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# Shifting conceptualizations of ethical consumption: Cause-related marketing in India and the USA

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## ARTICLE INFO

### Article history:

Received 31 October 2014  
Received in revised form 4 May 2015  
Accepted 11 May 2015  
Available online xxx

### Keywords:

Ethical consumption  
Cause marketing  
Postcolonial  
Feminist  
Corporate social responsibility

## ABSTRACT

Cause-related marketing (CRM) is a popular ethical consumption model where a for-profit company makes a donation to a non-profit organization each time a consumer purchases a certain product in the name of a particular cause (e.g., education). As a form of ethical consumption CRM has been documented and debated by academics in the Global North, but this is not the only place in which the CRM model is employed. This paper investigates the growing popularity of CRM in India, where it is used to target middle-class consumers. It explores how a shift in the *place* where CRM occurs necessitates a shift in the way that researchers conceptualize it. Drawing on economic, feminist and postcolonial geographies, this paper puts forward a framework for conceptualizing ethical consumption in emerging economies as both place/context specific and embedded in broader power dynamics and global processes. The paper details four CRM campaigns underway in the USA and India and investigates the contexts in which each is situated. The analysis moves beyond a straight comparison of the Indian and American cases to examine CRM as constituted through various places and practices.

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## 1. Ethical consumption and the cause-related marketing model: Histories and geographies

Geographers have contributed significantly to the study of ethical consumption, in terms of the spatial distribution of commodity chains (e.g., Goss, 2004; Hughes and Reimer, 2004), the environmental impacts of material desires/needs (e.g., Bryant and Goodman, 2004; Hartwick, 2000) and the identity politics that often play out through worker and consumer practices (e.g., Barnett et al., 2005; Goss, 2006; Mansvelt, 2008). While not always the case, these studies tend toward examining the practices of consumers living in the Global North, and producers in the Global South. This framing is quickly becoming outdated with the growth of middle-class populations in emerging economies in the Global South. The consumption potential of these populations has garnered some attention (see the articles in this special issue), but studies of this phenomenon remain rare. In this paper I ask whether this shift in the place where ethical consumption occurs, also necessitates a shift in how ethical consumption is conceptualized by researchers? Through an examination of cause-related marketing (one form of ethical consumption) in the USA and India I put forward a framework for conceptualizing ethical consumption campaigns in emerging economies as both situated in

specific places/contexts and embedded in the relations and power dynamics of a globalizing world.

Cause-related marketing (CRM) is growing in popularity around the world as a model through which for-profit entities (e.g., corporations), non-profit entities (e.g., non-governmental organizations, NGOs), and consumers can address social issues. Under the CRM model a corporation makes a donation to a NGO each time a consumer purchases a certain branded product. For example, each time a consumer in the USA buys a package of Pampers diapers (nappies), Procter and Gamble (the parent company to Pampers) donates seven cents<sup>1</sup> to UNICEF's vaccination program. Because of the need for consumer purchases to trigger these donations CRM can be understood as a form of ethical consumption.

CRM is a contentious model that is hotly debated in the academic literature. Proponents emphasize the benefits to: (i) for-profit actors – in that they can engage in strategic corporate social responsibility (CSR) practices that simultaneously involve philanthropy and selling products, (ii) non-profit actors – in that they benefit from the resources and expertise of corporations to increase their funding and awareness raising, and (iii) consumers – in that they can engage in everyday ethical actions through simple consumption choices. Despite these positive attributes, CRM is

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<sup>1</sup> All monetary amounts in this paper are in US Dollars (USD) unless otherwise stated.

also highly criticized in academic literature. Critics highlight the small donation amounts often connected to CRM campaigns and the risk that corporate engagement in CRM may seem superficial to consumers thereby tarnishing corporate brand image (for more on the pros and cons of CRM see: Berglind and Nakata, 2005; Eikenberry, 2009; Gupta and Pirsch, 2006).

Literature and debates about CRM are not limited to marketing and business studies. Critical geographers and other social scientists have also weighed in on CRM, understanding it as a lens through which to analyze broader societal trends. For example, Nickel and Eikenberry (2009) note the business-like methods (such as the use of corporate language and practices, increased reliance on audit-culture, and a focus on NGO-brand promotion) through which NGOs engage with corporate CRM partners, which they see as illustrative of the increased marketization of the philanthropy sector (see McGoey, 2014). Similarly, Richey and Ponte (2014) include CRM as one type of 'new alliance in development' where private sector actors become responsible for funding and often also implementing International Development projects. Concerns over the neoliberal agendas that underpin CRM are widespread and particular attention is given to the problematic ways in which CRM campaigns frame individual acts of consumption as legitimate solutions to global social and environmental problems (Hawkins and Emel, 2014; King, 2006; Richey and Ponte, 2011). Finally, critical analysis of CRM advertising images and slogans has found that CRM campaigns often use harmful gendered, sexualized and racialized tropes to constitute consumers as 'saviours' and 'heroes' and beneficiaries as 'helpless victims' (Hawkins, 2011; Johnston and Taylor, 2008; Ponte and Richey, 2014; Richey, 2009). While this critical literature has provided many insights applicable well beyond the example of the CRM model, the cases examined are mostly limited to those targeting consumers in the Global North (particularly the USA). As CRM gains traction Internationally more critical research is needed.

In the USA, CRM is so ubiquitous that its proponents fear that the market is nearing a point of saturation (Cone Inc., 2008, 2010). As a method of fund- and awareness-raising CRM follows on from older philanthropic models that sell products in the name of charitable causes (e.g., girl scout/guide cookie sales). What is relatively recent is the strategic partnership aspect of CRM (where a corporation aims to improve its bottom line through products sales in partnership with an NGO), which is said by many to have been 'born' in the USA (La Ferle et al., 2013; Strand, 2013). The commonly repeated history of CRM begins in 1983 with an American Express initiative that donated one cent to a Statue of Liberty restoration project for each use of its credit card. The company spent six million dollars promoting the initiative, raised over one million dollars for the fund, and saw their card usage grow by 28% (Berglind and Nakata, 2005; Smith and Higgins, 2000). American Express trademarked the term 'cause-related marketing' after "sensing it had something valuable on its hands" (Berglind and Nakata, 2005: 445). According to Berglind and Nakata (2005: 445) this initiative was a departure from the corporate philanthropy of the past because of the "overt and much publicized connection between a company's primary activity (making money) and a not-for-profit organization's aim (improving welfare)." In the past, corporate philanthropy had focused on distributing profits whose earning was not related to the cause in question. This distinctive model of CRM has grown dramatically in popularity in the USA since 1983, largely due to the success of the Statue of Liberty campaign.

In India, CRM has a more recent history. While it has been in use for over a decade it remains a relatively newer trend in India where public awareness of it is lacking (according to Interview respondents; Interview, 2014a,b; see also Sundar, 2007). Additionally, the history of CRM in India is not as definitively told in a single

story. Often, the success of the Statue of Liberty campaign and the popularity of CRM in the USA are cited as influential in the growth of the CRM modal in India (e.g., Sundar, 2007). CRM is also said to have grown out of Indian traditions of philanthropy such as local shops having a box available for customers to make charitable donations toward community cow sheds, orphanages or other causes (Interview, 2014a; Sundar, 2007; Sundhar, 2013). Recent rapid economic growth, industrialization and an increase in the middle-class population in India have acted as a catalyst for ethical consumption models like CRM to proliferate, as will be detailed below. Because of the relative newness of CRM in India and its potential for dramatic growth, CRM in India is lacking in academic study while in great need of it. The question is how the academic literature on CRM based on studies in the USA can be useful to understand more about the Indian context.

In order to explore how a shift in the *place* where CRM occurs necessitates a shift in the way that researchers conceptualize and investigate ethical consumption, I begin this paper by proposing an analytical framework that draws on approaches used in economic, feminist and postcolonial geographies (Section 2). I suggest that this framework can be used to conceptualize CRM as a process that is both mobile (interconnected globally) and embedded in specific places. Next, I introduce two CRM campaigns from India and two from the USA in order to ground the following discussion in particular examples. Using information gathered from organizational documents, academic and industry research reports, media coverage and telephone interviews with key informants,<sup>2</sup> I describe the context within which each campaign is situated (Sections 3 and 4). I then employ this framework to highlight potential questions, conclusions and future avenues of research, putting forward a research agenda for ethical consumption (Sections 5 and 6).

## 2. A framework for conceptualizing ethical consumption

### 2.1. Moving away from comparative studies

When I first began examining CRM in the Indian context I was already very familiar with the context in the USA and so I turned to studies that had compared the implementation of, and reaction to, CRM campaigns in India to those in the USA. This type of comparison is quite common in consumer behavior literatures. For example La Ferle et al. (2013) compared student perceptions of CRM campaigns in India and the USA and concluded that Indian students perceived the campaigns and corporations involved more positively than American students did. The authors attribute this to the relative novelty of the CRM model in India, calling it a "honeymoon stage" (La Ferle et al., 2013: 369). Similarly, in a comparison of national consumer ethics, Eckhardt et al. (2010) found that consumers in emerging economies (e.g., India and China) more readily brushed aside certain ethical issues (such as poor labor conditions) compared to consumers in more developed economies (e.g., Sweden and USA). The authors of this study suggest that this may be due to a stronger concern for job creation and economic development by Indian and Chinese compared to American and Swedish respondents.

These large-scale comparative studies provide useful information about consumption and CRM trends at a national scale, but comparative studies as outlined above also have several well-documented drawbacks. These drawbacks include the dangers of comparing predetermined groups (e.g., Indian or

<sup>2</sup> Interview participants are professionals in the CRM field in India. Both participants were involved in working with NGOs engaged in popular CRM campaigns in the country and they also acted as consultants and commentators on the CRM field in India more broadly. Their names and organizations are not included in this paper to ensure confidentiality.

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