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**Faculty of Economics and Management**

**Department of Management**



**Abstract of the Bachelor Thesis**

**Cause Related Marketing**

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## **Summary**

The aim of this bachelor thesis is to evaluate the awareness of customers on the Czech market of Cause Related Marketing (CRM) campaigns. In recent years this type of marketing is experiencing a development on the field of foreign market as well as on the market in the Czech Republic.

In the theoretical part of the work are summarized terms connected to the concept of CRM on the basis of studying and reading specialized books and other sources. It describes the means of concepts such as marketing or marketing mix. Also this review introduces the term of corporate social responsibility (CSR) and its historical development. In the last part of the theoretical section is described the term CRM itself, its advantages and risks connected to it.

Content of the practical part is evaluation of already past or still in progress campaigns in the Czech Republic. This evaluation is based on given criteria. Besides campaigns this part contains the evaluation of the survey research.

## **Keywords**

Cause Related Marketing, Corporate Social Responsibility, stakeholders, non-profit institution, marketing campaigns, partnership, cooperation, mutual benefit, win-win-win situation

## **Introduction**

In recent years, we can find on the market many similar suppliers and products, thus for businesses is hard to differ from each other. Therefore it became important to find a way to attract consumer's attention. It is not enough to sell products for a competitive price with a sufficient quality anymore, however companies need to create something in addition, to increase the value of their products. One of the options how to distinguish themselves from competitors is Cause Related Marketing (CRM), which is becoming part of marketing strategies of many companies.

CRM is popular and fast-developing marketing strategy on the current market. It represents partnership between business and charity or non-profit institution for mutual benefit. This connection results in so-called win-win-win situation, where business wins, good cause wins and consumer wins. On the contrary, the cooperation

does not have to pay off and the name of the company can be perceived in a negative point of view.

CRM belongs under the wider concept of Corporate Social Responsibility (CSR). The structure of marketing is changing and businesses give more attention to building relationships with their customers based on mutual trust.

## **Objectives and Methodology**

### **Objectives**

The aim of this bachelor thesis is to evaluate the awareness of customers on the Czech market of Cause Related Marketing campaigns (CRM). Component aim is to summarize the theoretical part of CRM and to introduce the concept of Corporate Social Responsibility (CSR).

The last aim is to create questionnaire, which will analyze opinions and attitudes of customers towards CRM campaigns and the importance of CSR.

### **Methodology**

Theoretical is based on studying already published specialized materials, such as books, reports, articles, journals or researches on the Internet. These literature materials covered not just the topic of CRM, but also subjects, which are closely connected to it. All the materials used for research were from foreign and Czech authors as well.

Practical part is divided into two sections. In the first section are described already past or ongoing campaigns, which took place on the Czech market. These campaigns are selected from the answers of created survey. In the second section is created questionnaire.

The aim of the questionnaire is to find out the awareness of customers on the Czech market towards CRM projects and if they are influenced by these activities. Partial aim of the survey is to discover if customers are aware of the meaning of the term CRM and if they welcome the social responsibility of companies. After that the questionnaire is evaluated.

Created questionnaire contains 20 questions and was filled up by 105 respondents in the period from 19.2.2016 until 26.2.2016. First 5 questions are focused on consumers (such as gender, age etc.) Rest of questions is focused on the perception of CRM campaigns and perception of CSR.

## **Results and Conclusion**

One of the aims of this thesis was to summarize terms, which are connected to the concept of CRM. These terms are further developed in the theoretical part. This section contains chosen topics, which are closely connected to the area of CRM. It is concerning topics such as marketing in general and marketing in non-profit organizations, marketing mix and mainly explanation of the concept of Corporate Social Responsibility, under which CRM belongs. In detail was clarified the term CRM itself, its historical development, first well-known CRM campaign, characteristics, advantages and risks, which CRM campaign can bring to the company.

In first section of the practical part were chosen three companies, which are using CRM as their marketing tool. Projects of these companies were elaborated on the basis of given criteria. These criteria are – cooperation with non-profit organization or their own charitable activities, used tools, aims and results. Chosen companies are Lidl “Srdce dětem”, “Nadační fond Albert” and “Nadační fond Tesco”. From this section is clear, that nowadays more companies are trying to be responsible towards the society. Projects done on regular basis are more successful, since customers can trust company’s intentions. Also promotion of project through mass media is very effective.

Second section of practical part is focused on fulfilling main aim of this thesis, which is evaluation of the awareness of customers on the Czech market of CRM campaigns. To accomplish this goal I used survey research. Only 32% of all respondents were aware, what CRM signifies, which shows, that in the Czech Republic this term is not usual for customers. For promotion this type of marketing campaign is the most effective way through the Internet or television. It was discovered that significant part of success rate of this marketing tool is to appear on a regular basis, therefore relations between customers and companies are built on mutual trust. Due to this fact campaigns achieve higher profits and companies can

expect numerous participation. Satisfying fact from the survey is that altogether 91% of respondents have already purchased product through this type of marketing campaign. People are most willing to contribute money for helping children or for humanitarian help.

Half of participants answered, that the fact, that specific amount from the price of product goes for a good cause would influence their decision about purchasing the product. This fact means, that applying CRM activities is really helpful in attracting customer's attention. More than half of participants note, that company, which is applying CRM would become more respectful and trustworthy. Due to these facts is clear that connection to a good cause can bring many positive aspects for companies. On the other hand from some of the answers of respondents was clear, that influence of applying CRM could have also negative impact on company and its image. Therefore it is very important to implement and plan the project very carefully, thus customers can trust its intentions.

On the basis of all analyzed data was created the list of suggestions for creating a successful CRM campaign on the Czech market.

CRM is nowadays experiencing rising trend and attention from consumers. For each company, which adds CRM activity in their social behavior can mean positive added value, therefore this marketing should not be ignored. To sum up, CRM can be considered as a vital part of company's strategies for building a firm's image.

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