Services provided to the society in Poland in the framework of Cause Related Marketing

ANITA TKOCZ¹
Wroclaw University of Economic

Abstract
Services are provided by different entities for the benefit of society, among which the largest group is constituted by non-governmental organizations. They are funded from different source, inter alia, one possibility is to use the concept of Cause Related Marketing. It assumes a collaborative partnership with the commercial organization whose aim is to engage in solving social problems.

The purpose of this article is to explore the concept of Cause Related Marketing in contexts of social services, based on programs Cause Related Marketing conducted in Poland.

This article uses the method of critical analysis of the literature. Additionally four Cause Related Marketing programs which were carried out in Poland are thoroughly analysed.

The analysis showed, that Cause Related Marketing is a tool through which NGOs can obtain financial resources for the implementation of its statutory objectives. Through the cooperation of enterprises with non-profit organizations it is possible to offer and to provide a variety of services to the public.

Paper type: review article

Keywords: Cause Related Marketing, non-profit organizations, social services

¹ anita.tkocz@gmail.com
Introduction

Currently in Poland the numbers of people using the services provided by NGOs is increasing. In Poland in 2015 a recorded 17,000 foundations and 85,000 associations have been registered (Polskie organizacje pozarządowe 2015, 2015, p. 4). 45% of them are entirely based on social work. Polish non-governmental organizations which deal in:

- sport, tourism and recreation account for (32%), e.g. conducting sports activities, organizing recreational events, babysitting sports facilities;
- education and upbringing account for (15%), e.g. conducting interest groups for children and youth, organizing courses and training for adults, and conducting schools;
- culture accounts for (13%), e.g. organizing picnics, festivals, cultural education, actions supporting regional tradition;
- healthcare accounts for (7%), e.g. health promotion, health education, conducting rehabilitation centre;
- social services and social assistance account for (7%): assistance for people with disabilities, the poor, support for families of addicts;
- local development accounts for (6%), e.g. animating the activities of local communities, neighbourhood activities, rural development (Polskie organizacje pozarządowe 2015, 2015, p. 5).

The data presented above indicates that in Poland, the NGOs support sports, tourism, recreation, education and upbringing to a large extent. Non-governmental organizations frequently provide their services for free or for a small fee. The implementation of these services is done using different sources of financing, which may be grants, donations, or membership fees. One possibility is to use the concept of Cause Related Marketing. It assumes a collaborative partnership with the commercial organization whose aim is to solve social problems. The funds allocated for this purpose shall be generated mostly through donations stimulated by the purchase of the product or service.

The purpose of this article is to scrutinize the services provided to society through the use of Cause Related Marketing in Poland. The analysis has shown that Cause Related Marketing is a tool through which NGOs can obtain financial resources for the implementation of its statutory objectives. Through the cooperation of enterprises with non-profit organizations it is possible to offer and to provide a variety of services to the public. The analysis was intended to present the types of services provided to the public within the framework of Cause Related Marketing and to identify their beneficiaries.

This article uses the method of critical analysis of the literature. Additionally an analysis was carried out on Cause Related Marketing programs and services that
are provided to society in Poland in the framework of this partnership. Four completed Cause Related Marketing programs, which were carried out in Poland were thoroughly analysed. Also described their partners, assumptions, duration and services that are provided to the public through the use of this tool.

1. Concept of Cause Related Marketing

Cause Related Marketing is a form of cooperation between companies and NGOs, whose aim is to create social good. It involves the creation of partnerships between businesses and non-profit organizations whose aim is to have a positive effect or better yet find a solution to the given social problem. For this purpose actions are being undertaken which rely on the promotion of image, company, products, or services in connection with the idea of society (Iwankiewicz-Rak, 2011, pp. 192–193). Cause Related Marketing is an intermediate form between commercial marketing and social marketing.

The partnership between a product and a cause is referred to as Cause Related Marketing (Varadarajan & Menon, 1988, p. 60). Donating money to a charity based on consumer purchase has become a major corporate philanthropic trend. As consumers, they can make consumption decisions that simultaneously benefit themselves and the society (Kim & Johnson, 2013).

Cause Related Marketing is a hybrid of commercial marketing and social aims. It could not only be regarded as a variety of social marketing, because campaigns in this area are generally conducted by non-profit organizations, however marketing actions are expected to contribute only to solve a particular social problem. In the context of Cause Related Marketing it connects to the social purpose of a business, so a commitment to a business is as important as sales. There is therefore the following relationship: more commercial success is a bigger financial commitment and provides stronger support to the organization, which is the face of the campaign (Maison & Maliszewski, 2008, p. 212).

The most popular form of commercial organizations, which participate in the joint venture are stimulated by a purchasing donation. It is the sale of products, of which part or all of the income will be forwarded to the implementation of the social objective defined by the non-profit organizations. These products are marked with a special logo program, which is promoted in an advertising campaign. The commercial organization is involved not only financially, but also by designing the campaign. Cause Related Marketing’s success is dependent on the attractiveness of their products and the publication of its activities. The company implementing this strategy assumes that customers have pro-social attitudes and factor in that purchasing decisions will be opportunities to support the social program (Dejnaka et al., 2013, pp. 35–36).
The aim of Cause Related Marketing is to collect funds for a specific purpose while building a positive social reputation, to increase the value of the company, to gain customer loyalty and sales support. Cause Related Marketing involves the use of budgets, strategies and techniques of marketing to support social objectives with simultaneous attention to support business activities. This strategy uses the cooperation of the three parties: non-profit organizations, businesses and consumers. There are also here two donors (enterprise and consumer). These bring advantages to all parties (Wasilewski, 2007).

Through the use of Cause Related Marketing non-governmental organizations gain financial resources for the implementation of their statutory objectives. Obtaining funds means greater opportunities in the use of marketing communication tools to spread ideas, and consequently provide a larger commitment to the environment and solving of social problems. Long-term cooperation with the company in the context of Cause Related Marketing can provide financial stability for the organization and strengthen its position in the market. The company reinforces its image as a socially responsible entity. The company reduces customer price sensitivity to products covered by the program Cause Related Marketing and an increase in sales of such products and others offered by the company. This generates growth, commitment and customer loyalty, shaping and strengthening relationships with external entities. There is an increase in motivation of employees and their social sensitivity, because they can perceive the “human face” of the company for which they work, so in return they become more involved in fulfilling their duties. Participation in Cause Related Marketing also offers advantages to customers who in making purchases have the ability to help others, and in return receive satisfaction from their altruistic action. The consumer can usually do this without any special effort (Kaniewska-Sęba & Stefańska, 2015, pp. 122,124).

For the first time the idea of Cause Related Marketing was used in the United States in 1983, when American Express agreed to donate one cent from every purchase made with its card to the fund for the restoration of the Statue of Liberty. Purchasing a product with a cause provides consumers with the feeling that they can “make a difference in the world” and “makes philanthropy simple and convenient” (Eikenberry, 2009, pp. 52–53). One year later, before the celebration of the 100th anniversary of the monument, a marketing campaign was conducted in a very innovative way. American Express issued a credit card, and the proceeds from this issue and the activities undertaken allowed for the renovation of the monument. As a result of the campaign, they generated $1.7 million and the use of cards increased by 27%. In 2004 the company changed its strategy and committed to paying 1 cent from each purchase made by using the card. This campaign was also a success (Iwankiewicz-Rak, 2011, pp. 192–193).

The idea of Cause Related Marketing has many supporters, but also entails risks. The first relates to the ethics conducted cooperation. It is often seen as more beneficial to the company than a non-governmental organization that may derive
greater benefit from such cooperation. Lack of suitable control tools in this regard (Gołaszewska-Kaczan, 2013, p. 180).

In Poland, the company take the cooperation in Cause Related Marketing essentially for economic reasons, while in Western Europe such activities are carried out for ideas and support social objectives. Therefore, it is often accused of businesses that are not really interested in social issues that are secondary to them, and are only trying to maximize profit. NGOs are often accused of selling his image in exchange for subsidies and support. It is important to choose the appropriate partners to the program. Enterprises should convince the consumer to a serious interest in the case, therefore, supported a social purpose should be compatible with their mission (Witek, 2015, pp. 1636–1637) and actions taken in the strategy of Corporate Social Responsibility. The success of this program relies heavily on the image of the company, it is also important as is perceived partner NGO. Action, in which activated a little-known or perceived negatively the company may fail. It is important to choose the right partner in terms of area activities, interests and branch (Gołaszewska-Kaczan, 2013, p. 181). Equally important is the choice of the product from which part of the proceeds will be allocated to the social objective. Products should not be controversial or detrimental to health. The safest are detergents, cosmetics and food.

2. Non-governmental organizations as an implementer of social services

Non-governmental organizations belong to the third sector of the economy. This term refers to the concept of division of socio-economic activity of a democratic state into three sectors. The first sector includes state institutions (state sector), the second sector are the entities which are profit oriented (private sector), but there are organizations that are not for profit (non-profit) and do not form part the state structure, therefore belong to the third sector (Wygnański, 2011).

NGOs are called voluntary organizations that work independently of government and political structures, which are non-profit-making. They lead the efforts in social affairs and public good (Wasilewski, 2007, p. 20). According to Polish law, these entities cannot share their profits between the members and founders of the organization. All profits from the resulting funds or economic activity are spent on the implementation of statutory objectives that are socially useful. As a result, non-profit organizations have certain tax advantages, and do not pay income tax on legal persons.

The operations conducted by non-governmental organizations covers many areas of public life. Especially there, where problems arise, and there are unsatisfied needs in areas which are not an exclusive domain of the state. In implementing
their goals, they use custom methods and forms of work that are virtually limitless and they depend on customer organization and its possibilities. The biggest advantage of these entities is that they can quickly and completely adapt to the needs and expectations of customers.

Establishment and activities of NGOs in Poland is regulated by law, in particular the Act on Public Benefit and Voluntary dated 24 April 2003. Nowadays, the most popular forms of private and non-profit organizations in Poland representing about 70% are citizens’ initiatives and foundations whose participation is about 20% (Polskie organizacje pozarządowe 2015, 2015, p. 4). Other entities included in the Act and active in the field of public benefit are created by churches and religious associations, social cooperatives, and non-profit companies.

The association is a voluntary, self-governing and permanent association whose purpose is not to gain from the activity, but rather sets goals and strives to achieve them. It has a membership character, because the realization of its objectives should in a meaningful way be dispensed by human activity, rather than direct involvement property. For the establishment of the association a minimum of 15 persons is required, legal persons can be members.

The foundation can be established for achieving the objectives of social and economic aims. A statement of intent is necessary from the founder in order for a particular foundation to be legally set up, this is known as the act of foundation. The essence of the foundation is its equipment in the assets transferred by the founder, and the main task of the foundation is to achieve the objectives specified by the donor. This entity can create both natural persons and legal persons. It can hire employees, conduct business obligations, receive donations and subsidies from the public budget. Foundations can be set up by one person.

Perrow (2000) suggests categorization of non-governmental organizations due to their functions within social and service sectors. He distinguishes the following types:

- **good nonprofits** – organizations with mutual benefits, which are characterized by providing public services for their members. These services are provided free or partially free. These organizations offer goods for the collective consumption, and build social relationships between the organization, volunteering and society;
- **intermediate nonprofits** – also called quasi public agencies. These are mainly large enterprising organizations that provide services outside and cooperate with the public, do not require membership, employ full-time employees, they are financed with public and private funds and by corporate foundations. They also take an economic service activities (paid), which is a source of funding for statutory purposes;
- **bad non-profits** – organizations that provide services, which are similar to business firms, pay taxes, with the surplus of revenue being shared between owners and managers. Examples are foundations whose activities are
Services provided to the society in Poland in the framework of Cause Related Marketing

NGOs which provide social services are distinguished by the fact, that they apply to solving social problems with new, unconventional methods. They are not appointed from above, because their activities are very diverse and actively go out to beneficiaries. Very often, these entities are the first to discover social problems, as they are the first called upon and first to respond. They carry out their actions locally, so have the flexibility to adapt quickly to the needs of a given problem. Very often they deal with issues that are unpopular and have not been engaged in by public services (Grewiński & Skrzypczak, 2011, pp. 113–122).

3. Characteristics of services provided to society through the NGOs

Non-profit organizations provide to the public a lot of services in different spheres of life, using traditional and innovative methods. Service is every activity or benefit that can be provided by someone to someone else. The service is immaterial, there is no impact in the form of ownership of anything (Hollins & Shinkins, 2006, p. 8). Its production may or may not be associated with a physical product. Services are characterized by the following features:

- immateriality – services can not be measured, shown before buying, patented or transported;
- impermanence – the service does not exist outside the process of providing it, and can not create stocks of services, there are difficulties synchronizing supply and demand;
- inseparability in the process of production and consumption – production and consumption of services is carried out in the same place and time, often the manufacturing process involves the client who establishes direct contact with the person providing the service;
- heterogeneity – the quality of service depends on many uncontrollable factors and the quality of personnel, the service standardization process makes it very difficult;
- inability to acquire ownership rights – the service can not be resold, there is no market for services used (Czubała, Jonas, Smoleń, & Wiktor, 2012, p. 18).

Social services, which are provided by NGOs, are different from other forms of services that are non-market. They may also be provided by public institutions. It is a form of social benefit, the aim of which is to directly satisfy human needs. So-
cial services are individualized, tailored to specific audiences, who are individuals or families. The quality and availability of these services has an impact on the functioning of social groups and the wider community. They can be provided free of charge, partially or with a fully remuneration fee. They are oriented to the person who uses them, meet the needs of vulnerable groups, through direct provision of support and assistance. There are also educational activities, which promote socially desirable behaviors, combating discrimination and actions aimed at upgrading living standards and create equal opportunities for everyone (Szarfenberg, n.d., pp. 12–15).

The services provided to society are associated with the third sector of the economy because their performers are non-governmental organizations and service users are their beneficiaries. By using Cause Related Marketing non-governmental organizations, which have concluded a partnership agreement with the company receive funds for the implementation of their statutory objectives. Most often a company declares by transferring all or part of the amount received from the sale of a specific product, which is often marked with the logo of the related marketing program. In using the tools and techniques of marketing such a program, they gain the trust and interest of society, which for the purchase of specific products derive satisfaction from altruistic activities and therefore supports a specific social goal, and the company cooperating with a NGO gaining consumer loyalty, improve its image and notes an increase in sales.

4. Cause Related Marketing programs and services provided by them to society in Poland

Nowadays publicize the social problems is not only the domain of NGOs. It is becoming more and more important area of activity of enterprises, particularly those that operate according to the principles of corporate social responsibility.

In Poland Cause Related Marketing is becoming increasingly popular. Currently, there are several programs conducted under this type of partnership between companies and NGOs. This article presents analysis of the longest lasting and providing large number of social service Cause Related Marketing programs conducted in this country. The intention of this analysis is to depict the types of services and their beneficiaries through the cooperation of NGO and companies within the framework of Cause Related Marketing.
Give Children Sun

The oldest Cause Related Marketing program conducted in Poland is the *Give Children Sun* carried out by the Foundation Polsat with the company Procter & Gamble. It is the largest marketing initiative common cause implemented in this country. It was launched in 1999 and continues to date. Every year from 1st September to 24th December a portion of the profits generated from sales of products of Procter & Gamble marked with the logo of action, which is a yellow sun on a red background are transferred to the Polsat Foundation. Every year a new target is appointed for solving a given problem relating to the health of children. In the 15 years since the initiative was first started about 71 million PLN has been raised.

The collected funds will be transferred to the Polsat Foundation, which aim to achieve service to the charges, which are children with health problems. Money is spent on their treatment, operations, therapy and rehabilitation, purchase of medicines, specialized medical equipment necessary to save life and limb. The *Give Children the Sun* has also contributed to the complete equipment of 232 branches and specialized centers for children.

With the implementation of this program it is possible to use specialized diagnostic equipment, medicines and treatment for children living within Polish territory. Also contributed to solving the problems of specific pediatric center (Fundacja Polsat, 2012).

Share your meal

The program *Share your meal* has been implemented by Danone in 2003 in cooperation with the Polish Humanitarian Organisation. Its primary purpose is to combat child malnutrition in Poland. This program can be implemented thanks to the commitment of Danone customers, who from August to October by buying products bearing the special logo of which a share of the income from its purchase is allocated to solve the problem of malnutrition among children. The funds are channeled through financing and co-organizing activities under the program.

Services provided under this program to the community focus on eliminating the problem of malnutrition among children of school age. Thanks to the funds collected using Cause Related Marketing it has been possible to donate more than 14 million meals to needy children. Under this program, services are provided by non-governmental organizations, community centers, schools from across the country, businesses and private individuals.

The program works in three areas. The first of these is aid involving the transfer of funds and food to fight malnutrition among children. For this it uses the collection of food. The second is the transfer of money on good ideas, which are grants for projects related to connecting feeding children with education in the field of
proper nutrition and ecology. So far 243 projects have been implemented, so that the nutritional assistance received more than 11,000 children. For the last area of assistance, Academy of *Share your meal*, it helps to establish local partnerships between business, local government, schools, media and civil society organizations in the fight against malnutrition (Danone, 2015).

On the side of nature

The program *On the side of nature* is being implemented since 2009 in cooperation with the State Forests, the Our Earth Foundation and the business organization Żywiec Zdrój. Its aim is to develop environmentally friendly attitudes and education regarding the impact of trees on the environment in which we live. The program includes a yearly campaign of planting one million trees in the Beskid Żywiecki and a national grant competition aimed at educational institutions throughout the country, in which they transfer funds to carry out local environmental initiatives that promote knowledge about trees and their protection and respect for water. During the 6th edition of the program 5 million trees were planted in Beskid Żywiecki, covering an area of over 715 hectares. In the annual Big Feast Planting Trees involved 16,000 participants, 100 completed environmental projects in which involved 380 organizations and institutions and refurbished 500 km of mountain denigrated.

The program *On the side of nature* uses Cause Related Marketing to raise funds to achieve these goals. The company Żywiec Zdrój SA forwards part of the revenue from the sale of their products to protect the environment and planting trees. This program implements social services mainly in terms of environmental education for children and youth learning. Carried out environmental workshops, on the website of the program present interesting information, tips, and quizzes related to the topic of the environment. Their aim is to draw attention to the problem of environmental protection and need for a common education and knowledge from an early age about the condition (Żywiec Zdrój, 2015).

Lipton plays with the Orchestra

Cause Related Marketing program *Lipton plays with the Orchestra* has been carried out since 2013 with the cooperation of Lipton which belongs to the Unilever Group and the Great Orchestra of Christmas Charity (GOCC), which is a very famous Polish foundation, which has been operating for 23 years. The action is undertaken from November 15th to the grand final of the Great Orchestra of Christmas Charity, which takes place in early January and is connected to a nationwide
fundraising action for the treatment of children and seniors. At this time, part of the proceeds from the sale of specially designed packages of Lipton, with a distinctive logo GOCC supply the account of the foundation. These activities are supported by an advertising campaign which informs the public about the action. The collected funds are earmarked for implementing the goals of the annual final of GOCC, which are, for example, the purchase of special equipment for pediatric emergency medicine and decent medical care for the elderly (WOSP, 2013).

Each finale of the Great Orchestra of Christmas Charity is a huge venture, the foundation tries to raise funds in various ways, including the use of Cause Related Marketing. Cooperation with the company Unilever has proved a good idea. However, it is not known what amount is contributed to the account of the foundation of this cooperation, because there is no information regarding this on the website of the foundation. The foundation during the annual collection brings together over 50 million PLN, with these funds equipment is purchased which saves the lives and health of children and the elderly (WOSP, 2015).

The Foundation, Great Orchestra of Christmas Charity provides a lot of services to the public. These include the education of children in first aid in primary schools, the purchase of medicines and special medical equipment for children in need and the elderly, purchase of modern medical equipment for hospitals in Poland, functioning six national medical programs and Volunteer Centres, which carry out first aid training (O Fundacji Wielka Orkiestra Świątecznej Pomocy – Fundacji Pożytku Publicznego, n.d.).

Conclusions

The provision of social services by NGOs places them as market entities acting in the general interest, for improving the welfare of individuals. They also contribute to social cohesion, community building and a civil society. These tasks impose an obligation to carry out activities and services according to the needs and expectations of society. NGOs undertake initiative standardization and certification of services to increase the correctness of fulfilling tasks and increase their potential and market power in the conduct of activities and gaining public support.

Cause Related Marketing is a tool with which NGOs can gain the financial resources to carry out their statutory objectives. With the use of non-cooperation with commercial entities, it is possible to offer and provide a variety of services to the public. The most common services funded using Cause Related Marketing in Poland relate to aiding sick children and the elderly, feeding needy children, care for the environment by planting new trees and educational activities.

An important element of Cause Related Marketing programs is also educational activities and grant programs which, through funding allows for the activation
of local communities in order to solve a particular social problem. Subsequent editions and successes that reach users of Cause Related Marketing have further convinced of the rightness of cooperation between NGOs and businesses and transfer by donations stimulated by purchasing funds for the implementation of specific social goals. It should pay special attention to the risks and limitations associated with the use of Cause Related Marketing. Imperfectly designed and carried out in cooperation can be a source of problems for the company and the NGO. Therefore, the most important is the selection of a reliable partner and an appropriate choice of the social goal, it is also important that the campaign concerned the one area that is compatible with its activity of the company.

References


**Note about the Author**

ANITA TKOCZ – Ph.D. student at Wroclaw University of Economics. Her research interests concentrate on cooperation of NGOs from business, NGOs, Cause Related Marketing.