

Concept Design of Cause Related Marketing Using Wants Chain Analysis and 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 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 that utilizes Wants Chain Analysis (WCA) of Cause-Related Marketing (CRM). CRM is a marketing activity that 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 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." Hence, CRM is defined as an activity creating either one or more than one cause, relationship, or partnership, with an aim to realize mutual benefit for customers, and executed by a company that offers brand strength, products, and services to the market [1]. Conventionally, a company has led the CRM design, strategy formation and analytical processes. 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 future marketing activities [2]. 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.

CRM originates 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 charge, but not on established design methodologies and manuals. Previous studies focused on the analysis of CRM mechanisms [3] and social marketing [2]. Another study proposed a methodology to analyze the concept of designed CRM [4][5][6]. On the other hand, further research on the study of CRM conceptual design methodology and its academic contribution is expected.

2 WANTS CHAIN ANALYSIS (WCA): AN EXPLANATION

An application of WCA to the CRM concept design methodology enables it to be more functional and versatile [7]. WCA (Wants Chain Analysis) 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. WCA is a method of visualizing wants and needs of stakeholders in CVCA. In WCA, it is shown that people's wants or needs are ultimately realized through the looped and linear chain of relationship amongst stakeholders. 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 for clarifying what is beneficial for others. For example, Figure 1 depicts the WCA analysis of the "1¢ for 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.

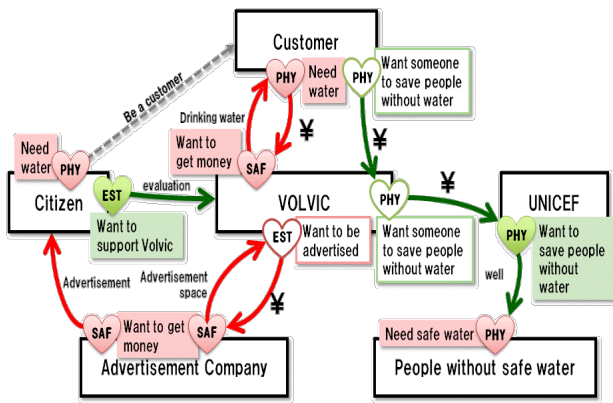


Figure 1 Visualizing 10I for 10I Using WCA

WCA is suitable to apply as a methodology for designing the CRM concept. CRM develops 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 benefit 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 a method of WCA.

3 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, the proposed method of CRM was obtained.

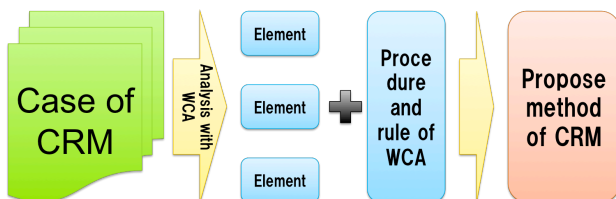


Figure 2 Process of the proposed method

3.1 How to conduct the analysis using WCA

First, select the case study from the cause forum and Internet. After selecting the case study, conduct the following 3 step analysis of CRM.

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

I analyzed all 44 cases using the above steps.

3.2 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.

4 PROPOSED METHOD

The procedure to design the CRM concept consists of the following three steps [2]

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

To make it clearer, 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 (receiver), and 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.

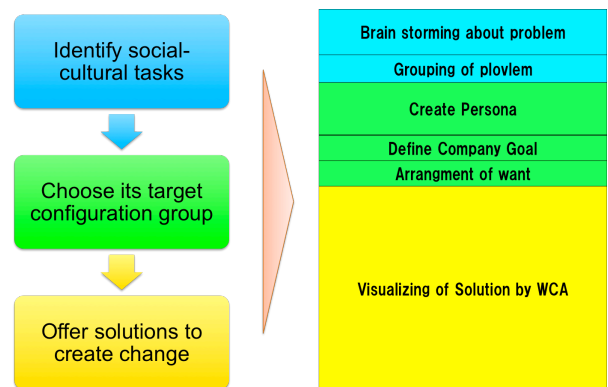


Figure 3 Proposed Method

4.1 Identify social-cultural problem

The 1st 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 each group member. It is necessary to select amongst those problems that have been identified during the brainstorming process. Grouping is done for this purpose. Then, the relationships represented by causal grouping to identify the most important issue is a fundamental problem. Next, we decide to approach the fundamental problem.

- (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.

4.2 Choose its target configuration group

In this phase, we select the target group for which the problem needs to be addressed. We then create a “persona” 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.

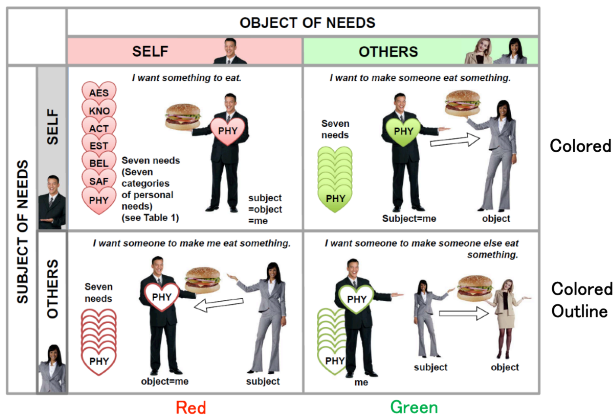


Figure 4 WCA 2X2 Matrix

4.3 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 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 streams between the receiver and the firm.
- (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).

5 VALIDATION 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.

5.1 Experiment outline

2013.1.6 10:00-13:00 (3H)

Male 15 Female 9 4 groups (6 people per group)

Business people 23 Student 1

Persons with experience of planning CRM

Experienced 15 Inexperienced 9

The workshop lasted for 3 hours.

The following is the actual detailed timeline

Table 1 Timeline of workshop

Contents	Time (minutes)
Introduction	5
What is CRM	10
Ice-breaker	5
Theme presentation	5
Group work(FREE)	45
Output shared by each group	10
Break	10
How to use WCA and method	30
Group work using WCA	45
Output shared by each group	10
Q&A	5
TOTAL	180

The first group work section was conducted without showing the CRM methodology. After that, we created a CRM using the methodology of this study. The difference in output was measured keeping the working time as constant.

5.2 Questionnaire

In this research, we created a questionnaire as to verify the effectiveness of a proposed method. The output of workshop has not been established a way to evaluate the qualitative and quantitative. Therefore, we evaluated by questionnaire the output of the workshop. And the success of CRM importance things is image of CRM, satisfaction of customer satisfaction of employee [8].

There are two parts to the questionnaire.

The first part pertains to the process of the workshop, while the second pertains to the output of this workshop. We analyze the questionnaire about process from three perspectives: Understandability, Usefulness, and Effectiveness.

We analyzed the questionnaire about output from two perspectives: Subjective Estimate and Objective Estimate. We analyzed the subjective estimate using examples from the evaluation items in "Cause marketing forum." These are Feasibility, Economy, Effectiveness, Sustainability, Originality, and Affinity.

Meanwhile, we analyzed the objective estimate from two perspectives: Cognition and Action. In the questionnaire, people respond to a five-stage assessment comparing the case of no method and the case of using WCA.

We define each of these questionnaire elements as follows:

5.2.1 Process question section

Understandability: whether the participants can understand the method or not.

Usefulness: the participants think the method is useful for the process of developing a CRM concept.

Effectiveness: the participants can develop the CRM concept using the method.

5.2.2 Subjective output questionnaire section

Feasibility: The output can be achieved or not.

Economy: the system is good for stakeholders in economic terms or not.

Effectiveness: The output has an effect on causes that are approached or not.

Sustainability: The output is sustainable as a business or not.

Originality: Whether the output is original or not compared to normal CRM ideas.

Affinity: The output is linked with the company or not.

5.2.3 Objective output questionnaire section

Cognition: Whether people recognize the output of other groups as being good or not, from the viewpoint of consumers.

Action: From the viewpoint of consumers, whether people think they can take action to join the CRM system developed by other teams or not.

Table 2 Questionnaire List

Process		Understandability
		Usefulness
		Effectiveness
Output	Subjective	Feasibility
		Economy
		Effectiveness
		Sustainability
		Originality
		Affinity
	Objective	Cognition
		Action

5.3 How to analyze the questionnaire

[Rule of analysis]

The case of using WCA is Very good or Good is +2, +1

The case of no method is Very good or Good is -2 or -1

No opinion is 0

First, we determined an average for each item, then calculated the standard deviation, and analyzed the statistical significance.

6 RESULT OF THE QUESTIONNAIRE

All results are depicted in the following graph. We verified effectiveness of WCA statistically in 10 out of 11 understanding and evaluation items. The evaluation items that show the effectiveness of WCA are:

In questions pertaining to process: understandability, usefulness, and effectiveness. For subjective estimates in questions pertaining to output: economic efficiency, efficacy, sustainability, originality and affinity in output.

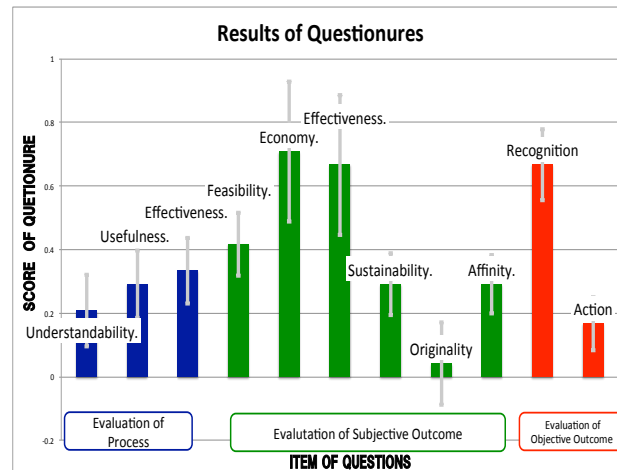


Figure 5 Result of Questionnaire

The horizontal axis represents the items in the questionnaire. The vertical axis represents the aggregate score, with scores greater than zero being in favor of the proposed method. The scores were greater than 0 for all items except for originality. Tests showed that the results were statistically significant.

7 CONSIDERATION

We have already described the significance of the case of using WCA, now I consider the reasons to show each result.

7.1 Process questions

First, we explain the process questions "Understandability," "Usefulness," and "Effectiveness."

Understandability:

The reason for its significance is that this method depicts clear steps. It makes it possible for people to recognize what they are doing now.

Usefulness:

There are three reasons. First, the case of using WCA facilitates discussion owing to clarification of the process. Second, the case of using WCA facilitates the goal of discussion amongst groups. Third, the case of using WCA can create various ideas as all people can participate and each member can work efficiently. Owing to these 3 reasons, we think that a people-proposed method is useful as a process for developing a CRM concept.

Effectiveness:

There are 2 reasons. First, the case of using WCA brings a fresh perspective on desire. Second, it can visualize the process and output.

In process questions, we analyze that as using WCA generates a common language amongst the groups, it is easy to proceed with group work. In addition, visualizing facilitates ideas that cannot be devised in a typical workshop case.

7.2 Output (Subjective estimate)

Next, we explain subjective output questions, "feasibility," "economic efficiency," "efficacy," "sustainability," and "affinity."

Feasibility:

The item of feasibility is high because of the use of persona. In the workshop, we brainstorm about desire considering persona for causes. Persona is, as previously explained, visualization, the embodiment of the target user's image. Therefore, using a persona makes it possible to visualize the ideas according to the desire of persona and to make the ideas clearer as compared to the case of a normal workshop without brainstorming.

Economy:

The reason that the item of Economic efficiency is high is that people can devise simple systems and approaches for complex causes. This is because people can devise a value chain for a cause that can be approached clearly and be recognized by a company clearly.

Effectiveness:

The reason for significance of the item of Effectiveness is that by using WCA, participants can think from the perspective of each stakeholder, so they can easily think not only in terms of "how" but also in terms of "why". Therefore, people understand the reasons for how the system contributes to the solution.

Sustainability:

There are two reasons for its significance. First, people can determine whether the system is sustainable or not, because people can check whether the desire of each stakeholder is satisfied or not using the WCA. Second, people can not only optimize each part of the stakeholder, but also the whole system, hence people think that the item of sustainability is significant.

Affinity:

The reason that the item of affinity is significant is owing to the desire of the company. People can consider not only altruistic desires but also selfish desires, which all companies have, so it is possible to satisfy both the cause and obtaining benefit by making use of the original business of each company.

Originality:

Only originality is not significant. This is because the method focuses on the process of being able to produce an output rather than on producing unique outputs.

In the subjective output, most items are statistically significant. This results from focusing on "Why" using WCA. Participants make concepts by thinking of the desires of all stakeholders, and make a value chain to

satisfy the desires of all stakeholders. Therefore, they logically understand that the system is effective because all stakeholders are satisfied by the system.

7.3 Output (objective estimate)

Finally, we explain the objective output questions, "Cognition" and "Action."

Cognition:

There are two reasons for the significance of Cognition.

First, people can understand the outputs of other teams using the same method.

Second, it is easy to explain logically because one considers not only 'how', but also 'why'. Therefore, people can understand "the causes that can be approached" and "the reason that company gives something the person having cause." It helps people to understand the output and merit of other teams.

Action:

This is statistically significant, but there are differences between Cognition and Action. It means that people do not necessarily take action to join the CRM system in case of having good positive impression of the CRM concept. There is another element that promotes people's action. This is future work.

8 CONCLUSION

It was determined that a better effect is obtained by utilizing the WCA cause for marketing. We believe that this is because through using WCA, participants can visualize the process and output using common language and considering the stakeholder "wants"

In society, there are many causes. CRM is one approach to solve problems with significant potential.

We believe that, in the future, the proposed method will be applied to solve social problems and become a commonly used tool.

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