



Cause Related Marketing: A Study on Purchase Intention

KEYWORDS

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ABSTRACT *An increasing need of marketing strategies in present challenging and dynamic world, the companies needed to be enlightened about cause marketing. so, This study is intended to understand causal relationship between attitude, beliefs, behavioral intention and corporate image of a company associated with cause marketing campaign. The survey has gathered opinion from 134 students(PG). The study found, positive likely hood towards cause marketing and relationship among the variables.*

Introduction

Cause Related Marketing (CRM) is a marketing strategy, where the philanthropic objective and marketing objective of the corporate can be achieved. The companies participating in CRM campaign raise fund by devoting a part of sales and sponsored to a cause directly or through associating with Nonprofit Organization, this campaign is communicated to customers through advertisement.. For an instance, currently P&G associated with CRY organization involved in educating and building schools for rural children, company is raising fund by one rupee from each purchase of a product. The company has named project as Shiksha and frequently advertising in creating awareness about campaign.

CRM campaign can increase the company performance and as well the social responsibility. The company can observe increase in sales, brand image, brand awareness and corporate image (Javaigi et al. 1994; Quester 1997; Turco 1995) as well as affecting consumer response (Lachowetz and Irwin 2002; Meenaghan 2001). Previous studies have made evident the role of sponsorship in building brand equity (keeller1993; Park and Srinivasan 1994).Likewise, promotion industry analysts (Smith 1996) find sponsorship popular as "platform from which to build equity and gain affinity with target audiences" (p.15). In fact, past empirical work has concentrated on a few brand equity elements such as brand awareness (Sandler and Shani 1992), brand preference (Nicholls, Roslow and Laskey 1994), Corporate Image (Turco 1995) and adding financial value to the brand (Cornwell, Pruitt, and Van Ness 2001).

The purpose of this paper is to add to this growing body of literature by examining the causal relationship between the variables customer beliefs, attitude, behavioral intention and the corporate image. The context taken for the study is P&G product and tested among the college students. The respondents are given and advertisement of "Shiksha" a project of P&G in association with Non-Profit Organization "CRY" in children education. The opinions of the respondents on the above said variables are measured in a structured questionnaire.

Cause related Marketing (CRM)

To reach the higher consumer expectations of corporate social responsibility, adding social dimension to marketing communication and promotion has become the main stream (Benezra 1996; Caudron 1994). Researchers are finding the support for the soundness of such business strategies. In a study of Brown and Dacin (1997), has found that corporate associations with nonprofit organizations can influence the consumer perception, beliefs and attitudes towards the company product.

Cause related marketing campaigns provide an excellent platform to explore into consumers' interpretation of promotions with a social dimension and exploring their behavioral responses to such corporate support to the society. Since its introduction in 1981 by American express, CRM steadily has gained momentum as viable marketing tool for improving corporate performance while helping worthy causes. Cause related marketing's popularity and history in the market and its acceptance by both for profit and nonprofit practitioners (Barnes and Fitzgibbons 1992), as well as by consumers (Ross, Patterson and Stutts 1992; Ross, Stutts, and Patterson 1991), place it in exceptional position in the sphere of socially responsive marketing promotions.

Managers are facing pressure in gaining consumer trust, and difficulty in linking philanthropic activities to corporate strategies to improve bottom-line performance and their competitive advantage (Andreasen 1996; Varadarajan and Menon 1988). Cause marketing campaign helps in enhancing financial performance because it appeals to sophisticated consumers. For instance, Influential's, who is actively involved in giving opinions on social and political issues, they can shape the attitudes of public. This highly educated and white collar job holder segment of market will support organization involved with social causes, they are ready to pay more for product from these companies (Cone Roper Report 1999)

Managerial Dimension of Cause related Marketing

The use of CRM as an integral component of a firms marketing strategy calls for decisions on the part of the firm about a broad range of dimensions. Some of the major dimensions of CRM as suggested by Varadarajan and Menon (1988) include:

- Gaining national Visibility
- Enhancing corporate image
- Thwarting negative publicity
- Pacifying customer groups
- Generating incremental sales
- Promoting repeat purchases
- Promoting multiple unit purchases
- Promoting more varied usage
- Increasing brand awareness
- Increasing brand recognition
- Enhancing brand image
- Reinforcing brand image
- Broadening customer base reaching new market segments and geographical markets
- Increasing level of merchandising activity at the retail level

Various strategies have been proposed to create distinctive brand equity and give meaning and direction to a brand (David.A.Aaker, 1992). Brand equity comprises various components that add perceived brand value and is built around associations (Aaker, 1988). An association is anything linked in memory to a brand. Association creates value for the brand by helping consumer's associate meaning with it. These form the basis for purchase decisions and brand loyalty.

In CRM, an exchange mechanism seems to operate among consumer, brand and NPO (Ross, Paterson and Stutts). While brand ads that focus on product attributes evoke on functional benefits, CRM ads highlights the social responsibility of the brand. This builds close relationship between the public's and brand. Such relationship elicits commitment, trust and loyalty among consumers (Aaker, Stephens. Tax, StephenW. Brown and Murali Chandrashekharan.1998).

Relationship between attitude toward brand, corporate image, belief and purchase intention

Attitude toward the brand is defined as "consumers' overall evaluations of a brand"(Keller 1993, p.4) and often constitutes the basis of brand choice. Studies have proved a positive relationship between Cause Related Marketing (CRM) and consumers attitude towards company or brand (Brown & Dacin 1997; Maignan & Ferrell, 2001; Sen. & Bhattacharya, 2001). Organizations require society acceptance to operate without interference, since they operate in social environment. The acceptances from society allow organizations to build positive consumer attitude towards their brand (Duagherty, 2001; Werder, 2008).Likewise, Chahal and Sharma (2006) have stated CRM initiatives can help a company improve its image and build company equity. So, companies with CRM tend to have a good reputation. Consumers are willing to reward firms that adopt CRM program (Weisend 1993, Murphy 1997, Davidson 1997, Ross et al 1992). Prior research shown that once attitude have been formed they are relatively stable and enduring, favorable or unfavorable feeling about some person, object or issue (Fishbein and Ajzen 1975).

In addition, Warder's study in 2008 revealed CRM initiatives can influence consumers' beliefs and attitudes toward a company. The results of the study demonstrate that salient beliefs and attitudes predict behavioral intentions. Also, CRM campaign influence consumers' beliefs about the company in terms of contributions to a community and trustworthiness. Perceptions of socially responsible behaviors of a company influence consumers' valuation of service and long-term loyalty to the company.

An image is the set of meanings by which an object is known and through which people describe, remember or relate to it (Van Riel, 1995). Based on the above statement, corporate image is referred to image of an organization. Positive corporate image is the basis for corporate success, which can be a cutting edge for the sales of product, recruitment of the best employee and attraction of investors. CRM initiatives can enhance the overall image of the organization compared to non CRM organizations.

In the period of economic downturn, CRM can become significant tool to overcome the challenges. During economic downturn, companies lose consumers trust. So, CRM can replace materialistic value on the company with idealistic values, this can create trust on the company. Therefore being more socially responsible will provide goodwill and long-term relationships with a community (Quelch and Jocz, 2009)

The objective of company in adopting a CRM programme is to achieve the positive behavioral intentions. In this study the researcher is having the same meaning of behavioral intention and purchase intention. So, 'Behavioral Intention' and 'Purchase intention' are used interchangeably. We have understood that CRM campaigns enhance positive image and result in positive attitudes and beliefs towards the company and their brands, but CRM can also affect consumers purchase intention. Creyer and Ross (1997) have stated ethics

and consumer choices have a positive relationship. So, Consumers will be favorable towards socially responsible companies, and they remember those companies and will be more likely to purchase products and services from them. So, the following hypothesis has been developed to understand the relationship between attitude, beliefs, corporate image and the behavioral intentions.

H1: Belief on companies with CRM will positively influence behavioral intentions.

H2: Attitude towards Companies with CRM will positively influence behavioral intentions.

H3: Companies with CRM have good corporate image will positively influence behavioral intentions.

Methodology

The study is intended to measure the variables of beliefs, attitude, corporate image and behavioral intentions of the customer towards the company associated with CRM Campaign. The study is also delve into the relationship of the above variables. The study is conducted among the students pursuing post graduate. The sample size is 134 and 52% are males and 48% are female students. The procedure of study, the respondents were asked to give their opinions by observing the print advertisement given along with the questionnaire. The opinions of the respondents were collected through a well structured questionnaire. The dependent variable is behavioral intention and independent variable considered for the study is Beliefs, Attitude, and Corporate Image.

Measures

The four variables are measured on 7 point rating scale from "Strongly disagree" to "Strongly agree". Please see the appendix for questionnaire with items used for measuring variables. Three items were used to measure belief, were "Participation in charity programmes creates a positive image"," These kind of support should be a standard part of a company's activities" and "Company advertising about charity programme is a positive thing in business today". Three items were used to measure Attitude of the respondents, were "I am impressed with the company that commits to a cause for more than years"," I like to see more companies supporting meaningful causes", and "P&G. sponsorship for children's education improves the impression of the company". Two items were used to measure behavioral intentions, were "I would be willing to pay more for a competent product/service that supports a cause I care about" and "Based on its support to CRY Organization. I will be more likely to use P&G products". Five items are used to measure corporate image, were "Bad/Good", "Dislike/Like", "Unfavorable/Favorable", "Unreliable/Reliable", and 'Unprofessional/Professional". The Cronbach's Alpha for the four items is 0.694.

Results and Discussion

The data has been analyzed by using SPSS software. The descriptive statistic of variables is given in the following table.

Table 1:

Variable	Weighted Mean	Sample size
Belief	6.26	134
Attitude	6.03	134
Corporate image	5.44	134
Behavioral Intention	5.69	134

From the above table we can understand that the company associated with Cause marketing campaign is more or less accepted. It can be observed, the beliefs, attitude, corporate image and behavioral intentions are at the positive end of the continuum.

The data is tested for the relationship between the variables. The simple Bi-variate correlation test has been done. The results are in the following table:

Table 2: Correlation Matrix

		Belief	Attitude	Corporate Image
Attitude	Pearson Correlation	.378**		
	Sig. (1-tailed)	.000		
	N	134		
Corporate Image	Pearson Correlation	.350**	.151*	
	Sig. (1-tailed)	.000	.041	
	N	134	134	
Behavioral Intention	Pearson Correlation	.514**	.205**	.333**
	Sig. (1-tailed)	.000	.009	.000
	N	134	134	134

** . Correlation is significant at the 0.01 level (1-tailed).
 * . Correlation is significant at the 0.05 level (1-tailed).

It is understood from the table all the variable have relationship with each variable significant at 0.01 and 0.05 level. It can be interpreted as independent variable Belief(r=.514, 0.00), Attitude (r= .205, 0.00) and Corporate image(r=.333, 0.00) are having a significant positive relationship with dependent variable Behavioral Intention. Comparatively, variable belief is having strong correlation with Behavioral Intention. Corporate Image and Attitude are having a weak positive correlation with the Behavioral Intention. So, the three hypothesis are been accepted.

The data is appropriate to run the regression to understand the variance that independent variables can explain in the dependent variable. The results of the regression are as follows:

Table3: Regression Model

Model	R Square	Std. Error of the Estimate	Change Statistics		
			df1	df2	Sig. F Change
1	.291	.81694	3	130	.000

- a) Predictors (constant): Corporate Image, Belief, Attitude
- b) Dependent Variable: Behavioral Intention.

The above table reveals, independent variables are able to explain 29.1% in the dependent variable and it is significant at 0.00 levels. It is understood that Belief, attitude, and corporate image are important factors influencing Behavioral Intention. Even though the model is significant, but it can be understood from the analyzed data, the dependent variable is not been significantly explained by the variables considered for the study. So, there must be other variables which can explain the behavioral intentions.

Conclusion

The study is been successful in understanding the relationship between the variables. It is proved attitude towards the firm, beliefs on the company and corporate image will be positive with the companies associating with CRM campaign. It is evident from the study; CRM campaign will be successful in Indian Context. The objective of any organization is to achieve profits in implementing strategies. So, it is important variables considered for study influence behavioral intention and it is proved that customer beliefs, attitude and corporate image are important variables in influencing the behavioral intention.

The study revealed, there are more variables influencing behavioral intention. It could be the congruence between the company, Cause, and the Nonprofit Organization. This issue of the effect of the compatibility of company and cause is proposed to influence consumer choice through associative learning (Shimp et al., 1991; Till and Nowak, 2000, Drumwright,1996), Haley 1996). The other variables that can influence behavioral intention are Cause importance (Petty and Cacioppo 1984), Cause Proximity (Varadarajan and Menon (1988), Corporate motive (Webb, Mohr, 1998), Elaborative thinking (Petty and Cacioppo 1981), and participation effort (Ellen et al. (2000), Quantity of purchase (Bolton, Warlop and Alba 2003; Campbell and Kirmani 2008; Ulrich, van Dick and Christ 2009) and like.

The future research requires delving into the above variables and exploring the causal relationship and testing under the

Indian context. The strategy of cause related marketing to be more successful in Indian context, more research and cross sectional studies to be done and explore valuable insights.

APPENDIX

I Kona Neela Mani Kanta, conducting a survey on a company P&G INDIA. The company is into a charity programme, the funding for the programme is done through raising money by the sales of its product. So, please spend your valuable time for few minutes in giving your opinion on this company.

Please see the print advertisement and give your opinion through the following questions:

- The participation in charity programmes creates a positive image.
Strongly disagree 1 2 3 4 5 6 7 Strongly Agree
- I am impressed with the company that commits to a cause for more than 2 years.
Strongly disagree 1 2 3 4 5 6 7 Strongly Agree
- P&G's sponsorship for children's education impresses the impression of the company.
Strongly disagree 1 2 3 4 5 6 7 Strongly Agree
- I like to see more companies supporting meaningful causes.
Strongly disagree 1 2 3 4 5 6 7 Strongly Agree
- Company advertising about charity programmes is a positive thing in business today.
Strongly disagree 1 2 3 4 5 6 7 Strongly Agree
- I would be willing to pay more for a corporate product/service that supports a cause I care about.
Strongly disagree 1 2 3 4 5 6 7 Strongly Agree
- Based on its support to CRY Organization, I will be more likely to use P&G products.
Strongly disagree 1 2 3 4 5 6 7 Strongly Agree
- These kind of support should be a standard part of a company's activities.
Strongly disagree 1 2 3 4 5 6 7 Strongly Agree

Please rate your opinion on the company

Bad	1	2	3	4	5	6	7	Good
Dislike	1	2	3	4	5	6	7	Like
Unfavorable	1	2	3	4	5	6	7	Favorable
Unprofessional	1	2	3	4	5	6	7	Professional

Name: _____
 Gender: 1) Male 2) Female

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