

Marta Grabowska

Politechnika Częstochowska
Wydział Zarządzania
e-mail: marta_grabowska@op.pl

Responsible sponsorship as an element of building positive relationship with the environment

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Abstract. In the era of increasing competitiveness, the thing that distinguishes manufactures from each other is the mean in which they communicate with customers. By observing the change-based dynamics of consumer trends, it can be noted that companies regarding in their marketing campaigns initiatives of social or ecological nature, gather greater recognition. More and more, common form used for achieving competitive advantage and building positive relationships with customers is to implement socially responsible sponsorship. This paper brings closer to the essence of responsible sponsorship and demonstrates examples of responsible marketing initiatives; furthermore, it is indicated that by applying such type of practices, it is possible to achieve tangible economic and social benefits.

Introduction

Nowadays, companies are more than ever before forced to face competition. When the quality and prices of products are comparable, what distinguishes individual manufactures from others is the way in which they communicate with the market. Nowadays, gaining customer loyalty and confidence is an essence of any smart business entity (Kotler, Keller, 2012).

Long lasting and close relationships with customers allow companies to obtain a lot of advantages related with communication enhancement, company's image improvement, and the increase of profits as well (Wiśniewska, 2015). It is required that a company needs to distinguish itself among other participants, and to create a positive and unique identity in the minds of buyers in order to act efficiently in the market (Datko, 2012).

By observing the dynamics of change in trends of consumer behaviours, it can be noticed that the most frequently occurring feature is the responsibility for social and natural environment. An increase in maturity and consumer awareness, along with constantly increasing social and ecological awareness, lead to the situation in which the companies considering in their business operations also the initiatives of social and environmental nature, gain a growing number of loyal and dedicated customers. An increasingly popular form of achieving competitive advantage is to use socially responsible sponsorship in marketing campaigns, which brings to the company not only social benefits, but it also facilitates the way to increase its profits.

The objective of this paper is to describe closer the nature of responsible sponsorship, and to demonstrate its growing meaning for building positive relationships with the environment. The paper presents case studies of responsible marketing initiatives, and demonstrates that by applying this type of practices, tangible economic and social benefits can be achieved.

Social responsibility vs. relationship with environment

Together with the growing importance of the global consumerism and ecology movements, ethics and corporate social responsibility become a big topic in many companies. The idea of modern marketing is to undertake by companies a responsibility towards the global environment. Due to the increasing problems of social, ecological, and economical nature, none of progressive companies will ignore the raising trend in adopting more ethical and responsible practices concerning the issues of care for natural environment. The companies that adopt their social and environmental initiatives in the company's mission are perceived as they are making good and promoting crucial values, which results in gaining a group of committed and loyal customers (Armstrong, Kotler, 2015).

A key strategy for building long lasting customer relationships is to develop strategies to increase customer value more than other companies, and to assure customer satisfaction (Armstrong, Kotler, 2015).

A 2011 global consumer study by Cone Communications found that only 6 percent of consumers agreed with the philosophy that the role of business in society

is to ‘just make money,’ and as many as 81% of consumers in 10 countries declared that – in their opinion – corporate social responsibility goes beyond gaining profits (Figure 1) (Kotler, Hessekiel, Lee, 2012).

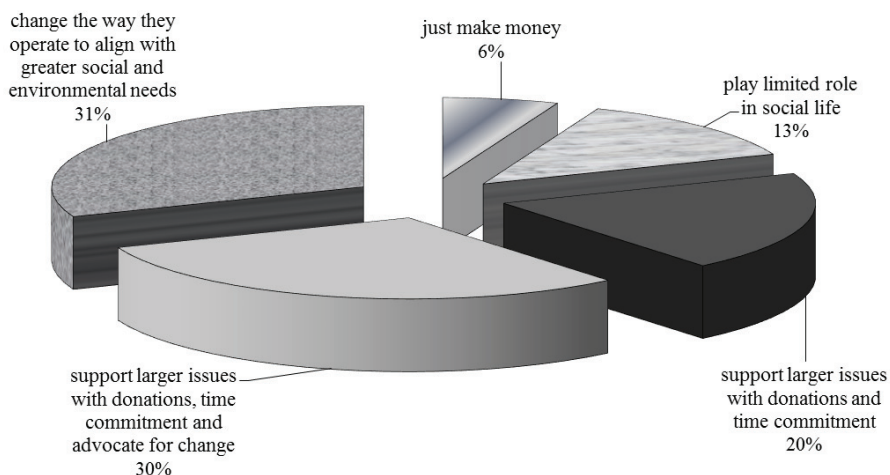


Figure 1. Role of business in supporting social initiatives

Source: Kotler, Hessekiel, Lee, 2012, pp. 13–14.

By observing the phenomena occurring during the last decade, it can be concluded that companies are increasingly eager to engage themselves in social initiatives. According to a 2011 report by KPMG, as much as 95 percent of companies of the Global Fortune 250 reported their activities concerning corporate responsibility (Kotler, Hessekiel, Lee, 2012). In turn, according to a report by CSR Europe, two out of five clients express their preferences to buy a product promoting ‘doing good’ initiatives, and one out of five is able to pay more for such a product. In accordance with a research study conducted by ARC Rynek i Opinia – Market Research Company – Poles are positively assessing the sponsorship of charity actions, which are endorsed by 78 percent of respondents (Datko, 2012).

Responsible sponsorship as an element of modern marketing

Market saturation with traditional advertisement and a decline in its efficiency lead to the situation in which sponsorship is becoming more and more a common form of promotion. Frequently, advertisement is seen as too intrusive and burdensome

a message. Sponsorship is a sensitive way of interacting with consumers, and is very often considered as favourable or even valuable. The essence of sponsorship is “Do good and talk about it,” which indicates on its bilateral nature being characterized by two functions, namely communication and support (Jefkins, Yadin, 1998).

According to T. Griffin (1993), sponsorship is a promotion mean which uses company’s or brand’s associations with a social, cultural, or sports event in such a way that it leads to benefits from exploiting the commercial potential linked with this event and this initiative.

Emotion based sponsorship promotes its brand by its direct association with the business being sponsored. For example, as a result of sponsoring charity undertakings, such attributes can be transferred as: care, attention, responsibility, etc. (Datko, 2012).

Considering the fact that companies are more and more aware of the need to become socially responsible partners, the use of sponsorship is becoming more common. Responsible sponsorship can be understood as a formal financial, material, or service-based support for non-profit undertakings targeted at an increase in sales of products (Datko, 2012). According to Datko (2012), the following forms of responsible sponsorship can be distinguished: corporate philanthropy, corporate citizen, and eco-sponsorship.

Corporate philanthropy, according to Adkins (1999), involves the use of money, techniques, and marketing strategies to support important social issues, while developing own business at the same time. Business entities in the society define it as commercial initiatives thanks to which the company and charities establish a partnership relation between themselves in order to achieve mutual benefits.

The attitude of ‘corporate citizen’ means a socially responsible business entity which participates usually in supporting public sector institutions (such as children’s homes, hospitals, or theatres) or especially gifted individuals (i.e. researchers and students). This trend manifests itself as multidimensional and permanent cooperation with a non-profit sector (Datko, 2012).

Eco-sponsorship refers to the actions financed by a sponsor to support the initiatives directed on the environment protection and restoration of the natural environment (Datko, 2012).

Responsible sponsorship in practice

The growing intensity among companies to adapt to social initiatives causes that many firms recognize the signals sent from the environment, and implement various kinds of marketing initiatives of a charitable nature.

In 2008, Starbucks decided to adopt global responsibility regarding the influence on the natural environment. The main objectives which guided this challenging undertaking were: compliance with principals of ethics by acquiring raw materials, services in favour of the environment, and involvement in community issues. The result of these wide-ranging initiatives was the emergence of Starbucks Company on the 47th place of the Fortune 500 – the list of the companies which in 2010 recorded the fastest growth. In turn, *CR Magazine* listed the company on the top of Best Corporate Citizens (the first place in the industry sector) (Kotler, Hessekiel, Lee, 2012).

Another company which thanks to social involvement acquired improved relationships with the environment is Johnson & Johnson. The key area in which the company is socially engaged and gains successes is the campaign supporting professional development of nurses. Research studies (Kotler, Hessekiel, Lee, 2012) carried out in educational centres for nurses in the United States indicate that 84% of the institutions covered by the J&J campaign acknowledged an increase in the number of applicants and students. In 2010, the campaign received prestigious President's Award of Transforming the Image of Nursing from the National League for Nursing (NLN), for permanent efforts to build a positive image of nursing. The Company was also recognized for its strong commitment to innovative initiatives promoting employees and communities, and was honoured with the Ron Brown Award for Corporate Leadership (2004–2005) (Kotler, Hessekiel, Lee, 2012).

Another example of a company which uses social sponsorship is TOMS Shoes. For every pair of shoes sold, the company provides another pair of shoes for a child in need. This company's initiatives obtained a great deal of attention, and, when in 2009 AT & T company mentioned it in their advertising campaign, TOMS Shoes Company gained free publicity worth several million dollars (Mycoskie, 2011).

Table 1 demonstrates social sponsorship initiatives used by Starbucks and Johnson & Johnson.

Concluding, the most important benefits that can be obtained by applying responsible sponsorship in marketing campaigns are following (Datko, 2012): growing interest among investors and social support, customer attraction and retention, enhancing loyalty of customers and stakeholders, improving relationships with community and local authorities, increasing confidence and strengthening the authority, raising competitiveness and creating company's positive image, increasing the level of organizational culture, increasing motivation and loyalty among employees.

Table 1

Sponsorship initiatives by Starbucks and Johnson & Johnson

Examples of sponsorship social initiatives	
Starbucks Coffee Company	
Description	Example
promoting social issues by means of sponsorship	encouraging representatives of food industry to serve beverages in reusable or recyclable cups and containers (involvement in Earth Days and Cup Summits)
the level of cash or in nature donations being made dependent on the amount of sales or other actions undertaken by a customer	donations for worldwide implemented water projects related to selling Ethos Water in Starbucks shops
direct financial support for non-profit organizations or charitable initiatives	grants for founding youth education in the field of environmental protection
Johnson & Johnson Company	
Description	Example
fostering social initiatives by enhancing the message, fundraising, and attracting volunteers	development and sponsoring a multimedia campaign creating the image of nursing as a profession
transferring a percentage of overall earnings to a particular case, depending on the level of revenues or other actions undertaken by a customer	transferring \$ 1 as scholarships for nurses for downloading a single image on a website
direct financial support for non-profit organizations or charitable initiatives	support for events with fundraising for scholarships and nurses continuing medical education

Source: own elaboration based on Kotler, Hessekiel, Lee, 2012.

Conclusions

The article is an attempt of stating the nature of responsible sponsorship in the context of building relationships with the environment. Responsible sponsorship initiatives of Starbucks Corporation and Johnson & Johnson Company were described, as well as benefits were indicated which result from making these types of practices.

By observing the growing awareness and increased level of social and ecological sensitivity among consumers, it can be stated that forms of responsible sponsorships will gain more and more recognition. These increasingly frequent businesses are expected to contribute “for a better tomorrow” and to assume responsibility that goes beyond the generated profits. Consumers are more willing to submit their loyalty and money to the companies which are coincident with their

values and are honest with the things they make. Companies, by undertaking their initiatives, contribute to solving social issues, gain superior reputation, and build better relationships with the environment.

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Odpowiedzialny sponsoring jako element budowania pozytywnych relacji z otoczeniem

Słowa kluczowe: odpowiedzialny sponsoring, budowanie relacji, społeczna odpowiedzialność biznesu (CSR)

Streszczenie. W dobie narastającej konkurencji, tym, co może odróżnić producentów od siebie jest sposób, w jaki komunikują się z klientami. Obserwując dynamikę zmian wśród trendów konsumenckich można zauważyć, że firmy uwzględniające w swoich kampaniach marketingowych inicjatywy o charakterze społecznym lub ekologicznym cieszą się coraz większym uznaniem. Coraz popularniejszą formą uzyskiwania przewagi konkurencyjnej oraz budowania pozytywnych relacji z klientami jest stosowanie sponsoringu odpowiedzialnego społecznie. W artykule przybliżono istotę odpowiedzialnego sponsoringu i przedstawiono przykłady odpowiedzialnych inicjatyw marketingowych oraz wykazano, że stosowanie tego typu praktyk umożliwia osiągnięcie wymiernych korzyści ekonomicznych i społecznych.

Citation

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