2017, NGOBOX

**Interpretation:** CSR investment is increasing but focus is more on Education and health care, Companies need to spread their investment across all the thematic areas.

**Objective 4:** Ascertain the Cause Marketing and CSR Campaigns by the various Organisations-Case studies

**Hypothesis 4:** Cause marketing and CSR campaigns are win-win for both customers and companies.

**Table 6: Case studies of Cause Marketing**

S.No	Company	Campaign Highlights
01	HLL	Announced a contribution of fifty paise to a diarrhea project on sale of each of its LIFEBOUY brand soap. It helped to improve market share for 'lifebuoy'
02	OBEROI Hotels	Specially designed and printed envelopes placed in all Oberoi properties where in the guest could contribute to CRY, a non-government organization and collected more than Rs. 6.50 lakhs in 18 months. CRY is a NGO whose role is that of an enabler a catalyst between two groups of people (a) development organization and individuals working at grass root level with marginalized children, their families and communities and people from all walks of life who believe in the rights of children.
03	whisper	Announced a contribution of Re 1 on every pack of its sales for blind relief society. It helped to improve market share for 'Whisper'
04	NOVARTIS INDIA LTD	A pharmaceutical company in a cause related marketing scheme donated 2% or value of sales of OVALTLINE PLUS towards CRY'S (a NGO's) Gujarat rehabilitation operations. Total amount raised was approximate Rs. 40, 000
05	HLL	announced a Rs. 5/- contribution to SOS children's village, a social service organization working for educating every little heart by inserting coupons in its Brook bond Taj Mahal tea powder packs. The customer has to tell the coupon number to the company through a toll free telephone number.

**Interpretation:** Unlike CSR, Cause Marketing campaigns are not exactly oriented towards Sustainable development activities.

**Objective 5:** Ascertain how the customers and Marketing Consultants perceive the CSR and Cause Marketing

**Hypothesis 5:** Customers buy products due to Cause Marketing Campaigns of the companies.

**Hypothesis 6:** Cause marketing is a positive sum game from the perspective of the marketer and the customers

**Table 7: Customers prefer product promoting social cause**

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	43	54
Agree (2)	31	39
Neutral (3)	4	5
Disagree (4)	1	1
Strongly Disagree (5)	1	1
<b>Total</b>	<b>80</b>	<b>100</b>

Statistical Table for 7.0	
Average	1.58
Median	1.00
Mode	1.00
Stddev	0.76
Variance	0.58

**Table 8: Customers brought product because of its association with good cause related to sustainable development**

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	33	41
Agree (2)	31	39
Neutral (3)	3	4
Disagree (4)	9	11
Strongly Disagree (5)	4	5
<b>Total</b>	<b>80</b>	<b>100</b>

Statistical Table for 8.0	
Average	2.00
Median	2.00
Mode	1.00
Stddev	1.17
Variance	1.37

**Table 9: Cause Marketing campaigns have made an impact in improving sales**

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	13	52
Agree (2)	7	28
Neutral (3)	1	4
Disagree (4)	3	12
Strongly Disagree (5)	1	4
<b>Total</b>	<b>25</b>	<b>100</b>

Statistical Table for 9.0	
Average	1.88
Median	1.00
Mode	1.00
Stddev	1.20
Variance	1.44

**Table 10: Companies spend money towards CSR and Cause as promised in the advertisement**

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	17	68
Agree (2)	4	16
Neutral (3)	1	4
Disagree (4)	2	8
Strongly Disagree (5)	1	4
<b>Total</b>	<b>25</b>	<b>100</b>

Statistical Table for 10	
Average	1.64
Median	1.00
Mode	1.00
Stddev	1.15
Variance	1.32

**Interpretation:** Cause Marketing campaigns are focussing on people involvement in their journey, buyers associate themselves with social sustainable cause of the campaign

### Findings

- Corporates have invested on Green Initiatives, water conservation and waste management
- As per GIR, No of corporates reporting sustainability is increasing, last financial year around 100 companies have reported the sustainability initiatives.
- CSR contribution towards environment is decreasing YOY, which needs more focus.
- Across all sectors IT, FMCG, ENERGY major corporates have invested on environment and sustainability –ITC, WIPRO, HUL, NTPC, IOCL and AXIS BANK.
- CSR expenditure is not equally distributed among the sectors specifies in Companies Act 2013. Education, Poverty/Health care, Rural development areas are getting around 60% of the overall expenditure.
- Last financial year 433 projects related environment and sustainable development got the investment of 795 crores.
- Out of 1030 companies only 533 companies have spent at least 2% of their profit towards CSR. 413 companies spent less than 2 %.

- 8446 crores spent by companies towards CSR which is below the prescribed 9275 crores, in the last three financial years Corporates have not been able to meet the prescribed CSR expenditure.
- Cause Marketing initiatives along CSR are embraced by corporates, Consumer indirect investment on these causes – health, community development, rehabilitation is helping the society.
- Cause Marketing and CSR initiatives are perceived positively by people. Consumers associate themselves with these campaigns towards sustainable development.

## Conclusion

Companies are not allocating adequate CSR budget towards sustainable environment, Education, poverty alleviation and rural development getting prominence in the overall allocation of CSR. CSR budget heavily skewed on above mentioned three areas. Companies Act 2013 clearly makes the provision for Environment area. Though few companies focusing on reporting sustainability, looking at the no of companies around 1000 coming under the ambit of 2% of profit must be spent towards CSR activities, sustainable development reporting is still long way to go. Cause marketing campaigns must also align themselves with CSR rather than just focusing as mere marketing gimmick. There should be framework in the Cause marketing and CSR strategic systems so that sustainable development gets enough importance.

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