

**A SURVEY OF THE EXTENT TO WHICH MANUFACTURERS OF
FAST MOVING CONSUMER GOODS IN NAIROBI PRACTISE
CAUSE RELATED MARKETING**

BY

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DECLARATION

This management project is my original work and has not been presented for a degree in any other University

Signed
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Date 18/2/2005

This management project has been submitted for examination with my approval as University Supervisor

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DEDICATION

*Dedicated to my parents, Mrs E. Mwiti, and the late Mr. Z. Mwiti for believing in me.
Thank you*

ACKNOWLEDGEMENT

I would like to thank the following people who made it possible for me to successfully complete this research:

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ABSTRACT

Globalization has led to heightened competition for Fast Moving Consumer Goods (FMCGs) and businesses are looking for new ways to gain consumers' attention (Martinez, 2003). In addition, there is an increasing pressure on governments and businesses to explore and develop solutions to the social problems facing society today (Kamau, 2001). Cause Related Marketing has become an increasingly significant contributor in differentiating the company and enhancing corporate image, as well as increasing customer loyalty and sales, while at the same time addressing social needs and the needs of charities and causes (Adkins, 2004).

The objectives of this study were to determine the extent to which Cause Related Marketing is practised by manufacturers of fast moving consumer goods in Nairobi, to determine the benefits derived from the practice of Cause Related Marketing and the challenges faced by manufacturers of fast moving consumer goods in Nairobi practising Cause Related Marketing. The study targeted senior managers involved in the decisions pertaining CRM.

A descriptive survey was used, and the questionnaire consisted of open-ended, structured and semi-structured questions, which was pre-tested for clarity. The 'drop and pick later' method was used to administer the questionnaire to respondents in Nairobi. This was a census study. The data was analyzed using frequency distribution, percentages, mean scores and standard deviations.

The results show that the firms dealing in Fast Moving Consumer Goods use Cause Related Marketing only to a moderate extent. The firms meet some of the requirements for practicing CRM like having the top management get involved in CRM decisions, and donating some percentage of their proceeds to designated causes. In addition, they also align their company objectives to the society needs to a large extent. However, use of the promotional mix to communicate to customers about the causes being supported is done to a very small extent, with the respondents citing cost of creating awareness on the media as the biggest barrier. It is evident that customers are hardly informed of

how they can participate in causes through purchase of the company products, nor are they informed of the impact of their support to the society issues. The major challenge cited by respondents is the intangibility of the benefits enjoyed by practice of Cause Related Marketing, and limited finances. The benefits cited by respondents are majorly to do with enhancing the company image and creating better relations with the society.

The following were the limitations found in the study. The fact that the study was restricted to only the manufacturers of Fast Moving Consumer Goods who are subscribed to the Kenya Association of Manufacturers was one of them. There was also reluctance by some respondents to divulge information regarding their firms. Suggestions for further research include studies on customer awareness and participation in Cause Related Marketing to find out what charities customers support or would like to support through CRM, and managers' awareness levels and attitudes towards Cause Related Marketing as compared to corporate philanthropy.

CHAPTER ONE

INTRODUCTION

1.1 Background

The unprecedented technological developments during the past decade of the 20th Century and the dramatic increase of the number of countries that embrace free trade have ushered in an area of global markets with innovations in modern telecommunication technology. This means that the competition in the market is stiffer, and consumers are more in touch and hence more informed about different products. Consumer businesses are all competing for a share of consumers' minds. That competition is becoming more frantic and expensive due to media inflation, audience fragmentation and the ever increasing noise and clutter bearing down on the consumer. Businesses are all therefore looking for new routes to gain consumers' attention (Martinez, 2003).

With the increasing demand from consumers for companies to be more socially responsible, there is huge potential for fundraising in the corporate sector (Varadarajan and Menon, 1988). The development of marketing is influenced by the development of the society and its economy. Social and economic conditions largely influence the direction in which marketing evolves. Hence marketing must continuously make the adaptation necessary for its healthy survival (Ngahu, 1987). In a research done in the UK by the Business in the Community Company (2003) nearly 80% of participants believe that large companies should support projects for the community. Clearly, one of the many ways in which business can make a contribution to social and economic regeneration is by leveraging all parts of its business including marketing, in support not only of the business but also of the community in which it operates (Roy, 1997).

Obuya (2003) found that manufacturing firms were aware of the fact that customers are getting more and more informed. The firms have had to improve their operations to

show concern for the society so as to position themselves strategically in the market. Social responsibility has experienced a shift from being socially responsible, to satisfying legal requirements, to leading the way in identifying social problems that might call for the company's participation in their solution (Christopher and McDonald, 1995).

In Kenya today there are a lot of social problems that need to be addressed by businesses. In Nairobi alone, issues like pollution, street families, massive littering and drug abuse are a few that can be mentioned. There is increasing pressure on government and business to explore and develop solutions to the preventable health problems facing society today (Kamau, 2001). If organizations engaged in social responsibility issues, they would in effect be preventing problems, for example in the area of pollution, and further problems which may adversely affect the society. Today we have the problem of power shortage at hand. This could have been minimized if some organization engaged in the provision of alternative energy, even for their own consumption and provide the surplus to society (The East African Standard, 2000).

1.1.1 Cause Related Marketing

The phrase "Cause Related Marketing" (CRM) was first coined by American Express in 1983 to describe its campaign to raise money for the restoration of the Statue of Liberty. American Express made a one-cent donation to the Statue of Liberty every time someone used its charge card (Adkins, 2004). The concept of CRM has however been in existence for decades. In the 1890s for instance, William Hesketh Lever introduced gift schemes. A £2000 prize was on offer to be won by consumers participating in a scheme, but the money won would go to a charity that the winner voted for. The money was then distributed amongst the charities voted for. Although this was not referred to as Cause Related Marketing at this time, this early example demonstrated the commercial link between a charity and a business for mutual benefit, which is the essence of Cause Related Marketing (Varadarajan and Molen, 1988).

According to Varadarajan and Molen (1988) Cause Related Marketing is the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives. It can be viewed as a manifestation of the alignment of corporate philanthropy and enlightened business. Varadarajan and Molen (1988) add that CRM is basically a marketing program that strives to achieve two objectives - improve corporate performance and help worthy causes - by linking fund raising for the benefit of a cause to the purchase of the firm's products and/or services. In summary, CRM is a marketing activity - a way for a company to do well by doing good - distinct from sales promotion, corporate philanthropy, corporate sponsorship, social responsibility and public relations, though it is often an amalgam of such activities. The distinctive feature of CRM is the firm's contribution to a designated cause being linked to customers' engaging in revenue-producing transactions with the firm (Alsop, 1987).

Cause Related Marketing, which is a relatively new phenomenon, has become an increasingly significant contributor in addressing social needs and the needs of charities and causes. It has also become a major element of any company's marketing mix and the trust it is able to offer sponsors, valuable PR and incentive opportunities in this respect (Broderik, et al, 2001). Cause Related Marketing may involve a commercial partnership between a company and a charity whereby a product or service is associated with the charity's logo. Both organizations may profit, the former by increased sales, the latter through donations, typically a percentage of every item bought. The company also improves its reputation by being linked to a good cause (Adkins, 2003).

The benefits of CRM are not however limited to increased sales for the company. In a study done by Business in the Community (2003), it was found that participants who were engaged in Cause Related Marketing enjoyed benefits as follows: 93% felt they built relations, 89% felt they enhanced the company image, 65% said that they got new opportunities, and 51% did it for differentiation. According to Cone (2003),

companies understand that cause marketing is a long-term strategic practice that is all about brand building.

In Kenya, manufacturers of Dettol, a liquid disinfectant, have pledged to donate 25 cents for every bottle of Dettol bought, to patients suffering from the heart disease (The Daily Nation, June 2004). Pwani Oil also uses the media to inform consumers who purchase their 'Upishi Bora' cooking fat that proceeds from these sales will go towards the 'Save a Life' fund to alleviate hunger in affected areas of the country. As a result, Pwani Oil has enjoyed increased sales and increased their products' exposure (The Daily Nation, October 2004).

1.1.2 Fast Moving Consumer Goods

According to Engdegard (2004), Fast Moving Consumer Goods (FMCGs) are those goods that are price-sensitive; mass-use goods that are consumable, packaged and branded. Kotler (2003) refers to Fast Moving Consumer Goods as non-durable goods. In his definition, Kotler (2003) views FMCGs as tangible goods normally consumed in one or a few uses, like beer and soap. According to Stanton (1985), FMCGs are referred to as convenient goods. These are goods that the consumer is willing to accept any of several substitutes and thus will buy the one that is most accessible. These goods include groceries, tobacco products, inexpensive candy, drug sundries such as toothpaste and shaving accessories and staple hardware items such as light bulbs and batteries. Stanton (1985) further asserts that FMCGs must be readily available and accessible in any shopping area. They typically have a low unit price, are not bulky and are not greatly affected by fad and fashion (Stanton, 1985). Since FMCGs are consumed quickly and purchased frequently, the appropriate strategy is to make them available in many locations, charge only a small mark-up and advertise heavily to induce trial and build preference (Kotler, 2003).

Globalization has led to increased competition both locally and across boundaries with consumers having a wider range of choice of products. Since consumers are always seeking value for money, low quality products risk being shunned away, hence the need for high quality products to meet the expected standards (Ballard and McCulloch,

1993). With free market entry in global market, competition has heightened. Firms are under pressure to come up with specifically tailored products that will meet different needs of consumers. Globalization has forced all firms to move away from the traditional marketing philosophies to more contemporary practices, with emphasis being on marketing and societal philosophies as opposed to product/production orientations. This is due to the changing tastes and preferences of the global consumer who is now more aware and informed about choices in the market (Griffin, 2003)

In Kenya FMCG manufacturers, like all other businesses, are facing many challenges like hard economic times, coupled by high production costs, and consequently, high prices for their products. As a result, the consumer cannot afford to pay these high prices, hence leading to revenue drops for the manufacturers (Kenya Times, 2003). Counterfeiting of products is the latest challenge to business in Kenya and is threatening to kill off thriving industries. Among the fakes on sale are dry cell batteries, detergents, drugs, beauty products and assorted consumables. So bad is the vice that industry sources predict that all fast moving consumer goods have been counterfeited and are being offered for sale in many a retail outlet countrywide (Mulila, 2003). Kenya's' manufacturers are burning the midnight oil, fighting off these counterfeits (Kenya Times, 2003). In addition, they are increasingly adopting the concept of Total quality management for continuous improvement of their products. There is however need to come up with more ways to differentiate products, and meeting consumers expectations differently (Mulila, 2003).

1.2 Statement of the Problem

McLaren (2004) notes that consumers are demanding greater accountability and responsibility from corporations. In an environment where price and quality are increasingly equal; where reputation and standing for something beyond the functional benefits of a product or service is required by consumers, brands are constantly competing for consumer loyalty and consumer attention (McLaren, 2004). Fast moving consumer goods are generally similar, and the consumer is therefore willing to accept any of several substitutes (Kotler, 2003). With globalization and counterfeiting

of fast moving consumer goods, FMCGs manufacturers are faced with intensified competition, consumers who have a wide range of choices and changing preferences, dwindling product cycles and increasingly powerful retailers; this means that many FMCG products fall by the wayside before their maturity (Molian, 1999). The purchase of FMCGs involves minimum decision-making effort. As a result, consumers are now going out to find meaning in what they buy. They want a set of values in what they buy and want not only to buy products that work, but they want to feel good about buying them, and about the manufacturer (Ebenkamp,1999). Uniqueness is therefore a critical issue in FMCGs (Palmer, 2000). Varadarajen and Molen (1988) note that manufacturing companies need to use innovative and targeted marketing campaigns to establish their brands as leaders in causes of concern to the target market. Cause Related Marketing gives FMCGs the opportunity to go beyond the functional benefits of a product through the opportunity to be synonymous with a particular cause or societal issue, thereby increasing their relevance to consumers (McLaren, 2004).

In Kenya, FMCG Companies play an important role in economic development, by paying taxes to the government, offering employment and sustaining the advertising industry (Kenya Association of Manufacturers Directory, 2003). In addition, FMCGs are convenience 'every day' items that tend to be relatively cheap and, unlike many other industries, have an impact on everybody's life. This means that any new marketing strategies used on these products will have a great impact on everybody (Mulila, 2003). Through Cause Related Marketing, FMCG companies are able to differentiate themselves, build their brands, increase the market share, create consumer loyalty and hence remain in the market. Companies that ignore this powerful marketing tool therefore, do it at their own peril, as they risk being irrelevant to consumers and becoming obsolete (Varadarajen and Molen, 1988).

As mentioned earlier, CRM is a very new concept, and therefore most of the research documented has been on Corporate Social Responsibility. The author is not aware of any research effort in Kenya that has been devoted to the study of Cause Related Marketing. Most of the research done in this area has been specifically on social

responsibility, corporate governance, green marketing or social marketing in firms (Ndambuki, 2000; Ngahu, 1997; Kiarie, 1997; Kamau, 2001). These researches were done to measure the attitude of managers in manufacturing firms towards those activities, and emphasis in most of these studies was environmental concern by managers. The present study will therefore address itself to the area of Cause Related Marketing and thus contribute to the knowledge in this field.

The research seeks to answer the questions:

- i) To what extent is Cause Related Marketing practised by manufacturers of fast moving consumer goods in Nairobi?
- ii) What benefits do the companies derive from practising Cause Related Marketing?
- iii) What are the challenges of faced by manufacturers practising Cause Related Marketing, if any?

1.3 Objectives of the Study

The objectives of the study are to determine:

- i) The extent to which Cause Related Marketing practised by manufacturers of fast moving consumer goods in Nairobi
- ii) The benefits derived from the practice of Cause Related Marketing by the manufactures of fast moving consumer goods in Nairobi
- iii) The challenges faced by manufacturers of fast moving consumer goods in Nairobi practising Cause Related Marketing

1.4 Significance of the Study

The findings of this study may be of benefit to the:

- a) Business community, it may hopefully contribute to increasing their awareness of the importance of concern for the societal welfare
- b) Academicians, the study may be important as an addition to knowledge. It is hoped that it will stimulate research into other aspects of Cause Related Marketing

- c) Charitable organizations and society in general, the study may contribute to increased concern for their welfare.
- d) Those with some interest in the manufacturing sector like the Kenya Association of Manufacturers, Federation of Kenya Employers among others.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter explains what Cause Related Marketing (CRM) is about, showing the clear difference between CRM, corporate social responsibility and philanthropy. It also examines the factors that are considered as requirements for a company to have in place for the effective implementation of a CRM programme. The need to use the marketing communication mix as a way of demonstrating a company's corporate responsibility is shown. In addition, the benefits and challenges that have been faced by companies that practise Cause Related Marketing have been highlighted.

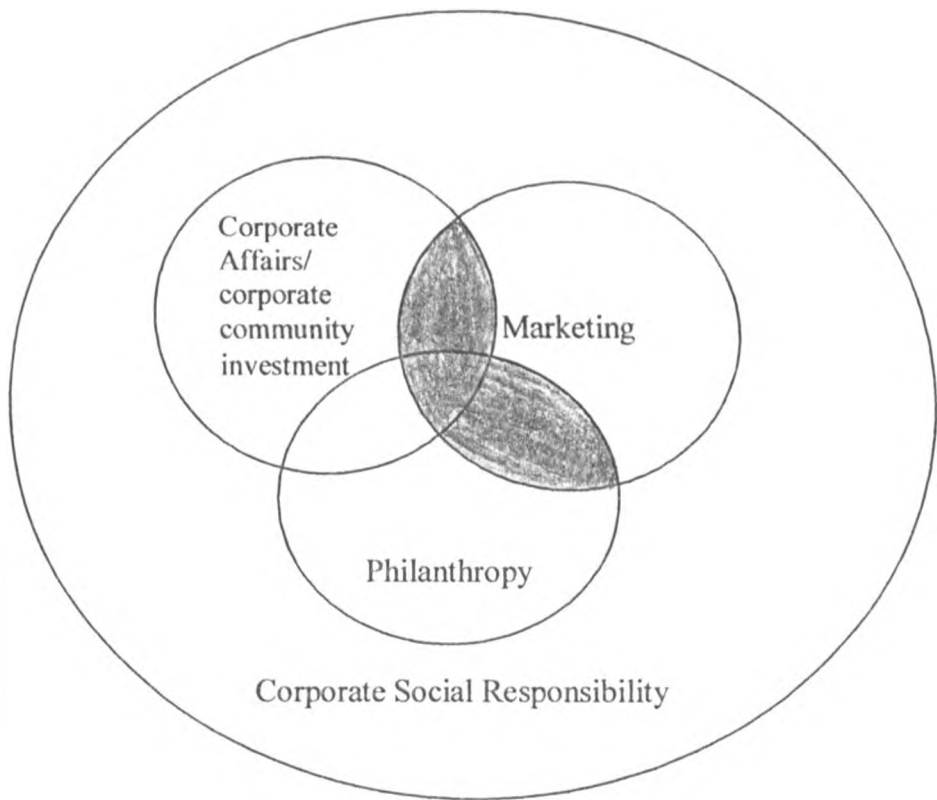
2.2 Meaning of Cause Related Marketing

According to Varadarajan and Molen (1988) Cause Related Marketing is the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives. It can be viewed as a manifestation of the alignment of corporate philanthropy and enlightened business. Cause Related Marketing is just that; marketing to its full extent including advertising, sales promotion, public relations, direct marketing, sponsorship, etc related to a cause. 'Causes' include good causes, charities and other not for profit organizations. Together they cover a whole wealth of issues encompassing anything from, for example, health, homelessness, environmental issues, hunger, the arts and education among others (Adkins, 2004)

'What we mean by Cause Related Marketing is really nothing more than another aspect of enlightened self-interest whereby we promote our products in conjunction with a good cause raising money or value for the good cause while at the same time enlisting consumer loyalty and purchase of our own products'.
(Chairman, Cadbury Schweppes, 2003)

According to Adkins (2004), Cause Related Marketing (CRM) is about using marketing money, techniques and strategies to support worthwhile causes while at the same time building the business. It is also defined by McLaren (2003) as a 'commercial activity by which businesses and charities or causes form a partnership with each other to market an image, product or service for mutual benefit'. CRM is generally considered to be distinct from corporate philanthropy because the corporate dollars involved in CRM are not outright gifts to a nonprofit organization, hence not tax-deductible (Adkins, 2004). CRM is a strategy for selling, not for making charitable contributions (Williams, 1986). The diagram below shows how Cause Related Marketing intersects with marketing, philanthropy, corporate affairs, and corporate investment.

Fig 1: The Fit Between Cause Related Marketing, Corporate Community Investment, Philanthropy and Corporate Social Responsibility



☐ Cause Related Marketing

Source: Adkins, S., (2004). Cause Related Marketing: Who Cares Wins, Butterworth-Heinemann, pp. 49

As shown in the diagram, they all form part of the overall matrix which makes up the corporate social responsibility, which in turn forms part of the overall business strategy.

A company promotes its image, product and services in conjunction with a good cause, raising money for the cause whilst at the same time enhancing the reputation, demonstrating its values, enlisting consumer loyalty and purchase of its own products and services. Cause Related Marketing is not a threat to traditional forms of philanthropy that some consider it to be. CRM provides an additional tool for marketing, corporate and community affairs and fundraisers alike (Adkins, 20004).

As marketing executives look to achieve more with downsized budgets, donations have to work harder. Cause-related expenditures face close scrutiny; social responsibility must balance with sales targets (Turner and McNeils, 2003). Nike supports Boys and Girls Clubs and incorporates the programs into its national TV and print advertisements. "Cause Related Marketing is going from art to science and people are trying to find better ways to measure results" said Frank Bulgarella, president of Resource One, a cause-related consultancy. Where companies were once satisfied with such quick-hit initiatives as coupon drops, they are now seeking longer-term strategic alliances to fight drunk driving, find a cure for AIDS or tackle an environmental need. "In event marketing, people used to say a company sponsored golf because the CEO liked to play. With causes, there are deeper issues" said Bulgarella, a veteran of Special Olympics programs. "The link of the cause is what makes the sale." Those sentiments are underscored in a new Cone Communications/Roper study of executive attitudes that found causes gaining ground as instruments of relationship management, whether that means broadening a brand message, reaching potential customers or instilling pride in employees (www.bitc.org, 2003).

2.3 Requirements for a Cause Related Marketing Programme

In order for a Cause Related Marketing programme to be successful in meeting the set objectives, the requirements discussed below must be met to a certain extent (Adkins, 2004). These requirements include the alignment of business objectives with the social needs of the society; choosing the appropriate cause or charity to support, designating a cause champion in the organization to oversee the CRM programme; having revenue providing exchanges with customers and donating some of the proceeds to a cause; using the marketing communication mix to engage customers in supporting the causes and monitoring, measuring and evaluating the CRM programme (Adkins, 2004).

Alignment of the Business Objectives with the Social, Environmental and Economic Needs of the Community

Smith and Berger (1996) assert that little is known about which marketing tactics may work together to enhance social marketing effectiveness. Cravens, et al (1996) add that the marketing concept is faltering in today's environment because even though organizations respond to customer groups they are not sufficiently responsive to the society. According to Adkins (2004), relationships between businesses, the wider community, charities and causes have evolved. They have developed from the one relationship of pure philanthropy, to the many relationships of philanthropy. Strategic philanthropy is where the programme of giving is aligned to the objectives of the business, to also include community investment, sponsorships and indeed the whole spectrum of Cause Related Marketing (Adkins, 2004). Business increasingly has a number of options or tools to use to support the community in which it operates and from which it benefits. The overall corporate values, vision and mission will begin to dictate the area from which the cause or charity partners are sought (McLaren, 2003).

According to Adkins (2004), it is important to create awareness and understanding internally of the current policies, strategies and attitudes and to define the integrated strategy. These policies and activities must be leveraged through Cause Related Marketing in order to enhance the organization's reputation; demonstrate its values;

build positive perceptions, loyalty and relationships amongst stakeholder groups and indeed potentially increase consumer traffic and sales. The strength of Cause Related Marketing over perhaps corporate community involvement and investment is that it is very clearly visible and therefore can support these programmes and indeed leverage them through the engagement of additional resources and additional skills sets. (Adkins, 2004)

The Cause and the Partner

The causes chosen must be concrete and positive, emphasizing on the benefits the cause will create, not the problem it is trying to solve. Whenever possible, companies should sponsor causes that dovetail with their own products and services. They should be known by the causes they support as by the products and services they sell. This can happen if companies commit themselves to serving communities in which they do business and if, at the same, they use those commitments to bolster their bottom lines (Andreasan, 1996).

Once the company has identified what cause it would be interested in supporting, they should assemble an array of potential partners and begin a systematic investigation of each one. The most important characteristic to look for in a partner is the extent to which a Cause Related Marketing program would complement the corporation's goals and eventually increase its bottom line (Andreasan, 1996). Successful Cause Related Marketing partnerships depend on both partners understanding their own mission, vision and objectives, and understanding what unique features, advantages and benefits they can bring. A sound understanding of organizations and business practice is essential in corporate fundraising as companies must work closely with their corporate partners to identify the objectives of the relationship (Adkins, 2004).

The Cause Champion

A company's social policy is potent only if top management is actively involved in its design (Robin and Reidenbach, 1987). According to McLaren (2004), an important way of showing commitment to the policy is by the management designating a cause 'champion', preferably a senior executive reporting to top management, with dedicated

resources for public relations and media. The cause champion should ensure that there is commitment to integrate responsible business practices through the business, collaborate with the other departments in the company to tackle any challenges and to inspire and lead by sharing learning and experiences gained (McLaren, 2004). The cause champion should also educate the internal and external customers. He should ensure that the consumers and staff members understand and believe in the positioning and appeal of the sponsoring corporation in order for them to participate with enthusiasm and support it (Andreasen, 1996).

Varadarajan and Menon (1988) note that social efforts by businesses in recent years have lacked a unified collective impact on public opinion because the objective of such efforts are often inexplicit and not part of an overall plan. To create socially positive Cause Related Marketing programmes, top management first must create and encourage a corporate culture that will internalize the true philosophy of CRM (Robin and Reidenbach, 1987).

Revenue-Providing Exchanges with Customers

As discussed earlier, CRM is the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specific amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives (Varadarajan and Menon, 1988). Indicative of the marketing thrust of CRM programs is the fact that, in most cases, contributions to charity from a firm's CRM do not come from its regular philanthropic budget. Rather, a portion of the marketing budget that normally would have been expended for advertising and/or sales promotions is instead earmarked for contribution to a cause on behalf of those customers who engage in a revenue-producing transaction with the firm during a specified time period (Alsop, 1987).

The Marketing Communications Mix

According to Adkins (2004) Cause Related Marketing is arguably one of the most effective ways of demonstrating corporate social responsibility, by giving life to an

organization's values and beliefs, and bringing them to the attention of the broadest possible stakeholder groups. Adkins (2004) adds that Cause Related Marketing activities can be demonstrated under 6 broad headings of the marketing communications mix as a minimum. These include advertising, sales promotion, public relations or publicity, sponsorship, licensing and direct marketing, which includes loyalty and relationship marketing.

Advertising

Marketing communications are rapidly evolving, and many consumer companies-along with most advertising agencies-risk being left behind. Trying to outshout the competition in a mass-media environment that is increasingly expensive and cluttered can lead to frustration and low returns. To survive this evolution, companies need to reallocate spending and acquire new capabilities for assessing their investments with greater quantitative rigor (Deimler and Kistulinec, 2003). Cause Related Marketing advertising offers the differentiating edge as a core part of the marketing mix (Adkins, 2004).

Adkins (2004) adds that Cause Related Marketing advertising may include a variety of media, ranging from TV, Internet advertising, outdoor media, radio, magazines, brochures, yellow pages to print and press campaigns. CRM advertising may focus on communicating a particular sales promotion, or refer to the advertising of a particular cause or issue where the business aligns itself with a particular good cause and uses its advertising to communicate the cause message. Companies in Kenya have jointly taken the concept of TV in promoting a cause message by funding documentaries on those afflicted by hunger as part of the 'Save a Life' campaign (The Daily Nation, 2004). The purpose of this medium serves to bring the message to a wide audience and therefore increase the impact of the message (Adkins, 2004).

CRM Advertising can provide the means for differentiation and sustainable competitive advantage. For a message to be communicated successfully, it should be targeted at the right audience, capable of gaining attention, understandable, relevant and acceptable (Fill, 2002). In CRM, even though the work is philanthropy, the cause being advertised

should generate interest in the company and motivate people to buy from it. It is important to select a cause that is important to the target market, and make sure the target market sees that connection (Adkins, 2004).

Public Relations

The shift in the degree of importance given by organizations to public relations over recent years is a testimony to its power and effectiveness. All organizations in the public, private and not-for-profit organizations can use this tool to raise visibility, interest and goodwill (Fill, 2002). PR in some cases presents the leading discipline in defining, creating and implementing a Cause Related Marketing programme. The key to getting the PR coverage for CRM is the same as for any other PR activity. Newsworthiness, innovation and excitement are all crucial. It is not appropriate for the corporate organization to spend time and effort publicizing their involvement in the activity than it is investing in. (Adkins, 2004).

According to Fill (2002), one major reason for the development of public relations and the associated corporate reputation activities has been the rise of cause-related marketing, which has been a significant influence as many brand owners have become aware of the need to be perceived as credible, responsible and ethically sound. Fill (2002) adds that developing a strong and socially oriented corporate reputation has become a major form of differentiation in many markets where price, quality and tangible attributes are relatively similar. Being able to present their corporate brands as contributors to the wider social framework, a role beyond that of simple profit generators, has enabled stronger positive positions to be achieved (Fill, 2002). A public relations programme consists of a number of planned events and activities that seek to satisfy communication objectives. The following represent some of the broad tools and techniques associated with public relations that can be used to communicate the CRM message (Fill, 2002).

Publicity – the quality of the relationship between an organization and the media will dramatically affect the impact and dissemination of news and stories released by an organization (Fill, 2002). Celebrities can be used to increase publicity for the cause.

They can bring visibility, credibility, and attract more media attention to cause marketing campaigns (Adkins, 2004).

Press Releases – this is a common form of media relations activity. These written statements concern developments in the organization, like new partnerships with charities. The statement is deliberately short and written in such a style that it attracts the attention of the editor (Fill, 2002).

Press Conferences – these are used when a major event has occurred, and where a press release cannot convey the appropriate tone or detail required by the organization. Press kits containing a full reproduction of any statements, photographs and relevant background information are included for emphasis on the message (Fill, 2002). Companies may use this method to highlight the gains of being involved in certain causes, both for the charity and the company (Adkins, 2004).

Interviews – interviews with representatives of an organization enable news and the organization's view of an issue or event to be conveyed. Other forms of means of media relations concern bylined articles written by members of the organization on the event, speeches, letters to the editor and photographs and captions (Fill, 2002).

Events – events in an organization can either be product events, corporate events or community events. Community events contribute to the life of the local community, for instance through contribution to the local community centres, walks to raise funds, or clean-ups (Fill, 2004). Companies may sell promotional products like badges during these events. The choice of events an organization becomes involved with is critical (Adkins, 2004).

Sponsorship

A key way of realizing a CRM partnership is often through sponsoring a particular event or activity. What makes it CRM as opposed to standard sponsorship is the fact that first, what is being sponsored is a good cause or charity and secondly, that the

organizations are actively marketing this relationship to meet their own objectives and those of their partner (Adkins, 2004).

Sponsorship is normally regarded as a communications tool used to reach external stakeholders. However, if chosen appropriately sponsorship can also be used effectively to reach internal audiences (Grimes and Meenaghan, 1998). According to Thwaites (1994), sponsorships of charities can be used to support a product or the organization. Corporate sponsorships are intended to focus upon delivering community involvement, public awareness, image, goodwill and staff relations. Product or brand-based sponsorship activity is aimed at developing media coverage, sales leads, sales/market share and target market awareness (Thwaites, 1994). The full potential of sponsorship is only realized when it is integrated with some or all of the other tools of the promotional mix (Fill, 2002). Areas in which sponsorship has been used include sports, programme/broadcasts, the arts and others which encompass activities such as wildlife/conservation and education (Fill, 2002).

Sports sponsorship – sports activities have been very attractive to sponsors, partly because of the high media coverage they attract (Adkins, 2004). In addition, sports has the propensity to attract large audiences not only at the event, but through the media that attach themselves to these activities. Sport also provides a measure of segmentation, providing an opportunity to identify and reach large numbers people who share particular characteristics. In addition, visibility opportunities for the sponsor and the cause are high (Fill, 2002). Tusk and Safaricom co-sponsor the Safaricom Marathon, which is held every year at Lewa Wildlife Conservancy. They raise money for the beneficiaries, who are all projects in north Kenya. This is a unique event, but it also means that local Maasai and Samburu communities are given a chance to run in Kenya (the home of long distance running) for themselves and help to raise money to continue the support of their own projects (The Daily Nation, June 2002).

Programme Sponsorship - companies sponsor programmes that touch on the cause they are supporting (Adkins, 2004). For a sponsorship to work there needs to be a linkage between the product and the programme, otherwise it is rejected by the viewers (Fill, 2002). The programmes sponsored can be on TV or radio. On TV, the sponsor's

logo is allowed to be seen during certain programmes. This is appealing to sponsors because it allows clients to avoid the clutter associated with spot advertising. The sponsor can create awareness of the cause as well as provide brand identity cues unhindered by other brands (Fry, 1997).

Arts Sponsorship – according to Thorncroft (1996), arts sponsorship began as a philanthropic exercise, with business giving back something to the community. It can be seen as a means of developing corporate image and was previously used extensively by tobacco companies as they attempted to reach their customer base. It was a cheaper, more civilized alternative to sports sponsorship, and appealed more to women. Arts like Music Festivals and performances by celebrities could be sponsored with emphasis being to raise funds for a cause (Fill, 2002).

Licensing

In a licensing relationship, the corporate pays for the license to use the charity logo or identity on its product or service. The corporate generally wants to use the charity logo to sell more products or services; to benefit from the implied endorsements and halo effect of the charity or cause and the positive values that it projects. Licensing can sometimes form part of a broader strategy or programme where the purchase of the rights to use a charity's logo is just part of an overall package of activities that together represent the Cause Related Marketing partnership (Adkins, 2004).

Direct Marketing

Direct marketing is a term used to refer to all media activities that generate a series of intermediary-free communications and responses with an existing or potential customer (Fill, 2002). Direct marketing is clearly one of the methods that could be employed to communicate CRM messages (Adkins, 2004). At the hub of successful direct marketing activities is the database, which consists of information collected about prospects and customers. These are used to determine appropriate segments and target markets and to record responses to communications conveyed by the organization (Fill, 2002). Many charities are experts in the field, managing databases with millions of records. Often access to the charity's database is considered the big prize for the corporate in a CRM

relationship. It is very much up to the charity or cause to decide whether or not it makes this database available, and if so, under what circumstances (Adkins, 2004). According to Fills (2002), direct marketing media includes direct mail, telemarketing, inserts, print, door-to-door, radio and television and the Internet.

Direct Mail – this refers to personally addressed advertising that is delivered through the postal system. It can be personalized and targeted with great accuracy, and its results are capable of precise measurement. In addition, direct mail generates inquiries and leads, and helps in building a personal relationship with customers. CRM can be expensive and should therefore be used selectively and for purposes other than creating awareness (Fill, 2002). Those involved in Cause Related Marketing programmes use direct mail to personally thank customers who have been involved (Adkins, 2004).

Telemarketing – the prime qualities of the telephone is that it provides for interaction, is flexible and permits immediate feedback and the opportunity to overcome objections, within the same period of communications. Other dimensions of telemarketing include the development and maintenance of customer goodwill, allows organizations to undertake market research and is highly measurable (Kotler, 1996).

Inserts – these are media materials that are placed in magazines or direct mail letters. These not only provide factual information about the cause being sponsored, but can also enable the recipient to respond to the request of the direct marketer (Fill, 2002).

Radio and Television – this is used as a support medium for other advertising, often by providing enquiry numbers. Customers can use these numbers to call in and give opinions about the cause being advertised (Adkins, 2004). In addition, the use of the Internet has been increasing in the recent years and represents the major form of interactive marketing communications (Fill, 2002).

Sales Promotion

According to Adkins (2004), some of the most frequently used mechanics in sales promotions include:

Purchase Triggered Donations - where donations are made when a customer purchases goods, or even through business to business market.

Trial Triggered Donations - CRM can also be used to trigger donations through trial, application or signing up to a product or service through usage.

CRM as an Incentive to Action - this has been used by a range of organizations across different industries to great effect, as a way to increase response rate (Adkins, 2004). The opportunity to evaluate the effectiveness of an incentive versus the use of charitable link as an incentive for responses cannot be ignored. The benefits to the business are not only increasing the number of returns and the gathering of useful information, and the potential start of a dialogue with customers but also reinforces the organization's values and commitment to the wider community, by making a real contribution (Adkins, 2004)

Competitions, Games and Draws - charitable donations have also been included in competitions, games and draws when for instance a prize is won by the individual and a donation is made by the business to charity, which enables both the winner and the competition organizer to be seen as heroes (Adkins, 2004).

Facilitated Giving - this is whereby the business partner provides a vehicle to facilitate customer donations to the charity. UNICEF to date has collected over £7 million for needy children around the world by collecting unwanted foreign currency from people traveling (Adkins, 2004).

Monitoring, Measurement and Evaluation

According to Adkins (2004), the importance of monitoring, measuring and evaluating programmes and partnerships is a clearly understood discipline and a requirement in effective business management generally. CRM is no different. The investment made at the planning and preparation phase in identifying the key objectives will provide the performance indicators against which the programme or partnership can be monitored,

measured and evaluated. Adkins (2004) notes that the process is divided into three stages:

When testing out the idea of whether the CRM idea is worthwhile, whether it will bring benefits to the company, and whether there is a good affinity between the particular CRM activity planned and the company and its corporate goals; When assessing the effects of a particular CRM initiative once it is implemented; When assessing the CRM activities overall in terms of images shift or customer service, and overall benefits to the company of this.

Monitoring a programme or partnership is essential in order to anticipate issues, avert them and to develop or refine a programme or partnership to ensure it is finely tuned. Depending on the agreed performance indicators therefore, a company may for instance consider measuring: funds raised; effect on sales; volume, and/or customer traffic; media coverage; effect on reputation, image and/or awareness; customer satisfaction; employee satisfaction; impact on society among others (Adkins, 2004).

2.4 Benefits of Adopting Cause Related Marketing

Business in partnership with charities and causes can play a vital role in the regeneration of communities. By practising CRM both business and good causes can benefit. It also attracts new sources of funds, resources and support. It will be one of the key developments in marketing for organizations in the future. (Adkins, 2004). One beauty of Cause Related Marketing is that everyone benefits - the nonprofit organization, the business, and the public. As Stanton (1984) put it, many organizations do not realize that each time social forces cause significant changes in a market, an opportunity is created for an offering to the new need, effective enough to crystallize the developing market into a new pattern others will be forced to initiate.

One indication of the importance of recognizing the importance of corporate responsibility is a poll that found that 88% of consumers would be more likely to buy from a company that is a good corporate citizen and practices social responsibility. (Business in the Community Guidelines, 2003)

Cause Related Marketing generates long-term, general operating money for the organization. The annual measurement of the impact of Cause Related Marketing on society by Business in the Community has found that £58.2 million was raised for charities and good causes through Cause Related Marketing programmes during 2003, an increase of over 15% on 2002. This figure, which includes over £24 million of leveraged funds through staff, customer and supplier fundraising, was raised by 67 businesses through 82 Cause Related Marketing programmes.

In total, 64 charities and good causes benefited through these Cause Related Marketing programmes (Turner and McNeil, 2004)

CRM should become a natural part of successful business practices because it is an effective way of enhancing corporate image, differentiating product and increasing both customer loyalty and sales. The benefits of CRM are manifested and extend beyond external perceptions of corporate and brand image and the bottom line of the parties involved. Internally, CRM can deliver staff motivation, team building and business skills development (Adkins, 2004).

Corporate reputation is founded on the stakeholder appreciation of the values and vision based on the corporate behaviour or responsibility of the organisation in all the markets in which they operate. In building understanding of and communicating this social responsibility, CRM has a clear and vital role to play. CRM is a highly effective way to build the brand, to reinforce, demonstrate and bring life to corporate values and to make corporate social responsibility and corporate community investment visible. (Adkins, 2004). The challenge is for business, charities and causes to identify the appropriate partnerships and then plan, implement and communicate them well. In 2003, FastForward Research in the UK showed that 80% of CEOs also believe responsible business practice can enhance innovation & creativity in the workplace (www.bitc.org, 2004).

The research also found out that among individual shareholders in the G20 countries: 56% believe responsible companies are more profitable than irresponsible companies, and 18% say they have bought or sold shares because of their social or environmental

performance. In another research released by the Institute of Business Ethics in April 2003, shows that companies with a clear commitment to ethical conduct outperform those who do not (www.bitc.org, 2004). The research by Business in the Community (2003) revealed that companies that are committed to ethical issues in their marketing enjoy the following benefits:

Demonstration of commitment to ethical issues; provide the brand with a unique selling point; growth in sales; increase in market share; wider distribution of products; greater confidence in the brand from the supermarket buyers; increased PR exposure; raising awareness of ethical issues in the industry whilst promoting the brand and the charity; helping people in the communities build their lives in different ways; built customer loyalty; enhanced corporate reputation; demonstrated brand values; generated significant media coverage.

2.5 Challenges of Adopting Cause Related Marketing

Cause Related Marketing has its risks. Planned, implemented or communicated poorly, it can backfire and damage the reputation of all involved. Indeed more than that, if implemented badly, not only does it affect the partners directly involved, but it has a significant effect on all charities, causes and issues (Adkins, 2004). According to Williams (1986), a major reason for CRM's vulnerability to criticism from a philanthropic perspective is its basic 'selling' philosophy. Questions have been raised whether it is indeed Cause Related Marketing or cause-exploitive marketing. Ndambuki (2000) asserts that there are those who argue that business have economic and political power. Participation of businesses in social issues gives them social power too. Due to this concentration of power, business could most probably abuse their privileged positions.

In a competitive environment, the issue of competitors' actions has to be factored in. If CRM is not being practiced by the rest, a company that chooses to go out of its way and address such issues might find itself constrained resource-wise (Ndambuki, 2000).

Managers may also face challenges in the practice of CRM that may make them cautious when it comes to charitable activities. Those who sacrifice profits to seek corporate social goals may find stockholders unsympathetic (Kamau, 2001). In the current economic hardships in Kenya, there is obvious pressure of finances, which affects the expenditure patterns of each company. This means that the social responsibility aspect is affected, and mostly preferences are given to other profitable activities (Kiarie, 1997).

Trust and commitment between businesses and their stakeholders will underpin tomorrow's successful companies. Intangible assets make up a high and growing proportion of a company's market value. These assets include reputation and value with key stakeholders, internal and network-based knowledge, and the capacity of management to compete and navigate through increasingly complex environments (Adkins, 2004). Corporations must therefore recognize that though the concept of CRM is laudable, its misuse can lead to disastrous results. Care and discretion should be exercised by the firms and causes in design and implementation (Varadarajan and Molen, 1988).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The proposed study is a descriptive survey. According to Cooper and Schindler (1998), such a study is concerned with finding out what, where and how of a phenomenon, which is the concern of the current study. Ndambuki (2000) and Obuya (2003) have used the design in related studies.

3.2 Population

The population of interest in this study includes all manufacturing firms dealing in Fast Moving Consumer Goods in Nairobi that belong to the Kenya Association of Manufacturers (KAM). There are other FMCGs in Nairobi who are not members of KAM, but the population of this research will only be those listed as members of KAM. Given that these firms are members of an association, it is expected that they more likely to possess similar characteristics because they may be required to behave in a certain manner due to membership ethics. The KAM directory (2003) lists forty five (45) of these firms (see Appendix 1). A census study was carried out because of the small number of the population. One respondent was contacted from each of the forty-five firms. The Marketing Managers and/or any other officials charged with the Cause Related Marketing responsibilities were targeted. The firms have been categorized on the basis of the products dealt in, as shown below:

Table 1: Categories of FMCG Manufacturers in Kenya Who are KAM Members

Category of FMCG Manufacturer	Number of Companies
Batteries	1
Beverages	9
Chemicals	2
Confectionery	2
Foods	19
Health Care	5
Household	1
Hygiene	4
Stationery	1
Tobacco	2
TOTAL	45

3.3 Data Collection

Primary data was collected using semi-structured questionnaires (Appendix 3). The administration of the questionnaire was by personal interviews and 'drop and pick later' method. Personal interviews were used on all respondents initially to determine if the practice is done at all. Once this is established, those involved with the practice were left with the questionnaire to proceed filling out, and they were picked later. The questionnaire consists of both open-ended and closed questions. It was pre-tested to confirm clarity of the questions.

The questionnaire has been divided into three sections:

- a) Section one is aimed at generating the bio-data of the firms
- b) Section two captures the extent to which the firms practise Cause Related Marketing.
- c) Section three captures the benefits and challenges experienced by firms practising Cause Related Marketing.

3.4 Operationalizing Cause Related Marketing Practices

Cause Related Marketing was explained to respondents and a filtering question used to ensure only those who practise it answer.

In order to determine the extent to which CRM is practised, the following variables were tested; Alignment of the business objectives with the social needs of the society; The cause/partner; The cause Champion; Revenue providing exchanges with customers and Communication.

The Cause and the Partner

In order to determine whether companies have a cause and link up their practices with a partner (charitable organization) a list of possible causes that a company may support were given, i.e. scholarships, HIV Campaigns, Save a Life etc, and respondents were required to tick as many as apply to them. In addition, a list the factors considered in choosing the cause to support was given and respondents were asked to tick all that apply. (See Questions 7, 8)

Alignment of business objectives with social needs

In order to determine whether the company aligns the business objectives to social needs, respondents were asked to what extent they align these using a likert 5-point scale (See Question 9). A score of 5 would imply that the alignment is done to a large extent and 1 to no extent.

The Cause Champion

In order to determine whether companies have a cause champion in the organization, a list of the possible people charged with the responsibility of overseeing cause related marketing were given, and respondents were required to tick the appropriate one. In addition, a list of the possible duties the person mentioned above performs were listed and respondents required to tick those that apply. (See Questions 10, 11)

Revenue Providing Exchanges with Customers

To determine whether companies have revenue-providing exchanges with customers where they donate a certain amount from those purchases to a cause, a dichotomous question (yes/no) was asked. Another question was asked to determine the percentage from the customer purchases that is given to the cause, where a list of the ranges of percentages donated is given. Respondents were asked to tick appropriately.

(See Questions 12, 13).

The Marketing Communication Mix

In order to determine what communication media is used to promote and communicate the cause message respondents were asked to what extent they use advertisements, public relations, sponsorships, direct marketing and sales promotions, using a likert 5-point scale (See Questions 14-32). A score of 5 would imply that the CRM is practised to a large extent and 1 to no extent.

Monitoring, Measurement and Evaluation

To determine whether the company measures and evaluates CRM results, a list of possible measures that a company uses were given, i.e. customer traffic, funds raised, customer satisfaction etc, and respondents were required to tick as many as apply to them. (See Question 33).

3.5 Data Analysis

The data was analysed using descriptive statistics that are indicative of CRM practices from the FMCGs manufacturing firms' perspective. Descriptive statistics enable the researcher to summarize and organize data in an effective and meaningful way. They provide tools for describing collections of statistical observations and reducing information to understandable forms (Frankfort-Nachmias and Nachmias 1996).

- a) For section A, frequency distribution and percentages were used to analyze the bio-data generated in this section

- b) For section B, mean scores were used to determine the extent of the practice of Cause Related Marketing by the firms. The mean scores were calculated from a 5-point likert scale. The standard deviations indicated if there were significant differences in the practice of CRM among firms.
- c) In section C, frequency distribution and percentages were used to determine the benefits and challenges faced by the firms.

CHAPTER FOUR

DATA ANALYSIS

4.1 Introduction

This chapter contains summaries of data findings together with their possible interpretation. The chapter is divided into three sections, two of which are related to the objectives of the study. The first section analyses the general information of the Fast Moving Consumer Goods firms. The second section analyses the extent of the use of Cause Related Marketing in their firms. The third section analyses the benefits and challenges faced by firms in the practice of Cause Related Marketing.

A total of forty five (45) questionnaires were distributed to the respondents, out of which thirty five (35) responded by completing and returning the questionnaires. Ten (10) did not respond. This gives a response rate of 77.78% and a non-response rate of 22.22%.

4.2 General Information

The general information considered in the study included: the functional responsibilities of the person filling the questionnaire, the number of years he/she has been in that position, the number of years the firm has been in existence in Kenya; the ownership of the organization, the destination of the products, and the categories of the products the firm deals with. The table below shows the results:

Table 2: General Information

BIODATA	Frequency	Percentage
Functional Responsibilities		
Brand Manager	6	17.1
Marketing Manager	23	65.7
Corporate Affairs Manager	3	8.6
Public Relations Officer	3	8.6
TOTAL	35	100
Number of Years in Position		
1-5	12	34.3
6-9	9	25.7
Over 10	14	40
TOTAL	35	100
Number of Years of Firm in Manufacturing		
1-5	2	5.7
6-9	9	25.7
Over 10	24	68.6
TOTAL	35	100
Ownership of Organization		
Local	5	14.3
Foreign	8	22.9
Mixed	22	62.9
TOTAL	35	100
Destination of Products		
Local	33	33.7
COMESA	25	25.6
Other Parts of Africa	22	22.4
Europe	3	3.1
America	3	3.1
Other Parts of the World	12	12.2
TOTAL	98	100
Category of Products Dealt With		
Beverages	8	22.9
Chemicals	2	5.7
Confectionery	2	5.7
Foods	13	37.1
Health Care	4	11.4
Household	1	2.9
Hygiene	3	8.6
Stationery	1	2.9
Tobacco	1	2.9
TOTAL	35	100

The Functional Responsibilities of the Respondent

Respondents were asked to indicate what their primary functional responsibilities were to gauge the responsibilities of the respondent.

The table shows that most of the respondents were Marketing Managers (65.7%) Corporate Affairs Managers and Public Relations Officers accounted for 8.6% each, and Brand Managers accounted for 17.1%.

The number of years in that position

Respondents were asked to indicate the number of years they had worked in that position to gauge how well they understood their responsibilities based on years of experience.

The table above shows that most of the respondents have been in that position for over 10 years (40%). 12 of the respondents have been in that position for between 1 to 5 years. 25.7% of them have worked in that position for between 6 to 9 years.

The number of years in the organization has been in manufacturing

The number of years the firm has existed in Kenya would give an indication of their experience in the market and the learning curve they have gone through, since the trading environment has gradually changed over the years.

The above table shows that most of the firms have been in existence over 10 years (68.6%). Only 2 firms (5.7%) have operated for 1-5 years. The rest (25.7%) have operated for between 6 to 9 years.

The ownership of the organization

The respondents were asked to indicate whether their organizations were local, foreign or mixed in terms of ownership. Cause Related Marketing being a very new concept in Kenya, and therefore it would be helpful in gauging whether the locally owned companies practice it.

From the table, it can be observed that the biggest percentage of FMCGs companies is mixed ownership (62.9%), followed by foreign owned companies (22.9%). The smallest number of the FMCGs companies is locally owned (14.3%).

Destination of the products

In the data collection, respondents were asked to indicate all the destinations their products went to. The destination of their products indicates how the firm has moved into various markets and segments over the years. Some firms use different marketing techniques for each market.

From the findings, 33.7% of the respondents indicated that their market destination was local. 25.6% stated that they sold their product in the COMESA. Those selling in other parts of Africa were 22.4%, while those selling to other parts of the world not listed were 12.2%. 3.1% sell to America and Europe.

Category of Products Company deals with

Respondents were asked to indicate the category of products they deal with, selecting from a given list.

The results clearly indicate that majority of the firms deal in Foods (37.1%) followed by Beverages (22.9%). 3 of those who responded deal in hygiene, while 4 of them deal in health care. Confectionery and Chemicals each had 5.7%. Those dealing in household good, stationery and tobacco were each 2.9%.

4.3 Extent of use of Cause Related Marketing

Respondents were asked indicate the extent to which their companies practised Cause Related Marketing using the requirements discussed earlier. This was to gauge whether the managers understood and implemented Cause Related Marketing in their companies. These include:

The cause/partner supported

The respondents were asked to indicate which of the causes or partners listed they supported. In Cause Related Marketing, it is necessary to pick a certain cause/partner from a charitable organization to support for the mutual benefit of both the company and the cause/partner. The table below shows the responses given:

Table 3: Distribution of Firms by Causes/Partners Supported

Cause	Frequency	Percentage
Scholarships to the needy	12	13.8
Supporting charitable institutions	28	32.2
Releasing executives to assist in charitable projects	3	3.4
Sponsor awareness campaigns	10	11.5
Participate in 'Save a Life' campaign	34	39
TOTAL	87	100

From the results, it is clear that the 'save a life' campaign was the most supported cause by FMCGs (39%) followed by support of charitable institutions (32.2%). Very few FMCGs release their executives to support charitable projects (3.4%). 12 of the respondents support the needy through scholarships, and 10 sponsor awareness campaigns.

Factors considered in choosing the causes/partners

Respondents were asked to indicate which of the alternatives listed were used by their companies in the choice of the causes/partners to support. The table below gives the results:

Table 4: Distribution of Firms by Factors Considered in Choosing the Causes/Partners

Factor Considered	Frequency	Percentage
Customer perceptions	28	18.4
Goals of the organization	24	15.8
Social-cultural factors	12	7.9
Actions of competitors	12	7.9
Economic considerations	20	13.2
Staff suggestions	25	16.4
Political considerations	2	1.3
Pertinent issues at the moment	29	19
TOTAL	152	100

It is evident from the table that majority of the firms consider pertinent issues and customer perceptions in their decision of what cause to support (19% and 18.4% respectively). However, only 1.3% considers political matters in making their choice. 7.9% of the respondents consider either social cultural factors or actions of competitors to make their decisions in choosing the cause to support. Staff suggestions are evidently considered a very important aspect in the choice (16.4%) followed by goals of the organization (15.8%).

Extent of alignment of the business objectives with the social needs of the society

The researcher was interested in determining the extent to which companies aligned their business objectives with the social needs of the society. This was measured using a five-point likert scale, where respondents were required to indicate to what extent their objectives were aligned to social needs.

A mean score of > 4 means that the variable is practised to a very large extent, while a score of > 3 indicates that it is practised to a large extent. This is indicated in the questionnaire (Appendix II). A standard deviation of > 1.0 indicates a significant difference in the use of the variable. The findings indicated a mean score of 3.857, indicating that the objectives are aligned to a large extent to the society needs. The standard deviation of 1.004 indicated that there is not a significant difference between firms in the alignment of the objectives to society needs.

The Cause Champion

It was necessary to find out who participates in decisions pertaining to the major aspects of the Cause Related Programme in the firm (The Cause Champion). This would be useful in gauging the commitment of the firm to Cause Related Marketing. Respondents were asked to indicate the appropriate person from the list given. The table below is indicative of the findings:

Table 5: Distribution by Person Responsible for Cause

Cause Champion	Frequency	Percentage
Chief Executive Officer	29	32.2
Brand Manager	9	10
Marketing Manager	26	28.9
Corporate Affairs Manager	6	6.7
Public Relations Officer	20	22.2
TOTAL	90	100

The findings indicate that 32.2% of the firms leave the decision pertaining to the Cause Related Programme in charge of the Chief Executive Officer. 28.9% leave these decisions to the Marketing Manager, while 22.2% indicated that the Public Related Officer was left to make the decisions. Only 9 of the respondents indicated that the Brand Manager was in charge of the decisions, and 6 by the Corporate Affairs Manager.

Duties of the Cause Champion

The researcher was interested in establishing what duties the Cause Champion was in charge of. Respondents were required to indicate from the list given, which of the duties he/she performed. The findings are shown below:

Table 6: Distribution by Duties of the Cause Champion

Duties of Cause Champion	Frequency	Percentage
Coming up with program objectives	29	18.5
Choosing the cause the firm should support	32	20.4
Deciding on the duration and timing of the campaign	33	21
Choosing the media to be used to communicate to consumers	32	20.4
Educating employees about the programme to get participation	31	19.8
TOTAL	157	100

The findings indicate that the Cause Champion performs most of the duties listed. The majority indicated that the Champion was in charge of deciding on the duration and timing of the campaign (21%) while 20.4% indicated he/she was in charge of choice of the media and the cause to support. 18.5% of the respondents indicated that the Cause

Champion was in charge of coming up with program objectives, while 19.8% indicated that he/she was in charge of educating employees about the programme.

Whether the company uses percentage of the proceeds from customers' purchases to support causes

One of the major indicators that a company is practising Cause Related Marketing is their commitment to donate some percentage of the proceeds they get from the purchases made by consumers. The researcher was interested in determining whether companies donate these proceeds to causes or causes. The results showed that 71.4% of them donate a percentage of their proceeds to causes and 28.6% do not donate.

The percentage of the proceeds used to support causes

It was necessary to determine the percentage of contributions donated to causes by firms. The respondents were asked to indicate the percentage from the list given. Below are the findings:

Table 7: Distribution of Firms by Percentage of Proceeds Donated

Percentage of Proceeds Donated	Frequency	Percentage
Below 1	8	28.6
1 - 5	17	60.7
6 - 10	3	10.7
Total	28	100

The table shows that the biggest percentage (60.7) gives between 1% - 5% of their proceeds as their donations to causes, followed by those who give below 1% (28.6). Those who give between 6% - 10% were 3.

The Extent to which various communication methods are used in the practice of Cause Related Marketing

In Cause Related Marketing practice, it is very important to communicate to the target customers the causes being supported so as to elicit support from them through their purchases (Adkins, 2004). The researcher found it therefore necessary to find out from the respondents what promotional methods were being used to inform the customers and elicit the desired response. They were asked to rate the extent of use of the

promotional tools on a 5-point likert scale ranging from the one used 'To a Very Large Extent' (5), to the one 'Not Used At All' (1). The scores of 'Not at All' and 'To a Small Extent' have been taken to represent a variable which is used to a small extent (S.E) by the firms (equivalent to a mean score of 0 to 2.5 on the continuous likert scale; $0 \leq S.E < 2.5$). The scores of 'To Some Extent' have been taken to represent a variable that is used to a moderate extent (M.E) by the firms (equivalent to a mean score of 2.5 to 3.5 on the continuous likert scale; $2.5 \leq M.E < 3.5$). The score of both 'To a Large Extent' and 'To a Very Large Extent' have been taken to represent a variable which is used to a large extent (L.E) by the firms (equivalent to a mean score of 3.5 to 5.0 on a continuous likert scale; $3.5 \leq L.E < 5.0$). A standard deviation >1 implies a significant difference in the use of the variable among the respondents.

The following tables show the findings on the extent of use of promotional methods, which include advertising, publicity, sponsorship, direct marketing and sales promotions:

Extent of use of Advertisements

The aim of the analysis was to find out the extent to which the respondents use different advertisement methods to encourage customers to purchase products as a way of contributing to a cause, and to market the social causes being supported by the firm:

Table 8: The Extent of Use of Advertisements

Advertisements	Frequency	Mean	Standard Deviation
TV & Radio advertisements	35	2.4857	1.3799
Internet advertisement	35	2.0857	1.1212
Outdoor advertisements	35	2.1143	1.0784
Use of charity logo in firm's products	35	1.6000	1.1428

The table indicates that advertisement is used to a small extent, with logos being the least used by the firms, indicated by a mean score of less than 2.5. In all the advertisements (TV, Radio, Internet, Outdoor and Charity Logo), there is a significance difference on the use of advertising among the respondents. This is indicated by a standard deviation of greater than 1.

Extent of use of Publicity

The researcher sought to establish to what extent publicity is used to increase publicity on the causes supported by the companies, raise interest and goodwill of customers and create awareness of the cause and the company. The findings are depicted in the table below:

Table 9: Extent of Use of Publicity

Publicity	Frequency	Mean	Standard Deviation
Celebrities and public figures	35	2.3429	1.2113
Press releases	35	2.9429	.9983
Press conferences	35	2.4000	.8812
Interviewing the firm's representatives	32	3.3125	1.3060

Press releases and interviews with the firm's representatives are used to a moderate extent and the use of press conferences, celebrities and public figures used to a small extent. There is no significant difference between the firms in the use of press releases and press conferences (standard deviation <1.0). There is however a significant difference in the use of celebrities and public figures, and interviews with firm's representatives.

Extent of use of Sponsorships

Respondents were asked to indicate to what extent they used sponsorships to raise money for the causes, and the responses are given below:

Table 10: Extent of Use of Sponsorship

Sponsorship	Frequency	Mean	Standard Deviation
Sports sponsorship in association with a charity	35	2.8571	1.1917
TV & Radio programmes sponsorship	35	2.8571	1.4781
Arts/Music programmes sponsorship	35	2.4857	1.2217

Sports sponsorships and TV and Radio programmes sponsorship are used to a moderate extent (>2.5 mean) while Arts/Music sponsorship is used to a small extent. For all the

three sponsorships, it was found that there was a significant difference in their use (Standard deviation >1.0).

Extent of use of Direct Marketing

The analysis was done to determine the extent of use of direct marketing variables in communicating to customers and eliciting direct response from them regarding supporting a cause.

Table 11: Extent of Use of Direct Marketing

Direct Marketing	Frequency	Mean	Standard Deviation
Use of the telephone	34	2.3824	1.0155
Use of charity's database to send mail	35	2.2571	1.3360
Use of inserts in magazines/newspapers	33	2.7879	1.4088
Direct response mechanisms through radio/ TV	35	2.8857	1.5862

The table above shows that use of inserts in magazines or newspapers and radio/TV for direct response are used to a moderate extent. The telephone and mail are used to a small extent. For all the direct marketing methods however, there is a significant difference between the firms in their use (Standard deviation >1.0).

Extent of use of Sales Promotions

The analysis was done to determine the extent of use of sales promotions by respondents to elicit response from customers through purchase. The findings are depicted below:

Table 12: Extent of Use of Sales Promotions

Sales Promotions	Frequency	Mean	Standard Deviation
Purchase-triggered donations	35	2.8571	1.3963
Trial-triggered donations	35	2.4286	1.4610
Incentives to customers	35	2.4857	1.2919
Competitions, games and draws	35	2.5429	1.2682

Purchase-triggered donations and competitions, games and draws are used to a moderate extent by firms. Both trial-triggered donations and incentives to customers

are used only to a small extent. There is a significant difference between the firms in the use of all the sales promotions methods listed (Standard deviation >1.0).

Evaluation & Measures of effectiveness of the Cause related Marketing Programme

The researcher was interested in determining which methods the respondents used to evaluate and measure the effectiveness of the CRM programme. Respondents were asked to indicate the appropriate ones from the list given. Below are the findings:

Table 13: CRM Effectiveness Measures

Effectiveness Measures	Frequency	Percentage
Funds raised	16	22.2
Effect on sales volume	16	22.2
Customer traffic	4	5.6
Media coverage	1	1.4
Effect on reputation, image or awareness	15	20.8
Customer satisfaction	10	13.9
Employee satisfaction	5	6.9
Impact on society	5	6.9
TOTAL	73	100

It is evident from the findings that the most popular measures of effectiveness are funds raised and effect on sales (22.2), followed by effect on reputation or awareness (20.8). Customer satisfaction is seen as an important measure by 13.7% of the respondents, while customer traffic is favoured by 5.5% of them. Both employee satisfaction and impact on society are considered the second least important measures (6.9%) while only 1.4% consider media coverage an important measure of the CRM programme effectiveness.

4.4 Benefits of the use of Cause Related Marketing

This section was aimed at establishing the benefits enjoyed by the firms as a result of use of Cause Related Marketing. The respondents were asked to confirm if their organization enjoyed a particular benefit or not, and also to specify any other benefits that have accrued to the firm. The table below depicts the findings:

Table 14: Distribution of Firms by Benefits of Practice of CRM

Benefits of CRM Practice	Frequency	Percentage
Enhancing the company's corporate image	17	23.3
Broadening the customer base	14	19.2
Reaching new market segments	7	9.6
Gaining national visibility	5	6.8
Increasing brand recognition	12	16.4
Thwarting negative publicity	2	2.7
Improving relations with the society	16	21.9
TOTAL	73	100

From the results, it is evident that the majority of the firms have benefited from CRM by enhancing their corporate image (23.3%). Another 21.9% felt that they had improved relations with the society through CRM and 16.4% enjoyed increased brand recognition. However, only 2 of the respondents enjoyed the benefit of thwarting negative negativity. 19.2% enjoyed broadening their customer base, while 9.6% indicated that they had reached new markets. Only 6.8% benefited from gaining national visibility.

4.5 Challenges of practising Cause Related Marketing

Respondents were asked to state the challenges, if any, that they faced by practising Cause Related Marketing in their firms. Below are the responses given:

Table 15: Distribution of Firms by Challenges of Practising CRM

Challenge	Frequency	Percent
Contracting agencies, which are not honest hence, the society does not benefit wholly through the initiative.	17	17.5
Poor accountability by charity organizations supported	14	14.4
The benefits are intangible, hence differs with the business objective of profitability	30	30.9
Finances are limited hence the limitation on the number of causes to support	18	18.5
Counter actions by the competitors in the same industry	8	8.2
High cost of creating awareness on causes supported through the media	10	10.3
TOTAL	97	100

The table shows that the highest number of the respondents (30.9%) felt that the benefits were intangible, hence differing with the business objective of profitability. Another 18.5% also found limited finances a limitation to the number of causes to support. Poor accountability by charity organizations supported also poses a challenge to 14.4% of the firms, while the high media costs follow as a challenge (10.3%). Dishonesty by contracting agencies is also seen as a challenge by 17 of the respondents, while the least number of respondents (8) find competitor counter-actions a challenge.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the findings gathered from the analysis of the data, as well as the conclusions reached. The chapter incorporates the various suggestions and comments given by the respondents in the questionnaires. Findings have been summarized alongside the objectives of the study, conclusions have been drawn from the study and the recommendations for action are also given.

5.2 Discussion

The aim of the study was to determine to what extent manufacturers dealing in Fast Moving Consumer Goods practice Cause Related Marketing, as well as the benefits and challenges of practising CRM. From the data analysis, it was established that more than half of the respondents (65.7%) were Marketing Managers. In addition, majority of the respondents have worked in their positions for over 10 years. The research also established that most of the decisions pertaining the Cause Related Programme were taken by the Chief Executive Officer (32.2%) and the Marketing Manager (28.9%). According to Adkins (2004), Cause Related Marketing is increasingly being appreciated by the Chief Executive, Corporate Affairs, Marketing and Fundraising departments. A company's social policy is potent only if top management is actively involved in its design (Robin and Reidenbach, 1987).

It was established from the research that a good number of the manufacturers dealing in Fast Moving Consumer Goods have been in that business for over 10 years. 63% of this are of mixed ownership. The study also shows that the destination for the Fast Moving Consumer Goods is mostly local (33.7%) and COMESA (25.6%), with the majority dealing in foods (37.1%) With free market entry in global market, competition has heightened, and companies are scrambling for entry into new markets (Ballard and McCullorch, 1993).

The study has established that 39% supported causes through the 'Save a Life' Campaign. Another 32.2% support other charitable projects. The most important factor in the choice of the causes to support was mainly the pertinent issues of the moment and customer perceptions. This is in going with what Christopher and McDonald (1995) asserted, that Social responsibility through Cause Related Marketing has experienced a shift from being socially responsible, to satisfying legal requirements, to leading the way in identifying social problems that might call for the company's participation in their solution. Companies were also found to align their company objectives with society needs to a large extent, augmenting the assertion by McLaren (2003), that the overall corporate values, vision and mission will begin to dictate the area from which the cause or charity partners are sought. The study further revealed that 71.4% of the firms donate proceeds of the purchases to causes and charities, with the majority donating a percentage of 1% - 5%. In addition, it was established that the Cause Champion in the company was concerned with the choice of the cause to be supported.

The study also established that Cause Related Marketing is communicated using various promotional methods in the company to various extents. Adkins (2004) argues that all the elements of marketing communication are important for effective Cause Related Marketing programmes. Clearly, a variety of techniques could be used to promote CRM programmes ranging from advertising, sales promotion, direct marketing, sponsorship, and publicity (Adkins, 2004). The study showed that advertisements are used to a very small extent to inform customers of the cause being sponsored and encourage them to participate by way of purchasing the firm's products. Publicity as a way of raising interest and goodwill for the causes being supported was found to be used at a moderate extent, especially interviews with firm's representatives. This is not in going with Varadarajan and Menon (1988) who assert that increasingly both Marketing Directors and Community Affairs Directors are using more of the promotional mix to leverage their Cause Marketing strategies.

The study also established that manufacturers dealing in Fast Moving Consumer Goods use sponsorship of sports, programmes and music for the sake of promoting the cause to a moderate extent. Direct Marketing is used to a small extent, with the direct response mechanisms through radio and TV being a little more popular. This is in agreement with Adkins (2004) who asserts that very few businesses seem to use the full weight of the promotional mix to communicate their CRM programmes. From the research, it was also evident that sales promotions was used to a moderate extent to engage the customer, where the product purchase or trial leads to donation to a charity/cause. As regards the marketing communication mix used by FMCGs manufacturers, majority of them use these methods to only a moderate extent, affirming Adkins (2004) assertion that that sadly, few companies seem to leverage all communication opportunities.

Despite the assertion by Adkins (2004) that organizations do not regard measurement as an important part of a CRM programme due to the assumption that it is expensive and difficult, the study also showed that FMCGs manufacturers carry out measurement and evaluation of the CRM programme using different variables. The most popular is the effect on sales volume, and the funds raised for the cause (22%). Effect on reputation and company image was also found an important measure by the firms. This is in going with said Frank Bulgarella, president of a cause-related consultancy, who argues that Cause Related Marketing is going from art to science and people are trying to find better ways to measure results. The study also showed that the FMCGs manufacturers enjoy certain benefits by practicing Cause Related Marketing, top among them being enhancing the company's corporate image (23%). This is in line with Adkin's (2004) argument that Cause Related Marketing is an effective way of enhancing corporate image, differentiating the product and increasing both sales and loyalty. Many of the respondents however argued that many challenges are faced in the practice of CRM, top among them being limited finances (18.5%) and high cost of creating awareness on causes through the media (10.3%). They also felt that the benefits were intangible. This in line with Kiarie (1997), who argues that in the current economic hardships in Kenya, there is obvious pressure of finances, which affects the

expenditure patterns of each company. This means that the social responsibility aspect is affected, and mostly preferences are given to other profitable activities.

5.3 Conclusion

From this research, it is evident that manufacturers dealing in Fast Moving Consumer Goods use Cause Related Marketing to a moderate extent. The variables are used by the firms to different extents, with communication being the least used. Effective communication of the firm's involvement in the issues affecting society is crucial in getting the involvement in the cause the firm is supporting. Moreover, customers support the idea of businesses partnering with charities or causes for mutual benefit and expect such partnerships and programmes to be communicated (Adkins, 2004). If a firm does not tell anyone they did it, they might as well not have done it (Varadarajan and Menon (1988). The most likely reason for the moderate use of the promotion mix to communicate their CRM involvement is the cost. 10.3% of the respondents said that the cost of creating awareness on causes supported through the media was high, hence the reluctance to use it.

The other requirements of a Cause Related Marketing program have been used to a large extent though. The involvement of the Chief Executive Officer and the Marketing Managers in the decisions pertaining to the CRM programme is a clear indicator of this. The causes chosen also are aligned to a great extent to the companies' objectives. The benefits and challenges given in the research as having been faced as a result of practicing CRM however are very similar to those shown to have been enjoyed in the researches done on corporate responsibility and societal marketing (Ngahu, 1987). There was no indication that the respondents enjoyed the benefits of increased sales for instance, brought about by revenue providing exchange concept found in Cause Related Marketing, whereby the customer buys an item so that part of those proceeds are given to a charity.

The research reveals that the FMCGs manufacturers have not fully understood Cause Related Marketing and are still considering it as merely social responsibility, corporate

giving or philanthropy, hence their assertion that the finances to support causes were limited, and that the benefits were intangible. They seemed to be unaware that Cause Related Marketing generates long-term, general operating money for the organization through the exchange characterized by an offer from the firm to contribute a specific amount to a designated cause when customers engage in revenue-providing exchanges (Adkins, 2004).

Cause Related Marketing is an underutilized strategy, which seems to remain a marginal activity, understood and practiced by a minority of companies and causes (Adkins, 2004). This is because there is no clear definition of it, poor appreciation and little, if any research or evidence as to its potential (Varadarajan and Menon (1988).

5.4 Recommendations

Cause Related Marketing needs to become an integrated part of company's marketing mix, delivering business objectives, while at the same time making a positive impact on a particular cause or issue (Turner and McNeils 2004). This means that the Managers have to clearly understand the processes and requirements, and use the promotional mix to their advantage in engaging customers to elicit response through purchases of their products, as well as raising the awareness of the causes they are supporting and creating goodwill.

The most beneficial practice of Cause Related Marketing lies in appropriate relationships with all stakeholders, be they employees, consumers, suppliers, opinion formers or the community in which the business operates. The relationships must be sustainable and founded on the key principles of integrity, transparency, sincerity, mutual respect and mutual benefit (Adkins, 2004)

LIMITATIONS OF THE STUDY

Some firms did not participate, as they were reluctant to divulge information they feared would be used by competitors. In addition, the study was limited to Fast Moving Consumer Goods manufacturers who have subscribed to the Kenya Association of Manufacturers. Other manufacturers outside KAM and in other manufacturing sectors like the oil industry could be using Cause Related Marketing.

SUGGESTIONS FOR FURTHER RESEARCH

There is need to carry out research in the area of customer awareness and participation in Cause Related Marketing to find out what charities customers support or would like to support through CRM. It would also be important to find out the perception of customers and their reactions towards companies practising Cause Related Marketing. A study should also be carried out to find out the impact of CRM on product sales, customer spend and market share. It would also be important to do a study in Kenya on the impact of Cause Related Marketing on brand affinity, brand equity, brand loyalty and actual buying behaviour. Of importance would also be a study on the awareness levels and attitude of CEOs and Marketing managers towards Cause Related Marketing to see whether they really understand it as compared to corporate philanthropy.

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APPENDICES

Appendix 1: List of FMCG Manufacturers

LIST OF FAST MOVING CONSUMER GOODS IN KENYA - KENYA ASSOCIATION OF MANUFACTURERS' DIRECTORY, 2004 EDITION

COMPANY	LOCATION	CATEGORY	EXAMPLES
1. Eveready Batteries (K) Ltd.	NKU	Batteries	Eveready
2. East African Breweries Ltd. (EABL)	NRB	Beverage	Tusker Beer
3. Kenya Tea Packers (KETEPA) Ltd	KER	Beverage	Tea
4. KWAL	NRB	Beverage	Wine
5. Anspar Ltd. (Sold)	NRB	Beverages	Soft Drinks
6. Cadbury Kenya (Ltd)	NRB	Beverages	Cocoa
7. Coca-cola Africa Ltd	NRB	Beverages	Soft-drinks
8. Crown Foods Ltd	NRB	Beverages	Juices
9. Delmonte Kenya Ltd	THIKA	Beverages	Juices
10. Tru Foods Limited	NRB	Beverages	Juice
11. CPC (K) Ltd	NRB	Chemicals	Plastics
12. Orbit Chemical Industries	NRB	Chemicals	Toss Soap
13. Swan Industries Ltd	KSM	Confectionery	Sweets
14. Wrigley Co. E.A.	NRB	Confectionery	Chewing Gum
15. Bidco Oil Refineries	NRB	Foods	Kimbo Cooking Fat
16. Bio Food Products	NRB	Foods	Yoghurts
17. Brookside Dairies	NRB	Foods	Dairy Products
18. Farmers' Choice Ltd	NRB	Foods	Sausages
19. Highlands Canners Ltd	NRB	Foods	Juices
20. House of Manji Ltd	NRB	Foods	Biscuits
21. Jambo Biscuits	NRB	Foods	Biscuits
22. Kabazi Canners Ltd	NRB	Foods	Pineapple
23. Kapa Oil Refineries	NRB	Foods	Kasuku cooking fat
24. Limuru Dairies	LIMURU	Foods	Dairy Products
25. Mini Bakeries	NRB	Foods	Bread

COMPANY	LOCATION	CATEGORY	EXAMPLES
26. Mumias Sugar Co. Ltd	MUMIAS	Foods	Sugar
27. Nestle Food (K) Ltd	NRB	Foods	Coffee
28. New K.C.C Ltd	NRB	Foods	Milk
29. Proctor and Gamble	NRB	Foods	Cornflakes
30. Spin Knit Ltd	NRB	Foods	Dairy Products
31. Unga Group	NRB	Foods	Maize Meal
32. Unilever Kenya Ltd	NRB	Foods/Health Care	Margarine
33. Beiersdorf (E.A.) Ltd	NRB	Health care	Body Lotion
34. Colgate Palmolive (E.A) Ltd.	NRB	Health Care	Soaps
35. Cussons & Company Ltd.	NRB	Health Care	Soaps
36. Sara Lee Household	NRB	Health Care	Soap
37. Kuguru Food Complex	NRB	Household	
38. Reckitt-Benkiser Ltd.	NRB	Hygiene	Harpic
39. Johnstone Wax (E.A.) Ltd	NRB	Hygiene	Jik
40. Excel Chemicals	NRB	Hygiene/Foods	Juices, Spirits, Yeast
41. Menengai Oil & Soap Factory	NKU	Hygiene	Soap
42. Haco Industries	NRB	Stationery	Pens
43. BAT Kenya Ltd.	NRB	Tobacco	Sportsman
44. Mastermind Tobacco Ltd.	NRB	Tobacco	Supermatch
45. Razco Food Products Ltd.	NRB	Unknown	Unknown

Appendix 2: Letter of Introduction

Fredah G Mwiti
C/O University of Nairobi
Lower Kabete Campus
P O Box 30197
NAIROBI

29 November, 2004

Dear Sir/Madam

REQUEST FOR RESEARCH DATA

I am a post graduate student in the Faculty of Commerce, University of Nairobi. I am conducting a Management Research on 'The Extent to Which Manufacturers of Fast Moving Consumer Goods (FMCGs) Practise Cause Related Marketing'.

Your organization has been selected to form part of the study. This is therefore to request your assistance in filling the attached questionnaire. The information you give will be treated with strict confidentiality and is needed purely for academic purposes. Even where a name has been provided, it will not under any circumstances appear in the final report.

A copy of the final report will be made available to you upon request.

Your assistance and co-operation will be greatly appreciated.

Yours sincerely

.....
Fredah Mwiti
(Student)

.....
Margaret A. Ombok
Lecturer, Dept. of Business
Administration (Supervisor)

Appendix 3: Questionnaire

SECTION A: General Information

Please tick () against those which apply to you/your organization:

1. Please indicate your primary functional responsibilities.

- a) CEO (Chief Executive Officer) ()
- b) Brand Manager ()
- c) Marketing Manager ()
- d) Corporate Affairs Manager ()
- e) Public Relations Officer ()
- f) Other (Specify) _____

2. How many years have you been in that position?

- a) Less than a year ()
- b) 1 - 5 years ()
- c) 6 - 9 years ()
- d) Over 10 years ()

3. How many years has your organization been in manufacturing business?

- a) Less than a year ()
- b) 1 - 5 years ()
- c) 6 - 9 years ()
- d) Over 10 years ()

4. What is the ownership of your organization?

- a) Local ()
- b) Foreign ()
- c) Mixed ()

5. What is the destination of your products? Tick all that apply

- a) Local ()
- b) Comesa ()
- c) Other parts of Africa ()
- d) Europe ()
- e) America ()
- f) Other parts of the world ()

6. What are the categories of product (s) your company deals with?

- a) Batteries ()
- b) Beverages ()
- c) Chemicals ()
- d) Confectionery ()
- e) Foods ()
- g) Health Care ()
- g) Household ()
- h) Hygiene ()
- i) Stationery ()
- j) Tobacco ()
- k) Other (Specify) _____

SECTION B: THE PRACTICE OF CAUSE RELATED MARKETING

Cause Related Marketing is a marketing programme that strives to improve corporate performance and help worthy causes by linking fundraising for the cause to the purchase of the firm's products and services. This is done using marketing money, marketing techniques and marketing strategies, characterized by an offer from the firm to contribute a specified amount to a certain cause/charity when customers purchase from them.

Please indicate to what extent your organization practises Cause Related Marketing by ticking where appropriate:

7. Which of the following below is indicative of what causes your company supports in terms of Cause Related Marketing?

Scholarships to the needy ()

Support charitable institutions ()

Releasing executives in the firm to assist in projects ()

Sponsor awareness campaigns e.g. AIDS ()

Participate in 'Save a Life' campaign ()

Others (Specify) _____

8. What factors do you consider in the choice of the cause to support?

Customer perceptions ()

Goals of the organization ()

Social-cultural factors ()

Actions of competitors ()

Economic considerations ()

Staff suggestions ()

Political considerations ()

Pertinent issues at the moment ()

Others (specify) _____

9. To what extent does your organization align social problems to the firm's objectives and values? Please indicate with a tick in the appropriate box below, where 5 is - to a very large extent; 4 is - to a large extent; 3 is - to some extent; 2 is - to a small extent and 1 is - not at all

- To a very large extent ()
- To a large extent ()
- To some extent ()
- To a small extent ()
- Not at all ()

10. Who within your organization participates in decisions pertaining to the major aspects of Cause Related Marketing programmes?

- CEO (Chief Executive Officer) ()
- Brand Manager ()
- Marketing Manager ()
- Corporate Affairs Manager ()
- Public Relations Officer ()
- Others (Specify) _____

11. What are the duties of the person (above) charged with the Cause Related Marketing programme? Please tick all the options which you consider appropriate

Come up with program objectives ()

Choosing the cause the firm should support ()

Deciding on the duration and timing of the campaign ()

Deciding on the maximum promised contribution to the cause ()

Choosing the media to be used to communicate to consumers ()

Educating employees about the programme to get participation ()

Other (Specify) _____

12. Does your firm support any causes/charities using a percentage of the proceeds from customers' purchases of their products/services?

Yes () No ()

13. What percentage is given from these proceeds to support these causes/charities?

Please tick where appropriate.

Below 1% ()

1% - 5% ()

6% - 10% ()

10% - 15% ()

16% - 20% ()

Above 20% ()

Please indicate with a tick in the appropriate box below to what extent your firm uses the named communication media in the practice of Cause Related Marketing:

Key

5 is - to a very large extent

2 is - to a small extent

4 is - to a large extent

1 is - not at all

3 is - to some extent

No	Question	Very Large Extent	Large Extent	Some Extent	Small Extent	Not at all
14.	We use TV and radio advertisements to encourage customers to purchase our products as a way of contributing to social causes.					
15.	We use Internet advertisements to market the social causes we support.					
16.	We use outdoor advertisements to communicate about the causes we support and get customers to participate through purchases of our products.					
17.	We use celebrities and public figures to increase the publicity of the causes we support and encourage participation by customers.					

No	Question	Very Large Extent	Large Extent	Some Extent	Small Extent	Not at all
18.	We use press releases to raise interest and goodwill for the causes from clients and enlist participation through purchase of our products					
19.	We use press conferences after a successful campaign to inform customers of the impact of their purchases to causes					
20.	Representatives of the firm are interviewed to discuss the social cause being supported					
21.	We sponsor sports in association with charity organizations to raise money for their cause as well as create awareness of the company					
22.	We sponsor programmes on TV and radio, that communicate the cause message					
23.	We sponsor Arts/Music activities to raise funds for charities/causes					

No	Question	Very Large Extent	Large Extent	Some Extent	Small Extent	Not at all
24.	We use the charity logo in our products to elicit response from customers					
25.	We use the telephone to market causes we support to our consumers and the charity's clients					
26.	We use the charity's database to send direct mail to their clients informing them of our involvement in causes, with the intention of getting them to support it through the purchase of our products					
27.	We use inserts in magazines/newspapers to inform consumers of their role in supporting causes					
28.	We use Radio/TV to solicit direct response from customers regarding the causes they support through their purchases					

No	Question	Very Large Extent	Large Extent	Some Extent	Small Extent	Not at all
29.	We use purchase-triggered donations, where donations are made when a customer purchases goods					
30.	We use trial-triggered-donations to trigger donations through signing up to a product by a client					
31.	We use incentives to get customers to take action in purchases and participate in the social cause we are supporting					
32.	We use competitions, games and draws, where the prizes won by customers are donated to charity					

33. Which of the following does your firm use to evaluate and measure the effectiveness of the Cause Related Marketing programme it is involved in?

- Funds raised ()
- Effect on sales volume ()
- Customer traffic ()
- Increased profitability ()
- Media coverage ()
- Effect on reputation, image and/or awareness ()
- Customer satisfaction ()
- Employee satisfaction ()

Impact on society ()

Other (specify) _____

SECTION C: BENEFITS AND CHALLENGES

34. Below are some benefits which firms enjoy as a result of adopting Cause Related Marketing. Please tick () against those which apply to your organization

Enhancing the company's corporate image ()

Broadening customer base ()

Reaching new market segments ()

Gaining national visibility ()

Increasing brand recognition ()

Thwarting negative publicity ()

Improving relations with the society ()

Others (specify)

35. What challenges have you faced in the practice of Cause Related Marketing?

Thank you very much for your co-operation.