



Green Cause-Related Marketing for Social Innovation: Helping People to Reimagine Plastic Recycling and Sustainability

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Learning Objectives

1. To understand CRM as a management tool to build competitive advantages and human-centered innovation
2. To learn the reasons why the success of CRM strategies depends on a strong connection with users' needs and goals
3. To analyze a case of a start-up that balances purpose, environmental impact, and profitability (B-Corporation) by using design-driven CRM (focused on what the product means to users emotionally)
4. To acquire some knowledge on applicable CRM models for sustainable (green) businesses
5. To inspire entrepreneurs to use CRM strategies in their design process and business models

2.1 Introduction

Increasing and rapid urbanization, a booming consumerist economy, and the change in living standards have raised waste generation rates (Guerrero, Maas, & Hogland, 2013) to 45 kilograms (kg) per capita yearly in 2018 (Wang, 2019). Steadily growing since the past century, plastic waste greatly damages the environment (e.g., ocean water pollution). New laws as well as several awareness campaigns and programs regarding sustainable lifestyles are promoting an environmental consciousness about plastic waste and recycling alternatives (Wang, 2019). However, plastic production has soared from 1.5 million metric tons (m mt) to 359 m mt (Garside, 2019), and its growth is closely related to marketing: products' packaging accounts for 39% of the overall plastic output (Wang, 2019). Coca-Cola alone produces over 100 billion plastic bottles a year, recovering 59% of that production and recycling just 9% of that waste (Jack, 2019).

In that context, business models and marketing strategies can promote recycling innovations and sustainable start-ups, effectively accelerating the reduction of environmental damage and the dissemination of more sustainable consumption styles. In fact, the plastic recycling global market value is estimated at USD 31.5 billion, with an overall volume of recycled plastic totaling 500 m mt (Wang, 2019). There is a growing breed of innovators (especially among millennials)—called green entrepreneurs or ecopreneurs—“who see their business as embracing environmental values as a core component of their identity and as aiding in their competitive advantage in the marketplace” (Allen & Malin, 2008, p. 829). However, research studies show that many consumers believe goods made with virgin materials have better quality. A number of factors influence people's attitudes toward waste management systems like garbage separation or recycling, as well as the markets' interest and preference toward products produced with recycled materials (Guerrero et al., 2013). Active social support, knowledge and experience, infrastructure capabilities and investments, collection route planning and information, informal sector organization, and incentives are some of the factors that can influ-

ence shoppers' practices and decisions (Guerrero et al., 2013). Thus, environmental consciousness does not ensure consumers' preference toward recycled products. Studies show that purchase decisions depend on products' perceived value or utility (quality benefits) and also on buyers' psychological gains, which hinge on "a positive feeling about the purchase—for example, self-image built from buying a special product" (Bei & Simpson, 1995). Consumers' preference toward recycled products can be motivated by emphasizing not only the importance of environmental issues but also the experience of making an innovative contribution through a donation to a worthy cause.

Innovation is about transforming ideas into solutions and products (Baregheh, Rowley, & Sambrook, 2009, p. 1334). However, breakthrough innovations are based on "epiphanies" or meaningful innovations (Verganti, 2009, 2011). They are frameworks that a producer (a company, an entrepreneur, etc.) provides to interpret the value of its product or service in the lives of specific customers. Those frameworks created in the design and marketing processes make the producer's value proposition meaningful for the targeted segments. For example, using a console like Nintendo Wii entails more than a passive immersion into a game: it means active entertainment. Similarly, buying a product made out of recycled plastic would mean a positive social action to save the planet. A strategy grounded on meaning of innovation could increase the emotional and symbolic bond between a product and its consumers (Battistella, Biotto, & De Toni, 2012), reducing the psychological barriers toward recycled products.

This chapter presents a case study about a green start-up based in a developing country that launched a cause-related marketing (CRM) campaign in partnership with a nonprofit organization (NPO) promoting reforestation of native species and plastic recycling. The case exemplifies how CRM can generate assets that play a relevant role in an innovation of meaning process and drive customers' involvement with recycled products.

2.2 Case Development

2.2.1 CRM and Innovation for Green Businesses in Developing Countries

This case study is about a CRM campaign implemented after a close encounter between the founder of a green start-up (Qualia) and the people who manage ReforestArg, a key project launched by the Argentine NPO "Amigos de la Patagonia" (Patagonia's Friends, in English; Amigos de la Patagonia, 2020).

Founded in 2017 by Martin Vazquez, a 28-year-old engineer in San Nicolás, an Argentine town, Qualia (2020a) is a small green start-up that aspires to become an innovation change-maker. Producing and selling high-quality sporting glasses 100% made with recycled plastic, the company promotes a shift in the economic neoliberal paradigm and in consumerist lifestyles, adopting a triple impact (social, economic, and environmental) business model. Qualia's glasses are more than

material products: they are a metaphor for how people can see the world from a different, more sustainable perspective.

ReforestArg (2020b) is a sustainability program designed and managed since 2015 to promote environmental education and native species reforestation projects. Operating as a strategic organizational unit with a 12-member team, ReforestArg plants thousands of native trees in Patagonia and reaches more than 50,000 students every year across six Argentine provinces with sustainability programs and environmental education certificates.

Qualia and ReforestArg agreed that the former would donate one tree for every pair of glasses sold. In 2019, Qualia recycled 10 tons of plastic—a remarkable achievement in a developing country like Argentina, which, despite experiencing recurrent economic crises and poverty, searches for industrial models that may allow domestic companies to compete in global markets and grow fast without producing a negative impact on the environment and nature at large. Rising to these challenges calls for a difficult balance between productivity and sustainability. Eco-innovations may facilitate such a balance, if they are recognized as viable positive change-makers that bring more efficiency and value than traditional products or companies. Yet, transition economies do not offer financial support, training, and promotion instruments to foster the development of green entrepreneurship (Silajdžić, Kurtagić, & Vučijak, 2015), and failure risks are higher than in developed countries. Indeed, CRM, as a corporate social responsibility (CSR) and fundraising tool, would generate a favorable environment for green businesses and provide sustainable competitive advantages for green entrepreneurs.

CRM implies a strong link between a business and a social cause. Their close relationship can yield a new way of communicating both a product and a social project. CRM may have the power to transform a product into a distinctive innovation relevant to some consumers, offering a new meaning for their choice of a sustainable product: by buying a green product, they support an important cause. In turn, this builds a strong relationship between buyers, producers, and NPOs. The latter can encourage bottom-up and participatory actions: their causes may mobilize consumers to adopt certain kinds of positive social behaviors (like reducing littering) and to take some risks (like buying a product made with recycled plastic). In addition, NPOs may drive governments and financial systems to support ecopreneurs. Showcasing the social relevance of a product or service, CRM strategies generate unique competitive advantages through innovation of meaning, especially in transition economies. This may be the case of Qualia-ReforestArg's CRM strategy.

2.2.2 Methodology: Analyzing Qualia-ReforestArg's CRM Strategy

To explore the design and implementation stages of the strategy pursued by these organizations, an analysis of in-depth interviews with Qualia's founder and ReforestArg's Executive Director, Sebastian Homps, will show how CRM is connected to the organizational innovation process.

Table 2.1 CRM evaluation matrix

CRM players	Outcome types	Expected CRM outcomes	Factors influencing CRM strategy	Outcome predictor factors	Conditions
Start-up/ company	Societal Financial	Branding Sales	Values Social outcomes Financial outcomes	Shared values, involvement and experience, pre-reputation, motives, importance, integrity, ethics, openness, honesty, transparency, sincerity, mutual respect	Partnership as part of identity, compatibility/ fit with main social marketing principles, source credibility, authenticity, integrated communication
Cause/ nonprofit organiza- tion	Societal Financial	Cause funding	Values Social outcomes Financial outcomes		Compatibility in main social marketing principles, NPO reputation

Source: Elaborated by the author, based on Lafferty et al. (2016) and Adkins (1999)

In a second stage, an online A/B testing (Kohavi & Longbotham, 2017)¹ will be applied to evaluate the impact of this CRM strategy in Qualia target market’s attitudes toward recycled plastics. Relying on a mixed methodology that combines understanding and quantitative evaluation, we will be able to trace the most relevant factors involved in a successful CRM strategy with a positive environmental impact.

2.2.3 CRM Design and Implementation Model for Green Businesses

Several studies have analyzed the dimensions and effects of CRM strategies (Lafferty, Lueth, & McCafferty, 2016). However, only a few have included start-ups and entrepreneurs in their analysis. Based on existing literature, the following matrix (Table 2.1) would guide the design and analysis of a CRM strategy implemented by a start-up like Qualia.

¹ A/B testing “... is a way to compare two versions of something to figure out which performs better” (Gallo, 2017).

The CRM strategy under analysis started when Vazquez met Homps and personally engaged in ReforestArg activities, realizing their organizations' shared common long-term goals.

1. *CRM, organizational identity, and expected outcomes:* Companies and NPOs are social agents that make decisions and manage resources in order to secure outcomes like financial revenues, social development, etc.

In the case of a CRM strategy, companies usually expect to improve their brands' value and sales, as well as to make a positive contribution to society. A CRM strategy requires that the firm share some short- and long-term goals (like funding for social causes and environmental protection) with its NPO partner. For a green start-up with a small market share and limited sales, societal outcomes would be more important than increasing brand awareness or sales. For Qualia and ReforestArg, environmental protection is a common strategic priority: "It was wonderful to learn about Martin's project, [but] the most important [factor that facilitated the CRM agreement] was to getting to know him as a person." ReforestArg did not accept Qualia's CRM proposal for funding but because "Martin joined [the program] and became part of our project." Therefore, the key purpose of this CRM campaign was not to create a funding source via eyeglass sales but to forge a long-term relationship with an entrepreneur who shared a specific set of values with ReforestArg. For Homps, "Building a network of human relationships in order to drive a change or promote an issue like sustainability... is a lifetime choice."

2. *CRM and business strategy:* While CRM campaigns are typically part of a CSR portfolio in large organizations, they account for a key dimension of green start-ups' business strategy.

In 2015, Vazquez was working at Techint, a multinational engineering company, when he discovered that he was "...exchanging time for money and did not generate any impact on my life or in the lives of others..." Upon some reflection, he decided "first, to work in my own business, and second, to work in something that would change my life and also make a positive difference in the lives of others." The awareness of the negative impact of plastics on the environment motivated Vazquez to look for ways to participate in the recycling industry. After doing some research, he found Precious Plastic (► preciousplastic.com), an open-source project that provides the technology to build machines which grind, melt, and inject recycled plastic. He feels that Qualia's first achievement was the construction of an efficient recycling small shop at his father's (an ophthalmologist) house. Therefore, societal outcomes are the cornerstone of Qualia's innovation process, but they also stand at the core of its business and communication strategies. Vazquez set out "... to develop a brand that would have an impact on people, communicating them something, an emotion ... [I wanted to produce] a tool to deliver my message, the idea I had to tell the world. Well, I found that tool in eyeglasses. I realized that glasses are a design element that shape people's faces... We could give people a new vision, a vision of change."


Like in Qualia, societal purposes can ignite innovation processes led by transcendental meanings like sustainability. They may also motivate ecopreneurs to invest all their resources in meaningful causes and to establish valuable relationships with stakeholders like NPOs moving in the same direction. In fact, after some months producing and selling glasses, Vazquez felt that he could do more. Somebody told him about ReforestArg's projects in Patagonia, and, after the first meeting, he asked, "Let me join this project." ReforestArg "is a family, and we are part of that," Vazquez said. Fighting to protect small towns' environment and native forests, ReforestArg stands as a "family" of ecopreneurs because they share the same priorities to make decisions: values and societal outcomes are far more important than financial results.

3. *Outcome predictor factors:* Both interviewees agree with Adkins that integrity, ethics, openness, honesty, transparency, sincerity, and mutual respect are key conditions for a successful CRM campaign.

For Qualia and ReforestArg, decision-makers' personal involvement and experience proved critical, making the promotion process and messages more authentic. Vazquez stated, "We are planting thousands of trees ... [Our donation] won't change life... [but] we do it because we feel it is important, and Qualia's purpose is authentic. Transparency, loyalty, and authenticity are marketing tools in and by themselves... If you say you will do something and you actually do it, that is marketing." In addition to committed managers, who, as Homps put it, should feel they are part of "something else that exceeds the corporate structure," authenticity was also relevant for ReforestArg. "We have to leave our egos behind and ensure that our mission gets the most exposure in the communicational process," Homps noted.

4. *Campaign processes, contents, channels, and branding:* Qualia-ReforestArg's CRM campaign was launched after a formal agreement between the two organizations. The deal involved an annual report on sales that turned into a donation to plant native trees.

With no financial auditing procedures in place, public communications were agreed on an event-based process. Run only on social media platforms (the organizations' websites, Facebook, and Instagram), the campaign generated sales for USD 29,167 and donations for approximately USD 5,600, which financed 3.75% of ReforestArg's total budget (the equivalent of 375 trees). Qualia was the main donor among other small- and medium-sized organizations supporting ReforestArg's program.

Almost all posts, images, and online interactions were inspired on mountains, forests, seeding, hiking, etc. On March 21, 2019, the International Day of Forests, Qualia made the first post for its CRM campaign, introducing it as a team effort to restore Patagonia's forest (see  Fig. 2.1 below).

The campaign's post generated an increased number of unique visitors, which peaked at 753 daily in May 2019, and 295 interactions on Instagram. Only two posts (one on a raffle and another with a video presenting Qualia) exceeded that result. Although they used the same images and texts in Facebook, they did not get the same results in terms of engagement. This may be associated with their com-



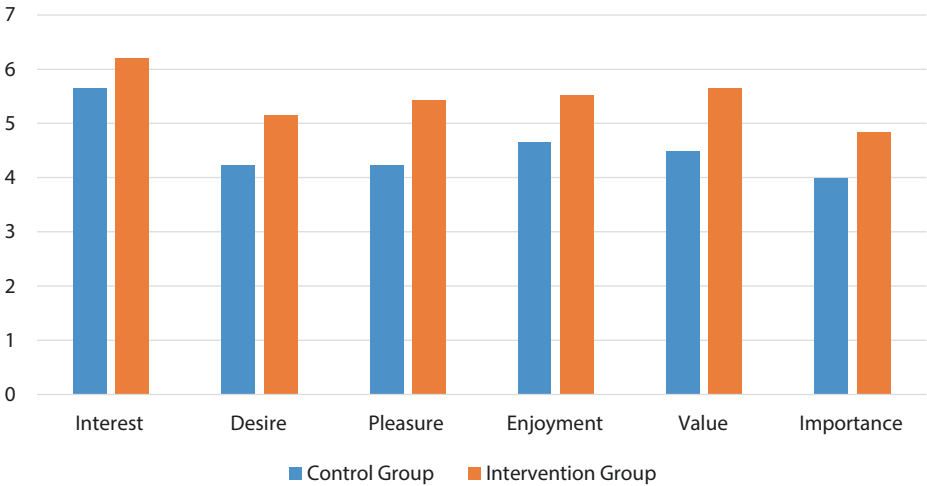
■ **Fig. 2.1** Qualia’s CRM campaign launch in Instagram. *Translation:* “Qualia comes together with ReforestArg. We join forces to make the impact real. For every pair of glasses we sell, we are going to plant a tree in Patagonia’s burnt forests. Today is the International Day of Forests: we join forces, and, during the Easter holiday, we will be together planting trees in our beloved Patagonia”. (Source: Qualia [@qualiaeyewear] (2019))

munity members’ profiles. In fact, the start-up’s primary channel is Instagram (Qualia, 2020b), with 6,530 followers vs. 2,200 in Facebook. Something similar happens with ReforestArg’s communications strategy: it boasts 10,900 followers in Instagram (Reforestarg, 2020b) and only 1,800 in Facebook.

The CRM campaign had a profound impact on Qualia’s brand identity: starting in March 2019 and across all its digital channels, the company has used the “make the difference” slogan as well as images from Patagonia, presenting the cause as a continuous activity for the entire company. The marketing strategy modified the start-up’s product identity—it launched the “Patagonia Collection” of sunglasses—and positioning. Some national newspapers published articles about the company’s sustainability model.

2.2.4 CRM Design and Consumers’ Preference Toward Products Made with Recycled Plastics

In order to evaluate the impact of the campaign on consumers’ attitudes toward products made with recycled plastics, we conducted an online, quasi-experimental study using a between-subjects design with a convenience sample of potential Qualia’s prospects. We randomly divided the sample into two groups: intervention and control. We sent an email to all participants ($n = 231$) inviting them to partici-



■ **Fig. 2.2** CRM message impact on customers' involvement. (Source: Own elaboration)

pate in a research study on a sustainability marketing case. All individuals saw a first paragraph that presented Qualia and its sunglasses collection made with recycled plastics. The intervention group could see an additional text that explained Qualia would make a donation for every pair of sunglasses sold. After the introductory text, we asked respondents to express their agreement with a Likert-type set of items. We used a Spanish version of Laurent and Kapferer Involvement Profiles scale (Martínez, 2003), which measures consumer's interest, perceived pleasure, symbolic value, importance, risk relevance, and failure probability perception of the ecological product. ■ Figure 2.2 shows the results of the A/B Test, proving the positive impact of the CRM message on customers' involvement with sustainable consumption.

Conclusions

The Qualia-ReforestArg case shows that CRM is a relevant CSR and business development tool, especially for ecopreneurs and start-ups.

The link between a company and an NPO based on the design of social-oriented communications generates several useful resources:

- It increases customers' engagement with products, especially in cases, like goods made with recycled plastics, that involve greater uncertainty.
- It facilitates the process of providing an innovative and user-friendly meaning for a product. From this perspective, CRM strategies would be considered as an innovation and branding tool for new products and services.

This case shows also that consumers' preference for recycled products can be encouraged by emphasizing not only the importance of environmental issues but also the experience of making a real contribution through a donation to a worthy cause. Furthermore, the cause and the relationships built by the CRM strategy among stake-

holders may have the power to modify and improve a company's identity. A shared social objective paves the way for close relationships, unveils new ways to connect with target markets, and refines an organization's long-term mission and business strategy, particularly in the case of start-ups.

? Discussion Questions

1. Based on the data provided by the case, please describe Qualia's value chain and show the relevance of its CRM strategy in the generation of its competitive advantage.
2. In 2020, Martín Vazquez was preparing the launch of a second line of products: sports bags made with recycled plastics. He planned to use a CRM strategy with NPOs working in the field of sports with children from poor urban areas. Please prepare a CRM campaign strategy using the matrix presented in ■ Table 2.1.
3. A value proposition of a marketing offer may be analyzed from shareholders' (internal) or customers' (external) perspectives. Customer satisfaction depends on product performance, the trade-off between perceived benefits and costs, the symbolic meaning of the product, etc. Using the Qualia-ReforestArg case, please explain how an ecopreneur can increase users' interest and preference toward goods manufactured with recycled materials.
4. Please explain why CRM strategies may facilitate cutting-edge research and sustainable innovations in developing countries.
5. How do CRM strategies and ecopreneurship relate to social and economic development?

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