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## Social Cause Marketing (Pink Capitalism) and its impact on consumers' brand preferences

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### ABSTRACT

*As its name implies, cause-based marketing is the process of marketing a specific idea, cause, or goal, rather than a specific business, product, or service. These initiatives are often partnerships between a nonprofit organization – typically the driving force behind the “messaging of the campaign itself – and either an ad agency or corporate partner, which typically handles the execution of the campaign. Although cause-based marketing campaigns can focus predominantly on PPC or social advertising, these campaigns can and often do incorporate elements of guerilla marketing in their execution. Trying to grab people’s attention is no easy feat these days, and as such many organizations adopt more creative ways of getting their message out, as we’ll see later on. Many cause-based marketing campaigns are organic offshoots of grassroots marketing efforts, which also tend to focus on causes. This paper will discuss thoroughly about cause related marketing through the lenses of Pink Capitalism. It will also discuss how pink capitalism is not entirely an ethically incorrect concept and focus on the silver lining of the same, which would benefit both the NGO as well as the corporations. [1]*

**Keywords**— *Cause Related Marketing | Campaign | NGO | Corporations | Pink Capitalism*

### 1. INTRODUCTION

Social Cause Marketing or Cause related Marketing is a Collaboration that mutually benefits both corporations and NGO. It is a kind of marketing approach where a corporate organization shows support for a social cause and associates themselves with the same cause.

It has gained a lot of importance over the years as it helps in portraying the brand in good corporate image amongst the consumer market. The benefits that this Brand improving marketing tool gives has made an extreme necessity for MNCs and corporates these days due multiple benefits like positive word of mouth, survival and competitive advantage, sure returns on investments and ever raising goodwill. The corporate organization aligning themselves to a social cause not only fulfils the social responsibility, but this practice results in corporates earning huge profits. [2]

This will help the MNCs and corporates to elevate their brand visibility and build meaningful relationships. Associating a social cause to a brand can fetch your additional attention from the consumers and make you stand apart from your competitor. A company’s proven adherence to a good cause and standing up for something beyond profits helps in creating a sense of brand loyalty amongst today’s hard to please consumers. Especially due to various information available on the internet on the tips of our fingertips, consumers are smarter and woke than ever before. In short, Social cause marketing results in increased sales, visibility, and consumer loyalty and enhanced company image along with positive media coverage.

### 2. BRAND PREFERENCE

Consumers usually have some sort of brand preference with companies as they may have had a good history with a particular brand, or their friends may have had a reliable history with one. Measure of brand loyalty in which a consumer will choose a particular brand in presence of competing brands but will accept substitutes if that brand is not available.

Brand preferences is the selective demand for a company's brand rather than a product; the degree to which consumers prefer one brand over another. In an attempt to build brand preference advertising, the advertising must persuade a target audience to consider

the advantages of a brand, often by building its reputation as a long-established and trusted name in the industry. If the advertising is successful, the target customer will choose the brand over other brands in any category. [3]

## **History**

One of the earliest examples of Cause Related Marketing is a 1979 campaign launched by Famous Amos Cookies. In that campaign, founder Wally Amos became the national Spokesman for the Literacy Volunteers of America. That campaign not only brought attention and consumer goodwill to the Famous Amos brand, but it was also responsible for the creation or expansion of many literacy programs. Though the Famous Amos campaign was one of the first CRM campaigns, the term Cause Related Marketing' was actually coined four years later during a 1983 campaign by American Express. In that campaign, every time an American Express Card was used anywhere by anyone, the company donated one cent to the Statue of Liberty Restoration Project. It is worth noting that during that campaign, American Express saw a 17% increase in new users and a 28% increase in card. [4] This paper will focus on the specific aspect of the cause related marketing, which is Pink Capitalism, and see what kind of impact it has on the consumers.

## **Pink Capitalism [5]**

Pink capitalism is a type of cause related marketing when companies associate themselves with the causes important to the LGBTQAI+ Community and show their support through various ways and using rainbow colours or pride related themes to sell products to members of the queer community and its allies being one. Pink capitalism, also known as Rainbow Capitalism, got momentum in the late 19th Century primarily due to the significant marginalisation of the community and the beginning of the rise of the queer movement in the USA, and across Europe.

“In September 2018, the Supreme court of India decriminalized homosexuality by striking down parts of Section 377. This is a significant day for the LGBTQ+ community as they have been denied basic rights and are of the marginalized groups in the country. Even today, even though they must continue fighting hard to have their voices heard and be accepted, many Indians are showing support and acceptance for the community right from common people, youngsters to celebrities.

And in such milieu, if a Corporate organization and MNCs too lends in their support through their simple yet meaningful actions like rainbow logo, posting on their social media handles etc. it is likely to gain business and customer loyalty from three ends:

- The LGBTQ+ community
- Allies of the LGBTQ+ community and those who want to be associated with diverse and inclusive brands.
- People who are still closeted

## **3. LITERATURE REVIEW**

**Francisca Farache, Keith John Perks, Lillian Soares Outtes Wanderlay and José Milton de Sousa Filh (2008)** conducted a study on 200 consumers in order to understand consumers' perceptions about social cause marketing. The research found that Companies that associate and work in collaboration with NGOs have an excellent brand image in the perceptions of the consumers. This collaboration or partnership between corporations and NGOs is beneficial for both as good brand image assures loyalty of the consumers towards the Corporate firms and at the same time helps the NGOs achieve their objective of doing good for society.

**Karen M. Corbishley and Roger B. Mason (2011)** undertook a survey by interviewing approximately 400 people in the shopping mall using the questionnaire. As per this survey, nearly 94% respondents had a point of view that it is very important that the companies, with the ever-increasing competition, spend money on charities. Also, 69% people purchase most of the products of daily usage from companies which associate or support a social cause.

**Sana-ur-Rehman Sheikh, Rian Beise-Zee (2011)** through their study came to a conclusion that Corporate Social Responsibility and Social Cause Marketing have a greater impact on consumers, and their perspective about the brand. They have also mentioned that CRM might be more cost efficient, its positive effect is limited to customers with high cause affinity. In contrast, CRM has a negative effect on customers with low cause affinity, or who oppose the cause. CRM not only affects the external customer but also the internal customer i.e., the employees. Internal customers strongly favour the firms' involvement in cause-related activities and the firm is positively perceived as an employer, by both the business and nonbusiness communities. The internal customers' responses appear to be an increased awareness of worthy causes throughout our society, as well as employees also contribute to their surrounding environment or community of which they are also part of.

**Skory and Repka (2004)** mentioned in their study that seventy-eight percent of people have a more favorable view of a company that contributes or sponsors a cause that they think is worthy. Cause Related Marketing is an exciting concept where both business and charity (or good causes) can benefit. It also attracts new sources of funds, resources and support. **Lorenzo Yeh (JunzuanYe) (2018)** that pink capitalism has a lot of positive impact as it results in socioeconomic incorporation of the LGBTQAI+ community in the society. But also includes a critical point of view, that companies it also leads to the formation of new stereotypes and bias within and outside the LGBTQ community. As cultural managers, it is necessary for us to reflect on this socio-economic phenomenon critically. Besides, a selfreflection on the role of cultural managers is required: it is our mission to propose constructive solutions and develop cultural projects that help to combat social stigma and prejudices of LGBTQ and enhance gender and cultural diversity.

A study was conducted by **Ahmed Imran Hunjra and Rauf I Agarn** on “Cause related marketing and its impact on sales; mediating by brand loyalty and customer purchase intention”. This study concluded that cause-related marketing campaigns have positive influence on the sale activities of companies & also revealed that brand loyalty and consumer purchase intention is directly linked towards cause marketing that eventually has positive effect on sales.

**Mr. Bhavet Garg** in his paper entitled “Cause related marketing and its impact on corporate brand image and sales” and revealed that cause related marketing results in increased sales visibility, consumers loyalty and enhanced company image along with positive media coverage. The author also stated that if the company engaged in cause marketing could generate more awareness regarding its contribution to social cause through TV & internet advertising which is directly related to increase in sales & brand loyalty.

### Literature Gap

Social cause marketing or Cause related marketing is a topic which has a lot of content available when it comes to discussing it as a topic in general. There are papers discussing its positive as well as negative sides and we know both sides of the coin. But when it comes to Pink capitalism the authors in these papers are extremely polarized and their opinions about the same are rigid. They criticize the MNCs for making profits from the struggles of the LGBTQAI+ community, which is the whole point. The main aim of this collaboration between a MNC and an NGO is to benefit both the parties. And if the company gets benefited in this venture, then it should be a good thing because that is the purpose of Cause Related Marketing. The points of criticism like various MNCs have crossed the line and their drive to earn profits is reducing this important movement to capitalism with pink hue, and by playing the rainbow card during Pride month, are very much valid. Mere putting up rainbow banners, selling rainbow painted merchandise, or adding rainbow to the logos during the Pride month is not enough. There should be constructive steps to protect queer people working in their organization from discrimination and exploited at the workplace. It is undeniable that every person should be free of stigmatized tags based on their gender identity or sexual orientation, which is one of the main and valid criticism points for Pink Capitalism. Of course, everyone should be treated equally, but we also need to acknowledge the differences as this is not the utopian world, we live in. Therefore, it is important to understand that the concept of Pink capitalism is not a devil’s tool, it has its own set of advantages and disadvantages. Thus, we should find errors of this concept and try to mitigate and repeat the same.

### 4. STATEMENT OF PROBLEM

The purpose of this study is to understand the concept of social cause marketing and of its aspect that is Pink Capitalism and the impact it has on consumers when it comes to their preferences for brands. The paper is focused on social cause marketing from the point of view of Pink capitalism and the importance of pink washing by the brand to bring a social change among the consumers.

### 5. OBJECTIVES

- To understand social cause marketing through the lenses of Pink Capitalism and the impact it has on consumer’s brand preference.
- To come up with solutions to mitigate the errors and damage pink capitalism has done to the LGBTQAI+ movement.

### 6. RESEARCH METHODOLOGY

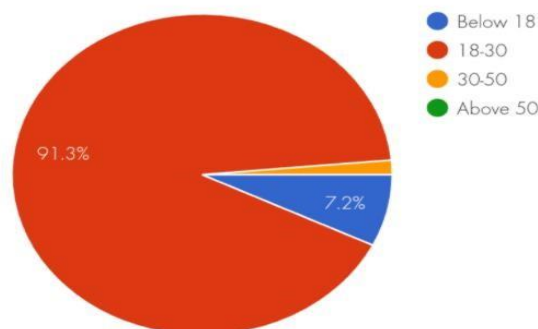
- (a) **The Study:** The study is exploratory in nature with questionnaire methods being used as a tool for data collection as well as doctrinal and descriptive method of study, as the author will also be focused on secondary data through various publications, information, and other sources such as up-to-date research papers and journals on the same topic.
- (b) **The Sample Design:** Population includes people through personal contacts, mainly students from the Metropolitan cities of Mumbai, Chennai etc. Sample size for the study was 70. Individual respondents were treated as the sampling elements in this research. Nonprobability sampling technique was used to identify respondents for inclusion in the sample.
- (c) **Tools Used For Data Collection:** Self-designed questionnaires based on ordinal and nominal type scale were used for collecting data. The responses were solicited on a scale of ‘Very likely’ to ‘very unlikely’. where ‘very likely’ indicated maximum agreement with the statement and ‘very unlikely’ indicated minimum agreement.

### 7. RESULTS, ANALYSIS, AND INTERPRETATION OF RESULTS

#### Pie chart (1)

Which age group do you belong to?

69 responses



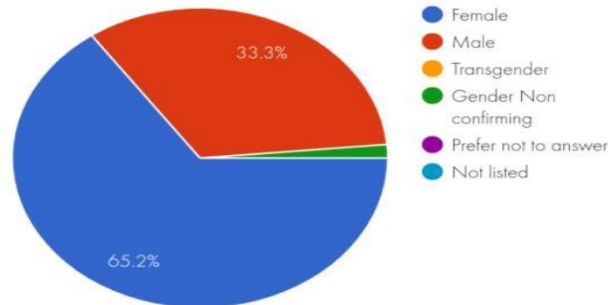
The survey conducted (Pie Chart 1) shows that 91.3% people who participated are the young people between the age group of 18-30. As per Office of the Registrar general and Central Commissioner (Ministry of Home Affairs) India, nearly 36.5% of the total population is between the age group of 18-44 (Census 2011). And this percentage taken, considering the fact that India is the second

most populated country in the world. And the Youth population is tomorrow's future. Therefore, age demographics do play an important role as to how much impact a marketing strategy can have on the consumer's brand preferences.

**Pie chart (2)**

To which gender identity do you prefer to mostly identify?

69 responses



If your gender identity is not listed in the previous question's options, please specify

1 response

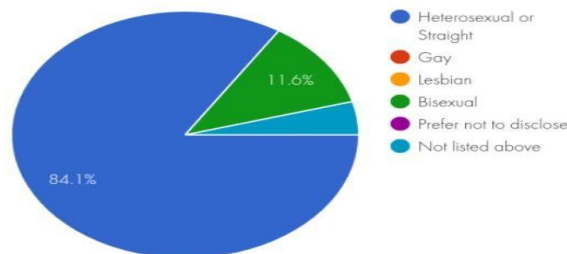
Nil

This pie chart ( shows that 33.3% participants identify themselves as Male, and 65.2% as Female and 1.8% as Gender Non-confirming.

**Pie Chart (3)**

Do you consider yourself to be:  
(Mark one answer)

69 responses



If your sexual orientation is not listed in the above provided options, please mention below:

3 responses

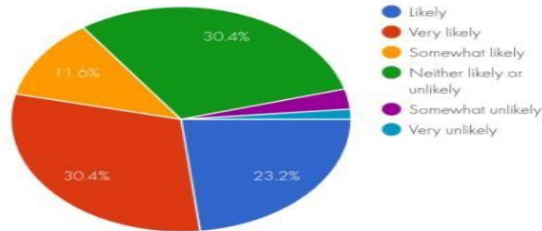
- Nil
- Demisexual/pansexual/proculsexual
- Questioning

The survey conducted shows that there are 84.1% participants who consider themselves to be straight (heterosexual), 11.6% as Bisexual and 4.3% consists of Demisexual or pansexual or proculsexual and Questioning.

**Pie Chart (4)**

How much do you consider purchasing a company's products or services when you have seen an advertisement that has been tailored to the LGBTQAI+ community?

69 responses

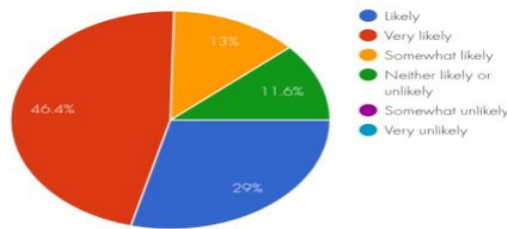


The pie chart above shows that 30.4% people are very likely, 11.6% is somewhat likely, 30.4% people are neither likely or unlikely, 2.9% people are somewhat unlikely and 1.4% are very unlikely. The responses were solicited on a scale of 'Very likely' to 'very unlikely'. where 'very likely' indicated maximum agreement with the statement and 'very unlikely' indicated minimum agreement. And the majority of the responses weigh in towards maximum agreement scale. This means that the maximum number of consumers won't mind purchasing products who tailors their advertisement targeting the LGBTQAI+ community.

**Pie Chart (5)**

How likely are you to consider brands that support non profit organisations working towards the causes important to the LGBTQAI+ community?

69 responses

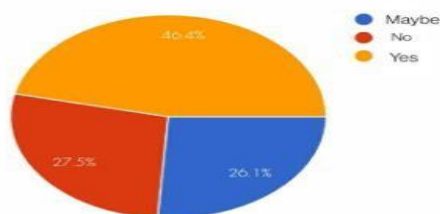


Here, 46.4% people are very likely, 29% people are very unlikely, 11.6% people are neither likely nor 13% people are somewhat likely. Thus, a majority of people would support brands who have dedicated themselves to work towards the causes of LGBTQAI+ community.

**Pie Chart (6)**

Would you ever considered or have already switched products or service providers because you found out that the competitive brand supports the causes benefiting the LGBTQAI+ community- assuming that other factors like price quality convenience are not considerations?

69 responses

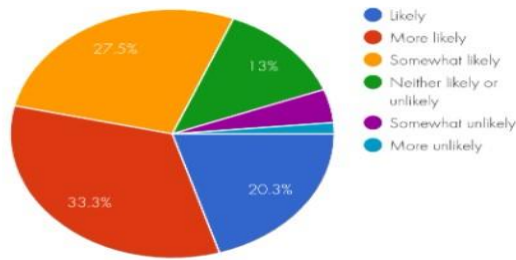




This pie chart shows that 46.4% of people responded yes, 27.5% of people responded no, and 26.1% of people responded maybe. Thus, we can safely conclude that a maximum number of consumers have switched over or are considering switching over to Brands that are LGBTQIA+ friendly and support their causes. Thus, cause related marketing does have a huge significance on the consumer's choice of brands for their products.

How likely are you to remain loyal to the brand that you believe are friendly and supportive to lgbtq community even when less friendly brands main of a lower prices are more convenient?

69 responses



The survey indicates that 33.3% of consumers are more likely, 20.3% of consumers are likely, 27.5% of consumers are somewhat likely, 1.3% of them are neither likely nor unlikely, 4.3% are somewhat likely, and 1.4% are more unlikely. Thus, maximum numbers are likely to choose the brand of the product purchasing who are LGBTQAI+ friendly.

After going through the entire survey, it is more than clear that a huge number of consumers prefer brands which are lgbtqi+ friendly, irrespective of the price and convenience. As more and more attention are focused on equal rights for the LGBT community it's influencing how consumers make decisions. This is especially true among the young as 91.3% of respondents between the age group 18 to 30 years of age are of the opinion that they're more likely to do repeat business with an LGBT-friendly company, according to a Google Survey conducted and their results mentioned above. Of them, almost 60% also say they'd choose an equalityfocused brand over a competitor. Therefore, Brands are held accountable not only for the quality of their products and services but, increasingly, for their stance on the political and social issues that today's consumers face.

## 8. CONCLUSION AND FUTURE IMPLICATIONS

The LGBTQ community was 4 % of the total population in a study by Forbes India in 2009. (approximately 30 million). In a study by Out Now Consulting, a global consulting firm, the number was estimated at about 6% of the adult population by 2014, representing around USD 200 billion of market potentials (about 6 percent of the GDP). With the "result" of many more, new estimates should be made after 2018, after the decriminalisation of section 377. The combined purchasing power of LGBTQAI+ adults worldwide amount to \$3.7 billion as per research from LGBT Capital in 2019. [6]

There's a lot of power in the 'pink dollar' which is always underestimated. A lot of people from the LGBTQAI+ community are single and gainfully employed, thus having far more disposable income than the married heterosexual persons. Not to forget that heterosexual married couples also have financial obligations and expenses, like school fees, books, clothes, etc towards their spouse and children. Since the people from the LGBTQAI+ community don't have so many financial obligations and commitments; they can spend on themselves. They shop more, eat out more, entertain more because they can afford to.

This value is increasing year after year as more and more people are coming out. With time they are getting empowered, they are choosing not to get pressurised into conventional heterosexual matrimonial alliances. They are being more assertive about their rights; they are getting employed. A lot of youth is moving towards larger cities to live more independently. Therefore, Marketers should be seriously considering engaging influencers within this new rainbow. There are high profile personalities from the creative arts, education, and technology spheres who have a huge say in the LGBTQ world. It is time to reach out and leverage their strength. Advertising needs to gradually move the gay narrative from the humorous/condescending periphery to centre stage. Product managers across industries would do well to explore opportunities to satiate the segment's unique needs. Brand managers need to check the relevance of their brand associations and mental maps to the pink world. Conversely, all of them should also monitor how to manage possible consumer migration from their brands for being gay-friendly in a traditional India.

As much as Pink capitalism is beneficial for MNCs and their brand as a tool of social cause marketing as well as to the community as they get more recognition and acceptance, it has its own share of shortcomings. Products that are marketed are "pink washed" to appear queerfriendly to showcase the companies' progressiveness and tolerance. There is a huge difference between growing queer visibility and acceptance made possible by different

companies, including them in their marketing approach and capitalising queer identities with a pink hue. Many companies may create ads on queer people's, but their company policies and environment still favour the binary. Furthermore, public support usually happens during pride months and disappears afterwards. In the end, such brands fail to invest their time and money into

understanding and fighting the oppression faced by the queer community. This is the primary reason why the brands are facing a massive backlash from the community and their allies.

Baba Ramdev proactively argued that homosexuality would be unnatural and that he was to be sent all homosexuals for treatment and he would heal them. He might have thought that he promoted his business that is one way, but he was disgusting and quite homophobic. And thus, the community has decided to boycott Patanjali has lost a lot of customers from a purely brand perspective. Though the community comprises only 8-10% of the population, they are very close-knit, well-connected and have a robust network. Therefore, if anyone from the community faces any kind of discrimination from the brand concerned, as a customer or an employee, they would come together and boycott the brand and the company. Not to forget the Heterosexual cisgender population who are allies to the community, will also boycott it to show their support. This is the power of a close-knit community and their allies. And such a large number boycotting your brand is extremely harmful to your brand image and business.

Here are some solutions which the MNCs can incorporate to overcome the negative criticism while implementing social cause marketing for their brand:

**1. Understand the community's pain points.**

Just as with all other target markets, you need to first get a clear understanding of what it is that the LGBTQ+ community struggles with and how your product or service can help them. It doesn't even have to be a launch of a limited-edition rainbow product or something entirely different from what you're doing right now.

**2. Be aware of heteronormativity.**

Heteronormativity is the belief that heterosexuality is the default or normal sexual orientation. It's assuming that every person you come across is straight or that sexual and marital relationships are always between people of the opposite sex. Due to societal conventions and gender stereotypes, heteronormativity is deep-rooted. But as a brand, you must make an intentional effort to steer clear of it.

**3. When in doubt, use gender-neutral pronouns.**

She/he and his/her pronouns are okay to use if you know what the person, you're interacting with identifies as. But in case you are unaware of the person's gender identity, it's best to use gender-neutral pronouns – they/them. This is applicable for all points of contact with your customers and potential customers, from email marketing to in-person sales. Therefore, diversity and sensitivity training to all your employees is essential.

Gender neutrality extends beyond language, and you can also embrace it in designing your products and services, depending on which industry you're in. This can especially work in your favour if you're targeting the younger generations, such as Gen Z and Millennials, who place little importance on gender roles.

**4. Get the community involved.**

As a brand, you don't have to come out with specific ad campaigns to promote LGBTQ+ issues or launch a special line of products with rainbow colours. One great way to support the community is by getting them involved – not because of their sexual orientation but because of their talent.

The positive portrayal of the LGBTQ+ community on adverts and company campaigns has undoubtedly immense symbolic power by having the experiences and embodiments of oppressed groups represented on big posters and screens. But their significance may be shortlived, or even illusory if the representation is not backed up by genuine corporate commitments to LGBTQ+ rights and gender equality at workplaces. Steps should be taken to introduce policies and practices that protect queer people, to promote more queer people to senior positions; and, importantly, to improve the pay, contracts, and rights of the most precarious and exploited workers. And until these measures are taken, pink capitalism will remain a hollow ideology that merely exploits queer people.

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