

# **THE CONCEPT DESIGN OF CAUSE RELATED MARKETING UTILIZING WANTS CHAIN ANALYSIS PROPOSING THE METHOD AND VALIDATION THROUGH VALUE CO-CREATION WORKSHOPS**

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## **ABSTRACT**

In this study, we propose a methodology for designing a Cause-Related Marketing (CRM) strategy using Wants Chain Analysis (WCA). To delineate the methodology, the authors introduce the concept of WCA to design CRM through a concrete and effective process in a standardized manner. The methodology can help create new types of concepts of CRM that are not only donation-based but also make relationships and supply substance or service. The authors validate the efficacy of a WCA-based CRM by conducting experiments during workshops held for value co-creation, in which various CRM stakeholders participated to create concrete designs for CRM.

Keywords: CRM, healthcare, optimization, value co-creation, workshop

## **1 INTRODUCTION**

The purpose of this study is to propose and to verify the effectiveness of a conceptual design methodology for Cause-Related Marketing (CRM) that uses Wants Chain Analysis (WCA) which visualizes the flow of not only money but also desire of stakeholders. CRM is defined as an activity creating either one or more than one cause, relationship, or partnership with the aim of realizing mutual benefits for customers, and the executing company that offers brand strength, products, and services to the market. WCA (Wants Chain Analysis) is a method of visualizing wants and needs of stakeholders within the CVCA. WCA is proposed as an extension of CVCA (Customer Value Chain Analysis). CVCA is a method of visualizing relationships amongst stakeholders for analyzing existing social systems and for designing new social systems. In WCA, it is shown that people's wants or needs are ultimately realized through the looped and linear chain of relationship amongst stakeholders. CRM has gained popularity through its adoption by a number of companies undergoing reconstruction in the wake of the Great East Japan Earthquake. The proportion of the population possessing social consciousness, as required for the purpose of cause-related marketing, is actually increasing in Japan. A poll on social awareness, conducted by the Cabinet Office in 1975, showed that the proportion of people who had expressed a desire to

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help the society was around 35%. Since then, it has been increasing every year, with the 2012 survey indicating the proportion at 67%. Before defining CRM, it is pertinent to define “Cause” as “An organization, plan, or activity that you are willing to support because it provides help or benefit to people who need it.”

Conventionally, companies have led the CRM design, strategy formation and analytical processes. Furthermore the format is generally donation-based. However, it has been pointed out that cooperation amongst various stakeholders, including a company and its consumers, as well as cultural and spiritual factors are essential for the future of marketing activities. In that case, the format of CRM could be flexible, like product or service-based not only donation-based. This paper proposes a CRM design methodology utilizing Wants Chain Analysis (WCA), as a new concept designed to fulfill the cultural and spiritual factors.

Furthermore, Co-Creation workshops are utilized as one of the platforms for stakeholders to co-create value through discussion. In order to validate the proposed methodology, an experiment relating to the Concept Design Method of CRM utilizing WCA was conducted. Based on the results of the experiment, it was concluded that the methodology proposed for this study is valid.

### **2 BACK GROUND AND ISSUE OF CRM**

CRM is originated from the “Statue of Liberty Restoration Campaign” run by American Express (USA), in which the company promised to donate one cent each time a customer used his or her credit card. Thereafter, many companies have applied CRM in various ways. In fact, CRM was applied in many cases as a form of assistance for reconstruction in the wake of the Great East Japan Earthquake on 3.11.2011. However, it has been revealed that CRM is designed on a case-by-case and ad-hoc basis, in light of interviews with people having experience of CRM design and execution. In other words, CRM conventionally relies heavily on the personal competencies and experiences of those in charges, but not on established design methodologies and manuals. In addition, previous studies focused on the analysis of CRM mechanisms and social marketing. One study proposed a methodology to analyze the concept of designed CRM. On the other hand, further research into the study of CRM conceptual design methodology and its academic contribution is expected.

### **3 WANT CHAIN ANALYSIS (WCA): AN EXPLANATION**

An application of WCA to the CRM concept design methodology enables it to be more functional and versatile. Using various examples, the effectiveness of WCA is depicted by describing the characteristics of business/social system structure that can be clearly visualized using WCA. It is said that WCA is useful when it is used for analyzing existing systems as well as for creating new systems. It is also shown that “think of others” will become increasingly important for humans’ satisfaction and happiness in the near future. WCA can be used as a tool

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for clarifying what is beneficial for others. For example, Figure 1 depicts the WCA analysis of the “Drink 1, give 10” campaign run by a bottled water brand “Volvic,” which is a well-known CRM case. As shown in Figure 1, an application of WCA to CRM design visualizes the desires of stakeholders (consumers, Volvic, UNICEF, and target beneficiaries), thus confirming that desires are fulfilled amongst stakeholders. Mutually-beneficial relationships amongst stakeholders are also evident in the Figure.

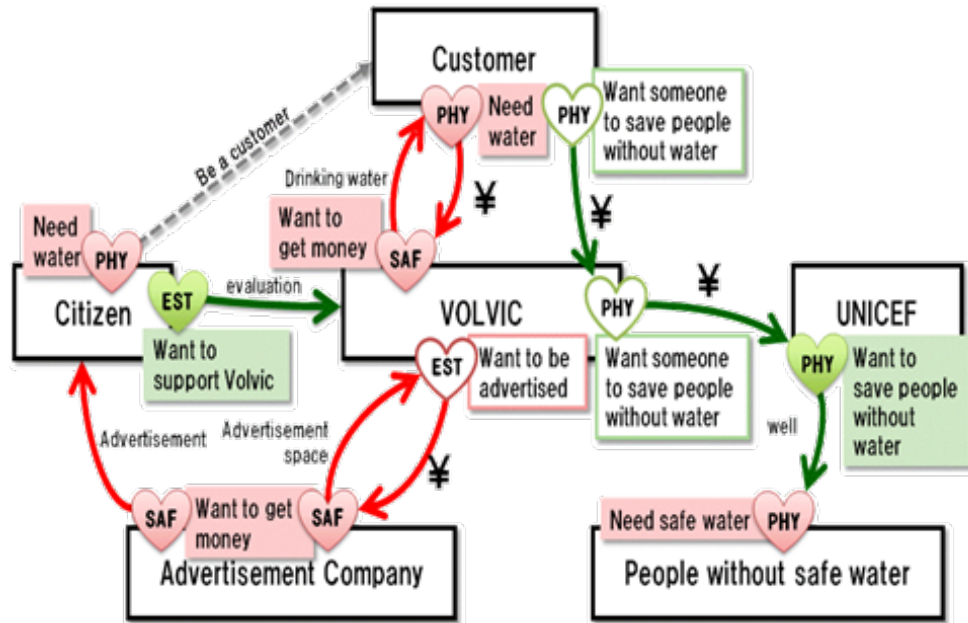


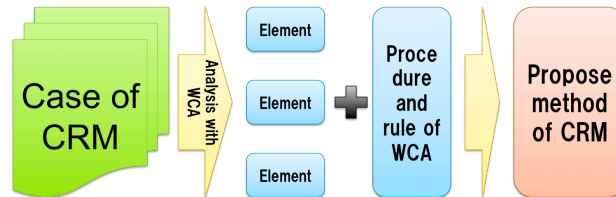
Figure1. Example of WCA (“Drink 1, give 10” campaign) (Maeno et al, 2011)

WCA is suitable to apply as a methodology for designing the CRM concept. CRM forms a relationship between cause and a company concerning mutual benefit amongst stakeholders. WCA is a useful tool for visualizing and relationship-building. As a means to achieve CRM’s goal of creating mutual benefits for a company and a cause, a company builds a relationship and partners with the cause. WCA visualizes the desires of a company and of each stakeholder, and develops a relationship in which the desires are realized by means of loops and linear chains amongst stakeholders. CRM is able to design a concept that provides mutual benefit to each stakeholder through applying the method of WCA.

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## 4 CASE STUDY ANALYSIS OF CRM USING WCA

The overall flow of the current study is shown in Figure 2. First, 44 examples of CRM case study was analyzed using WCA. Then, I extracted the elements of the CRM by applying the design methodology of the WCA to the elements. As a result, the proposed method of CRM was obtained.



**Figure2. Process of the proposed method**

### • 4.1 How to conduct the analysis by using WCA

First, select a case study from a cause forum and Internet. After selecting the case study, conduct the following three steps analysis of CRM.

- (1) List all stakeholders
- (2) Identify the flow and value of each stakeholder
- (3) Estimate the desires of stakeholders

All 44 cases were analyzed using the above steps.

### • 4.2 Results of the analysis

Four conditions are necessary to design a CRM using WCA.

- (1) Companies that you choose have an altruistic desire
- (2) Companies that you choose have a selfish desire
- (3) There is a cause
- (4) The target of the cause has a selfish desire

In addition to these conditions, the design methodology of the WCA can be combined using the following three steps.

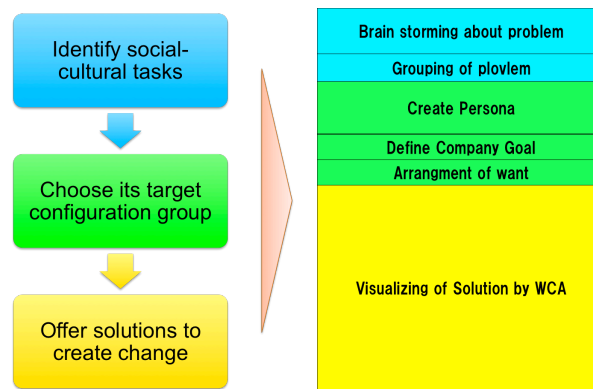
- (1) Estimate the desires of each stakeholder, which lead to an action, to fill a heart mark at the tip of an arrow in Figure 1.
- (2) Verify the sufficiency of the desire for all stakeholders.
- (3) Add the stakeholders, and repeat steps 1 to 3 until it satisfies the rule.

## 5 PROPOSED METHODOLOGY

The procedure to design the CRM concept consists of the following three steps

1. Identify social-cultural tasks
2. Choose the target configuration group
3. Offer solutions to create change

To clarify further, in designing CRM concepts, step 1“Identification of social-cultural task” specifies the cause in CRM. Step 2 “Choosing the target configuration group” selects the stakeholder who is supported by the CRM that is, receiver of assistance. Step 3“Offering solutions to create change” designs and executes the CRM concept practically. Here, this study proposes the step-by-step process as the specific procedure for designing the CRM concept.



**Figure3. Proposed Method**

### • 5.1 Identify social-cultural problem

The 1<sup>st</sup> step is the identification of the social-cultural problem. This section uses brainstorming and grouping of problems.

Brainstorming is a great way to identify multiple problems and to share these with group members. It is necessary to select a single problem from amongst those problems that have been identified during the brainstorming process. Grouping is done for making decision of problem easily. Next, the fundamental problem to approach is decided.

- (1) Brainstorming to identify multiple problems and sharing these with each of the group members.
- (2) Group the elements generated from the brainstorming session by affinity
- (3) Determine the causal connection between the groups and identify the most important problem or leverage point. This is the problem that should be addressed.

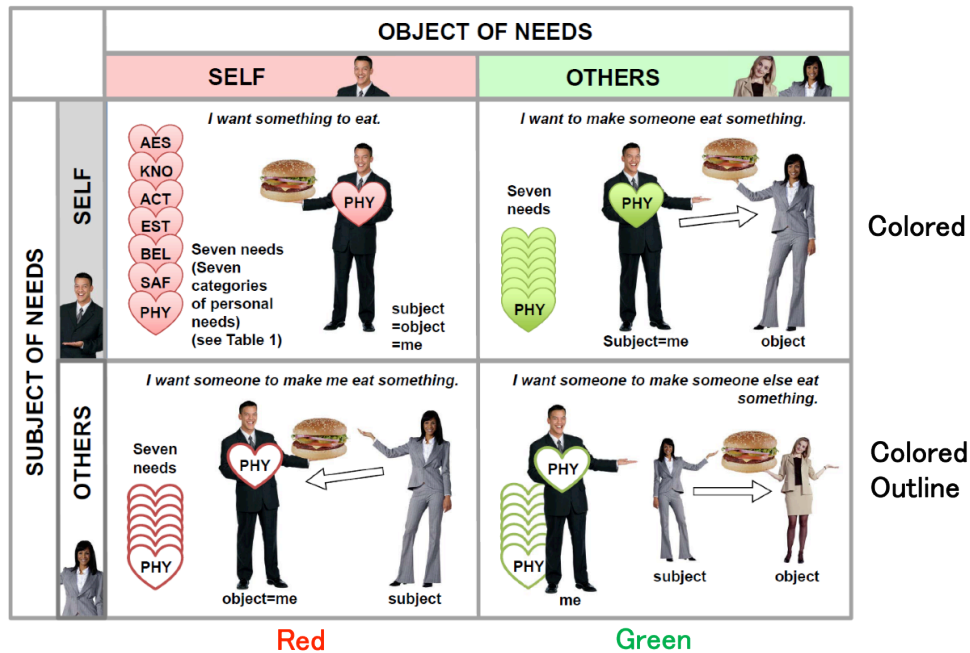
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- **5.2 Choose its target configuration group**

In this phase, the target group is selected for which the problem needs to be addressed. Then, a “persona” is created for that target group. Using this persona helps people to appropriately visualize the target group.

In fact, most companies use persona as a marketing tool, so we can also use it in this research. The primary benefit of creating a persona is that it is a visualization or embodiment of the target user.

After discussing the persona, participants list the desires of the persona using a 2 × 2 matrix. In this process, it is important that the persona has a selfish desire to solve its problem. It is important to consider that the company should have a selfish desire to generate profit as well as an altruistic desire to solve a problem.



**Figure4. WCA 2X2 Matrix**

- **5.3 Visualizing the WCA**

In this phase, a solution and visualization of WCA is proposed. There are 8 steps in the process.

- (1) Plot the receiver of assistance and the firm.
- (2) Add the streams of money, goods, services, information etc. between the receiver and the firm where possible.

- Rule 1: It is not necessary to add directly streams between the receiver and the firm.

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(3) Depending on the types of “Wants” the receiver has and the firm’s actions, we create the streams, and then add heart marks at the origin of the arrows.

-Rule 2: It is not necessary to presume and add “Wants” if there is no stream between stakeholders.

(4) Add red hearts to the receiver, depicting the “Wants” for the problem that need to be solved.

(5) Add green hearts to the firm, depicting the firm’s altruistic “Wants” for contributing to society, as well as red hearts depicting its selfish “Wants” for increasing profit, elevating brand value etc.

(6) Try to identify other “Wants” of the receiver and of the firm, and add them, if applicable.

(7) Add other stakeholders and “Wants” if required, until all of the receiver’s and the firm’s “Wants” are satisfied.

(8) Continue to add more stakeholders and “Wants” until all other stakeholders’ “Wants” are satisfied. When all the “Wants” of each stakeholder are fulfilled, close the process (conclude the concept design).

### 6 VALIDATE OF THE METHODOLOGY

A workshop was conducted to validate the marketing methodology proposed in this study. This research verifies the effectiveness of the proposed methodology through conducting a workshop (hereafter called experimentation). The reason for conducting a workshop is that a workshop creates the possibility to generate co-creation. Gathering people in one place and brainstorming and discussing new ideas can lead to co-creation.

#### • 6.1 Experiment outline

Theme:

1. Hygienic issue in developing country (support company is commodity product company)
2. Prevention of environment in home town (support company is beverage company)

Test Subject:

Male 13 Female 4    2 groups (8 people per group)

Method of experimentation :

Using three steps according to section 4, the group made a concept of CRM. Next, it was validated whether the concept of CRM based on goal. In addition, it was validated whether using WCA, the new type of CRM could be made compared general type of CRM.

#### • 6.2 Result of experimentation

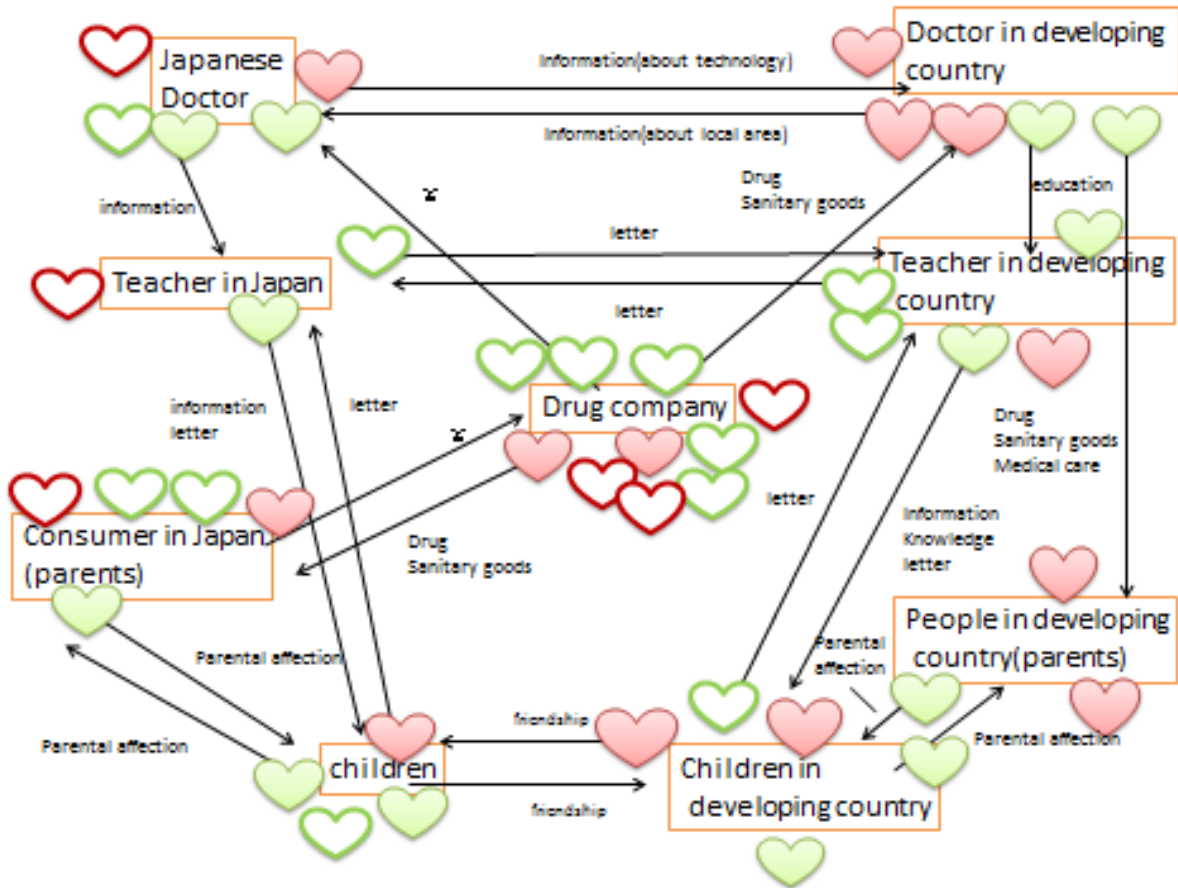
Both groups made a concept of CRM. Furthermore it was determined that these concepts archived the goal of CRM, it created mutual benefits for a company and a cause, through building relationships and partnerships with the cause.

Figure 5 shows example of an output from experiment.

Theme: Hygienic issue in developing country (from stance of commodity Products Company).

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One of the groups brainstormed about hygienic issues, in the result, they decide to focus on infection problem, and they specified a drug company as the support company.



**Figure 5. Example of output from experimentation**

In this model they did not make simple donation relationships for money and products but created relationships to contribute to the essential solution by considering the desires of people in poor counties, teachers and doctors.

Concretely speaking, first, it offers needed information to developing county doctors through exchanging information by making relationship between Japanese doctors and those in developing country. The reason for this is that they think that there are people who want to solve problems by themselves, as well as people who want someone to solve the problem. Ones of these are doctors, who might think they want to solve problem by medical care.

Secondly, it can help further understanding the difference between cultures by making relationships for children between Japan and developing countries. It is good for Japanese



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children as well. There are two reasons. Finally Japanese children become interested in the problems in other developing countries through discovering the situation of children in other countries who are the same age. The other is that it can have Japanese children feel that developing country children are friends. Like that, It is good for Japanese children, in addition it can contribute to developing country by increase interest for developing country of Japanese children.

This relationship is made from desires to want to make friends both by Japanese children and developing country children and Japanese children's desire that the developing country's children are happy.

As the bridge between this relationship is made from these desires, the drug company ,which has desire to want to help solve the infection problem in developing countries, contribute to solving the problem through their own business.

Through whole experiment, we have determined that using WCA, we can make a concept of CRM supply other products and services like information and the offering of value to link to solving the root cause of problem. It is different from general concept of CRM, which is donation-based.

### **7 CONCLUSIONS**

It is clarified that concept design of CRM can be easy and reliable when WCA is used. The relationship between stakeholders is based on mutual benefit. It is clearly visualized when WCA is used. This contributes CRM's dependency because it is the most important part of CRM.

Furthermore, the proposed method using WCA can make variety of concepts of CRM. It can not only donation-based concept but also product/service based concept. It is because complex concept with numbers of stakeholders can easily be visualized and structured using WCA.

Performance of making concepts of CRM used to depend on experience of designers/marketer because there was no adequate method for making concept of CRM. The proposed method can help make the concept of CRM easier and more efficient. In addition, using this method can create new concept of CRM that is not reliant on donations.

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