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Can a T-Shirt Create Long-Term Change? Cause-Related Marketing in Preemptive Disaster Response and Mitigation Efforts

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Can a T-Shirt Create Long-Term Change? Cause-Related Marketing in Preemptive Disaster Response and Mitigation Efforts

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A thesis submitted in partial fulfillment of the requirements for College Honors in the College of Arts and Science in the Department of Geography at the University of Vermont

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Acknowledgments

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Abstract

Cause-related marketing (CRM) is an increasingly popular marketing tool utilized by a variety of corporations to show socially responsible practices, and an awareness of societal issues. Purchases from a consumer triggers a donation to a cause close to the mission of the business. CRM has been deemed a new frontier in development, however the marketing method is often critiqued because issues are typically addressed in the short-term through solution-based aid. Consequently, the root of the problem is never addressed, and long-term change fails to occur. This inter-disciplinary thesis explores the theoretical success of CRM addressing issues of long-term natural disaster mitigation, and the creation of relief funds, in susceptible lesser-developed countries (LDCs) where multinational garment brands manufacture. By sampling 200 University of Vermont students in the form of a ten-question survey, empirical research shows that young college-aged consumers believe corporations operating abroad have a responsibility outside of labor employment to assist the local economy. Additionally, young consumers would rather support a brand that engages in long-term CRM, specifically if a portion of their purchase was utilized for disaster-mitigation projects, and the creation of relief funds to assist in post-disaster assistance for affected populations.
Introduction

The rapid growth of urban areas worldwide has increased the potential for damage inflicted by a range of natural disasters. Inadequate infrastructure in lesser-developed countries (LDCs), coupled with generally weak risk management protocols, cause higher death tolls. While the international community may be quick to respond to such disasters through donations of aid, there exists a need for more preemptive thinking and funds on the ground to support stronger mitigation efforts and provide rapid responses to disasters when they strike. For many LDCs, investing in proper risk management and disaster mitigation is an expensive proposition. With numerous other urgent domestic issues requiring funding, taking preemptive measures to protect against natural and man-made disasters is not always economically feasible. The sociologist Beck (2001, pg.96) suggests that “the only thing certain is uncertainty”; thus, natural disasters are not a matter of ‘if’, but ‘when’. Although at risk LDCs do not always have the means to respond to disasters, external parties do.

When considering international parties involvement in disaster relief, typically multinational agencies like the United Nations and/or Red Cross are considered as sole providers in support aid. However, a number of corporations have become increasingly involved in disaster preparedness, response and relief efforts, along with other global issues, through cause-related marketing (CRM), which is loosely defined as a marketing effort for social and other charitable causes. In this thesis I will take an inter-disciplinary approach that bridges literature and theory from Geography and Public Communications to evaluate the
viability of CRM among a college-age population, an approach that considers preemptive measures as well as relief activities in response to natural disasters. I will focus my inquiry on the following principle questions:

a) **Does Cause-Related-Marketing have a widespread appeal to a typical US college audience?**

b) **Can such an approach have a positive impact on disaster preparedness and response?**

Thus, in this thesis I will argue that if widespread support among college-aged students for long-term CRM programs exists, corporations operating in at-risk countries could create disaster mitigation programs and relief funds for affected populations – funded through consumer purchases.

**A Framework for Implementation**

When natural disasters strike, there is a plethora of ways for the public to intervene and/or assist. In many cases, however, aid does not reach the affected populations for days or weeks and in some cases never does. Developing preemptive funds in at-risk countries would potentially provide more immediate aid to disaster victims as well as funding for mitigation efforts, both of which would lessen the demands of disaster response.

To better understand how the CRM methods I propose will work, and to ground my research and questionnaire in a particular “place”, I will use the example of garment companies operating in Bangladesh to illustrate how they might support disaster mitigation and response efforts as part of their business model. An example like Bangladesh, where a number of American garment
manufacturing occurs and one of the most disaster-prone countries in the world is important because, according to a study by Roubanis (2008), students educated on global responsibility are more inclined to consider the pro-environmental attributes of the products before they decide to purchase. Therefore making the CRM case among students for disaster preparedness and response requires that they understand a specific place and the factors that make it vulnerable. The framework I create will educate consumers on the interconnectedness of the American and Bangladeshi markets, and provide examples and evidence of how preemptive CRM would serve both Bangladesh and American markets in a positive way. Justification of the framework can be linked to the book *Social Responsibility in the Global Apparel Industry*, in which the authors’ note the importance of educating and involving consumers, because through their purchasing “consumers can effect change in business as well as contribute to the formation of a virtuous circle of business development and social responsibility” (Dickson, 2009). I will also address issues surrounding the ethics and morality of offshore production in the garment industry, and the problem of green washing because some companies have been criticized for claiming to support a charitable or eco-friendly cause, when in reality their main motivation is to increase their sales (Gelles, 2015). It is my goal to show how, in a country susceptible to natural disasters and home to portions of the American garment industry, private corporations could engage in disaster mitigation and response activities by:

1) Supporting preparedness efforts to build the capacity of these communities to withstand natural disasters.
2) Creating an in-country fund to provide rapid response when disasters strike.

3) Educating consumers about the importance of preparedness activities and rapid response to disasters in these countries.

Outline of Thesis

After briefly describing the impact of climate change on LDCs, and the ways in which multinational corporations (MNCs) operate in these at-risk countries, I will engage in a comprehensive literature review. In this review I discuss how LDCs are disproportionately affected by climate change, and provide examples of the resources developed western countries typically have to engage in proper risk-management and mitigation of natural disasters. I will then discuss cause-related marketing (CRM), a tool utilized by many organizations and corporations to show consumers socially responsible behavior. After discussing the background and history of the marketing method, I highlight how CRM could be utilized to create long-term disaster mitigation and relief funds in countries where MNCs operate.

To further analyze the impact corporations have on the countries they operate in, I will conduct a case study of Bangladesh; specifically analyzing Gap Inc.’s impact on the local environment and economy. Typically such relationships are not mutually beneficial, and serve the best interest of the corporation – largely through the exploitation of cheap labor. To exemplify what a mutually beneficial relationship between host-country and MNC would look like, I will apply the
goals of my long-term framework to a theoretical operation model for a corporation manufacturing in Bangladesh.

However, before making claims of theoretical success for the long-term programs I am exploring, it is paramount to assess consumer interest – because this model relies on consumer purchases. In the Methods and Empirical Research chapter I will highlight the results of my survey, in which I gauged the interest of 200 University of Vermont students and their consumer behavior in regards to CRM, as well as their thoughts on how MNCs’ currently operate in at-risk countries. In the following chapter, my Analysis of Results, I will break down what the responses from my survey mean for potential success – assuming my framework is utilized by the MNCs in question.

**The Global Effects of Climate Change**

Before discussing how the implementation of this framework would occur, it is important to analyze why there is even a need for such discussion. Most prominently, climate change and increasing populations have created a need for my framework. In the past two decades the scientific evidence from the Intergovernmental Panel on Climate Change (IPCC), the world’s leading body on climate change, which includes over 2500 scientists from 150 countries, indicates that global warming is occurring, mostly due to greenhouse gas emissions that relate to human activity. The effects of climate change are now felt around the world. The consequences – historically driven by a build-up of greenhouse gases generated through industrialization – include floods, droughts, extreme weather, and declining agriculture production (Population Action International, 2011).
While the whole world is increasingly feeling the affects of global warming, the impacts of climate change are not evenly distributed across regions (Leiwen, 2011). In many of the poorest areas of the world, or lesser-developed countries (LDCs), shifting temperatures and precipitation are creating water scarcities and affecting agriculture production. Storms of greater magnitudes and frequencies threaten growing coastal megacities where millions live without adequate shelter or infrastructure (ibid.).

Evidence suggests that the poorest countries and poorest communities within a population are more vulnerable to climate related hazards. Spatial analyses of hazard distribution show low-income populations face more types of climate-related hazards than high or middle-high income populations (ibid.). Many developing countries are experiencing rapid population growth, which in turn increases population density, and thus the number of people potentially exposed to projected impacts of climate change (ibid.) Extreme weather events and projected sea level rise are significant at low-elevation coastal zones. While these zones only cover two percent of the world’s land area, they contain 10 percent of the world’s population – a number that is growing rapidly. For example, populations in Bangladesh and China living in low elevation zones grew almost twice as fast as the national average between 1990-2000 (McGranahan, 2007), exposing disproportionately growing numbers of people to the negative effects of sea-level rise and extreme weather.
Intensified Climate Susceptibility of LDCs

In the next few decades, the impact of climate change on urban areas is likely to increase levels of risk from existing hazards. For LDCs, and impoverished populations, there will likely be a variety of impacts from climate change related weather events that increase food prices or damage poorer households’ asset bases (Dodman, 2009). The proportion of disaster-related deaths and injuries that occur in urban centers in LDCs is likely to rise, given that an increasing proportion of the world’s population will live and work in these areas (ibid). It is not shocking that many city case studies highlight how disaster risk is heavily concentrated in low-income populations in LDCs. However, official statistics on the scale of economic losses from disasters can be misleading in underplaying the impact of losses on these groups (ibid.). While, for example, the economic value of houses destroyed by an earthquake may be low in monetary value, such a loss is devastating to the life and livelihoods of large numbers of low-income groups. The organizations responsible for disaster-response – local, national, and international – often have little incentive or ability to work with low-income populations, as it is often more difficult to assist these displaced groups in recovering their land and rebuilding their homes and livelihoods.

As I will continue to make clear in this thesis, natural disasters do not occur any more frequently in LDCs than in more-developed countries (MDCs). Rather, LDCs do not possess the same infrastructural stability and expansive population density. Wealthy, developed countries take for granted the system of
institutions, services, and infrastructure, provided by local governments, that protect the population from disasters such as floods, earthquakes, fires and other extreme weather. Typically the systems and measures to protect against these also supply everyday needs, including health care services integrated with emergency ones, and sewer and drainage systems that accommodate daily activity but can also handle storms.

Almost everyone in the developed world lives and works in buildings that meet health and safety regulations, served by infrastructure designed to withstand extreme weather. If a disaster were to occur, the police, armed services, and health services are able to provide early warning systems and rapid emergency responses if needed (ibid.). Due to infrastructural stability, and the plethora of services that provide response and mitigation to disasters, extreme weather events rarely cause a large loss of life or serious injury in MDCs. While these events can cause substantial property damage, the economic burden for most owners gets reduced due to insurance for property and possessions. Legislation that takes the form of fees and taxation in developed countries reflects how the population takes the monetary costs of these disastrous events into account. While private companies and non-profit organizations provide some of the services for disaster response, local and national governments provide the framework for provisions and quality control (ibid.).

In low and middle-income countries only a small proportion of urban areas have institutions, infrastructure, and services that are remotely comparable to those of developed nations. In LDCs it is common for “30-50 percent of the
population [in LDCs] to live in illegal settlements to which the local authorities and utilities refuse to extend the infrastructure and services that do so much to reduce disaster risk” (Dodman, 2009, pg. 12). Although disasters often have a disproportionate impact on areas of high population density, it is crucial to note that density is not necessarily to blame for increasing vulnerability. Rather, it is the inadequate infrastructure of so many institutions in the developing world. The combination of insecure infrastructure in urban areas where there are high population densities of low-income residents exacerbates the damage caused when disasters occur. In order to reduce vulnerability to climate change related disasters the solution is not to reduce density. Such a strategy would assume that many poor, dispersed, rural populations do not feel the impacts from climate change related disasters – and that simply is not the case. Instead, reducing vulnerability to climate change in high-density urban areas requires the development of adequate infrastructure and services. Achieving this goal could be economically cost-effective in dense settlements, as any improvements made would benefit a large number of people (ibid.).
Above is a World Bank map illustrating poverty in Bangladesh. Poverty has a direct correlation to disaster preparedness, or lack thereof. Those residing in impoverished areas typically are living in inadequately constructed settlements, and in dense populous areas.
The role of addressing inadequate infrastructure in developing countries cannot rest solely in the hands of local and national government. While the local population may consider it a government responsibility, taking these preemptive measures is not necessarily feasible when there are other immediate pressing issues. I will argue that outside players, such as multinational corporations (MNCs) in pursuit of profit, are one of the best chances to address issues of infrastructure fortification and disaster response. Ironically, some of the countries most susceptible to the affects of climate change and natural disasters are also home to MNCs’ garment industry production. Thus, when natural disasters strike, they feel the consequences. The destruction of a city, or collapse of a garment factory, stagnates and harms productivity of the producer. When corporations take into account the damage and loss of profit that come with destruction of a factory where they manufacture—not to mention the often terrible loss of life—the neoliberal policies that allow them to operate with cheap labor costs are no longer as cost effective.

**Multinational Corporations; A Necessary Double-Edged Sword**

The scenario of MNCs operating abroad begins to take the form of a double-edged sword. On one side, the corporation(s) take advantage of cheap labor in the countries where they operate, and prioritize maximizing profits and pleasing investors. There is a general lack of protocol to ensure employees in these countries are working in safe environments, or making a decent wage to ensure an acceptable standard of living. Central to such actions is the inherent tendency of capitalist expansion, which also leads to ecological disruption and
environmental degradation (Prechel and Zheng, 2012). The ecosystems of many host-countries are “increasingly used as a source for raw materials and sinks for toxic wastes, that companies profit at the expense of the environment” (ibid, page 947). However, on the other hand, wealthy MNCs have the ability to create real change in the lesser-developed regions where they operate. For example, investing in safer infrastructure for factories utilized in manufacturing would ensure a building that is more secure against the impacts of natural disasters, hypothetically leading to consistent productivity.

The key is to find a middle ground between corporate interests and mitigating death and disaster in susceptible developing countries. The framework I have created will serve as that middle ground. As previously mentioned, the basis for my framework is through cause-related marketing (CRM), which is a marketing technique used by organizations to promote and financially support a social or environmental issue through the sale of a product(s). If applied correctly, CRM utilized by MNCs can raise awareness and funds for a particular project and, on the corporate side, increase sales and revenue. The form of CRM I am exploring could apply to disaster response and mitigation, and is certainly a long-term fix. As I will explain in future chapters, CRM utilized by corporations typically revolves around short-term fixes and an immediate response. Critics of such methods state that these fixes fail to address the root issue at hand. My framework, if implemented correctly, would seek to address the root issue – which in this case, is a lack of adequate infrastructural stability in developing countries, and funds for immediate disaster response.
However, CRM is not effective unless consumers possess a desire to purchase the product by the brand marketing it. Based on my research, I will argue that CRM does have widespread appeal among college-age consumers, an important demographic due to the widespread millennial support of products that support a cause. There is a surplus of research that shows young consumers between the ages of 18-22 prefer to purchase a product when a portion of the sale goes to support a particular cause. However, the CRM I propose would not offer an immediate solution to an issue, thus making it more difficult to market on a corporate level. In order to assess if this new kind of CRM could work to create long-term change in a country where brands operate, consumers would need to have a desire to support it.

I should note, theoretically, a corporation incorporating long-term CRM into their business model is not going to solve the issue of inadequate infrastructure in developing countries. In fact, this system would only scratch the surface. However, there needs to be more preemptive thinking in the realm of disaster mitigation and response, especially in developing countries. Billions of people reside in areas that are at extreme risk to climate change and natural disasters. If the goal is to take precautions to mitigate death, programs that consider the imminent threats that come with climate change and increased population densities are necessary. The poorest 45% of the human population account for 7% of emissions, while the richest 7% produce 50% (Malm and Hornoberg, 2014); thus, those who have contributed the least to climate change are currently affected the most. There need to be more efforts made by the
developed world to assist in disaster prevention for those countries that do not necessarily have the means to engage in proper risk management.

The results of my own empirical research, in the form of a questionnaire, overwhelmingly showed support for long-term CRM initiatives. And close to 87% of the respondents believed that if a company is producing a product in a lesser-developed country for significantly cheaper labor costs, they have a responsibility to support the local economy outside of employment. By being able to create meaningful change through safety regulations and the creation of a disaster fund, corporations could justify their presence in the country they are operating in, as well as fulfill consumers’ interests (as evident in the results from my questionnaire).

In total, I was able to gather survey results from 200 students, ranging from first-year college students, to first-year graduate students, at the University of Vermont. I will discuss the results of my survey in future chapters. While these results do not confirm that there would necessarily be nation-wide interest among consumers to support this form of long-term CRM, it does show there is interest among a portion of college-aged consumers. And if my results were to prove consistent on the national level, the CRM framework I propose could be widely accepted.
Literature Review

For this literature review I will take an interdisciplinary approach, engaging in discussion of the consequences of natural disasters in lesser-developed countries (LDCs), as well as a study of the benefits and critiques of cause-related marketing. After discussing the disproportionate effects climate change has on LDCs, I will highlight the various risk-management programs in more-developed countries (MDCs) – programs that are a rarity in the developing world. Next I will provide background on cause-related marketing (CRM). After going over the history of this marketing tool and how it has been applied to assist developing countries, I will address popular critiques of CRM. Finally I will explain my framework in more depth, stating that because it would help create long-term mitigation and relief in countries where MNCs operate, it would not be subject to popular critique.

Disproportionate Impacts in LDCs

The effects of natural disasters, especially in LDCs, have been a topic of scholarly discussion for some time now. Though richer nations do not experience fewer natural disasters than poorer nations, richer nations do suffer less death from disaster (Kahn, 2005). As Kahn states, economic development provides implicit insurance against nature’s impacts. The average nation with a GDP per capita of $2,000 experiences 944 deaths from natural disasters per year (ibid.). If this nation’s GNP per capita grew to $14,000, its death toll would fall to 180 per
These numbers are heavily influenced by inadequate infrastructure in LDCs where “the poor are more likely to live in disaster-prone areas and to live and work in structures that are unlikely to withstand the shock” (ibid.). The poor living in informal settlements with inadequate infrastructure may not be able to benefit from government regulations and zoning codes. In a sample of large natural disasters over the period of 1980 to 2004, fatalities per event were higher by orders of magnitude in low- and middle-income countries compared with high-income countries (Linnerooth-Bayer and Mechler, 2005). In contrast, wealthy cities in hazardous sites such as Los Angeles or Tokyo can take proper precautions to mitigate risk through rigorous engineering and national insurance programs that guarantee residential repair. Kahn goes on to state that democracies may be better suited to achieve political accountability. These governments may take the necessary proactive steps to account for such shocks and mitigate their impact when they do occur. In a democracy, media is incredibly prominent and utilized by the masses, and this contributes to greater political accountability and may reduce corruption. In this particular setting, politicians who seek reelection know that their constituents are aware of their activities, thus they have greater incentive to take action to protect their constituents (Besley and Burges, 2002).

In contrast, LDCs often lack expensive public works or disaster insurance programs (Miyan, 2014) and suffer higher death tolls in comparison to countries with the means to engage in mitigation efforts. While the donor community

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1 Kahn states “The average number of deaths per capita from natural disasters is an example of a cross-national environmental statistic that should decline monotonically as national per capita income increases” (Kahn, 2005, pg. 280)
recognizes the need to place more emphasis on programs that prevent disaster losses, there is less support for risk-pooling programs that assure readily available post disaster funds for relief and construction (Linnerooth-Bayer, 2005). Governments, households, and businesses in poor countries cannot easily afford commercial insurance to cover their disaster risks. Moreover, post-disaster aid discourages prevention because of the associate moral hazard: Governments and individuals, expecting support, have little incentive to invest in precautionary methods (ibid.). In contrast, wealthy countries like Belgium and the Netherlands use “catastrophe bonds”, which cover their disaster insurance through public-private insurance constructions. Only 1% of households and businesses in low-income countries have catastrophe insurance coverage, compared with 30% in high-income countries (ibid.). Governments, households, and businesses in poor countries struggle to afford commercial insurance to cover their disaster risks. However, low-cost micro-insurance for independent risks, such as funeral expenses, is now widely available in countries like Bangladesh and India (ibid.). Joanna Syroke and Richard Wilcox argue that an equitable and effective system requires managing contingency funding against a portfolio of risks. In this context, “risk” is the potential loss of lives and livelihoods, ultimately requiring humanitarian aid response, which vulnerable populations face as a result of natural or other disasters in the developing world (Syroka & Wilcox, 2006). With heightened susceptibility to risk – largely as a result of natural disasters – the developing world is reliant on local government to provide aid in the midst of
disaster. However, more often than not, government intervention is not substantial enough, or fast enough, or organized enough to address post-disaster issues.

**International Community and Local Government Response to Disaster; Or Lack Thereof**

Ulrich Beck says we are living in a “risk society”, a world out of control (Beck, 2009). In the society Beck speaks of, “power” plays a tremendous role. Power is the question of who, “with what legal and intellectual resources, gets to decide what counts as a “risk”, what counts as a “cause”, and what counts as a “cost” (Yates, 2001.) In turn, as Beck points out, the responsibility of “power” dilemma often leads to questioning who has to bear the burden of paying for damages, and a battle over the rules of evidence and various laws of responsibility. When it comes to disaster response, governments often face such power dilemmas; typically the result is “organized irresponsibility”. A term coined by Beck, “organized irresponsibility” states that there is a clash between the idea that someone is responsible and the idea that no one is responsible, and that society has become a laboratory with nobody liable for the outcome of an event. After disaster strikes, discussions in hindsight often occur. Officials question mitigation techniques that could have been applied, or infrastructure that could have been stronger. Blame tends to get thrown around among officials, and often victims get neglected. Unfortunately, developing countries cannot rely on donor aid to fill the financing gap that local governments cannot fill. According to the Organization for Economic Cooperation and Development (OECD), humanitarian aid is generally only a small percentage of disaster losses in
recipient countries (usually under 10%). Moreover, promises can fall short of actual outlays. Two years after the 2001 earthquake in Gujarat, India, assistance from the central reserve fund and international donors had reached only 20% of what was originally committed (Linnerooth-Bayer and Mechler, 2005).

A prime example of the consequence of disaster affecting the developing world, and the result of a developed world response, would arguably be the Indian Ocean Tsunami. After years of seismologist warnings the 2006 Tsunami, off the west coast of Sumatra, triggered when tectonic plates shifted. When the carnage settled, the result was 250,000 deaths. Some of the early reports, and most of the video footage, of the Tsunami surfaced in national media from those vacationing in the region. The international community quickly learned local residents were impacted the harshest, and that overseas visitors were a small minority of the Tsunami’s disastrous death toll (Clark, 2011).

*The above picture is a village near the coast of Sumatra. The area was struck the hardest by the 2006 Indian Ocean tsunami.*
After the event, commentators would point over and over to the presence of tourists in the disaster zone as a major factor contributing to the international response to the event. It is somewhat cynical to assume that the Tsunami received international attention solely due to the presence of tourists, because as we have seen in similar disasters – such as the devastating Haitian earthquake in 2010, or the more recent earthquake in Nepal – the world reacts when disaster strikes. Yet, the UN emergency coordinators confirmed donations after the Indian Ocean Tsunami were colossal in scale (ibid.) – roughly $110 million. So much was raised that the medical aid organization Médecins Sans Frontières had to call a halt to the donations.

Unfortunately, as the consequences of climate change increase with severity, at-risk countries cannot rely on the international community to provide aid after every disaster. The need to assist developing countries has become more pressing in light of the climate-change negotiations. Together, the Kyoto Protocol, and the more recent Lima and Paris Climate Conferences, called for restrictions on greenhouse gas emissions and legally binding and universal agreements on climate (Sustainable Innovation Forum, 2015). Developed countries recognize that their greenhouse gas emissions can lead to increased intensity and frequency of extreme weather in the developing world. Consequently, climate negotiators are seeking options for helping affected countries adapt. The United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol are examples of programs that call upon developed countries to consider actions,
including insurance, to respond to the disaster prevention and mitigation needs of developing countries.

While such programs are effective in demanding change, global CO2 levels are rising at a rapid rate, meaning developing countries will continue to suffer the consequences of climate change they did not cause. Sticking to business as usual will not meet the post-disaster needs of developing countries, especially because natural disasters are becoming more volatile. Some argue that the outside community, as well as the donor community, should consider refocusing disaster assistance to support risk-management programs that leverage aid with public and private contributions and promote mitigation (ibid.). In my framework, I plan to discuss a balance between risk management – disaster mitigation – as well as a disaster response fund. While improving inadequate infrastructure is important to mitigating disaster, there will always be an inherent need for a disaster response fund that can immediately assist those affected. As it stands, there currently exist some examples of disaster assistance programs that balance these two needs. The following three examples are similar to my framework, and according to Linnerooth-Bayer, Mechler, and Pflug, demonstrate the potential for donor-supported risk-transfer programs.

**Disaster Assistance Programs**

Turkey recently launched the Turkish Catastrophe Insurance Pool (TCIP), which is similar to public-private insurance systems in France, the U.S., Japan, and other developed countries. It is the first of its kind to address the issue of insurance affordability in a middle-income developing country. Istanbul faces an
estimated 0.41 probability of a severe earthquake over the 30-year period from 2004 to 2034 (ibid.). Consequently, earthquake insurance policies are now mandatory for all property owners. A risk-based fee gets paid to a privately administered public fund. To make premiums more manageable and the system viable, the World Bank provides backup capital for two layers of risk in the form of a loan with highly favorable conditions on the occurrence of a major disaster. Despite mandatory policies, the TCIP has not been fully successful in terms of public acceptance and implementation. However, it sets an important precedent as the first time an international financial institution has absorbed developing country risk. Beyond the TCIP experience, it could provide support not just for risk transfer but for an in-depth risk-management program, including preventive measures such as restoring inadequately constructed buildings, and educating the public (ibid.). A program of this magnitude presents itself as quite feasible, and more importantly, necessary. With Turkey certainly at risk of disaster, it is interesting to read there is hesitation from the local population to invest in such a program.

Alternatively, in Mexico authorities are planning to reinsure their national catastrophe relief and reconstruction fund with a catastrophe bond. Similar to health insurance, in this model the investor would receive an above-market return when a specific catastrophe does not occur within a specific time. Thus, the government’s disaster risk transfers to international financial markets that have many times the capacity of the reinsurance market. A similar, but donor-assisted bond is an option for poorer countries – because Mexico, a middle-income
developing country, would be able to finance the bond out of its own means (ibid.). At a glance, this program appears to be a new way to engage in large-scale gambling. For lack of a better metaphor, investors would be playing a game of disaster roulette, and on this table the odds are not in your favor. An investment gone wrong most likely means large scale disaster and loss of life.

Risk-transfer tools are also emerging in areas where higher frequency, slower onset, disasters are occurring – such as droughts. In Ethiopia, where a drought resulted in the deaths of nearly one million people in 1984, farmers may soon be able to purchase an “index-based weather derivative”. This form of insurance would provide payoffs determined by future weather events, such as a specified lack of rain measured at a weather station. Expedited payments reduce the need for farmers to sell their assets and livestock to survive the aftermath of a disaster (ibid.). However, similar to many developing countries’ lack of investment in proper risk-management, Ethiopian farmers have many other pressing needs and cannot necessarily afford to pay the costs of hunger insurance. Instead, the World Food Program has gathered donors to subsidize the premiums. The implementation of these public-private risk-transfer funds is now realistic largely as result of technological advances in computerized modeling. The modeling allows better estimations and the pricing of low-probability extreme event risks, for which historical data was previously lacking.

If the three programs I have covered prove successful in the long-term they present compelling reasons for the donor community to follow the example of the World Bank and the World Food Program and invest in risk-transfer
instruments (ibid.) With donor supported risk-transfer programs, developing
country governments would rely less on debt financing and international
donations. In these examples, a comprehensive risk-management program and
pre-disaster assistance could reduce the human and economic toll that disasters
take on the poor.

The framework I am offering is comparable to the international donor
support programs explored above. The difference, primarily, is that MNCs
operating in LDCs already have a vested interest in these countries. They have a
strong interest in ensuring natural disasters do not have a detrimental impact
where their corporate interests lie. While my theoretical framework has not been
implemented, there are many cases of organizations pursuing their own interests
outside of governmental involvement. To compensate for unsatisfactory
governmental response to many natural disasters, numerous nongovernmental
organizations have mounted response and relief efforts to assist victims.
Businesses in pursuit of profit now offer promising hope to address such issues
through cause-related marketing (CRM). For some businesses it has become part
of their corporate strategy to practice CRM, in which organizations donate to a
chosen cause with every consumer purchase (Nan & Heo, 2007). A survey
conducted by the PMA (Promotion Marketing Association) and Gabble Group
(2000) revealed that CRM was being used by over 85% of the organization’s
corporate members (Nan & Heo, 2007).
Cause-Related Marketing

The implementation of CRM programs stems from corporations that engage in Corporate Social Responsibility (CSR) initiatives. CSR is best understood as a means for firms to gain a positive reputation (Fombrun and Shanley, 1990). Today, more than 80% of the Fortune 500 companies address CSR issues on their various platforms (websites, pamphlets, etc.). As many as 90% of these companies have CSR initiatives in place (Luo and Bhattacharya, 2006), showing a clear belief that engaging in CSR initiatives does lead to a better reputation. CSR includes corporate social acts that satisfy social needs beyond the legal obligations of a firm (Shuh Lii and Lee, 2011). Many now consider it an absolute necessity that organizations define their roles in society and apply social, ethical, legal, and responsible standards to their businesses (Lichtenstein et al. 2004). And because of increasingly scarce marketing resources, most (71%) chief executive officers believe that corporate contributions should reflect corporate self interest such as community enhancement (File & Prince, 1998) Consequently, CSR is a crucial component of a firm’s marketing plan because it responds to consumer expectations, improves corporate performance and reputation, and most importantly, helps worthy causes (ibid.). Engaging in cause-related marketing (CRM) is one of the most popular methods of CSR. CRM is a transaction-based marketing tool, reliant on consumers typically purchasing a product from a for-profit company, which donates a proportion of the product’s purchase price to the associated cause (Polonsky & Greg, 2001).
If implemented correctly, CRM can lead to increased sales, customer retention, access to strong markets, and an enhanced corporate image. Thus, further underscoring the idea that organizations might actually help their own success by engaging in good societal work. One of the earliest CRM initiatives discussed in literature was a program developed by Jerry Welsh of American Express (Amex), in which Amex made donations to local arts programs in San Francisco based on the sales Amex achieved (ibid.). This program ended up being so successful locally that Amex expanded the program nationally and linked its giving to the restoration of the Statue of Liberty. The CRM program donated a dollar for every card account opened and a cent for each use of an Amex credit card during the last quarter of 1983 (ibid.). The program resulted in Amex giving $1.7 million to the restoration and generated a 28% increase in card usage during the campaign. Since that program, CRM methods have skyrocketed in use, not only utilized by corporations, but also non-governmental and non-profit, organizations. The success Amex reported played a crucial role in motivating other firms to adopt similar types of CRM programs.

Today, when organizations pursue value creation along with the gains in reputation and credibility they achieve through cause-related marketing, consumer behavior often improves, talented employees are attracted, and there is an overall positive effect on the organizations’ financial performance (Carroll and Shabana 2010; Kurucez et al, 2008). Additionally, when consumers feel that CSR initiatives have certain traits that overlap with their own self-concepts, they develop a greater identification with the firm and are more likely to support it
While there are many ways to implement Corporate Social Responsibility (CSR), CRM has proven to be a prominent initiative utilized by many corporations. The marketing method is often considered a win-win-win scenario where corporations are able to raise funds and awareness through the use of marketing techniques and resources. Corporations are able to sell products while improving their corporate image, and consumers are able to engage in philanthropy simply by conducting their daily shopping activities (Hawkins, 2012). Lii and Lee hypothesize that “the more a consumer identifies with a company’s citizenship behavior, the more likely he or she will be to demonstrate positive attitudinal responses toward the company and then exhibit both in-role and extra-role behaviors that will benefit the company” (ibid, 70)

Each day consumers perform acts of altruism by making financial contributions to charity, giving blood, donating organs, and even risking their own lives for the good of others (Strahilevitz, 1999). There has been research to address why people engage in such acts of kindness, ranging from wanting to “do the right thing” (Dawes & Thaler, 1998) to experiencing a “warm glow” (Andreoni, 1990; Isen & Levin, 1972). Studies show that CRM is an effective way to influence consumer purchases, and to raise money for a particular cause. Smith and Alcorn found that about half of consumers (56%) think that it is important to contribute to a charitable cause, and 46% of those interviewed would switch brands because of the desire to support a cause (Smith and Alcorn, 1991). Ross et al. (1992) found that CRM has a positive effect on consumer perceptions of the sponsoring firm. Philanthropy in its truest form involves a firm making a
contribution of money to a worthy cause simply because the firm wishes to be a good citizen without any expectation of benefitting from that act. Although true philanthropy does not expect direct benefits, research has found an associated corporate image and social recognition in the community – generated by philanthropy – can lead to positive feelings in the attitudes of consumers towards the firm (D’Astous and Bitz 1995; Brown and Dacin 1997; Sen and Bhattacharya 2001).

CRM may also assist firms in improving or changing their image. By rebranding one’s image, assuming in a more positive light, one can expect additional sales to consumers who wish to purchase from more responsible firms, or to consumers who perceive there to be an increase in the value of the product (Polonsky & Greg, 2001). The change of an image is also frequently used to offset negative publicity. At times CRM can assist a corporation bounce back from, perhaps, a program that did not achieve its goal. Yet, as I will explain later, there have been cases in which companies exploit CRM in order to counteract any general negative consumer attitudes (ibid.).

However, the increase of CRM methods utilized by corporations has also fostered notions of ulterior motives among consumers and critics. Consequently, critics state shopping becomes categorized as caring, wherein individuals show their profound concern for the plight of a certain population through the purchase of a product (Wirgau, 2010). Often corporations spend more money on advertising their contributions and their association with causes than on actual contributions to these causes (Varadarajan & Menon, 1988). As contributions and
Promotional expenditures are tax deductible, CRM becomes an avenue for corporations to get the government to subsidize their marketing programs (ibid.).

Success in CRM is tied to what it known as the brand/cause “fit”. For example, a brand of orange juice that is closely associated with the idea of a healthy diet, could engage in CRM that involves a social cause in the area of maintaining a healthy diet. When the social cause related to a healthy diet (i.e., brand/cause fit is high), brand-user image is likely to be very clear and well defined (Nan and Heo, 2007). In contrast, if the social cause of an orange juice brand relates to traffic cone awareness, brand-user image would be ambiguous and might lose support among consumers. Yet it is important to note that CRM campaigns are not always successful, and the conclusions about their effects on increased sales remain mixed. Some research points out that campaigns, though capable of motivating the workforce, communicating the business/organization’s mission, and improving corporate image, are not necessarily effective in achieving sales objectives (Vanhamme et al., 2011).

**Critique of Cause-Related Marketing**

Some critics of cause-related marketing (CRM) categorize it as “deaf capitalism”; a term coined by Ilan Kapoor, a Professor at the Faculty of Environmental Studies at York University, Toronto. This form of capitalism manages to hold together both enormous wealth accumulation and significant global inequality through charity (Kapoor, 2013). Although CRM seeks to compensate for government inaction, it is the action taken by corporations that is disrupting the system; leading to a collection of unelected private individuals and
organizations engaging in activity that should primarily be state/public functions—a role described by Kapoor as ‘post democratic’ liberal politics. Others say that CRM—or “Consumption Philanthropy” as some phrase it—devalues the moral core of philanthropy by making virtuous action easy and thoughtless (Nickel and Eikenberry, 2009). In this context, philanthropy and other institutions of civil society are frequently offered as a panacea for solving problems of social welfare (McLean, 2006). Eikenberry argues that emerging forms of marketized philanthropy depoliticize discourse by collapsing the distance between the market and the negative impact it has on human well-being, thus stripping philanthropy of its transformative potential. Marketized philanthropy is an especially insidious case because it creates the illusion of giving back; disguising the fact that it is already based on taking away (ibid.) This argument is best described as the theory of “fast capitalism” (Agger, 1989), which explains “the blurred boundary between benevolence and the market is the result of veiled discourse of stabilization that freezes the world falsely into ontological permanence” (ibid.).

The Issue of Green Washing

Corporate Social Responsibility (CSR) communication must play a role in the formation of ethical corporate perceptions and social legitimacy. However, the abundance of CSR claims whether well founded or not, creates trouble for consumers who attempt to distinguish between the actual virtuousness of firms and firms taking advantage of sustainable development trends, or other campaigns to enhance their own self-interest (Parguel et. al, 2011). Consumers’ skepticism towards firms that take opportunistic advantage of sustainable development is
growing. If a company focuses badly or too intently on its CSR claims, then consumers often believe that they are trying to hide something (ibid.). When firms undertake activities that exaggerate their generosity, they mislead consumers (Polonsky & Greg, 2001). If corporations are engaging in inadequate promotion for a prominent cause, typically the cause and the consumer will suffer. Harm to causes occurs if consumers shift their purchasing behavior to help these causes when, in fact, other consumer activities (direct donations) or purchases would benefit them or society more than the offending CRM program (ibid.). Not only does this reduce the funds raised for the cause, it also harms consumers because they have been misled.

When perceptions of green washing or deliberately misleading strategies exist, consumer attitudes turn negative towards a company that communicates about its CSR engagements. Fortunately consumers have the ability to fact check any corporations’ motives that they deem suspect. Uncontrolled sources of information have increased due to consumer demand for more credible and accountable information about environmental concerns. These sources, which are typically evaluations made public by third parties or NGOs, may be influential if they are easily accessible, comprehensible and persuasive (ibid.). Thus, corporations who are transparent with their CSR motives are likely to gain the trust of consumers. Some argue, “companies that display intrinsic motivations earn greater rewards for their efforts, in that their communication more efficiently enhances their corporate brand evaluation” (ibid, pg. 23).
Cause-Related Marketing as Consumption Philanthropy

Critics bring up the point that in the market, there are a surplus of items you can purchase in order to support a cause. Whether it is “red” products to end AIDS in Africa, “pink” products to support breast cancer awareness, TOMS Shoes to provide shoes for those in need, and even salad dressing from Newman’s Own that combine consumption with philanthropy and social responsibility. Nickel and Eikenberry state “the message embedded in this stabilizing story of consumption as benevolence is that one can celebrate a culture of global capitalism while sympathizing with its victims” (Nickel and Eikenberry, 2009, pg. 979). Thus, consumption philanthropy champions those causes that stabilize the current system, reducing the distance between the problem and the reaction to the point where the problem is no longer visible. In this scenario one is compelled to “do good” simply by buying products that appear on the label to be supporting a cause – like cancer research – while in reality, that product might contain chemicals that could cause the disease (Bernhard, 2006; King, 2006). These types of products are discussed by Slaboj Zizek (Eikenberry, 2004) as paradoxical in that they are removed from their harmful properties, giving consumers the false sense of being able to consume anything without negative consequences.

Eikenberry summarizes that the most revealing example of inadequate CRM is the Gap (PRODUCT) RED campaign, which asks if a t-shirt can save the world. The answer, of course, being “yes” because half the profits from the product go directly to the Global Fund to help fight AIDS. Consequently, through CRM – or as Eikenberry puts it, “consumption philanthropy” – people who buy
products that also support a cause are easily tied to a false sense of doing good through consumption. However, the very situation they hope to ease may have been created by purchasing products produced through (often) exploited labor. This notion of consumption as a way to justify philanthropy or exploited labor ties in directly to the point of April Biccum, who argues that development is often explained to the public in narrow and simplistic ways. She states that:

“Rather than promoting a sense of political literacy that is cognizant of the complexity and debate around poverty, development and globalization, the new development advocacy is modeling a form of entrepreneurialized activism that promotes market-based solutions to development and is aimed at (re)producing neoliberal subjectivity” (Biccum, 2011).

Oversimplifying Development

A prominent criticism revolves around the “simplification” of issues, specifically in the realm of development. Roberta Hawkins, a professor at the University of Guelph, India, states that the focus on marketing development causes “through slogans and sound bites raises questions about the simplicity with which the sound bites define development problems and solutions” (Hawkins, 2012, pg.1794). Additionally, others accuse the CRM model of promoting “consumption-oriented solutions to complex development problems and of drawing on stereotypical gendered and racialized tropes of people in developing areas” (ibid, pg. 1796). A representative at a communications agency went into more detail stating that nonprofits are bringing up complex issues, and the problem is people seek to simplify them. Thus, when you oversimplify the explanation of complex issues, you miss being able to engage in the depth of the problem. While an emphasis on a simple and catchy slogan within a CRM
campaign is a necessary and effective marketing tool for some research participants, others worry it limits the types of development causes that could get addressed, and the ways in which development issues get explained to the general public (ibid.). The intersection of consumption and development (through endeavors such as fair trade campaigns, as Hawkins mentions) is often scrutinized. Michael Goodman, a Professor at the University of Reading, criticizes the way in which developmental consumption actually ends up redirecting consumption choices rather than reducing consumption altogether, leaving almost no room for considering the impact of consumption choices on global inequality and environmental degradation (ibid.).

The inherent contradiction that most critics express in the arguments I am bringing up is that increasing consumption to fund a development cause may actually hurt the broader goals of the development organization. Hawkins states that this contradiction came to light recently with a CRM campaign linking a children’s aid organization and a corporation known to use child labor (ibid.). Even if the business in question avoids contradiction, they might have to deal with losses. Some non-profit organizations (NPO) disclosed that partaking in CRM resulted in financial losses to their organization, as the funds raised did not cover the costs of pursuing and negotiating with corporate partners. Thus, the issue of “cause-washing” arises, in that NPOs often are directly involved in promoting products to their donors, or the general public. Consequently, the product promotion is at the potential expense of direct donations and a strong brand image.
Measuring the Feasibility of My Framework

In the sphere of my framework, other critiques of cause-related marketing (CRM) generally state the scope is too short-term, with a focus on an immediate crisis. Instead of tackling the causes of the crisis, relief focuses on the immediate symptoms; the quick managerial fixes rather than addressing the more complex prevention and mitigation needs. Nevertheless, when it comes to CRM, donations through the purchase of products still give consumers an opportunity to feel good about making a contribution, without feeling bad that they are not giving more. Regardless of product type, when a brand claims that 1% of the price of its products will go to charity, people are likely to prefer that brand over one with a 1% lower price that does not give to charity (Strahilevitz, 1999.)

Research also found that while respondents tend to identify more with local/national causes than with international ones, some respondents’ evaluations of corporate image due to CRM campaigns are more positive when the campaign adopts an international scope (Vanhamme et al., 2012). However, the majority of research surrounding CRM success versus failure states that the organization must determine the objectives and methods underlying their campaign by balancing the fit between the organization’s image and the cause, against the fit between the consumer and the cause (ibid.). In terms of for profit-based organizations – which my framework will focus on – marketers who want to influence their corporate image should choose a cause that addresses a primary need.

With cause/fit in mind, there are other important takeaways to consider when it comes to CRM. Despite the many critics of CRM, in 2009, 41% of people
in the USA purchased a CRM product, and 83% wished companies would engage more with CRM (Hawkins, 2012). When attempting to assess the plausibility of my framework it is important to note a few things. First, as evident in the statistics from Hawkins, CRM is rapidly on the rise, and desired by consumers. Second, research indicates a cause-product “fit” that appears realistic (for example an organic food store supporting local farmers) is more likely to be interpreted by the consumer as ‘cause–beneficial’ than ‘cause-exploitative’ (which might be the case if an organic food store supported fast food companies) (ibid.) Third, CRM involving a hedonic product (luxury good, concert ticket, etc.) is more effective in stimulating actual purchases than one that associates itself with a utilitarian product (toilet paper, detergent, etc.) (Nan & Heo, 2007). Considering all three, the framework I propose to construct is plausible.

The cause-related marketing I will use is a theoretical clothing brand selling a product that would be categorized as hedonic, manufactured in a country susceptible to natural disasters, making the donations towards mitigation and response in that country ‘cause-beneficial’. In addition, using Bangladesh as an example of such a country, if CRM could succeed in fostering long-term mitigation and disaster response efforts there, one could argue that it should be pursued. Studies show Bangladesh is one of the world’s countries most likely to suffer adverse impacts from anthropogenic climate change – ranging from droughts, floods, and cyclones (Huq, 2001) and, relative to its population size, it is one of a few countries to suffer the most deaths from disaster (Kahn, 2005). Putting aside the ethics of offshore production or corporations profiting from
charity – any way to mitigate death from natural disasters should be entertained by those companies benefitting from the country’s cheap labor costs.

In the next section I will engage in a comprehensive case study dealing with the susceptibility of lesser-developed countries to natural disasters, with a focus on Bangladesh. Additionally, I will provide a review of the multi-national corporations that, more often than not, exploit such at-risk countries for their cheap labor costs and in return do very little to give back to the local economy – thus making their presence a one-sided relationship.
Case Study of Bangladesh and Corporations Abroad

By relying on the decency and good nature of consumers, rather than profit-driven motives fueled at any cost, my framework is not inherently capitalistic. While the implementation of such a framework is no easy task, the long-term payoffs would be lucrative for the brand engaging in the model, and would create valuable infrastructure in the countries where operations take place. In order to grasp the need for my framework, one must understand how many multi-national brands currently operate abroad.

In this chapter I first go over the general lack of a mutually beneficial relationship between multinational corporations and the host-countries they operate in. With a focus on Bangladesh, I then analyze the susceptibility of the country and explore the economic and environmental impact one corporation’s presence – Gap Inc. – has on the country. My emphasis is on the socially responsible programs implemented by Gap Inc. that in reality have very little impact on improving the environment or economy. I conclude by applying my framework to brands like Gap Inc., and theorize how creating long-term disaster mitigation programs and relief funds would not only improve business, but save lives in these at-risk countries.

The Haven of Lesser-Developed Countries for Operations Abroad

Over the past few decades’ waves of liberalization have virtually washed away protectionist barriers in developing countries (Khanna & Palepu, 2006). Multinational corporations (MNCs) from North America, and around the world, stormed into those nations as they integrated themselves into the world economy.
These ventures, in principle, offer both parties (the brand operating abroad and the developing country) an opportunity to benefit significantly from the comparative advantages of the other. Many would argue that MNCs engage in useful and morally defensible activities in LDCs. Most prominent among these activities would be the extension of economic opportunities for earning higher incomes as well as the improved quality of goods and services to people in poorer regions of the world (Ahiakpor, 1992).

While the presence of MNCs does influence the creation of jobs, is such employment justifiable when the employees are working in structurally dangerous infrastructure, or employees are still living in extreme poverty? One might argue dangerous conditions and low-wages are a necessarily evil, given the alternative may be no employment at all. To compensate for their presence in LDCs, large MNCs engage in Corporate Social Responsibility (CRS) – a practice that relies on socially and environmentally responsible actions taken by the company. Thomas Laudal defines it the following way:

*Companies engage in CSR when they integrate social and environmental concerns in their business operations and thereby improve human well-being and fulfill or exceed requirements in international CSR standards.*

The potential of CSR initiatives is impacted through the methods of engagement, which break into two choices: 1) Strive to uphold international standards, or 2) Conform to the business environment (Laudal, 2010). Under such methods, if a company adjusts to the typical behavior in the host country’s environment (meaning option 2), CSR will have a negative effect. A negative
effect, in this context, means there will be no legitimate impact on social and environmental concerns.

**Bangladesh: An Epicenter of Operations**

One country feeling the presence of MNCs is Bangladesh. In the past decade alone, the production of the world’s cheap clothing has skyrocketed there. In 2013, Bangladesh exported nearly $31 billion of goods overall – nearly twice what it did just four years earlier in 2009 (International Trade Centre). Considering this information, Bangladesh is certainly an asset to the global garment supply chain. Despite the importance they bring to production, many of the factories owned by powerful multinational corporations (MNCs) have inadequate structural stability, and harsh labor conditions. This was most evident in the collapse of the Rana Plaza garment factory outside of Dhaka in 2013 that killed close to 1300 people. The building was constructed with substandard materials and was in blatant disregard of the building codes, even upper floors were illegally constructed to house more workers and generators. Despite the appearance of cracks in the building that shook the structure enough to create fear among the workers, the factory bosses discounted concerns and ordered employees into the building the next morning. As soon as the generator switched on, the building buckled and collapsed (Manik and Yardley, 2013).

The tragedy of the collapse was not only the immense loss of life, but also how destruction could have been easily prevented. In response to the collapse, engineering teams sponsored by Western retailers rigorously inspected the country’s garment industry, resulting in two temporary closings due to safety
problems (Greenhouse, 2014). The range of problems found through the implementation of rigorous inspection highlighted issues almost immediately. At the Dragon Sweater factory in Dhaka – where Walmart and C&A are customers – inspectors found extensive fire safety problems. The report said, “boiler and generator rooms as well as storage areas holding combustible materials were not separated from production areas using fireproof construction” (ibid.). The inspections were organized through the Bangladesh Accord Foundation, a group of 150 clothing brands and retailers from more than 20 countries that plans to inspect 1,500 Bangladesh garment factories by early September (ibid.).

*Aftermath of the collapse at Rana Plaza, outside of Dhaka*

The MNCs involvement with local efforts to address the problems with offshore manufacturing could be interpreted as a good deed and a part of
responsible CSR, and certainly necessary to continue production efforts. This goes along with public opinion (generally Western opinion) that “apparel brands and retailers, along with those that manufacture textiles and apparel, must do something to protect the people and the environment” (Kozar & Hiller, 2010). Among the negative practices corporations are often accused of are: forced labor, low wages, excessive hours of work, discrimination, health and safety hazards, psychological and physical abuse of workers, lack of awareness of workers’ rights, and more. In regards to this thesis, my interest lies in these issues—all of which impact workers’ safety. Generally speaking, corporations have improved efforts to protect worker safety. However, we still see incidents like the Rana Plaza factory collapse all over the world, primarily in countries susceptible to natural disasters.

Thus, if corporations can utilize CRM to contribute to long-term construction and mitigation to prevent natural disasters, it should be pursued. While the impact may not be dramatic – meaning that a single corporation cannot lead the restoration and fortification efforts of the entire area where production occurs – it would certainly be a step. As it stands, many corporations are doing the bare minimum when it comes to justifying their presence in LDCs, and continuing with business as usual. Deloitte published the results of its first zero impact growth monitor (ZIG-M) in 2012, which measured the quality of a company’s performance against a “north star” benchmark. This essentially meant to recognize a minimal target that all industries, with support from civil society and governments, needed in order to maintain human well-being (Thurm, 2013).
Apart from the various gaps and issues with the ZIG-M, one aspect became clear – the information available through sustainability reports and websites only told us who is less bad. What also became evident when these reports came out was that we seem to be completely in the dark when it comes to knowing what is minimally good enough.

**The Social Responsibility of Gap Inc.**

Long before Deloitte published their report, in 2003 Gap Inc. took it into their own hands to publish a report, offering a comprehensive overview of their approach to social responsibility. At the time, such a report was not expected from large MNCs that were essentially exposing the positives and negatives of their operations, and where improvements were made. Somewhat comically, the report even won Business Ethics Magazine’s Social Reporting award for “unprecedented honesty in reporting on factory conditions” (Wright, 2006). The fact that such an award exists only illustrates how even Business Ethics, a magazine dedicated to corporate social responsibility, considers it impressive that a MNC would speak about the downfalls of their operations abroad. In reality such transparency should always be available for the public to see, and MNCs should be accountable for their offshore operations – and certainly not be awarded for acknowledging their shortcomings.
Today Gap is among the leaders of social responsibility, with company engagement in a variety of social and environmental issues abroad where their operations are located (1.1). Programs such as P.A.C.E. (Personal Advancement and Career Enhancement) help women who make their cloths gain the skills and confidence they need to advance at work and in life. Their Women + Water strategy works to improve women’s access to safe, clean water resources, and to improve water practices at fabric mills while ensuring that washing your denim does not contaminate local waterways or harm communities. Additionally, Gap has set a goal that by the end of 2018 the vast majority of their suppliers – 84% – will have no red-rated factories (Gap Sustainability Website).
Details on Gap’s website about their different sustainability programs (1.2)

These are just three examples of programs Gap has created to maintain more of a presence in the regions where they operate, and to show they can do so responsibly. Gap has a website dedicated to their sustainability practices (1.2), and while the programs boast a sense of care, some may feel that such programs only exist to help Gap carry out its routine operations. While others may argue that there is little MNCs can do to fully convince the general public they are seeking to create meaningful change in the countries where they operate, Gap – on paper – appears to be on the right track.

Despite their impressive website of sustainable goals and aspirations, Gap does have a track record with controversial campaigns, most notably the RED campaign. The campaign to raise awareness and combat H.I.V. and AIDS in Rwanda was peaking in promotion between 2008-2009. The organizations involved with RED (including Gap) raised upwards of $22 million with consumer purchases, which “built 33 testing and treatment centers, supplied medicine for more than 6,000 women to keep them from transmitting H.I.V. to their babies, and financed counseling and testing for thousands more patients” (Nixon, 2008).
While such progress in Rwanda was impressive, the campaign as a whole received criticism because, according to Advertising Age magazine, the companies involved with the campaign collectively spent $100 million on advertising and only raised $18 million. Inger L. Stole, a communications professor at the University of Illinois, further criticized them stating “Look at all the promotions they’ve put out, the ads seem to be more about promoting the companies and how good they are than the issue of AIDS.” (ibid.). Advertising is certainly crucial to spreading awareness of a particular campaign, but that should not interfere or limit the funds going to support the cause.

**Finding Success for My Framework**

The framework I propose for MNCs operating abroad – like Gap Inc. – would function on the basis of transparency and stay focused on the cause in question; which, for my purposes would be disaster mitigation and response. Once again, the main goals of the framework are:

1) Supporting preparedness efforts to build the capacity of these communities to withstand natural disasters.

2) Creating an in-country fund to provide rapid response when disasters strike.

3) Educating consumers about the importance of preparedness activities and rapid response to disasters in these countries.

Maintaining this year round business model means the “cause” is constantly supported through consumer purchases. And while some advertising is necessary for any campaign, theoretically there would be limitations; and eventually depend
on word of mouth, social media promotion, and/or publications about the campaign. After all, as argued by scholars in regards to long-term marketing efforts, “a pulse of advertising should allow marketing communication to start the social influence process, which then requires little further stimulation emerging from word-of-mouth and stickiness in brand consideration” (Weiss et al, 2015).

While word of mouth may be useful when influencing Western consumers to purchase a certain product to help address a cause, it is important that local governments accept the model. There could be no success in implementing it unless governments saw it as a viable way to address the problem of disaster mitigation and response. However, Professor M. Allimullah Miyan, the Vice-Chancellor at the International University of Business Agriculture and Technology in Dhaka, Bangladesh, believes more than government is needed. He stated:

“The next level of challenge for LDCs like Bangladesh is to mainstream disaster risk reduction in the policymaking, development planning and management of development process of involving national policy makers, administrative ministries and implementing bodies, regional and local elected forums, public and private organizations, educational institutions, non-government organizations (NGOs), businesses, civil society organizations (CSOs) and the communities (Miyan, 2014).”

Miyan articulates that the next step for disaster mitigation and response is to involve as many parties as possible to address concerns. Countries like Bangladesh do not necessarily have the resources to tackle risk-management protocols with so many other immediate pressing issues effecting the population. This leads to natural disasters being addressed after they occur, and only if they present an immediate detrimental impact on communities. Governmental response
typically comes in the form of short-term relief, with a reliance on international aid to assist affected populations. Yet, with MNCs like Gap Inc. already possessing a presence in Bangladesh, it becomes more feasible to play a role in assisting with disaster risk reduction. By having a presence in a country it’s also possible to strengthen relationships with local organizations that seek to address disaster response, and work to implement preemptive long-term programs to help communities better withstand and mitigate natural disasters.

Following the earthquake that shook the Kathmandu region in Nepal in early April 2015, I recall hearing a conversation that played a role in influencing this part of my framework. A student at the University of Vermont, who spent time abroad in Nepal the previous semester, frantically expressed her frustration to a friend stating, “I sent money to my host-family in Nepal after the earthquake and they never received it” (UVM Student, 2015). This form of donation not only demonstrates charitable giving, but can also be crucial to helping people after disasters strike. Coming from a family of means – or at least more financially secure than the family the student stayed with in Nepal – the student felt obligated to support the relief effort. While donations by individuals are kind gestures after disasters, money can often get lost in the chaos if it’s being directly wired. The purpose of this example is to illustrate that there are obstacles to giving aid in these situations. While I am not arguing that my framework – which in part would pool funds from cumulative purchases to serve as an immediate on site disaster relief fund – is a more personal or charitable way of supporting a particular disaster, it’s important to have such funds in place in order to address immediate
relief in affected regions. If a business, organization, or corporation has a presence in a particular at-risk region, it is inevitably easier to allocate aid to local groups on the ground looking to distribute resources. If MNCs can assist in relief efforts through such forms of aid distribution, it should be considered a viable strategy to support.

As is evident in my discussions, lesser-developed countries are feeling the effects of climate change, despite not being responsible for the consequences they are facing. Compare the ecological footprint of someone in Dhaka to that of a student in Vermont – you would have difficulty doing so. The point I want to leave you with is that through such a framework we can raise awareness of such issues, which is ideally how change comes about, and how more can be done in the developing world to mitigate against disasters of this nature. As I have stated, this is without a doubt a double-edged sword. I cannot defend MNCs operating abroad and state that their existing CRM programs, and support to host-countries, are doing any meaningful good. However, if the end goal is to actually mitigate death and destruction, we need to entertain the possibility that many of these corporations serve as another resource for addressing these issues. It’s important to understand that the impact of this framework will start on a small-scale.

Success in the short-term would entail basic activities such as the fortification of factories where employees work, the restoration of a cultural site to withstand an earthquake, and the creation of a relief fund to immediately assist those affected by a disaster. Long-term success would require other corporations operating abroad to also adopt such a framework. If a comprehensive network of mitigation
activities and response aid could exist than the impacts of natural disasters would be addressed on a larger, more effective scale.

While I believe CRM has potential to do this, many of the existing programs serve only the interests of the company implementing them. While they typically simplify development and downsize philanthropy, consumers respond to them. And, as evident in my own results from surveying undergraduate consumers between the ages of 18-22, which I will go over in the next section, consumers not only continue to support these programs, they also desire long-term programs to address the root of an issue, making them an attractive option for MNCs to implement.
Methods and Empirical Research Findings

To properly assess if the framework I propose for multi-national brands that operate abroad is feasible, more than the existing literature needs to be considered. It is not enough to rely on praise and critique from previous cause-related marketing research to determine whether or not a brand could achieve positive financial returns by engaging in long-term mitigation and disaster relief. While many brands today are more socially conscious, and engage in CSR to address aspects of societal issues both domestically and internationally, we need to assume that the end goal of these corporations is to maximize profits and please investors. Thus, while their intentions to address a societal issue may be genuine, such programs can only be sustainable through product sales. In this section I will show the findings from my survey, and break down each question in relation to existing research from my literature review, and apply the respondents’ answers to the theoretical success of my long-term framework. However, before I analyze the survey, it is important to understand why consumers’ behaviors and tendencies as shoppers are important for my framework.

The Importance of Consumer Support

With product sales in mind, when assessing the feasibility of the framework I am proposing, the first step is not to make assumptions about whether or not a brand could succeed in creating long-term mitigation and disaster relief funds, but rather whether or not consumers would support a brand that is seeking to address such issues in developing countries. Given the resources I had for this thesis, coming to a conclusion of how a multi-national brand could
increase profits – all while conducting meaningful, socially responsible projects in the developing countries they operate in – was not realistic. Instead, what I sought to achieve with my own empirical research, was to assess whether or not this framework would be attractive to young millennial consumers between the ages of 18-22; or rather, would college students buy products from brands that engage in long-term CRM projects, rather than short-term.

Millennials are distinctive in terms of their perspectives (Weiss, 2003), decision-making rationales, and value drivers (Boyd, 2010). While the majority of the millennial demographic are still studying, they have high discretionary incomes (Foschet et al., 2009) – and more than any other youth group in history (Morton, 2002). Additionally, because of their substantial influence in the majority of family purchase decisions, they have an even larger indirect economic impact (Morton, 2002; Taylor & Cosenza, 2002). Millennials are thus recognized as the most consumption oriented of all generations (Sullivan and Heitmeyer, 2008), and exceed all prior generational expenditures (O’Donnell 2006).

It is also important to note that millennials believe they can make a difference in the world (Lancaster and Stillman, 2002). Research states that the big picture is more important than an individual transaction for them (Boyd, 2010), and due to increased globalization and internet communication, millennials consider themselves members of the global community, and aware of global issues (Pendergast, 2007). Stating that an individual transaction is not as important as the “big picture” may contradict the mission of my framework. However, when a framework that relies on consumer purchases to address “the
big picture” is the issue (in this case, long-term mitigation and relief programs in at-risk countries) – support from millennials appears feasible.

Millennial support for socially conscious causes and products go hand-in-hand with the framework I am proposing; that the long-term CRM program is classifiable as a form of socially responsible ethical marketing. As Elliot and Freeman state, ethical marketing is based on consumers caring about ethical aspects of products, such that their concern leads to financial implications for firms (Elliott & Freeman, 2001). In this case, such implications are synonymous with hypothetical profitable gain. Research also shows that ethical consumption is growing (Berry & McEachern, 2005). Proof of growing consumption is evident in one study that states, “consumers…are willing to purchase goods on a reasonably frequent (monthly) basis because of their ethical credentials” (Bucic et al., 2012, pg. 127). My own findings show there is substantial interest to support long-term CRM programs among young college-aged consumers. Such support is crucial because millennials account for sufficient purchasing power and possess significant current and future impact on world economies, and are considered the most powerful consumer group in the marketplace (Farris et al., 2002).

In order to gather original empirical data through which to test my hypothesis – that a CRM-focused strategy embraced by a US-based corporation manufacturing products in Bangladesh could theoretically develop a fund to help prepare for disasters in that country—I created a questionnaire with ten questions that was used to sample a subset of the University of Vermont student body. Questionnaires provide insights into relevant social trends, processes, values,
attitudes, and interpretations (McGuirk and O’Neill, 2010), and are a well-established tool within social science research for acquiring information on present and past behavior (Bird, 2009), making them a valuable means of evaluating consumer perceptions of and dispositions towards CRM. While questionnaires can be a crucial element to the collection of qualitative or quantitative data, it is also possible to create ineffective ones. As Sotirios Sarantakos states, “the principal requirement of questionnaire format is that questions are sequenced in a logical order, allowing a smooth transition from one topic to the next” (Sarantakos, 2005). Thus, it is important that the participants understand the purpose of the research, and that they will carefully answer questions to the end of the survey (McGuirk and O’Neill, 2005).

When deciding on the response format, there is debate on the use of open and closed questions with social research (Bulmer, 2004; Vol. 1, Sect. 2). While there are arguably positive and negative elements to both options, a closed-question survey is easier to analyze – and thus, for my data collection purposes, it was more practical. Closed questions are easy to administer, easily coded and analyzed, and they are more likely to produce fully completed questionnaires while avoiding irrelevant responses (Sarantakos, 2005). In order to achieve reliable and valid results, the working of each question should be unambiguous and precise to ensure each respondent can interpret its meaning easily and accurately (Payne, 1951). In this context, reliability refers to the consistency of a question; or, the probability of obtaining the same results if the question gets duplicated. Validity refers to whether or not the question measures what it
intended to (Openheim, 1992). To achieve both reliability and validity, questions should be simple and in line with the targeted population’s vernacular and avoid ambiguous questions (Bird, 2009).

Once the questionnaire is designed and properly formatted, researchers should consider the length. Some scholars argue the essential rule to questionnaires is that they should contain as many questions as necessary and as few as possible (Srantakos, 2005). And, in order to acquire as many responses as possible, questionnaires should take no longer to complete than participants are willing to spend time answering (Bird, 2009). However, in order for questionnaires to be a viable source of information, scientific journals request that authors provide enough methodological detail to allow the work to be reproduced (ibid.).

Considering the parameters and guidelines for a successful questionnaire, I created a ten-question online survey in order to analyze whether or not my peers would purchase a product that is promoted through cause-related marketing to support preemptive efforts – in this case, to mitigate the effects of natural disasters. As it stands there are many companies that promote products that benefit a specific cause (e.g. TOMS shoes donating one pair of shoes to someone in need for every pair purchased, or GAP Inc. donating proceeds of sales to HIV/AIDS research). Yet, they position themselves as addressing the solution to a particular problem, rather than the actual cause of the problem. It was important to test CRM that addresses natural disaster prevention and relief because there is
less research on the topic – and the most efficient way to do so was through the medium of a closed-question survey.

Typically in CRM, the percentage of profits allocated for charitable causes are immediately distributed through direct service organizations. The preemptive CRM that I am proposing would accumulate funds year round. Rather than distributing those funds immediately, a portion would be saved to respond to disaster when one strikes, and the rest would be invested to prevent or lessen the impact natural disasters have on at-risk communities (for example, fortifying a structure to withstand an earthquake). With my study I found that 98.49% of young consumers, between the ages of 18-22, would support CRM from brands that are working preemptively to respond to disasters, as well as mitigate their impact when they strike.

**Alternative Approaches to Surveys**

Another approach to getting empirical feedback to questions is through In-Depth Interviews (IDIs). Interviews provide a wide-range of answers and allow the respondent to dive into nuances that are not necessarily accessible in a closed-question survey. If I were able to interview brand strategy coordinators for MNCs that engage in manufacturing abroad it would present me with valuable insider information about the CRM process, and a first-hand source that would be beneficial for my research. However, there are a number of reasons a questionnaire made more sense than IDIs.
I certainly did consider interviews as a possibility, as well as the combination of both interviews and surveys. Yet, cost effectiveness was one key deciding factor. While there is some maintenance and monitoring involved in the data collection period, having the ability to capture more responses means that the in person hours spent per respondent decreases as the overall number of respondents increases. Additionally, online surveys save time. Respondents can complete an online survey faster than if they participated in an IDI, and identifying a time that fits the interviewer’s and respondent’s schedule can be a time-consuming process in its own. Online surveys allow for flexibility and can be accessed at a time that is convenient for the respondent. Finally, and most importantly, they provide the ability to capture a more representative sample of a larger population. Attempting to interview 200 people for my empirical research would not be feasible, and even if possible I would only be tapped into my own network. By doing a survey I was able to expand it without my own bias, thus reaching students I would not normally be in contact with. Consequently, I received a diverse range of respondents from all grade levels at UVM.

However, as mentioned, the primary importance of a survey comes from who it allowed me to reach. Gauging consumer interest is critical for any corporate marketing decisions; thus, creating a survey for students was the most practical decision. At UVM there are 9,718 undergraduate full-time students. (UVM O.I.E., 2015-2016). Of that full-time undergraduate student body 7,019 are out-of-state, thus offering a diverse array of students from across the nation that can provide insight into consumer trends among students at UVM.
The questionnaire – although limited to ten questions – is designed for sectional analysis. Questions 1-3 gather basic information from the respondent dealing with university affiliation, grade level, and gender identification. Questions 4-6 are designed to assess consistency with existing scholarly articles and journals. Finally, questions 7-10 offer insight into whether or not there would be support among college-aged consumers to support the CRM framework I am offering. Thus, I will analyze consistent trends in my own results, and draw parallels to existing research from my literature review. After doing so, I will discuss the results as a whole, and what that means for the potential feasibility of my framework, and the answers to my research questions. However, first I will discuss the methods I used to distribute the questionnaire.

Given the resources and outreach at my disposal, an online questionnaire was the most feasible choice for me. By relying on social media platforms, and email listservs from the Community Development and Applied Economics (CDAE) department, I was able to gather 200 responses. It was important for me to limit the survey to ten questions; any more and I believe I would have deterred potential respondents. By constructing the survey as closed-question (opposed to free-response) I was able to shorten the amount of time respondents had to spend on the survey in order to maximize the amount of participants I received. The inconvenient truth is that surveys are often neglected unless there is an incentive attached to them. Consequently, I had to rely on the good nature of respondents to answer my questionnaire; thus, ensuring responses did not take longer than five minutes was important.
Exploring Survey Results

My survey was open over the course of three months, from November 2015 to January 2016. During the first month I attempted to exclusively rely on the social media platforms at my disposal, the most effective being Facebook. While I was able to receive some support from friends within my UVM network, there was not enough support to allow me to make claims on my research. The survey was not snowballing as I had hoped. I came to realize that while one person would see my post, chances were slim they would feel obligated to share the survey with someone else. Come December, after fewer responses than I had anticipated, I changed my approach. I began to reach out to different Professors around UVM, as well as departments, to see if they might send my survey out to their advisees via email listservs. For those who agreed to help, the results were incredible. After the survey was open for nearly a month, I had only received 60 participants. On December 7th, 2015 – following the email from the CDAE department and a professor – I received 82 respondents. Over the course of that week I received six more responses. While holiday responses were slim, when classes resumed in January and more promotion was done for the survey, 51 more responses were collected. In the next few sections I will break down the questions, as well as the responses.

Of my respondents, 72.36% identified as female, 26.63% were male, and 1.01% as “other” (see chart 1.1 below). While there was a clear majority in gender identification among females, there was no majority when it came to grade level breakdown (freshman, sophomores, juniors, seniors).
The largest number of respondents were freshman, at 34.85% -- thus falling in the 18-19-age bracket (1.2). The least substantial portion was from the “other” category. Those respondents classified themselves as graduate students. However, given they were still University of Vermont students, I considered their responses in my results.
For the next series of questions I wanted to assess respondents’ knowledge and awareness about the very clothing they are wearing. Statistically speaking, there is a chance an article of clothing you are wearing right now is manufactured in a lesser-developed country (LDC). By showing that 98.99% of my respondents have purchased clothing manufactured outside the U.S. (in countries such as Bangladesh, Vietnam, or China), it becomes more plausible for this portion of consumers to support – or simply buy – from a brand engaging in any form of CRM through their purchases (1.3).
Clothing purchased from a brand manufacturing outside of the U.S. (1.3).

The situation changes when you vary the type of CRM you engage in, and what it supports. Are consumers simply supporting a brand because they like the product? Or would they like to see proceeds from the purchase of a shirt go to a societal cause? I next asked respondents if they have ever donated money to assist victims of natural disasters either in the U.S. or abroad – for example, Hurricane Katrina, the Haitian earthquake of 2010, and the Nepalese earthquake in early 2015 (1.4). Getting an idea of the philanthropic mindset of my respondents was crucial, and allowed me to connect the dots to determine if their donations might match up to the CRM framework I am proposing. That is, if they already purchase products being manufactured abroad, will they continue to do so from a brand that seeks to assist in mitigation and disaster relief for future natural disasters?
Whether or not respondents have donated to assist victims of natural disasters (1.4).

Assessing whether or not respondents have donated to assist victims of natural disaster may not seem relevant to CRM directly because it relies purely on the good nature of the respondent, and not on using a corporation or brand as a liaison for their charitable acts. However, in the spirit of my framework, seeing that half of my respondents have donated from their own pocket to support those in need is quite important and significant for my overall resorts. The significance of respondents’ philanthropy is even more important when noting that almost 91% (1.5) of them have purchased a product in which a portion of their purchase goes towards a CRM campaign (through brands like TOMS shoes, or the RED Campaign). Thus, the strong connection between those statistics prompts me to believe that a CRM campaign – or framework – would hold interest among college-aged consumers.
Whether or not respondents have purchased from any CRM Campaign (1.5).

However, more information is needed before I can draw such a conclusion. Adding on the previous questions, the next one asked if respondents prefer to buy clothing from brands that use a portion of sales to support a charitable brand. My initial impression of CRM methods utilized by multi-national brands was that it was merely an added bonus for consumers, or a way for them to justify their consumption. Did consumers actually care about the societal cause attached to a specific product? Or was it something they wanted to purchase regardless of cause or donation? To my surprise, 64.82% (1.6) of respondents preferred to buy from brands that had a charitable cause attached to it. While 30.15% (1.6) claimed they did not have a preference towards CRM
campaigns, it appears there may be room to convince respondents to change their consumption tendencies through meaningful campaigns.

Although nearly a third of respondents did not necessarily care for purchasing products through CRM, nearly 87% (1.7) of respondents believed that if companies are producing products in lesser-developed countries they have a responsibility to give back to the local economy. That is, when asked if multi-national brands have a responsibility to support local infrastructure and development where operations occur, the overwhelming majority of my respondents said “yes”. Instead of solely capitalizing on cheap labor costs through, more often than not, unsustainable employment in inadequate work environments, powerful companies in these developing countries have the obligation to support the local economy outside of employment through the construction of roads, adequate infrastructure, and even public spaces.

![Bar Chart: Respondents' preferences towards purchasing CRM related products (1.6).](image)

*Respondents’ preferences towards purchasing CRM related products (1.6).*
When analyzing my results the goal was to link together the various trends brought forth in the data, and draw conclusions that might indicate the success of my framework. For example, while one person may not care at all for CRM campaigns, he or she may feel adamant that companies operating abroad support the host-country outside of cheap labor employment. Thus, seeking out trends and various consistencies among respondents is crucial for assessing the feasibility of my framework.

Respondents position on whether or not companies should support the local economy of the country they operate in outside of labor employment (1.7).

Respondents were then asked if they would prefer a brand that seeks to address the root cause of a problem through CRM, even if there was no immediate outcome as a result of their purchase. For example: instead of funds raised going only to support relief efforts after a disaster, a company might use
your donation to invest in infrastructure that would prevent mass destruction when one strikes and/or build an in-country pool of funds ready to respond immediately to disasters when they occur. Of all my respondents, 98.49% (1.8) stated that they would prefer a company that seeks to address the root of a problem, rather than a quick fix. As I will elaborate in my discussion below this is significant because the majority of CRM programs only engage in short-term fixes to a problem; which is the major criticism of these programs.

Respondents’ position on whether or not companies should address the root of a problem through CRM – Even if there is no immediate outcome as a result of your purchase (1.8).

Elaborating on the previous graph, the questionnaire concluded by bluntly asking if respondents could choose how their contribution was used, would they prefer supporting a long-term or short-term response. For example, tents for
people who lost their homes in an earthquake or projects to strengthen homes in at-risk areas to better withstand and mitigate future earthquakes.

Respondents’ preference towards long-term vs. short-term disaster response (1.9)

Based on previous CRM campaigns, and the routine success of programs that seek to address short-term fixes through marketing methods, I expected responses to be more in favor of short-term response. However, 88.94% (1.9) of respondents would prefer to see long-term engagement through CRM programs, thus showing a strong preference for my CRM framework for companies operating abroad in lesser-developed countries (LDCS). In the next section I will analyze the significance of such a claim, and, with my research question in mind, I will also discuss the potential positive repercussions of my questionnaire results.

However, before engaging in an analysis of my results, it should be noted that my form of empirical research does not come without error. By conducting a closed-question survey, one misses out on the opportunity to capture the nuances
and natural language that comes with IDIs used by respondents. Additionally, responses to open-ended questions might be surprising, offering new insight into the audience’s perspective. With open-ended questions also comes the ability to ask more questions. The flexibility in the total number of questions can also provide more opportunity to assess the respondent’s perspective.

My sample size is not representative of the entire UVM population, or full-time undergraduate size. In order for that to happen, I would have needed 10% of all full-time students to answer my survey – which would come down to roughly 1,500 responses. Given the resources at my disposal, and the absence of any real incentives for the survey, this was not possible to acquire. Consequently, I am not making blanket claims about the results of my survey, or even stating that because X was true, X will happen. Rather, it has been my goal, and continues to be, to open the door for more research on the subject of long-term disaster mitigation and response as a form of CRM. Despite the absence of a representative sample, the overwhelming majority of the random 200 students that answered my survey – from a diverse array of grade levels – would support the framework I am proposing.
Analysis of Results

Based on a review of scholarly research, as seen in my Literature Review, CRM has grown to be a widely accepted and utilized marketing tool by a variety of businesses; ranging from multi-national corporations, to non-governmental organization, and non-profit organizations. The marketing method has proven to be a successful tool for companies to demonstrate their worth as responsible corporate citizens.

Regarding my empirical research in the form of a questionnaire, I was able to explore the following research questions:

a) Does Cause-Related-Marketing have a widespread appeal to a typical US college audience?

b) Can such an approach have a positive impact on disaster preparedness and response?

In this discussion I will analyze the results and trends from my questionnaire, and speak about what this means for the feasibility of my framework. Scholarly sources state that 41% of people in the US purchased a CRM product, and 83% wished companies would engage more with CRM (Hawkins, 2012), and that regardless of product type, when a brand claims that 1% of the price of its products will be given to charity, people are likely to prefer that over a brand with a 1% lower price that does not give to charity (Strahilevitz, 1999.) With 90.95% of my respondents purchasing a product through CRM campaigns, and 64.82% explicitly stating they prefer to buy clothing from brands that use a portion of the profit to support charitable causes – my empirical
research is consistent with these findings. Thus, the responses from my questionnaire show a majority support for CRM.

More important, virtually all of my respondents support the long-term framework I am proposing for brands that operate in LDCs. Of my respondents, 196/199 (98.49%) would like to address the root of a problem (rather than the quick fix, or short-term solution). This would mean finding the inherent issues embedded in a particular country, and attempting to address them from the ground up. Such a task entails having more of a presence in the country. By seeking to address the root of a problem, the majority of my respondents agree that a short-term solution or fix would not create any real change, thus 177/199 (88.94%) would prefer long-term CRM programs.

A large portion of the research in my literature review shows that consumers enjoy seeing an immediate payoff to their investment, or some sort of gratification from their purchase. This is why models like TOMS Shoes are so successful. The “One for One” (buy a pair, and give a pair to someone in need) model TOM’s engages in has managed to sell over two million shoes, making it a $100 million enterprise (Favini, 2013). However, as I will explain below, the TOMS model is the epitome of a short-term fix, and is also why so many CRM programs are subject to scrutiny and critique. The simple comparison of the buy-one-give-one model archetype is the classic foreign aid mistake of giving out fish, rather than teaching people how to fish. “While TOMS gives out shoes in over 50 countries, their products are made only in Argentina, Ethiopia, and China” (ibid). Consequently, their “shoe drops” in most communities constitute an economic
bomb to any local industry that may have existed prior to the introduction of free international shoes.

While TOM’s “aid” may be providing necessary short-term relief, their business model neglects the fact that they may be harming local businesses with such philanthropy. One study by the University of San Francisco held an experiment in El Salvador – a country that consistently ranks in the bottom half of income-per-capita tables – involving 979 households (5,607 individual people). The research team gave half of the people shoes at the start of the study and the other half shoes when it was over (Wydick et al., 2014). Regardless of whether or not they received the shoes initially, everyone received a voucher to purchase shoes of their choosing in the local market. The study found that there was in fact a reduction in shoe purchases for families that received the TOMS shoes (ibid.)

Bruce Wydick, who conducted the experiment in El Salvador, wrote further on his experience with TOMS. He stated that while there were some positive impacts of TOMS, primarily that “95% of the kids in El Salvador had a favorable impression of the shoe and they wore them heavily” (Wydick, 2015), there were also negatives. There is no evidence that the shoes exhibit any kind of life-changing impact, except for potentially making them feel more reliant on external aid (ibid.)

In her book, Dead Aid, Dambisa Moyo, a Goldman Sachs economist, speaks about how ineffective aid is on a global level. She states “more than US $2 trillion of foreign aid has been transferred from rich countries to poor over the past fifty years – Africa the biggest recipient, by far. Yet regardless of the
motivation for aid giving – economic, political, or moral – aid has failed to deliver the promise of sustainable economic growth and poverty reduction” (Moyo, 2009, pg. 28). Similar to the issue of the TOMS model, Moyo provides a detailed example of a mosquito net maker in Africa. He manufactures around 500 nets a week, and employs ten people, who (as with many African countries) each have upwards of fifteen relatives. Despite their hard work, they fail to produce enough nets to combat the malaria-carrying mosquito. Fortunately, a Hollywood movie star feels like caring today and seeks to rally the masses and Western governments to send 100,000 mosquito nets to the affected region, at a cost of a million dollars. The nets arrive and are distributed, thus, a ‘good’ deed is done. However, with the market flooded with foreign nets, our mosquito net maker is promptly put out of business. His ten workers can no longer support their 150 dependents, and they are now forced to rely on handouts. Worst of all, in a maximum of five years the majority of the imported nets will be torn, damaged, and of no further use (ibid, page 44). Moyo refers to this as the “micro-macro paradox”. “A short-term efficacious intervention may have few discernible, sustainable long-term benefits. Worse still, it can unintentionally undermine whatever fragile chance for sustainable development already in play” (ibid.). When viewed up close, the aid has appeared to work. But when viewed in its entirety it is clear that the overall situation has not improved. For similar reasons this is often why CRM programs are critiqued – while the short-term intentions may be good, they do not create real change.
This information goes hand-in-hand with one of my survey responses that showed 173/199 (86.93%) of respondents think that if a company is producing in a lesser-developed country, they have a responsibility to support the local economy outside of labor employment. Based on my framework, if a brand or company actually contributed to the local economy by strengthening infrastructure to ensure constant productivity of labor employment, they would be more likely to avoid criticism from the general public. The pattern of aid crushing local industry is well documented. One study found that used clothing donations to Africa were responsible for a 50% reduction in employment in that sector between 1981 and 2000 on the continent (Favinin, 2013). Some argue a more effective alternative would be to support the local businesses by selling locally made products internationally, rather than bringing free ones into the economy (ibid.). While there are small boutique shops that follow that formula – and are actually quite successful – imagine the impact a multi-national brand could have on a community where they operate.

Because over half of my respondents (50.25%) have already donated to disaster response without the help of a CRM program, it would seem that a brand engaged in that area of aid work through CRM would be successful. Existing philanthropic tendencies among the majority of my respondents display a strong brand cause/fit (as I explained extensively in my literature review), which is crucial to CRM success. A study found hypothetical consumption intentions generally correlate with purchases when respondents are asked about existing products, and when asked to provide intentions to specific products. (Morwitz,
2006), which illustrates that although my respondents have not actually purchased anything – their intentions foreshadow higher sales for brands that engage in long-term CRM programs.

It should also be noted that Moyo believes aid effectiveness needs to be measured against its contribution to long term sustainable growth, and whether it moves the greatest number of people out of poverty in a sustainable way. What’s so alarming about the aid and CRM fiasco – as Moyo also points out in her book – is that donors, policymakers, governments, economists, and development specialists know that many kinds of aid do not work, have not worked and will not work. “Commenting on at least one aid donor, the Chief Economist at the British Department of Trade and Industry remarked that ‘they know its crap, but it sells the T-shirts’” (ibid, page 46). Discovering ways to eliminate the lies and ineffectiveness that come with traditional CRM is what my framework seeks to do. Consequently, addressing the reoccurring critiques that arise from ineffective CRM programs is paramount to show my framework can be successful.

**Empirical Findings in Comparison to Mainstream CRM Critiques**

In this portion of the analysis I will draw on critiques of mainstream CRM that were discussed in my literature review. While my empirical findings show support for the framework I propose, it is important to analyze those findings in relation to popular critiques of CRM. This will allow me to further assess the feasibility of my framework, and demonstrate how the combination of my framework and empirical results would hold up to scholarly critiques. I address
the issues of green washing, consumption philanthropy, and oversimplifying development.

Green washing issues arise when consumers attempt to distinguish between the virtuous firms and firms taking advantage of sustainable development trends, or other campaigns that enhance their own self-interest. Potential suspicious red flags in green washing come to light when corporations are not transparent; for example—if a cause or campaign is unclear, if large sum of proceeds go to “administration” costs, or if little change occurs in terms of addressing a particular issue. By remaining completely transparent in operations, MNCs can maintain the trust of consumers – that is, if operations remain honest and supportive of the cause. As explored in my literature review, uncontrolled sources of information have increased due to consumers’ demand for more credible and accountable information about large corporations. Evaluations which typically offer insight into the true practices and sustainability of a particular corporation in question – are often made public by third parties or NGOs. They are easily accessibly, and quite influential. And, to recap, some argue, “companies that display intrinsic motivations earn greater rewards for their efforts, in that their communication more efficiently enhances their corporate brand evaluation” (Polonsky & Greg, 2001, pg. 23).

By veering away from green washing practices by remaining transparent in all aspects of operations, it becomes easier to avoid the second critique of CRM – which states it serves as a tool of “consumption philanthropy”. Consumption as a form of benevolence often becomes a way to celebrate a culture of capitalism
while sympathizing with its victims. Thus, it reduces the distance between the problem and the reaction to the point where the problem is no longer visible. While the corporations in question are inherently capitalistic, the goal is to find a middle ground that would ensure economic gains for profit-driven corporations, and raise funds for these at-risk LDCs in a way that does not simplify the complexities of these countries. The third purpose of my framework – to educate consumers about the importance of preparedness activities and rapid response to disasters in these countries – would address both critiques.

This framework does not seek to reduce the distance to the problem; in fact, it’s just the opposite. Consumers have a right to know where every penny of their donation, through CRM, would go. That might mean showing the progress of a project to build earthquake resistant buildings or a dam to protect a village from floods, and how exactly aid and relief funds will be used when a disaster strikes. Thus, my framework would address the third critique in my literature review; that claims CRM oversimplifies development. While I would argue in favor of this critique for traditional short-term CRM, this does not hold true with the long-term involvement my framework would maintain. If a private corporation continues to build on and foster a presence in the country they operate in, they will be able to avoid the oversimplification critique most CRM programs are subject to. The oversimplification critics point out, as I explain in my literature review, that emphasis on a catchy slogan, or a good-looking graphic T-shirt, limits the types of development issues that could be addressed, and the ways in which they could be explained to the general public (Hawkins, 2012, pg. 1794).
By having the corporation engaged in this framework release impartial evaluations of their projects and progress toward long-term goals; it is possible to balance both consumption and development.
Conclusion

Over the course of this inter-disciplinary thesis I have worked to bridge the gap between Geography and Public Communication by attempting to discover if college-aged consumers at the University of Vermont would support long-term programs implemented by corporations to address disaster mitigation and relief in lesser-developed countries (LDCs). I believed that through the use of cause-related marketing (CRM); a tool used to address societal issues with funds raised through consumer purchases, multinational corporations (MNCs) could raise funds to assist the at-risk regions where they tend to operate.

When conducting a literature review on this topic, my interest lay in two main areas: 1) in terms of my Geography background, I wanted to understand why LDCs are more at-risk to the effects of natural disasters than the developed world; and 2) with my Communications studies, I wanted to know the current impact of cause-related marketing, and if consumers would support a program that was different from typical short-term relief efforts. With this review I was able to discover that while LDCs are not struck by more natural disasters than more-developed countries (MDCs), what varies is their capacity to withstand and respond to such disasters. With immediate pressing issues in many of these at-risk countries – be it political turmoil, poverty, religious strife, etc. – taking preemptive measures to address a future concern is often simply not feasible. Consequently, political officials and policy makers often neglect risk-management protocols, in order to address more pressing concerns. However, when dealing with risk and natural disasters, it is crucial to understand that it is
never a matter of “if”, but “when”. Natural disasters are sporadic, and strike with little warning. With the global climate becoming increasingly more volatile, LDCs are the most susceptible to the wraths of nature.

Since its inception several decades ago, cause-related marketing has proven to be an effective way to raise money for a particular cause. In addition to making corporations and other organizations more socially responsible through caring about particular societal issues, consumers genuinely prefer to purchase products with a cause attached to it. Studies show that consumers experience a “warm glow” through consumption philanthropy. While CRM may prove to be effective on the consumer side of the equation, it often draws criticism when it is carried out. Critics state CRM often leads to green washing by corporations, an oversimplification of development, and the downsizing of philanthropy. The root of such critiques is arguably due to the majority of CRM campaigns addressing issues in the short-term. That is, rather than addressing the specific cause of a problem, CRM tends to look for the quick fix or simple solution. The prime example of this tendency would be TOMS shoes’ model of operation. While consumers are quick to support the brand for its stylish shoes and manageable price point, the “shoe drops” the brand engages in only stimulate a dependency on foreign assistance in the LDCs where they occur.

Many MNCs deem themselves socially responsible, and have programs in place to prove they are considerate of the environment and their employees abroad. However, the problem is that many of these programs only appear to exist to maintain the trust of consumers. In reality they only scratch the surface of
effectiveness in their host countries. When approaching this thesis it was never my intention to sound pro-corporation, or justify their operations. However, because so many LDCs are at risk of natural disasters, and the occasional man-made hazard (example being the Rana Factory collapse), the MNC’s presence in these countries can be utilized to implement disaster mitigation infrastructure and disaster relief funds – all through consumer purchases. Through the creation of long-term programs, which rely on funds raised from CRM, MNCs can create meaningful change in LDCs to mitigate the effects of disasters. In order to assess if such programs would be considered by corporations, their needs to be immediate incentive and return on investment. Thus, gauging consumer interest in such programs is crucial to show brands whether or not these CRM programs would be successful. Otherwise, with the financial success of current short-term programs, there would be little incentive for corporations to alter their existing efforts.

When engaging in empirical data collection of my own to assess if long-term CRM programs would be attractive to consumers, I decided to focus on college-aged consumers at the University of Vermont (UVM). Scholarly research showed that a younger demographic, specifically between the ages of 18-25, make up a large portion of CRM supporters. The five takeaways from my own findings are:

1. Just over half of my respondents (100/199) have donated to assist those in need of relief aid after a natural disaster strikes. Thus, showing
philanthropic actions by respondents who acknowledge the international community needs to assist those affected by disasters.

2. Over 90% (181/199) of my respondents have purchased an article of clothing or a product that goes to support a particular cause. This illustrates that the majority of my respondents are aware of CRM campaigns, and tend to support them.

3. Nearly 65% (129/199) actually prefer to buy clothing or products from a CRM campaign. This supports existing research from scholars that state if two identical products are next to each other, the consumer is more likely to purchase the product that goes to support a cause.

4. My respondents also showed that they care about how MNCs operate abroad. Nearly 87% (173/199) of them believe that if a company is producing their products (be it clothing, electronics, etc.) in a LDC for significantly cheaper labor costs, that company has a responsibility to support the local economy outside of labor employment. This could be through the construction of new roads, buildings, or public spaces, etc.

5. Many scholars argue that consumers want to see an immediate result from their investment in a CRM campaign or product. Contrary to that belief, nearly 99% of my respondents (196/199) would sacrifice seeing an immediate outcome and support a purchase that addresses the cause of a problem through CRM. This entails long-term projects (for example a project to strengthen homes in at-risk areas to withstand the impact of earthquakes, opposed to short-term projects that provide tents as
temporary housing to those in need after a disaster) – which nearly 90% (177/199) of my respondents support.

Overall, from my responses I learned that consumers want the brands they buy to be more socially conscious, and address the pressing issues in the countries where they operate. While my results show that CRM is fairly successful as it is, many brands have an opportunity to engage in meaningful long-term projects in the at-risk countries they operate in and, by doing so, increase consumer purchases and profit.

**Future for this Research**

Despite the findings in my research, it is difficult to come to a concrete conclusion about the potential success of my framework – given the limited resources at my disposal during my survey. My goal from the start was never to make broad claims about the success of my framework. Rather, it was important for me to begin a discussion about the need to change how corporations go about being socially responsible with CRM. I will measure the success of this thesis by whether or not it is able to spark more research on the need for long-term CRM programs, especially in the realm of disaster mitigation and response in LDCs.

In my own empirical research, the overwhelming majority of my 200 respondents are: supporters of CRM believe corporations should support the countries they operate in beyond employing the local population, and would also support long-term CRM projects even if they did not see an immediate outcome as a result of their purchase. While I have been able to gauge the attitudes of 200 respondents, this amount is not necessarily representative of the entire student
body, or young consumers around the world. Thus, while I have been able to
gather information on the consumer behavior of a portion of students at UVM, my
existing research must be broadened to more UVM students, college campuses,
and even different demographics. I believe it’s important to not only engage in
more research at campuses around the US, but also among older demographics.
For a framework like the one I am proposing to be successful, there needs to be a
widespread desire among all age groups and consumers. Having my survey
distributed on more university list-serves, and various workplaces around the
country, are all ways to gather more results from a variety of demographics.

Additionally, bringing in focus groups to extend the research would prove
beneficial. Having a series of small group discussions would help learn about
opinions on specific topics and guide future action. The survey I used for research
was closed-question, and did not leave room for respondents to write or express
all they were feeling when answering. Responses in a focus group are typically
open-ended and spoken. While they may be relatively broad, they have more
depth, variety, and nuance.

**Recommendations**

Having immersed myself in this thesis topic for nearly a year, I have
several recommendations for how to approach the future of this research. First, it
is crucial to continue to gauge consumer interest in this framework. I would
recommend NGOs, and other organizations that work to ensure corporations
remain socially responsible, take it upon themselves to produce surveys like the
one I created to see if consumers from different demographics and around the
U.S. would support a CRM framework for long-term projects. Without prominent
consumer interest in this framework, it is unlikely MNCs will risk implementing such an unorthodox program. Next, I would recommend domestic groups that do relief work, and similar groups abroad where corporations operate (in at-risk LDCs), to start a conversation with local governments about more ways to get public and private companies involved with disaster preparedness and response work. As Professor Miyan stated, from the University of Bangladesh, the next step for disaster management in countries like Bangladesh is to involve more parties outside of government. Finally, and arguably most important, I would recommend that MNC officials – especially those working in corporate social responsibility – consider the positive implications of implementing the framework that I am proposing. Since its inception, CRM has proven an effective marketing tool to gain consumer support for a particular cause. While effective in attracting consumers, CRM consistently draws criticism because the programs in place typically only create short-term change. The problems they attempt to address continue to exist.

With LDCs becoming more at risk to the natural disasters climate change is causing, any way to mitigate death and destruction of property should be pursued. If MNCs can assist the countries where they operate to withstand these changes and create a relief fund to quickly aid those affected by natural disasters, then such programs could play an important role in alleviating human misery in countries that bear little responsibility for climate change. Ironically the MNCs motivation to do so will also be driven by profit and consumption—two factors that helped create the very situation my framework seeks to address.
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