M.A. MASS COMMUNICATION
4th SEMESTER

MSM-531 (D)

PR CAMPAIGN PLANNING

Directorate of Distance Education
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UNIT- 1 PUBLIC RELATIONS CAMPAIGN

Public Relations

The history of the public relations field is often misunderstood. Many think of public relations as organized manipulation made up of corporate, political and even non-profit propaganda. It is often thought of as deception, but this is not always the case. In a society fueled by networked communications, it is becoming less important to ask what messages people receive and more important to ask what messages they seek out, according to Greg Jarboe, author of a brief history of PR. Jarboe worked for a PR firm with offices in San Francisco and Boston, two of the most well-established technology markets in the country.

He argues that PR is more about creating a sense of understanding between consumers and brands and that this might be done just as well by the brand in digital spaces just as it is via other mass media channels controlled by other corporate entities. Historically, PR depended on other media platforms such as TV, newspapers and magazines to promote its content. Content marketing means this is no longer the case. Mass media platforms may still be needed to reach mass audiences outside of a brand's collection of fans and followers, but much goodwill can be generated by maintaining a proactive, positive and professional digital presence.

While it is true that PR often tries to put a good face on companies with all manner of reputations and harmful business practices, it also serves charities, governmental services and small local businesses. Not every institutional organization can have a huge PR budget, but the practices can be taught to just about any small business owner.

The History of PR and Propaganda

At the core of PR is a simple model developed by Harold Lasswell in the 1940s. Developing an effective PR model was an important war effort during World War II when it was essential to develop theories for how propaganda worked to determine what the Nazis were doing and, if possible, how their propaganda could be stopped. Lasswell's model asked five simple questions: who (Sender) sent what (Message) through which channel (Channel) to which audience (Receiver) and with what effect. This was a way of breaking down mass influence beyond advertising. In a sense, governmental propaganda is PR, but the client is a country. The S-M-C-R model (often attributed in that particular configuration to Berlo) is the most efficient model for understanding how to break down and analyze messages in the mass media.

Professionals and academics examine and manipulate all four components to isolate which changes correlate with which behavioral effects. S-M-C-R assumes that the sender comes first and the receiver comes last. There is a time element that must be established in researching the effects of mass-mediated messages, but the point is that this simple model of propaganda became the basis for all sorts of media effects studies. Propaganda and PR messaging does not work immediately to bring about drastic changes in behavior. Behavioral phenomena, particularly changes in behavior, are driven by many variables, as we have discussed several times; however, if you want to begin to look at an advertising campaign, film or news documentary to examine its effects, this is the model to start with.

Noise must be accounted for, and in an age dominated by the digital information glut, the opportunity for immediate feedback and engagement must also be considered. Receivers almost immediately become senders in a network. Thus, the S-M-C-R model will often include measures looking at how much noise gets into the system and looking at what happens when receivers immediately start their own S-M-C-R processes. Wherever a message originates, even if it is as simple as clicking “Share” on Facebook, the S-M-C-R model starts again.

Public relations is conveying the right message to the right audience with simply accurate, consistent, and timely communications. To create a PR campaign, you should be aware of the product and services provided by the company.

A public relations campaign is necessary to raise awareness to the outside world about an existing company. It further helps to raise awareness of the current situation of that particular company (Bobbitt and Sullivan 2008). To understand the problem at hand, it is important to give a brief overview of the project and the need to launch the campaign. Newlandia Education Foundation has been in operation for many years now with its main goal being to provide education to the Newlandians.

It has already established three schools that it is currently supporting in Shalel, Rajan and Calina in the south region of Newlandia. These small schools are proof that the organization is up in hand to provide quality education regardless of sex, religion or even the economic background of the residents. The residents in these villages are struggling individuals who can hardly support themselves financially. Accessibility to these villages is not easy due to lack of proper infrastructure. The roads are in pathetic conditions.

The southerners mostly rely on fishing as their main source of income (Newlandia 2010). The schools are under-resourced and in poor conditions. The reading materials are hardly enough to cater for all the students and the school's infrastructure is in poor condition. Imagine a situation where children are subjected to sit on a cold floor in a windowless classroom and with inadequate learning materials to gain knowledge from.

It is an un-imaginable scenario but one that clearly portrays the children's struggle to quench their education thirst. Despite this struggles, one of the school has produced a graduate currently studying teaching at the University of Pacific. This is proof that the education projects undertaken by NEF are not in vain.

The problem being faced by NEF is the ability to keep the schools running to cater for the needs of all the students in Southern Newlandia. With a population of 750,000, the schools are not enough to accommodate all the school-aged children in the region. A project to build three more schools is underway but the project will require support from other communities in Newlandia.

Objectives Of The Public Relation Campaign

Through an aggressive public relation campaign, Newlandia Education Foundation (NEF) will begin to seek attention from both the members of the public and other donors. A research conducted indicated that only few residents of Newlandia knew about the existence of NEF. Shockingly, it was just a few of them who knew the core business conducted by NEF.

Most people seem to think that NEF is part of Newlandia Children Foundation (NCF) which has gained major popularity among the Newlandians. The campaign will play a huge role to bring out the difference between the two organizations and any other organization in Newlandia that might cause confusion.

The other objective is to win both the public and private support of the organization. The campaign will seek to give NEF the good reputation that it possesses. This will help to shed light on the real intention of the project carried out by NEF for the goodwill of children who are unable to access learning facilities. The establishment of a goodwill and understanding between NEF and Newlandians is the main objective of the campaign.

The campaign will also help to establish and reinforce the professional image of NEF. This helps the public to view the organization in a positive manner hence winning its support. Failure to create a positive image will lead the organization losing its credibility. Positive image helps to create good perceptions of the organization's good name and the kind of projects that it undertakes.

The general goal of the project will be to raise public and government awareness. The awareness will help NEF raise sufficient funds to run the current and future projects. The public will be inclined to offer any kind of support to keep NEF running. The government on the other hand will be obliged to increase its monetary allocation to support the projects

Communication Strategy

Any public relations campaign should have a set communication strategy in order to achieve its goals and objectives. It targets the audience to whom the message should be communicated to and how the communication will be done. Communication strategy is very essential for the success of public relations campaign.

he reaction of the audience is determined upon reviewing the communication strategy. Using the wrong mode of communication can render the campaign futile. The key message to be communicated should also be carefully considered. Misrepresentation of words can alter the initial meaning of the message. The communication strategy to be applied by NEF should therefore be simple and straightforward.

Target Audience

The primary target audience will be the general public and the government. The secondary audience will be private individuals, companies and external donors. The campaign should first and foremost target both the Northerners and Central regions. The North East of Newlandia has a population of over 200,000 people. The region is swarmed with copper mines industries. This is an indication that the Northerners have the financial ability to support the Southerners to access education (Newlandia 2010).

The Central region on the other hand has many industries ranging from agriculture to timber processing. With a population of about 15,000, it is the home of the famous Van On Organic Coffee Plantation, one of the leading coffee plantations in Newlandia. The residents of this region have enough financial power to back the ongoing projects in Newlandia (Newlandia 2010).

The government of Newlandia should also be notified of the situation at the Southern region of Newlandia. The campaign will especially target Mr. K.L Gupta who is currently serving as the Finance Minister and Infrastructure. He is also the chairman of the Newlandia Conservative Party and is actively involved in the politics.

Private individuals include accomplished businessmen in Newlandia such as Mr. Rohan Singh and Mr. Bill Klempf. Mr. Rohan has great influence in the business sector and can easily influence other business owners. Mr. Klempf on the other hand is one of the most powerful business people in Newlandia. Born in an equally powerful family, he owns major booming businesses in Newlandia. Though he rarely gets involved in community organizations, the campaign can lure him to support NEF and the Southerners.

As a businessman, he will be keen to learn the current situation at the Southern region and discover the untapped potential of the region. In a bid to establish himself in the region, he is bound to support NEF’s project initiatives to win over the hearts of the Southerners. The industry organizations are other audiences that should be targeted. Newlandia has established industries and organizations such as the Newlandia Organic Coffee Growers Association and Newlandia Garment Industry.

External donors will also be key targets. The WorldHelp for example is one of an external donor that should be targeted. A multi-national organization based in Atlanta, it is deeply involved in charitable programs all over the world. With a keen interest in such projects being initiated by NEF, WorldHelp will be following the implementation of the projects at a very close range (WorldHelp 2010).

Media and Events

The other important stage of the campaign is to establish the appropriate channels that will be used to deliver the message to the target audience identified above. This includes media activities and events that will help promote the campaign. Use of lobby groups or individuals is also another avenue to gain publicity.

The main channel that the campaign will use is Newlandia Broadcasting Corporation Television (NBC) which is a public media. The television has wide media coverage. The other public media that will be utilized is the Newlandia Times newspaper. The paper reaches many people who don’t have visual means of receiving news and information. Another form of print media that will be used is the Newlandia Tourism Authority Newsletter.

The newsletter can be used to cover the tourism attractions in Southern Newlandia. With fishing as the main activity in the region, the newsletter will help to attract tourists in the region hence increasing public awareness and support. Lobbyists will also be used to deliver the intended message to the target audience. Newlandia has avid campaigners such as Lakshmi Shankaran, married to Henry Abalone, who is also a campaigner and a journalist.

The couple will provide a fantastic avenue to take out the word of the suffering children at the Southern region. Active involvement in media events held by the Newlandia Business Development Authority will also be an appropriate channel to gain public awareness. Lastly, it will be important to involve the south region local newspaper to highlight the situation at the South. The Mouth Of The South will be utilised for this purpose.

The Key Message

The main message to be communicated to the audience will be the need to support the education programs initiated by NEF. It will also differentiate NEF from other organisations that have initially been confused with. The core business of NEF will also be brought to the public.

The audience should be notified of the hardships being experienced at the South and the need to support the schools currently running. They should also get involved in the future project of building more schools in the region that will be implemented within 18 months.

The Communication Models And Theories To Be Applied

The campaign will apply the public information and the two-way asymmetric models as opposed to the press agentry/ publicity and two-way symmetric. In the public information model, it is used to convey correct and true information to the audience. The press agentry/publicity model is full of propaganda and will kill NEF’s credibility.

The two-way asymmetric is also favourable to communicate to the target audience. It will help the organisation to get a feedback from the audience to enable it apply the appropriate theories to convince them. This model is better as it will allow the audience to see the logic from NEF's point of view. The aim of the campaign is not to negotiate with the public hence the reason to disregard the two-way symmetric model.

The appropriate theory to be applied is the accommodation theory as opposed to the cognitive dissonance theory. The accommodation style allows the speaker to adjust their communication style to accommodate different classes of audience. It is therefore ideal in our project to gain social approval from all the audiences targeted. In cognitive dissonance theory, the audience tend to avoid views that seem not to support their own feelings (Jamieson 1985).

Conclusion

The public relations campaign will not only be used to win over the public's support but also to make it aware of NEF's existence. The organisation requires monetary support and learning materials that will help the students excel just like one of their student, Rangi.

The learning conditions are harsh, yet the children are willing to go beyond all means to gain that academic knowledge. Their efforts can only succeed if the people of Newlandia can join hands to make their dream a reality. That will be the main task of this public relations campaign, but one that is sure to succeed.

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PUBLIC RELATIONS VS. PUBLIC OPINION , PROPAGANDA AND PUBLICITY

Public opinion

Public opinion, an aggregate of the individual views, attitudes, and beliefs about a particular topic, expressed by a significant proportion of a community. Some scholars treat the aggregate as a synthesis of the views of all or a certain segment of society; others regard it as a collection of many differing or opposing views. Writing in 1918, the American sociologist Charles Horton Cooley emphasized public opinion as a process of interaction and mutual influence rather than a state of broad agreement. The American political scientist V.O. Key defined public opinion in 1961 as "opinions held by private persons which governments find it prudent to heed." Subsequent advances in statistical and demographic analysis led by the 1990s to an understanding of public opinion as the collective view of a defined population, such as a particular demographic or ethnic group.

he influence of public opinion is not restricted to politics and elections. It is a powerful force in many other spheres, such as culture, fashion, literature and the arts, consumer spending, and marketing and public relations.

Theoretical And Practical Conceptions

In his eponymous treatise on public opinion published in 1922, the American editorialist Walter Lippmann qualified his observation that democracies tend to make a mystery out of public opinion with the declaration that "there have been skilled organizers of opinion who understood the mystery well enough to create majorities on election day." Although the reality of public opinion is now almost universally accepted, there is much variation in the way it is defined, reflecting in large measure the different perspectives from which scholars have approached the subject. Contrasting understandings of public opinion have taken shape over the centuries, especially as new methods of measuring public opinion have been applied to politics, commerce, religion, and social activism.

Political scientists and some historians have tended to emphasize the role of public opinion in government and politics, paying particular attention to its influence on the development of government policy. Indeed, some political scientists have regarded public opinion as equivalent to the national will. In such a limited sense, however, there can be only one public opinion on an issue at any given time.

Sociologists, in contrast, usually conceive of public opinion as a product of social interaction and communication. According to this view, there can be no public opinion on an issue unless members of the public communicate with each other. Even if their individual opinions are quite similar to begin with, their beliefs will not constitute a public opinion until they are conveyed to others in some form, whether through television, radio, e-mail, social media, print media, phone, or in-person conversation.

Sociologists also point to the possibility of there being many different public opinions on a given issue at the same time. Although one body of opinion may dominate or reflect government policy, for example, this does not preclude the existence of other organized bodies of opinion on political topics. The sociological approach also recognizes the importance of public opinion in areas that have little or nothing to do with government. The very nature of public opinion, according to the American researcher Irving Crespi, is to be interactive, multidimensional, and continuously changing. Thus, fads and fashions are appropriate subject matter for students of public opinion, as are public attitudes toward celebrities or corporations.

Nearly all scholars of public opinion, regardless of the way they may define it, agree that, in order for a phenomenon to count as public opinion, at least four conditions must be satisfied: (1) there must be an issue, (2) there must be a significant number of individuals who express opinions on the issue, (3) at least some of these opinions must reflect some kind of a consensus, and (4) this consensus must directly or indirectly exert influence.

In contrast to scholars, those who aim to influence public opinion are less concerned with theoretical issues than with the practical problem of shaping the opinions of specified “publics,” such as employees, stockholders, neighbourhood associations, or any other group whose actions may affect the fortunes of a client or stakeholder. Politicians and publicists, for example, seek ways to influence voting and purchasing decisions, respectively—hence their wish to determine any attitudes and opinions that may affect the desired behaviour.

It is often the case that opinions expressed in public differ from those expressed in private. Some views—even though widely shared—may not be expressed at all. Thus, in an authoritarian or totalitarian state, a great many people may be opposed to the government but may fear to express their attitudes even to their families and friends. In such cases, an anti-government public opinion necessarily fails to develop.

Public opinion is the sentiment of the public at large. It is usually gleaned by using polls. It can be gleaned in latent form by plumbing social media, but this isn't always accurate or meaningful.

Public relations is a campaign which faces the public, to deliver a message to the public to shape their sentiment toward a target - which could be a person, a company, a cause, etc. The purpose of PR is to elevate the target in their eyes.

Quite unfortunately for the public, political polling is used to shape public opinion rather than reflect it. This effectively turns polling into both positive and negative PR - positive for the one which is favoured in the poll, and negative for those who are not.

Often, Public relations is used to lead or create a positive public opinion about a product, service, company or politician. It can be used to develop positive opinions about them or it can be used to create negative opinions about a competitor or opponent. Cuts both ways.
Research into public opinion is crucial in guiding a public relations program/campaign. You need to know what people think, if anything, about your client or their product/service. Similarly, research can be used to guide public relations in terms of creating a message that PR can use to form positive opinions.
In addition, research is used to gauge the effectiveness of messaging and campaign objectives. Public opinion can be formed but overcoming an existing belief is often difficult, especially in terms of candidates for public office. That is why negative campaigning - creating a negative opinion about an opponent - is so effective, despite being "unpopular" as a tactic.

PR features in a lot of movies and TV shows, albeit in a dramatized and sometimes inaccurate way; Scandal, Sex and the City, and House of Cards all portraying various aspects of PR in a way that shapes what the general public think PR actually is.

PR is often compared to these other sectors or entirely mistaken for them.

In 2012, the Public Relations Society of America held a competition where the public voted on what the definition for PR should be. The winning definition was:

"A strategic communication process that builds mutually beneficial relationships between organisations and the public."

It is the responsibility of PR to ensure that the reputation of a company remains intact, and that the company or organisation they are working with has an image that is positive in the minds of the public. Therefore, PR differs from marketing, propaganda, and publicity in a number of ways which I will outline here:

Publicity vs. PR

The main function of publicity is to draw attention of the media towards the products or services of a company or organisation whether that's as news coverage, feature articles, or blogs. These are all used in PR; in the higher education world we use alumni, faculty, and academic research in articles to generate publicity for an institution.

The difference between the two comes when looking at the end goal of each; publicity does not attempt to sway public opinion in any specific direction. It simply draws the attention of the public towards something. PR, on the other hand, specifically attempts to form and maintain positive opinions, and when this is done wrong it can have disastrous effects. In regards to higher education PR, we want a potential student to read an article featuring an amazing university graduate and think to themselves 'hmm, maybe I should study there.'

So, contrary to popular belief, there is such a thing as bad publicity.

Propaganda and PR

The term propaganda is defined as the purveying of lies by conscienceless writers and speakers. It the communication of distorted ideas or inadequate facts or both conveyed in a manner or tone so as to create in the object of propaganda an emotional response favourable to the implicit bias of the propagandist.

According to Clyde R Miller propaganda is the attempt to influence others to some predetermined end by appealing to their thought and feeling.

According to Anderson and Parker propaganda is the deliberate use of communication to induce people to favour one predetermined line of thought or action over another.

Kimball Young writes for our purposes we shall define propaganda as the more or less deliberate planned and systematic use of symbol chiefly through suggestion and related psychological techniques with a view first to altering and controlling opinions, ideas and values and ultimately to changing overt action along predetermined lines.

Propaganda is the use of reasoning or facts in order to persuade another person to favour a particular kind of action that he would otherwise not favour. However propaganda is not necessarily the propagation of wrong views by questionable methods. Groups and organizations whose objectives have been socially constructive have often resorted to the method of propaganda. The Family Planning Dept in order to control the birth rate has used all the devices of propaganda.

Propaganda can also said to be the most effective when it rests upon verifiable information. It can readily justify itself in terms of the real interests of the target groups and can show a genuine commonality or interests among the individuals who compose the group. It is only the activity of the some vested propagandists which has given the term propaganda its bad connotation. Propaganda is merely a means of influencing others often towards a desirable end. It aims at persuasion by means of symbols.

Every government maintains a dept to influence people in the direction of accepted patterns though they prefer to call it the dept of public relations or publicity instead of propaganda.

Propaganda and PR can be viewed as quite similar in a number of ways: they both aim to shape perceptions and influence public opinion, both use mass media, and both are directed at specific audiences. The end result for both is to get people to take some sort of action.

The biggest difference, and most important, is the truth of the messages. Propaganda uses bias, half-truths, misinformation, and fear to influence the public’s attitude toward an ideal, cause, or political agenda. Propaganda aims to create a sense of us against them – you vs. the other.

PR uses facts, which can be checked. PR relies on logic and sometimes emotion to spread information between an organisation or individual and its public. The use of verifiable facts are important when pitching to a journalist or sending out a press release, as incorrect information can impact your credibility with journalists.

Propaganda Techniques

Although there are many propaganda techniques in use in our society and some are known by a variety of names, bellow are the definitions and examples of twelve of the most widely used. Students are asked to understand and be able to see the use of the techniques bellow in the real world in order for them to be more aware of their use in our society. We use the techniques bellow in conjunction with our study of Animal Farm and our Governance Unit.

Propaganda Techniques

There are many techniques commonly used in dissemination of propaganda. Use this handout to help you identify different types of propaganda.

BANDWAGON: The basic idea behind the bandwagon approach is just that "getting on the bandwagon." The propagandist puts forth the idea that everyone is doing this, or everyone supports this person/cause, so should you. The bandwagon approach appeals to the conformist in all of us: No one wants to be left out of what is perceived to be a popular trend.

Example: Everyone in Lemmingtown is behind Duffie for Mayor. Shouldn't you be part of the winning team?

EUPHEMISM: When propagandists use glittering generalities and name-calling symbols, they are attempting to arouse their audience with vivid, emotionally suggestive words. In certain situations, however, the propagandist attempts to pacify the audience in order to make an unpleasant reality more palatable. This is accomplished by using words that are bland and euphemistic.

Example: America changed the name of the War Department to the Department of Defense. Under the Reagan Administration, the MX-Missile was renamed "The Peacekeeper."

TESTIMONIAL: This is the celebrity endorsement of a philosophy, movement or candidate. In advertising, for example, athletes are often paid millions of dollars to promote sports shoes, equipment and fast food. In political circles, movie starts, television starts, rock stars and athletes lend a great deal of credibility and power to a political cause or candidate. Just a photograph of a movie star at a political rally can generate more interest in that issue/candidate and cause thousands, sometimes millions of people to become supporters.

Example: "Sam Slugger," a baseball Hall of Famer who led the pros in hitting for years, appears in a TV commercial ad supporting Mike Politico for the US Senate. Since Sam is well known and respected in his home state and nationally, he will likely gain Mr. Politico many votes just by his appearance with the candidate.

PLAIN FOLKS: Here the candidate or cause is identified with common people from everyday walks of life. The idea is to make the candidate/cause come off as grassroots and all-American.

Example: After a morning speech to wealthy Democratic donors, Bill Clinton stops by McDonald's for a burger, fries and photo-up.

TRANSFER: Transfer employs the use of symbols, quotes or the images of famous people to convey a message not necessarily associated with them. In the use of transfer, the candidate/speaker attempts to persuade us through the indirect use of something we respect, such as a patriotic or religious image, to promote his/her ideas. Religious and patriotic images may be most commonly used in this propaganda technique but they are not alone. Sometimes even science becomes the means to transfer a message.

Example: The environmentalist group People Promoting Plants, in its attempt to prevent a highway from destroying the natural habitat of thousands of plant species, produces a television ad with a "scientist" in a white coat explaining the dramatic consequences of altering the food chain by destroying this habitat.

FEAR: This technique is very popular among political parties and PCAs (Political Action Committees) in the U.S. The idea is to present a dreaded circumstance and usually follow it up with the kind of behavior needed to avoid that horrible event.

Example: The Citizens for Retired Rights present a magazine ad showing an elderly couple living in poverty because their social security benefits have been drastically cut by Republicans in Congress. The solution? The CRR urges you to vote for Democrats.

LOGICAL FALLACIES: Applying logic, one can usually draw a conclusion from one or more established premises. In the type of propaganda known as logical fallacy, however, the premises may e accurate, but the conclusion is not.

Example: Premise 1: Bill Clinton supports gun control.

Premise 2: Communist regimes have always supported gun control.

Conclusion: Bill Clinton is a communist.

We can see that in this example the conclusion is created by a twisting of logic, and is therefore a fallacy.

FAULTY CAUSE & EFFECT: This is very similar to LOGICAL FALLACIES. Here, the use of a significant statement of "Fact" is used without offering a cause or reason.

Example: "Nuclear energy means cleaner air."

GLITTERING GENERALITIES: This approach is closely related to what is happening in TRANSFER. Here, a generally accepted virtue is usually employed to stir up favorable emotions. The problem is that these words mean different things to different people and are often manipulated for the propagandists' use. The important thing to remember is that in this technique the propagandist uses these words in a positive sense. They often include words like: democracy, family values (when used positively), rights, civilization, even the word "American."

Example: An ad by a cigarette manufacturer proclaims to smokers: Don't let them take your rights away! ("Rights" is a powerful word, something that stirs the emotions of many, but few on either side would agree on exactly what the "rights" of smokers are).

NAME-CALLING: This is the opposite of GLITTERING GENERALITIES approach. Name-calling ties a person or cause to a largely perceived negative image.

Example: In an ad campaign speech to a logging company, the Congressman referred to his environmentally conscious opponent as a "tree hugger."

SCAPEGOAT: The use of blame, implied or overt toward a group or individual to hide the truth or real source of the problem.

Example: Hitler blamed the Jews for many of the social and economic problems in Germany.

CRISIS COMMUNICATION AND MANAGEMENT

Crisis management is the process by which an organization deals with a major unpredictable event that threatens to harm the organization, its stakeholders, or the general public. Three elements are common to most definitions of crisis: (a) a threat to the organization, (b) the element of surprise, and (c) a short decision time Venette argues that “crisis is a process of transformation where the old system can no longer be maintained.” Therefore the fourth defining quality is the need for change. If change is not needed, the event could more accurately be described as a failure or incident.

In contrast to risk management, which involves assessing potential threats and finding the best ways to avoid those threats, crisis management involves dealing with threats after they have occurred. It is a discipline within the broader context of management consisting of skills and techniques required to identify, assess, understand, and cope with a serious situation, especially from the moment it first occurs to the point that recovery procedures start.

Public Relations (or PR) is a field concerned with maintaining public image for high-profile people, commercial businesses and organizations, non-profit associations or programs. Public relations (PR) concerns professions working in public message shaping for the functions of communication, community relations, crisis management, customer relations, employee relations, government affairs, industry relations, investor relations, media relations, mediation, publicity, speech-writing, and visitor relations.

The first World Assembly of Public Relations Associations, held in Mexico City in August 1978, defined the practice of public relations as “the art and social science of analyzing trends, predicting their consequences, counseling organizational leaders, and implementing planned programs of action, which will serve both the organization and the public interest.”. Others define it as the practice of managing communication between an organization and its publics. Public relations provides an organization or individual exposure to their audiences using topics of public interest and news items that provide a third-party endorsement and do not direct payment Common activities include speaking at conferences, working with the media, crisis communications, social media engagement, and employee communication. It is something that is not tangible; this is what sets it apart from advertising.

PR can be used to build rapport with employees, customers, investors, voters, or the general public.Almost any organization that has a stake in how it is portrayed in the public arena employs some level of public relations. There are a number of related disciplines falling under the banner of Corporate Communications, such as Analyst Relations, Media Relations, Investor Relations, Internal Communications and Labor Relations. PR professionals focus on building relationships that help to establish rapport with publics. Public Relations professionals must know how to write clearly, speak clearly, and think analytically. These skills are necessary because in the field of PR there is constant communication between professionals and their publics. PR professionals also have to think critically so that they can come up with resolutions to problems their clients may face.

There are many areas of public relations, but the most recognized are financial public relations, product public relations, and crisis public relations.

- Financial public relations – providing information mainly to business reporters.
- Consumer/Lifestyle public relations – gaining publicity for a particular product or service (rather than using advertising).
- Crisis public relations – responding to negative accusations or information.

It is sometimes said that public relations is new, as if it had been invented during the last few years or since the second world war, or just this century. In countries, such as Botswana, which have gained their independence during the last thirty years, public relations may well seem new. Amongst those who associated public relations with the older industrialised world it is sometimes claimed that public relations is an American invention. The Americans may have invented Mickey Mouse, Coca Cola and Hollywood, but they did not invent public relations.

Perhaps the reason why there is a mistaken idea that public relations is something new, is because in recent years we have enjoyed so many new ways of communicating. Before the advent of newer techniques such as television, videos and satellite broadcasting, a vital part was played by press, radio and cinema. It has, as a result, become both easier and more necessary to explain and create understanding about so many more topics as the target audience becomes ever larger. Today more than ever, public relations has to deal with the facts as they are – good, bad or indifferent and in that sense public relations has to be as new as the world in which it operates.

Let us be clear about the meaning of public relations. Essentially, public relations is about creating understanding through knowledge, and this often involves effecting change. Public relations is therefore a form of communication. It applies to every sort of organisation, commercial or non commercial, in the public or private sector. Public relations consist of all communications with all the people with whom the organisation has contact.

How Does PR help in Crisis Management?

There have been countless public relations crises in the past and there are five steps that should be executed in order to properly manage a crisis. First, the corporation in crisis should be prompt, addressing the public immediately following the discovery of the crisis. Second, the corporation in question should maintain honesty because the public is more willing to forgive an honest mistake than a calculated lie. Third, it is important to be informative because the media as well as the public will create their own rumors if no information is given to them by the corporation in crisis.

Rumors can cause significantly more damage to the corporation than the truth. Next, it is important to be concerned and show the public you care because people will be more forgiving if it is clear that the corporation cares about the victims of the crisis. Finally, maintain two-way relationships. This is important because the corporation can learn a lot about the status of public opinion by listening. These five steps are necessary in order to manage any crisis public relations situation.

With that having been said, each crisis situation is unique and, therefore, requires a tailored response. There are six types of responses and they range on a continuum from defensive to accommodative. First, corporations can attack the accuser attempting to eliminate the attacker’s credibility. Second, corporations can use denial claiming that no crisis exists. The third response is justification where the corporation claims no serious damage was done or that the victim was at fault. Fourth, the corporation can use ingratiation to appease the publics, such as giving away coupons. Next, corporations can use corrective action to right their wrongs. Finally, the corporation can give a full apology asking for forgiveness for their mistake. All six responses have been used in the past with varying results. If chosen properly, one of the six responses can help mitigate damage.

In March 2005, a woman bit into a finger while eating chili at Wendy’s. This crisis could have damaged Wendy’s image, but the corporation responded properly. They shut down the location, threw out the chili and had an investigation to discover the source of the finger. Wendy's communicated with the public openly and honestly. As a result, very little damage was done to their image.

Other successful cases of crisis public relations include the well-known Diet Pepsi case and the Tylenol case. Diet Pepsi ran into trouble when consumers began "finding" foreign objects in cans of Diet Pepsi. A variety of different objects were found including a syringe, a bullet, and even a crack cocaine vial. The corporation knew that there was no possible way for these objects to be inserted during the bottling process. As a result, Diet Pepsi used a defensive strategy claiming its innocence. They communicated openly with the public, attacked the accusers, and allowed their bottling process to be shown on the news. Temporary damage had been done to Diet Pepsi, but they quickly rebounded from the situation.

In a similar manner, Tylenol found itself in a crisis situation when people started dying from consuming cyanide laced Tylenol capsules. Tylenol acted quickly and pulled its product off the shelves without being forced to do so. They communicated openly and often with the public and had an investigation. Tylenol was found innocent at the conclusion of the investigation. Tylenol had a favorable brand image with the public because they pulled their product when they discovered the problem. Following the crisis, they even added safety seals to ensure the safety of its consumers.

While there are successful crisis public relations crises, there are a number of poor examples of crisis management. Ford and Firestone destroyed their images after mismanaging the crisis that occurred when many of their consumers died as a result of tire blowouts. Both companies claimed innocence and blamed the other. Ford and Firestone did not communicate openly or honestly with the public. Also, both corporations implied their lack of concern for their customers when they ignored the deaths and injuries of their customers to protect their bottom line. Ford's and Firestone's response to the crisis alienated their customers and caused significant damage to their image.

The Olympics always have their fair share of crises to handle. Athletes taking performance enhancing drugs has been an issue in recent times, not only in the Olympics, but major league baseball and other sports as well. During the Olympics in Torino, Austria's ski team had their home raided by Italian police in an effort to discover drug use by the athletes. The police had probable cause to search because the team had been spending time with their ex-coach, Walter Mayer, who had been suspended for providing drugs to his athletes. Team Austria should have known that a visit from their ex-coach could have negative consequences such as this.

No matter how much planning goes into preventing crises, there are always crisis situations that can not be planned for.

Crisis public relations is changing. With new media, such as My Space and Facebook, crisis situations have occurred on the web. While products and services expand to new media, there are new ways for crises to emerge. At the same time, new media can be used to communicate with the public. Corporations no longer have to rely solely on tradition broadcast news or print advertising to properly manage a crisis. Corporations can now communicate with customers across the world using a number of different media such as e-mail, websites, podcasts, internet video, and more. With more ways to reach the public and the lower cost of reaching a higher number of people, crisis communications can communicate with the public in ways corporations never imagined during the 1980's. While communication with the public is easier and cheaper than in the past, the original 5 steps to properly manage a crisis as well as the six types of responses continue to be at the foundation of any crisis public relations plan.

The Three C's of Credibility

During a crisis, effective spokespersons must, primarily through their non-verbal cues, leave their audiences with the impression that they are:

Compassionate…Competent…and Confident

Think "Rudy Giuliani" on and after 9-11. It was his attitude, his non-verbal cues, which gave his audiences comfort. If he had delivered the same messages in a stereotypical governmental manner, the amount of fear and anxiety felt by listeners would have been dramatically higher. Instead, what they clearly felt, for the most part, was "However horrible this situation is, Mayor Giuliani is going to get us through it, he's doing the right thing, in the right way." He actually delivered little substance, initially, because so little was known. But he won over his audience (not to mention laying the groundwork for his future ventures).

If stakeholders perceive you as Compassionate, Competent and Confident, they are far more likely to believe your messages. In fact, if you're really good at projecting the "Three C's," you can get away with some messaging errors and still win over your audience.

Examples of successful crisis management

In the fall of 1982, a murderer added 65 milligrams of cyanide to some Tylenol capsules on store shelves, killing seven people, including three in one family. Johnson & Johnson recalled and destroyed 31 million capsules at a cost of $100 million. The affable CEO, James Burke, appeared in television ads and at news conferences informing consumers of the company's actions. Tamper-resistant packaging was rapidly introduced, and Tylenol sales swiftly bounced back to near pre-crisis levels

Johnson & Johnson was again struck by a similar crisis in 1986 when a New York woman died on Feb. 8 after taking cyanide-laced Tylenol capsules. Johnson & Johnson was ready. Responding swiftly and smoothly to the new crisis, it immediately and indefinitely canceled all television commercials for Tylenol, established a toll-free telephone hot-line to answer consumer questions and offered refunds or exchanges to customers who had purchased Tylenol capsules. At week's end, when another bottle of tainted Tylenol was discovered in a store, it took only a matter of minutes for the manufacturer to issue a nationwide warning that people should not use the medication in its capsule form

Pepsi

The Pepsi Corporation faced a crisis in 1993 which started with claims of syringes being found in cans of diet Pepsi. Pepsi urged stores not to remove the product from shelves while it had the cans and the situation investigated. This led to an arrest, which Pepsi made public and then followed with their first video news release, showing the production process to demonstrate that such tampering was impossible within their factories. A second video news release displayed the man arrested. A third video news release showed surveillance from a convenience store where a woman was caught replicating the tampering incident. The company simultaneously publicly worked with the FDA during the crisis. The corporation was completely open with the public throughout, and every employee of Pepsi was kept aware of the details. This made public communications effective throughout the crisis. After the crisis had been resolved, the corporation ran a series of special campaigns designed to thank the public for standing by the corporation, along with coupons for further compensation. This case served as a design for how to handle other crisis situations.

UNIT-2 CONSUMER BEHAVIOUR

How many times do you make decisions throughout the day? What should I wear today? What perfume should I put on? What am I going to have for lunch?

If you think about it, we make many buying decisions every day without giving them much thought.

These decisions, as insignificant as they might seem, keep marketers up at night. Because decoding the processes behind customers' decisions means that we can use that info to boost revenue.

What is the meaning of consumer behavior?

Consumer behavior is the study of consumers and the processes they use to choose, use (consume), and dispose of products and services, including consumers' emotional, mental, and behavioral responses.

Consumer behavior incorporates ideas from several sciences including psychology, biology, chemistry, and economics.

In this guide, we'll take a look at the different aspects and facets of consumer behavior, and we'll discuss the most effective types of customer segmentation.

Why is consumer behavior important?

Studying consumer behavior is important because it helps marketers understand what influences consumers' buying decisions.

By understanding how consumers decide on a product, they can fill in the gap in the market and identify the products that are needed and the products that are obsolete.

Studying consumer behavior also helps marketers decide how to present their products in a way that generates a maximum impact on consumers. Understanding consumer buying behavior is the key secret to reaching and engaging your clients, and converting them to purchase from you.

A consumer behavior analysis should reveal:

- What consumers think and how they feel about various alternatives (brands, products, etc.);
- What influences consumers to choose between various options;
- Consumers' behavior while researching and shopping;

- How consumers' environment (friends, family, media, etc.) influences their behavior.

Consumer behavior is often influenced by different factors. Marketers should study consumer purchase patterns and figure out buyer trends.

In most cases, brands influence consumer behavior only with the things they can control; think about how IKEA seems to compel you to spend more than what you intended to every time you walk into the store.

So what are the factors that influence consumers to say yes? There are three categories of factors that influence consumer behavior:

1. Personal factors: an individual's interests and opinions can be influenced by demographics (age, gender, culture, etc.).
2. Psychological factors: an individual's response to a marketing message will depend on their perceptions and attitudes.
3. Social factors: family, friends, education level, social media, income, all influence consumers' behavior.

Types of consumer behavior

There are four main types of consumer behavior:

1. Complex buying behavior

This type of behavior is encountered when consumers are buying an expensive, infrequently bought product. They are highly involved in the purchase process and consumers' research before committing to a high-value investment. Imagine buying a house or a car; these are an example of a complex buying behavior.

2. Dissonance-reducing buying behavior

The consumer is highly involved in the purchase process but has difficulties determining the differences between brands. 'Dissonance' can occur when the consumer worries that they will regret their choice.

Imagine you are buying a lawnmower. You will choose one based on price and convenience, but after the purchase, you will seek confirmation that you've made the right choice.

3. Habitual buying behavior

Habitual purchases are characterized by the fact that the consumer has very little involvement in the product or brand category. Imagine grocery shopping: you go to the store and buy your preferred type of bread. You are exhibiting a habitual pattern, not strong brand loyalty.

4. Variety seeking behavior

In this situation, a consumer purchases a different product not because they weren't satisfied with the previous one, but because they seek variety. Like when you are trying out new shower gel scents.

Knowing what types of customers your e-store attracts will give you a better idea about how to segment customer types.

What affects consumer behavior?

Many things can affect consumer behavior, but the most frequent factors influencing consumer behavior are:

1. Marketing campaigns

Marketing campaigns influence purchasing decisions a lot. If done right and regularly, with the right marketing message, they can even persuade consumers to change brands or opt for more expensive alternatives.

Marketing campaigns can even be used as reminders for products/services that need to be bought regularly but are not necessarily on customers' top of mind (like an insurance for example). A good marketing message can influence impulse purchases.

2. Economic conditions

For expensive products especially (like houses or cars), economic conditions play a big part. A positive economic environment is known to make consumers more confident and willing to indulge in purchases irrespective of their financial liabilities.

The consumer's decision-making process is longer for expensive purchases and it can be influenced by more personal factors at the same time.

3. Personal preferences

Consumer behavior can also be influenced by personal factors: likes, dislikes, priorities, morals, and values. In industries like fashion or food, personal opinions are especially powerful.

Of course, advertisements can influence behavior but, at the end of the day, consumers' choices are greatly influenced by their preferences. If you're vegan, it doesn't matter how many burger joint ads you see, you're not gonna start eating meat because of that.

4. Group influence

Peer pressure also influences consumer behavior. What our family members, classmates, immediate relatives, neighbors, and acquaintances think or do can play a significant role in our decisions.

Social psychology impacts consumer behaviour. Choosing fast food over home-cooked meals, for example, is just one of such situations. Education levels and social factors can have an impact.

5. Purchasing power

Last but not least, our purchasing power plays a significant role in influencing our behavior. Unless you are a billionaire, you will consider your budget before making a purchase decision.

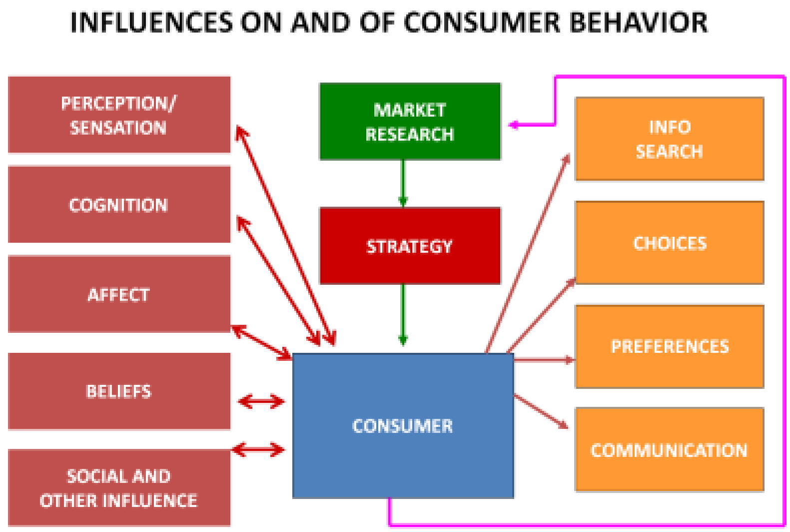
The product might be excellent, the marketing could be on point, but if you don't have the money for it, you won't buy it.

Segmenting consumers based on their buying capacity will help marketers determine eligible consumers and achieve better results.

CONSUMER BEHAVIOR AS PSYCHOLOGICAL PROCESS

Consumer behavior involves the psychological processes that consumers go through in recognizing needs, finding ways to solve these needs, making purchase decisions (e.g., whether or not to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans (e.g., by engaging in comparison shopping or actually purchasing a product).

Sources of influence on the consumer. The consumer faces numerous sources of influence.

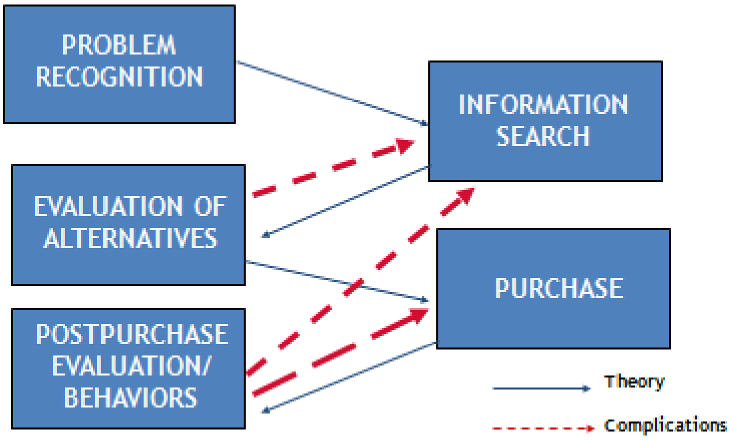


Often, we take *cultural* influences for granted, but they are significant. An American will usually not bargain with a store owner. This, however, is a common practice in much of the World. *Physical* factors also influence our behavior. We are more likely to buy a soft drink when we are thirsty, for example, and food manufacturers have found that it is more effective to advertise their products on the radio in the late afternoon when people are getting hungry. A person's *self-image* will also tend to influence what he or she will buy—an upwardly mobile manager may buy a flashy car to project an image of success. *Social* factors also influence what the consumers buy—often, consumers seek to imitate others whom they admire, and may buy the same brands. The social environment can include both the mainstream culture (e.g., Americans are more likely to have corn flakes or ham and eggs for breakfast than to have rice, which is preferred in many Asian countries) and a subculture (e.g., rap music often appeals to a segment within the population that seeks to distinguish itself from the mainstream population). Thus, sneaker manufacturers are eager to have their products worn by admired athletes. Finally, consumer behavior is influenced by *learning*—you try a hamburger and learn that it satisfies your hunger and tastes good, and the next time you are hungry, you may consider another hamburger.

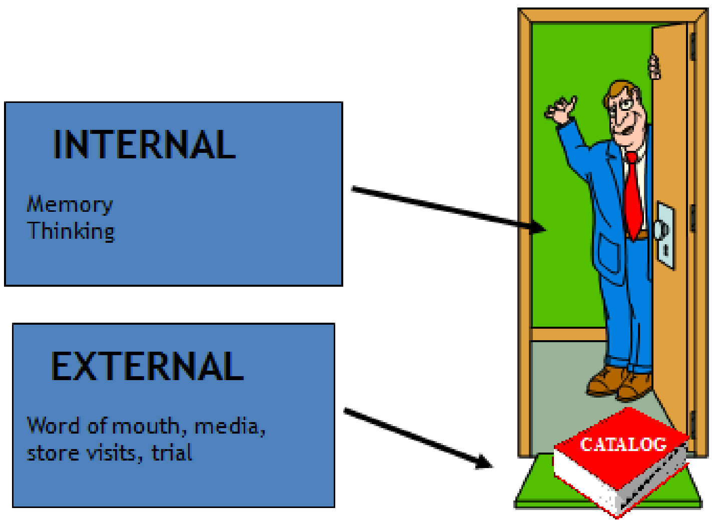
Consumer Choice and Decision Making: Problem Recognition. One model of consumer decision making involves several steps. The first one is *problem recognition*—you realize that something is not as it should be. Perhaps, for example, your car is getting more difficult to start and is not accelerating well. The second step *is information search*—what are some alternative ways of solving the problem? You might buy a new car, buy a used car, take your car in for repair, ride the bus, ride a taxi, or ride a skateboard to work. The third step involves *evaluation of alternatives.* A skateboard is inexpensive, but may be ill-suited for long distances and for rainy days. Finally, we have the *purchase* stage, and sometimes a post-purchase stage (e.g., you return a product to the store because you did not find it satisfactory). In reality, people may go back and forth between the stages. For example, a person may resume alternative identification during while evaluating already known alternatives.

Consumer *involvement* will tend to vary dramatically depending on the type of product. In general, consumer involvement will be higher for products that are very expensive (e.g., a home, a car) or are highly significant in the consumer's life in some other way (e.g., a word processing program or acne medication).

It is important to consider the consumer's motivation for buying products. To achieve this goal, we can use the Means-End chain, wherein we consider a logical progression of consequences of product use that eventually lead to desired end benefit. Thus, for example, a consumer may see that a car has a large engine, leading to fast acceleration, leading to a feeling of performance, leading to a feeling of power, which ultimately improves the consumer's self-esteem. A handgun may aim bullets with precision, which enables the user to kill an intruder, which means that the intruder will not be able to harm the consumer's family, which achieves the desired end-state of security. In advertising, it is important to portray the desired end-states. Focusing on the large motor will do less good than portraying a successful person driving the car.



Information search and decision making. Consumers engage in both *internal* and *external* information search. *Internal* search involves the consumer identifying alternatives from his or her memory. For certain low involvement products, it is very important that marketing programs achieve "top of mind" awareness. For example, few people will search the *Yellow Pages* for fast food restaurants; thus, the consumer must be able to retrieve one's restaurant from memory before it will be considered. For high involvement products, consumers are more likely to use an *external* search. Before buying a car, for example, the consumer may ask friends' opinions, read reviews in *Consumer Reports*, consult several web sites, and visit several dealerships. Thus, firms that make products that are selected predominantly through external search must invest in having information available to the consumer in need—e.g., through brochures, web sites, or news coverage.



A *compensatory* decision involves the consumer "trading off" good and bad attributes of a product. For example, a car may have a low price and good gas mileage but slow acceleration. If the price is sufficiently inexpensive and gas efficient, the consumer may then select it over a car with better acceleration that costs more and uses more gas. Occasionally, a decision will involve a *non-compensatory* strategy. For example, a parent may reject all soft drinks that contain artificial sweeteners. Here, other good features such as taste and low calories *cannot* overcome this one "non-negotiable" attribute.

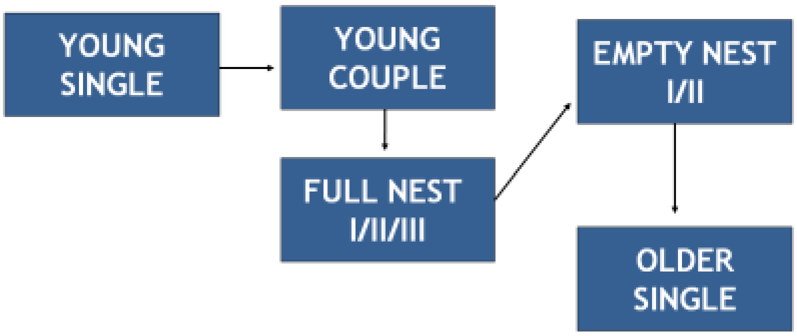
The amount of effort a consumer puts into searching depends on a number of factors such as the *market* (how many competitors are there, and how great are differences between brands expected to be?), *product characteristics* (how important is this product? How complex is the product? How obvious are indications of quality?), *consumer characteristics* (how interested is a consumer, generally, in analyzing product characteristics and making the best possible deal?), and *situational* characteristics (as previously discussed).

Two interesting issues in decisions are:

- *Variety seeking* (where consumers seek to try new brands not because these brands are expected to be "better" in any way, but rather because the consumer wants a "change of pace," and
- *"Impulse" purchases*—unplanned buys. This represents a somewhat "fuzzy" group. For example, a shopper may plan to buy vegetables but only decide in the store to actually buy broccoli and corn. Alternatively, a person may buy an item which is currently on sale, or one that he or she remembers that is needed only once inside the store.

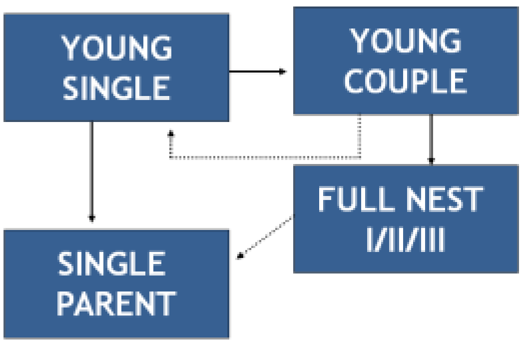
A number of factors involve consumer choices. In some cases, consumers will be more *motivated*. For example, one may be more careful choosing a gift for an in-law than when buying the same thing for one self. Some consumers are also more motivated to *comparison shop* for the best prices, while others are more *convenience* oriented. *Personality* impacts decisions. Some like variety more than others, and some are more receptive to stimulation and excitement in trying new stores. *Perception* influences decisions. Some people, for example, can taste the difference between generic and name brand foods while many cannot. *Selective* perception occurs when a person is paying attention only to information of interest. For example, when looking for a new car, the consumer may pay more attention to car ads than when this is not in the horizon. Some consumers are put off by perceived *risk*. Thus, many marketers offer a money back guarantee. Consumers will tend to change their behavior through *learning*—e.g., they will avoid restaurants they have found to be crowded and will settle on brands that best meet their tastes. Consumers differ in the *values* they hold (e.g., some people are more committed to recycling than others who will not want to go through the hassle). We will consider the issue of lifestyle under segmentation.

The Family Life Cycle. Individuals and families tend to go through a "life cycle:" The simple life cycle goes from



For purposes of this discussion, a "couple" may either be married or merely involve living together. The breakup of a non-marital relationship involving cohabitation is similarly considered equivalent to a divorce.

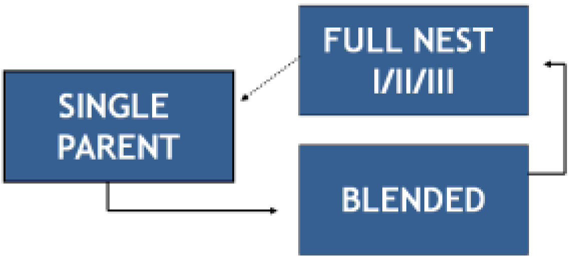
In real life, this situation is, of course, a bit more complicated. For example, many couples undergo divorce. Then we have one of the scenarios:



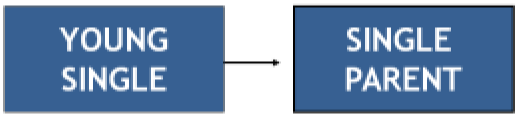
Single parenthood can result either from divorce or from the death of one parent. Divorce usually entails a significant change in the relative wealth of spouses. In some cases, the non-custodial parent (usually the father) will not pay the required child support, and even if he or she does, that still may not leave the custodial parent and children as well off as they were during the marriage. On the other hand, in some cases, some non-custodial parents will be called on to pay a large part of their income in child support. This is particularly a problem when the non-custodial parent remarries and has additional children in the second (or subsequent marriages). In any event, divorce often results in a large demand for:

- Low cost furniture and household items
- Time-saving goods and services

Divorced parents frequently remarry, or become involved in other non-marital relationships; thus, we may see

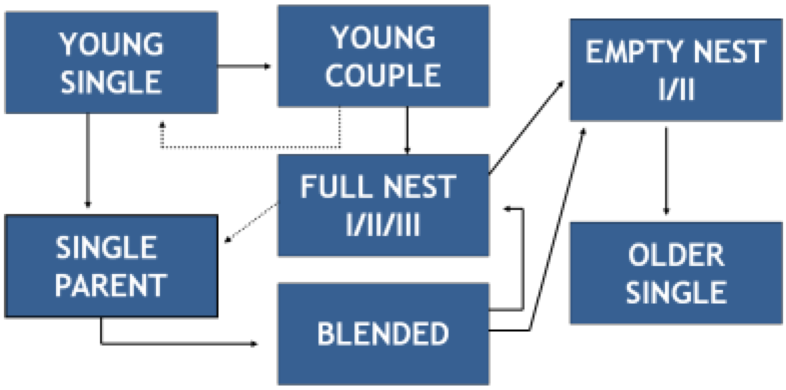


Another variation involves



Here, the single parent who assumes responsibility for one or more children may not form a relationship with the other parent of the child.

Integrating all the possibilities discussed, we get the following depiction of the Family Life Cycle:



Generally, there are two main themes in the Family Life Cycle, subject to significant exceptions:

- As a person gets older, he or she tends to advance in his or her career and tends to get greater income (exceptions: maternity leave, divorce, retirement).
- Unfortunately, obligations also tend to increase with time (at least until one's mortgage has been paid off). Children and paying for one's house are two of the greatest expenses.

Note that although a single person may have a lower income than a married couple, the single may be able to buy more discretionary items.

Note that although a single person may have a lower income than a married couple, the single may be able to buy more discretionary items.

Family Decision Making: Individual members of families often serve different roles in decisions that ultimately draw on shared family resources. Some individuals are *information gatherers/holders*, who seek out information about products of relevance. These individuals often have a great deal of power because they may selectively pass on information that favors their chosen alternatives. *Influencers* do not ultimately have the power decide between alternatives, but they may make their wishes known by asking for specific products or causing embarrassing situations if their demands are not met. The *decision maker(s)* have the power to determine issues such as:

- Whether to buy;
- Which product to buy (pick-up or passenger car?);
- Which brand to buy;
- Where to buy it; and

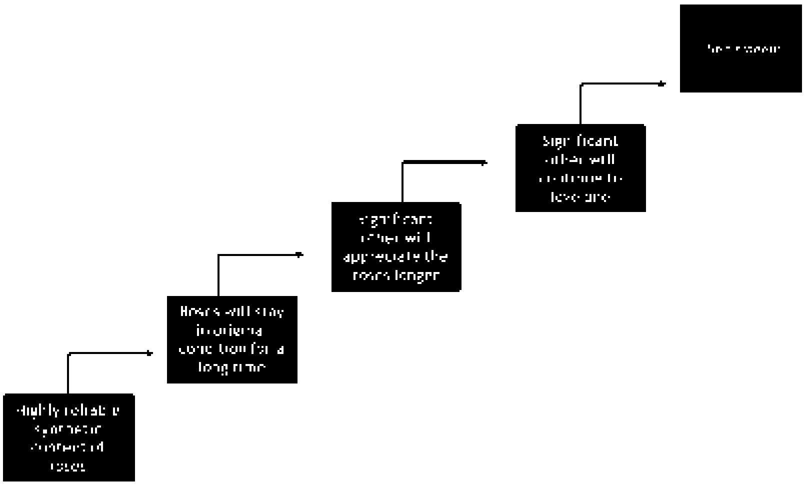
- When to buy.

Note, however, that the role of the decision maker is separate from that of the *purchaser*. From the point of view of the marketer, this introduces some problems since the purchaser can be targeted by point-of-purchase (POP) marketing efforts that cannot be aimed at the decision maker. Also note that the distinction between the purchaser and decision maker may be somewhat blurred:

- The decision maker may specify what kind of product to buy, but not which brand;
- The purchaser may have to make a substitution if the desired brand is not in stock;
- The purchaser may disregard instructions (by error or deliberately).

It should be noted that family decisions are often subject to a great deal of conflict. The reality is that few families are wealthy enough to avoid a strong tension between demands on the family's resources. Conflicting pressures are especially likely in families with children and/or when only one spouse works outside the home. Note that many decisions inherently come down to values, and that there is frequently no "objective" way to arbitrate differences. One spouse may believe that it is important to save for the children's future; the other may value spending now (on private schools and computer equipment) to help prepare the children for the future. Who is right? There is no clear answer here. The situation becomes even more complex when more parties—such as children or other relatives—are involved. Some family members may resort to various strategies to get their way. One is *bargaining*—one member will give up something in return for someone else. For example, the wife says that her husband can take an expensive course in gourmet cooking if she can buy a new pickup truck. Alternatively, a child may promise to walk it every day if he or she can have a hippopotamus. Another strategy is *reasoning*—trying to get the other person(s) to accept one's view through logical argumentation. Note that even when this is done with a sincere intent, its potential is limited by legitimate differences in values illustrated above. Also note that individuals may simply try to "wear down" the other party by endless talking in the guise of reasoning (this is a case of *negative reinforcement* as we will see subsequently). Various manipulative strategies may also be used. One is *impression management*, where one tries to make one's side look good (e.g., argue that a new TV will help the children see educational TV when it is really mostly wanted to see sports programming, or argue that all "decent families make a contribution to the church"). *Authority* involves asserting one's "right" to make a decision (as the "man of the house," the mother of the children, or the one who makes the most money). *Emotion* involves making an emotional display to get one's way (e.g., a man cries if his wife will not let him buy a new rap album).

The Means-End Chain. Consumers often buy products not because of their attributes *per se* but rather because of the ultimate benefits that these attributes provide, in turn leading to the satisfaction of ultimate values. For example, a consumer may not be particularly interested in the chemistry of plastic roses, but might reason as follows:



The important thing in a means-end chain is to start with an *attribute*, a concrete characteristic of the product, and then logically progress to a series of consequences (which tend to become progressively more abstract) that end with a *value* being satisfied. Thus, each chain *must start with an attribute and end with a value*. An important implication of means-end chains is that it is usually most effective in advertising to *focus on higher level items*. For example, in the flower example above, an individual giving the flowers to the significant other might better be portrayed than the flowers alone.

Attitudes. Consumer attitudes are a composite of a consumer's (1) beliefs about, (2) feelings about, (3) and behavioral intentions toward some "object"—within the context of marketing, usually a brand, product category, or retail store. These components are viewed together since they are highly interdependent and together represent forces that influence how the consumer will react to the object.

Beliefs. The first component is *beliefs*. A consumer may hold both positive beliefs toward an object (e.g., coffee tastes good) as well as negative beliefs (e.g., coffee is easily spilled and stains papers). In addition, some beliefs may be neutral (coffee is black), and some may be differ in valance depending on the person or the situation (e.g., coffee is hot and stimulates--good on a cold morning, but not good on a hot summer evening when one wants to sleep). Note also that the beliefs that consumers hold need not be accurate (e.g., that pork contains little fat), and some beliefs may, upon closer examination, be contradictory.

Affect. Consumers also hold certain feelings toward brands or other objects. Sometimes these feelings are based on the beliefs (e.g., a person feels nauseated when thinking about a hamburger because of the tremendous amount of fat it contains), but there may also be feelings which are relatively independent of beliefs. For example, an extreme environmentalist may believe that cutting down trees is morally wrong, but may have positive affect toward Christmas trees because he or she unconsciously associates these trees with the experience that he or she had at Christmas as a child.

Behavioral intention. The behavioral intention is what the consumer plans to do with respect to the object (e.g., buy or not buy the brand). As with affect, this is sometimes a logical consequence of beliefs (or affect), but may sometimes reflect other circumstances--e.g., although a consumer does not really like a restaurant, he or she will go there because it is a hangout for his or her friends.

Changing attitudes is generally *very difficult*, particularly when consumers suspect that the marketer has a self-serving "agenda" in bringing about this change (e.g., to get the consumer to buy more or to switch brands). Here are some possible methods:

- *Changing affect*. One approach is to try to change affect, which may or may not involve getting consumers to change their beliefs. One strategy uses the approach of *classical conditioning* try to "pair" the product with a liked stimulus. For example, we "pair" a car with a beautiful woman. Alternatively, we can try to get people to like the advertisement and hope that this liking will "spill over" into the purchase of a product. For example, the Pillsbury Doughboy does not really emphasize the conveyance of much information to the consumer; instead, it attempts to create a warm, "fuzzy" image. Although Energizer Bunny ads try to get people to believe that their batteries last longer, the main emphasis is on the likeable bunny. Finally, products which are better known, through the *mere exposure* effect, tend to be better liked—that is, the more a product is advertised and seen in stores, the more it will generally be liked, *even if consumers to do not develop any specific beliefs about the produc*t.

- *Changing behavior*. People like to believe that their behavior is rational; thus, once they use our products, chances are that they will continue unless someone is able to get them to switch. One way to get people to switch to our brand is to use temporary price discounts and coupons; however, when consumers buy a product on deal, they may justify the purchase based on that deal (i.e., the low price) and may then switch to other brands on deal later. A better way to get people to switch to our brand is to at least temporarily obtain better shelf space so that the product is more convenient. Consumers are less likely to use this availability as a rationale for their purchase and may continue to buy the product even when the product is less conveniently located.
- *Changing beliefs*. Although attempting to change beliefs is the obvious way to attempt attitude change, particularly when consumers hold unfavorable or inaccurate ones, this is often difficult to achieve because consumers tend to resist. Several approaches to belief change exist:
- *Change currently held beliefs*. It is generally very difficult to attempt to change beliefs that people hold, particularly those that are strongly held, *even if they are inaccurate*. For example, the petroleum industry advertised for a long time that its profits were lower than were commonly believed, and provided extensive factual evidence in its advertising to support this reality. Consumers were suspicious and rejected this information, however.
- *Change the importance of beliefs*. Although the sugar manufacturers would undoubtedly like to decrease the importance of healthy teeth, it is usually not feasible to make beliefs less important--consumers are likely to reason, why, then, would you bother bringing them up in the first place? However, it may be possible to strengthen beliefs that favor us--e.g., a vitamin supplement manufacturer may advertise that it is extremely important for women to replace iron lost through menstruation. Most consumers already agree with this, but the belief can be made stronger.
- *Add beliefs*. Consumers are less likely to resist the addition of beliefs *so long as they do not conflict with existing beliefs*. Thus, the beef industry has added beliefs that beef (1) is

convenient and (2) can be used to make a number of creative dishes. Vitamin manufacturers attempt to add the belief that stress causes vitamin depletion, which sounds quite plausible to most people.

- *Change ideal*. It usually difficult, and very risky, to attempt to change ideals, and only few firms succeed. For example, Hard Candy may have attempted to change the ideal away from traditional beauty toward more unique self expression.

One-sided vs. two-sided appeals. Attitude research has shown that consumers often tend to react more favorably to advertisements which either (1) admit something negative about the sponsoring brand (e.g., the Volvo is a clumsy car, but very safe) or (2) admits something positive about a competing brand (e.g., a competing supermarket has slightly lower prices, but offers less service and selection). Two-sided appeals must, contain overriding arguments why the sponsoring brand is ultimately superior—that is, in the above examples, the "but" part must be emphasized.

Perception. Our perception is an approximation of reality. Our brain attempts to make sense out of the stimuli to which we are exposed. This works well, for example, when we "see" a friend three hundred feet away at his or her correct height; however, our perception is sometimes "off"—for example, certain shapes of ice cream containers look like they contain more than rectangular ones with the same volume.

Subliminal stimuli. Back in the 1960s, it was reported that on selected evenings, movie goers in a theater had been exposed to isolated frames with the words "Drink Coca Cola" and "Eat Popcorn" imbedded into the movie. These frames went by so fast that people did not consciously notice them, but it was reported that on nights with frames present, Coke and popcorn sales were significantly higher than on days they were left off. This led Congress to ban the use of subliminal advertising. First of all, there is a question as to whether this experiment ever took place or whether this information was simply made up. Secondly, no one has been able to replicate these findings. There is research to show that people will start to giggle with embarrassment when they are briefly exposed to "dirty" words in an experimental machine. Here, again, the exposure is so brief that the subjects are not aware of the actual words they saw, but it is evident that something has been recognized by the embarrassment displayed.

Organizational buyers. A large portion of the market for goods and services is attributable to *organizational*, as opposed to individual, buyers. In general, organizational buyers, who make buying decisions for their companies for a living, tend to be somewhat more sophisticated than ordinary consumers. However, these organizational buyers are also often more risk averse. There is a risk in going with a new, possibly better (lower price or higher quality) supplier whose product is unproven and may turn out to be problematic. Often the fear of running this risk is greater than the potential rewards for getting a better deal. In the old days, it used to be said that “You can’t get fired for buying IBM.” This attitude is beginning to soften a bit today as firms face increasing pressures to cut costs.

Organizational buyers come in several forms. *Resellers* involve either wholesalers or retailers that buy from one organization and resell to some other entity. For example, large grocery chains sometimes buy products directly from the manufacturer and resell them to end-consumers. Wholesalers may sell to retailers who in turn sell to consumers. *Producers* also buy products from sub-manufacturers to create a finished product. For example, rather than manufacturing the parts themselves, computer manufacturers often buy hard drives, motherboards, cases, monitors, keyboards, and other components from manufacturers and put them together to create a finished product. *Governments* buy a great deal of things. For example, the military needs an incredible amount of supplies to feed and equip troops. Finally, large *institutions* buy products in huge quantities. For example, UCR probably buys thousands of reams of paper every month.

Organizational buying usually involves more people than individual buying. Often, many people are involved in making decisions as to (a) whether to buy, (b) what to buy, (c) at what quantity, and (d) from whom. An engineer may make a specification as to what is needed, which may be approved by a manager, with the final purchase being made by a purchase specialist who spends all his or her time finding the best deal on the goods that the organization needs. Often, such long purchase processes can cause long delays. In the government, rules are often especially stringent—e.g., vendors of fruit cake have to meet fourteen pages of specifications put out by the General Services Administration. In many cases, government buyers are also heavily bound to go with the lowest price. Even if it is obvious that a higher priced vendor will offer a superior product, it may be difficult to accept that bid

UNIT- 4 SOCIAL MARKETING

Social Marketing is a planned process for influencing change. Social Marketing is a modified term of conventional Product and Service Marketing. With its components of marketing and consumer research, advertising and promotion (including positioning, segmentation, creative strategy, message design and testing, media strategy and planning, and effective tracking), Social Marketing can play a central role in topics like health, environment, and other important issues.

In its most general sense, Social Marketing is a new way of thinking about some very old human endeavours. As long as there have been social systems, there have been attempts to inform, persuade, influence, motivate, to gain acceptance for new adherents to certain sets of ideas, to promote causes and to win over particular groups, to reinforce behaviour or to change it -- whether by favour, argument or force. Social Marketing has deep roots in religion, in politics, in education, and even, to a degree, in military strategy. It also has intellectual roots in disciplines such as psychology, sociology, political science, communication theory and anthropology. Its practical roots stem from disciplines such as advertising, public relations and market research, as well as to the work and experience of social activists, advocacy groups and community organizers.

As Phil Kotler points out in his book Social Marketing - Strategies for Changing Public Behaviour, campaigns for social change are not a new phenomenon. They have been waged from time immemorial. In Ancient Greece and Rome, campaigns were launched to free slaves. In England during the Industrial Revolution, campaigns were mounted to abolish debtor prisons, grant voting rights to women, and to do away with child labour. Notable social reform campaigns in nineteenth-century America included the abolition, temperance, prohibition and suffragette movements, as well as a consumer movement to have governments regulate the quality of foods and drugs.

In recent times, campaigns have been launched in areas such as health promotion (e.g., anti-smoking, safety, drug abuse, drinking and driving, AIDS, nutrition, physical fitness, immunization, breast cancer screening, mental health, breast feeding, family planning), environment (e.g., safer water, clean air, energy conservation, preservation of national parks and forests), education (e.g., literacy, stay in school), economy (e.g., boost job skills and training, attract investors, revitalize older cities), and other issues like family violence, human rights, and racism.

Social Marketing combines the best elements of the traditional approaches to social change in an integrated planning and action framework, and utilizes advances in communication technology and marketing skills. It uses marketing techniques to generate discussion and promote information, attitudes, values and behaviours. By doing so, it helps to create a climate conducive to social and behavioral change.

Principles of Social Marketing

Social marketing is used by public health agencies to promote the adoption of healthy behaviours.

The term "social marketing" has been skewed in recent years due to its frequent confusion with social media marketing, such as posting content and advertising on LinkedIn and Facebook. Social marketing is a public health marketing methodology that uses commercial marketing techniques to promote the adoption of behaviors that will improve the health or well-being of the target audience or of society as a whole.

Social Marketing Explained

Social marketing uses the same methods that Kellogg's uses to sell cereal—a focus on the audience, market research, and a strategic marketing plan—but instead of asking consumers to buy a product, the target audience is encouraged to adopt a healthy behaviour.

Remember the "this is your brain on drugs" TV commercials from the 1980s? How about the "Truth" antismoking commercials from the 2000s? These are both examples of large-scale social marketing campaigns. Because of the highly targeted nature of social marketing and the difficulty measuring large-scale effectiveness, social marketing works best when implemented on a community level with a specifically defined target audience. Encouraging the consumption of fresh fruits and vegetables to low-income minority residents of three underserved neighbourhoods in Chicago would be an example of a social marketing effort.

The World Health Organization and several countries with their own international agencies working in Africa and other impoverished nations began using social marketing principles in the 1960s. However, it wasn't until the 1970s that Philip Kotler and Gerald Zaltman's article in the *Journal of Marketing* defined social marketing as a discipline. Today, social marketing is used frequently by the

Centre for Disease Control and Prevention and similar government health organizations in Canada, Australia, and the United Kingdom. Social marketing has also been used by non-profit organizations like PETA and American Legacy Foundation.

The Social Marketing Process

The social marketing process consists of five stages, each of which involves its own set of activities:

1. Formative evaluation and planning
2. Message and materials development
3. Pretesting and campaign adjustment
4. Implementation and materials dissemination
5. Impact evaluation and feedback

This article in our multipart series on social marketing primarily covers the first stage in the social marketing process.

Research for Social Marketing Campaign Development

One of the key components of a social marketing campaign, and what sets it apart from a PSA trying to raise public awareness, is the formative research conducted prior to and during the creative production process. Collecting and analysing quantitative and qualitative research data will help you better understand the problem and its context; the audience affected by the problem and its knowledge, attitudes, and beliefs; and develop more effective messaging and audience outreach tactics.

Quantitative research may be obtained through secondary research methods, such as reviewing academic articles, research studies, census data, and epidemiologic reports obtained from the health department. If a social marketing campaign is being implemented on a local level, it is also advised to distribute a survey directly to members of the target audience. Conducting your own primary quantitative research after reviewing the secondary research allows you to gather more specific information about the behaviours and needs of the precise people for whom the campaign is being developed.

As important as quantitative research is the qualitative research in the formative research stage of social marketing. If a campaign is local, it is beneficial to visit the communities you want to target to conduct ethnographic observation. This is the process of observing how the target audience behaves in their own community and how the behaviour you are trying to change is valued in that community. Interviewing community stakeholders or key informants, such as a minister, bartender, or hair stylist, can help glean valuable insight into a community from people who know the community well. Hosting focus groups or town-hall meetings with members of the target audience can also be particularly insightful.

Audience Segmentation in Social Marketing

Following a robust analysis of the data collected from both quantitative and qualitative research, the final step before developing campaign messages and design elements is to segment the audience. Social marketing often fails because the audience is too broad. By segmenting your audience, you can identify the groups more reachable by the campaign and potentially create different messages and campaign elements for different subgroups of your target audience. Segments of your audience may also be based on geographic location, demographics, psychographics, and attitudes or beliefs.

Social marketing Strategy

In the 20th century, nearly every marketing problem had one solution—the 30 second TV ad. If you had a product to sell, you could reach everybody you needed to with a powerful, highly polished message in a very short period of time.

Yet marketing in the digital age is different. Building awareness is no longer sufficient. In fact, it may even benefit your competitors more than it does your brand because once consumers react to your message, they will be retargeted using digital methods.

So the basic function of marketing promotion has changed. It is no longer enough to simply grab attention, you need to be able to hold attention and that's where social strategy comes in. The age of catchy slogans and massive ad campaigns is over. Brands in the 21st century need to become more like publishers and strategy needs to follow from that.

Clarifying the Mission

Content strategy has become a popular specialty in marketing lately. The problem is that very few content strategists actually know what they're talking about. They tend to approach content as if it was just a longer version of an ad and therefore double the usual amount of psychobabble about the "consumer mindset."

In truth, a publisher's first loyalty is not to the consumer, but to the editorial mission. That doesn't mean you should ignore consumers, trends or anything else that's going on. What it does mean is that great publications stand for something.

Apple stands for design. Harley Davidson stands for friendship and camaraderie. Red Bull stands for an extreme lifestyle. These brands successfully engage consumers because the brand's mission supersedes whatever they happen to be selling at any given time.

So the first thing you need to do to create a successful social strategy is figure out what you stand for.

Identifying Analogues

There is probably no greater peril in marketing than the misplaced compulsion to be original. Originality, after all, is not a virtue in and of itself, but only has value if it's meaningful. Try to be different for difference's sake and you'll accomplish nothing more than being weird. That might thrill the guys in the office, but it will fail in the marketplace.

So the best way to start formulating a social strategy is to identify others who share your mission. What are they doing? What succeeds and what doesn't? What can we add? What can we subtract? There's no reason to try to reinvent the wheel.

When I was a professional publisher, we would insist on 3-5 analogues for any development or editorial brief and we found that practice absolutely essential. It not only helped us adopt best practices and avoid poor ones, it also helped everyone visualize exactly what we were trying to accomplish.

Focusing on Structure

Law and Order was one of the most successful TV shows in history. Running for 20 seasons, it not only ruled the ratings, but was a critical success as well.

Regular viewers of the show became familiar with its strict structure. First, a crime, then an investigation leading to an arrest and prosecution. Somewhere along the way a snag would be hit, creating tension that would drive the story. You could almost set your watch by it.

Every successful content product has a clearly defined structure. TV shows have plot formulas, radio stations have clocks, magazines have brand bibles and web sites have usability rules. These are strictly followed.

While this may seem boring in concept, creating a clear structure is absolutely crucial in practice. Any cognitive energy your audience uses up trying to navigate your content lessens the amount of energy they can spend on what you're trying to tell them. A standard format is also helpful in setting the constraints under which creativity thrives.

A legendary editor once told me that a great content product delivers two things: consistency and surprise. I think the same is true with social marketing. You should set expectations, but also feel free to break the rules now an then. However, without consistency, there can be no surprise, you just make a mess.

Create A Community (Not An Audience)

Up till now, I've focused mainly on content. That's deliberate, because without compelling content that informs, excites and inspires, social marketing doesn't have a chance. It simply will not be effective. However, the mark of a great social marketing program is that it builds more than an audience—it builds a community.

This is where things often go wildly, wildly wrong because social marketers mistakenly equate the strength of their community with the size of their following. They establish fans on Facebook , Twitter and other social networks as key performance indicators and then blast them with brand messages.

The truth is that the strength of your community has much less to do with how consumers are connected to you than how they are connected to each other. That's how great social brands, like Apple, Harley and eBay built devoted followings long before anyone even heard of social media.

The bottom line is that we are now in a post-promotional age where brand messages are only half the battle. To build a great brand today you need to build great brand experiences and the best way to do that is to build a community around shared values with content that holds attention.

UNIT-4 **CORPORATE SOCIAL RESPONSIBILITY** (CSR)

According to the United Nations Industrial Development Organisation, **Corporate Social Responsibility** (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (**Triple – Bottom Line – Approach**), while at the same time addressing the expectations of shareholders and stakeholders.

In India, with the enactment of the Companies Act, 2013 by the Ministry of Corporate Affairs, Government of India, it has now become mandatory for Companies to take up CSR projects on social welfare activities. India is the only country which has regulated and mandated CSR activities to be undertaken by certain categories of companies. In the present times, the ambit of CSR activities has grown manifold and is playing an important part in achieving the sustainable development goals and private-public partnership in nation building. CSR has also played a very important role in supporting the social and economic development of the country during the Covid-19 pandemic.

Section 135 of The Companies Act, 2013 has made it mandatory for companies fulfilling certain criteria, to implement and report CSR policies.Rules framed thereunder and Notifications issued from time to time has provided extensive guidelines on the activities to be undertaken by the companies and the reporting of the same in the Annual Report of the Company.

During the COVID-19 pandemic, CSR has played an even greater role with corporates, and individuals undertaking Corporate Social Responsibility projects over and above the minimum criteria determined by law. Corporates have stood by the Government, during the time of crisis to strengthen the country both socially and economically. The ideology of our Prime Minister Narendra Modi, of Atmanirbhar Bharat and Sashakt Bharat can be met through the private-public partnership model in CSR activities. CSR had also played a major role in implementing the Swatch Bharat Abhiyan.

With the increasing importance of the CSR activities, it has been felt necessary to provide guidance to the industry and professionals on the accounting aspects of the CSR Expenditures. Section 135 of The Companies Act, 2013 has made it mandatory for companies fulfilling certain criteria, to implement and report CSR policies. Rules framed thereunder and Notifications issued from time to time has provided extensive guidelines on the activities to be undertaken by the companies and the reporting of the same in the Annual Report of the Company.

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With the increasing importance of the CSR activities, it has been felt necessary to provide guidance to the industry and professionals on the accounting aspects of the CSR Expenditures.

The Board has to ensure that the company spends in every financial year at least 2% of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, on Corporate Social Responsibility (CSR) in pursuance of its policy in this regard.

Section 135 (5) of the Companies Act, 2013, requires that the Board of every eligible company, “shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy”. Second Provision to Section 135(5) states that “if the company fails to spend such amount, the Board shall, in its report … specify the reasons for not spending the amount”.

Where a company spends more than that required under law, a question arises as to whether the excess amount ‘spent’ can be carried forward to be adjusted against amounts to be spent on CSR activities in future period. Since ‘2% of average net profits of immediately preceding three years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years,’ is the minimum amount which is required to be spent under section 135 (5) of the Act, if the company spends an amount in excess of the requirements provided under this sub-section, such company currently is not allowed to set off such excess amount against the requirement to spend under this sub-section.

List Of CSR Activities:

Eradicating hunger, poverty and malnutrition

Promoting education including special education and employment enhancing vocational skills

Promoting gender equality

Ensuring environmental sustainability

Protection of national heritage, art and culture

Measures for the benefit of armed forces veterans and their dependence

Training and promote rural sports, nationally recognised sports and Olympic sports

Contribution to the Prime Ministers National Relief Fund

Contribution or funds provided to Technology Incubators located within Academy Institutions

Rural development projects

Slum area development

Case study about CSR

This case is about Coca-Cola's corporate social responsibility (CSR) initiatives in India. It details the activities taken up by Coca-Cola India's management and employees to contribute to the society and community in which the company operates.

Coca-Cola India being one of the largest beverage companies in India, realized that CSR had to be an integral part of its corporate agenda. According to the company, it was aware of the environmental, social, and economic impact caused by a business of its scale and therefore it had decided to implement a wide range of initiatives to improve the quality of life of its customers, the workforce, and society at large.

However, the company came in for severe criticism from activists and environmental experts who charged it with depleting groundwater resources in the areas in which its bottling plants were located, thereby affecting the livelihood of poor farmers, dumping toxic and hazardous waste materials near its bottling facilities, and discharging waste water into the agricultural lands of farmers. Moreover, its allegedly unethical business practices in developing countries led to its becoming one of the most boycotted companies in the world.

Notwithstanding the criticisms, the company continued to champion various initiatives such as rainwater harvesting, restoring groundwater resources, going in for sustainable packaging and recycling, and serving the communities where it operated. Coca-Cola planned to become water neutral in India by 2009 as part of its global strategy of achieving water neutrality. However, criticism against the company refused to die down. Critics felt that Coca-Cola was spending millions of dollars to project a 'green' and 'environment-friendly' image of itself, while failing to make any change in its operations. They said this was an attempt at greenwashing as Coca-Cola's business practices in India had tarnished its brand image not only in India but also globally. The case discusses the likely challenges for Coca-Cola India as it prepares to implement its new CSR strategy in the country.

Case Study on 'Havells India Limited'

To understand more about corporate social responsibility, we have picked up the case study of a well-known Indian FMEG (Fast Moving Electrical Goods) brand. Yes, we are talking about Havells India Limited which is recognized worldwide for its excellent product quality and service.

About the Brand

Havells India Limited, a leading manufacturer of FMEG and power distribution equipment, is a globally renowned Indian brand today.

The owner of the company, Qimat Rai Gupta, acquired a small electrical goods company named Havells in the year 1971, under the QRG Group. He had a vision of converting this small business into a superior electrical goods manufacturing plant in India.

The brand, since then, saw several mergers and acquisitions to become a global FMEG leader. In the year 2015, Havells successfully acquired a place in the world's top five lighting companies.

The company runs more than 500 exclusive brand showrooms across the globe, under the name 'Havells Galaxy'. It has also pioneered the doorstep service concept in FMEG market facilitated through 'Havells Connect'.

The brand is presently valued at USD 1.4 billion, which shows the success and growth of the company from a local brand to becoming a global entity.

Case Study on Corporate Social Responsibility (CSR)

Definition: Corporate social responsibility refers to a sustainable business model where the company is accountable and responsible towards the social, cultural, environmental and economic aspects of the society. The companies cannot solely function for profit generation, it also needs to contribute to society and the public.

An organization operating in a country is recognized as its corporate citizen. Therefore, the company needs to fulfil its duties towards the nation in the form of CSR.

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Vision

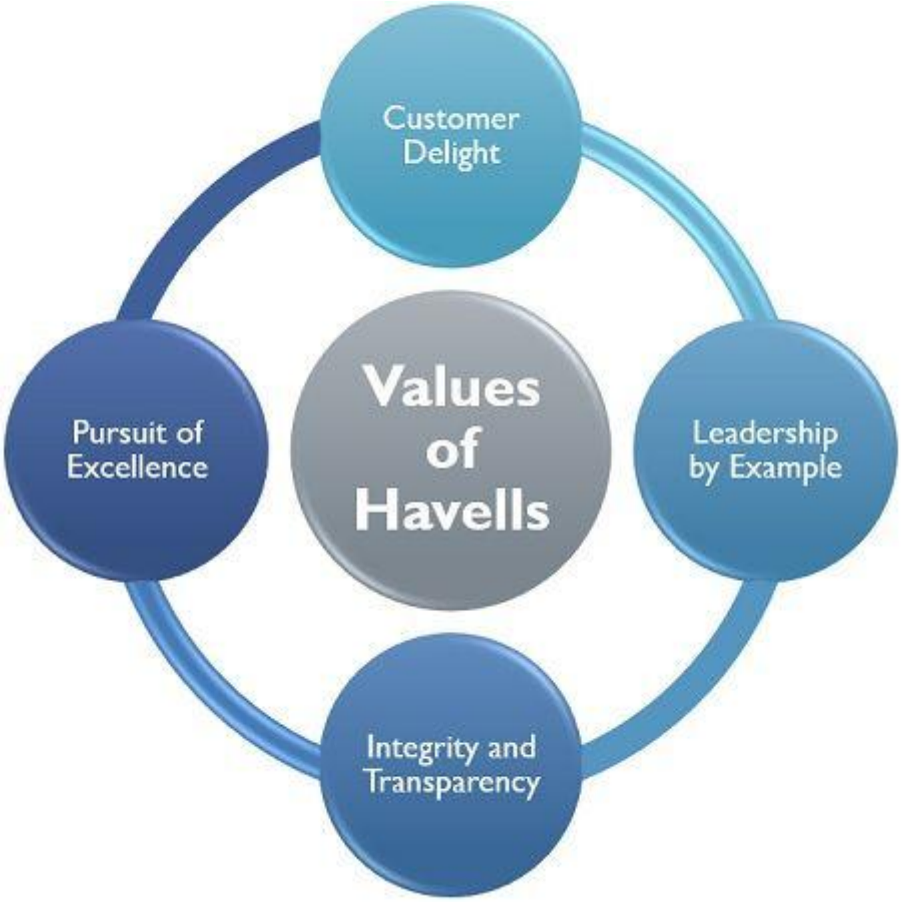
The company had a broad view of manufacturing high-quality products to attain consumer satisfaction by adopting fair trade practices. The company's vision reads:

Mission

The mission of the company is well framed, including the key focus areas of the brand. It highlights the company's goals of ethically attaining its vision, becoming a globally recognized brand, technological advancement, and establishing strong public relations. The brand quotes its mission as:

Values

The company has proceeded with superior values and ethics as mentioned below:

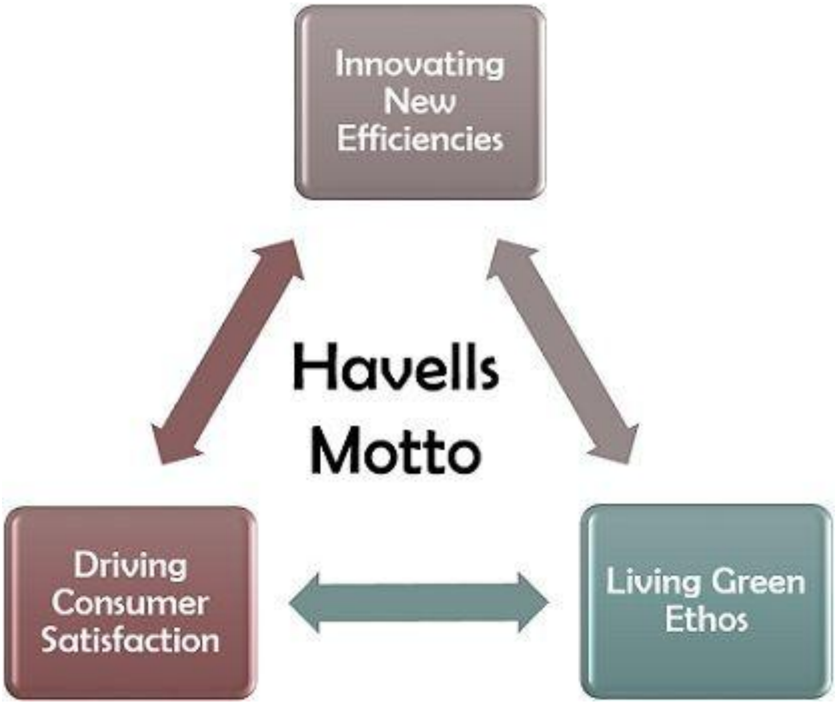


- **Customer Delight**: Havells prioritize customer satisfaction by exceeding their expectations, to deliver a delightful experience.
- **Leadership by Example**: The brand has believed in setting examples by developing mutual trust and thus, laying down business and transaction standards.
- **Integrity and Transparency**: The company clearly stated its vision of carrying out business operations ethically and maintaining transparency in all its dealings.
- **Pursuit of Excellence**: Havells strive for constant learning to excel in the field and to ensure the rigorous improvement of the brand, its people, services and products.

Motto

The brand philosophy of Havells was to manufacture premium quality electrical goods in India and selling it globally.

Moreover, the company's eco-friendly approach, exploration of its highest potential and consumer contentment strategy, made it stand out from its competitors.



Havells India's Mid-Day Meal Program

In the year 2004, Havells researched to find out the logic behind unavailability of sufficient human resource for its Alwar Plant. It encountered the problems of poverty, malnutrition and illiteracy in the region.

The study showed that children work in the farms instead of going to school, to earn a living. It was a challenging task for the families of Alwar, Rajasthan to get sufficient meals twice a day, which made them starve and malnourished. The most affected of all were the children of this region.

Havells decided to deal with this situation by aiming at ‘Zero Hunger’ in the Alwar region. The brand joined hands with the Rajasthan government to initiate a mid-day meal program in various government schools of the district.

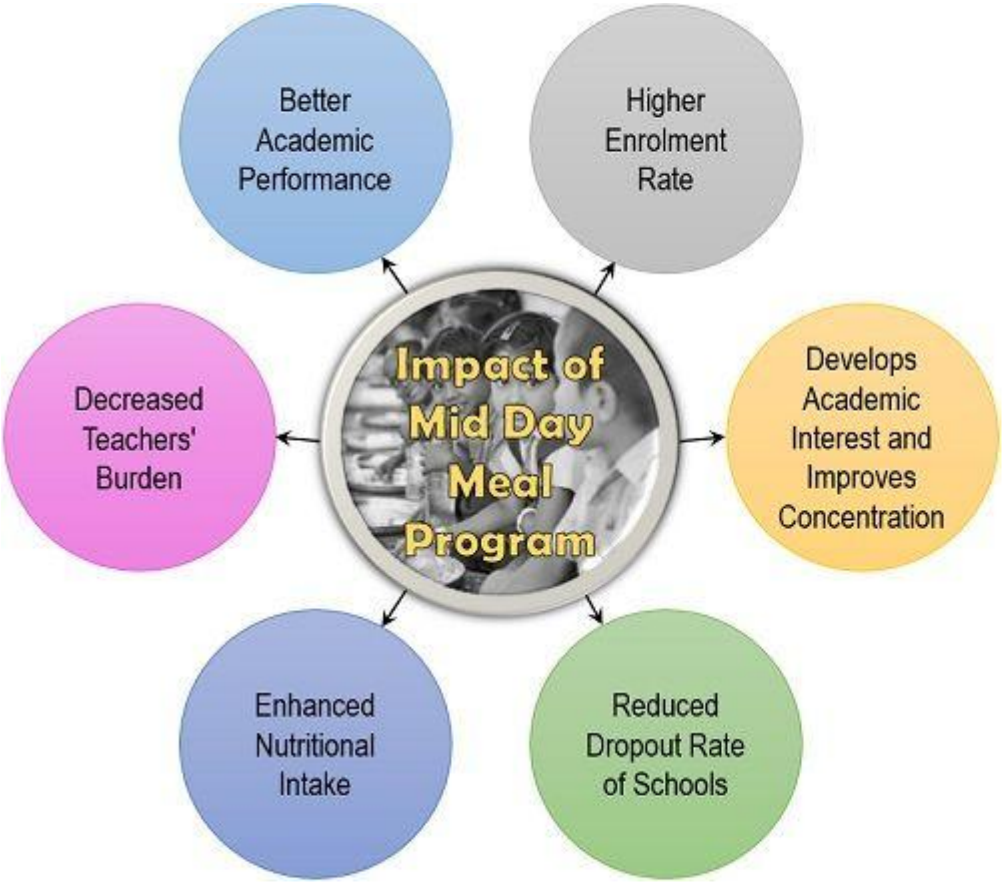
The food is prepared in the company’s state-of-the-art kitchen spread across 4 acres of area, engaging a workforce of 160 people. Havells made sure to give its best by ensuring proper control over procurement of grocery, food preparation, raw material storage and supply of prepared meals to schools. The brand made sure that the diet chart approved by the government is strictly followed and proper hygiene and food quality are maintained.

Havells initially served 1500 students of 5 schools, and later the number increased to 60000 children studying in 693 schools in the Alwar district. The principal idea behind this program was to motivate children to go to school by providing them with a nutritious, hygienic and fresh food as an afternoon meal daily. This initiative had met two primary CSR goals, i.e., child education and malnutrition.

Impact of Havells MDM Program

The mid-day meal program brought a significant improvement in the conditions of the people in Alwar. It improved the overall health of the children and thus, transformed their lives by directing them towards a better future.

Let us now go through the other positive effects of this program:



1. **Higher Enrolment Rate**: The children who were unable to get proper meals at home were fascinated by the mid-day meals, provided at the school premises. Thus, there was a remarkable increase in new admissions in government schools.
2. **Develops Academic Interest and Improves Concentration**: The mid-day meal kept the students well-fed, which made them more active and attentive in the classroom.
3. **Better Academic Performance**: With the rise in student's concentration level, their interest and willingness towards learning also increased.
4. **Reduced Dropout Rate of Schools**: There was a gradual decrease in the students turnover and transition in the Alwar's government schools since the children cherished going to schools now.
5. **Enhanced Nutritional Intake**: The Body Mass Index (BMI) determines the health conditions of a person. MDM program ensured a nutritional meal for the kids, which improved their BMI within five years.

6. **Decreased Teachers' Burden**: Since the company had taken the responsibility of providing mid-day meals to the students, the teachers can utilize their time in academic activities.

Havells Other Corporate Social Responsibility Activities

The company came up with many different CSR activities to confront the various social and environmental issues. Some of these are as follows:

WASH (Water, Health and Hygiene) Program

To improve the sanitation condition, Havells constructed more than 4000 eco-friendly bio-toilets in around 400 government schools, across the Alwar district, under the WASH (Water, Health and Hygiene) program. These toilets used the technology of DRDO (Defence Research and Development Organization) to transform human waste into water and biogas, with the help of special bacteria.

Sensitization Workshops

The brand organized workshops for the students, teachers and parents to spread awareness about the WASH program. The primary objective of this activity was to educate people and bring about a change in their perception and behaviour towards cleanliness and hygiene. The company also invested in the maintenance and cleaning of the bio-toilets.

Preserving Heritage

The company connected with the AKFI (Aga Khan Foundation India) to donate funds for the construction of the Humayun's Tomb Interpretation Center at Delhi; and also for the preservation of the 'Sabz Burj', a national monument in Delhi.

First 'Water Positive Company'

Being responsible towards water conservation, Havells made sure that all its plants are installed with the modern water harvesting systems and zero discharge facilities. The company's constant monitoring, measuring and controlling has decreased its water consumption to an optimum level.

Tree Plantation

Havells has also contributed towards environment protection by creating a 'Kanya Upvan', for planting a tree on birth of a girl child, in Alwar, Rajasthan. Moreover, the brand has planted more than one lakh trees in Bhopal and Neemrana. Along with fifty thousand plus trees in Alwar and Baddi.

Bench Donation

The company has also innovatively utilized its wooden scrap for manufacturing furniture. This furniture is donated to government schools for better infrastructure. Havells has given out more than 2000 set of benches till date, to the schools in Neemrana, Alwar and Haridwar.

Skill Development

The brand has focused more on the growth of the nation's children and youth. Thus, it has opened Electrical Skill Development Center at ITI, technical schools located at Nagaon, Assam and Pusa, Delhi. It also funded the construction of two classrooms at ITI located in Kangra, Himachal Pradesh.

Health Care

Havells adopted two children suffering from genetic disorder 'thalassemia' and funded their expensive 'Bone Marrow Transplant' procedure. The company also provided complete financial assistance for their treatment.

Kerala Relief Fund

In the year 2018, Kerala was struck by worst flood situations. The employees and dealers of the Havells India Ltd. contributed towards Kerela Distress Relief Fund, a sum of rupees five crores for the flood victims.

Brand Objectives

The primary goal of the CSR programs run by Havells was to build a superior and robust image of the brand. The company aimed to connect with the consumers by accomplishing its social responsibilities towards local communities, people and environmental conservation.

Havells also focused on attaining sustainability by improving the living standards, shielding environment, reducing the emission of CO2 and endeavouring beneficial solutions to the market.

The company has taken the business ethics and CSR to the next level by introducing a range of non-radioactive and energy-efficient products.

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