

Moderating Role of Cause Related Marketing Campaign Between Attitude Towards Products and Purchase Intention: An Experimental Analysis

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Abstract

Cause related marketing (CrM), being a most common form of promotion, impacts a consumer's choice and is continuously receiving a considerable attention. For any enterprise, cause related marketing builds on marketing and charity to achieve an improvement either in sales volume or image or attitude or purchase intention (PI). Therefore, the purpose of this study is to ascertain the impact of cause related marketing campaign on attitude towards product-purchase intention relationship. For this, 140 consumers were contacted through convenience sampling method for a pre-experimental causal study. A cause related marketing campaign in the form of an advertisement was shown to 70 participants (male and female) who were above 18 years of age, residing in cities of Gujarat. Multiple regression was used to measure their attitude towards products (PI). The study's findings highlight that companies practicing CrM can enhance consumers' purchase intentions.

Keywords: cause related marketing, experimental, attitude, purchase intention, promotional strategy

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The consideration of social dimension in carving marketing promotions and campaigns has become more visible (Drumwright, 1996). Marketing expenditures on this form of communication to customers are expected to increase (IEG Sponsorship Reports, 2006). In doing so, nowadays, marketers are facing the heat in terms of being accountable for every rupee invested in marketing communications. Therefore, they are always in search of tools which add value in justifying their decisions either in the form of revenue generating transactions or return on investment. For a marketer, value creation is through utilization of the right marketing tools for respective occasions. On this note, Benezra (1996) and Brown and Dacin (1997) observed a trend of realization of corporate social responsibility among consumers whose perceptions of this responsibility influenced their beliefs and attitudes. In fact, marketers have become increasingly responsible for their role in society (Macchiette & Roy, 1994).

More specifically, within the realm of corporate social responsibility, companies believe that strategic alliances with not-for-profit organizations (NPOs) and supporting social causes can shape the perceptions of the consumers as 'do well by doing well' and eventually, translates into revenues for the organization. Thus, companies engaging in such cause-related marketing practices also receive benefits in terms of improved corporate image and purchase intention. On the other hand, NPOs or likes of non-governmental organizations can also benefit in terms of getting huge donations from supporting companies. Varadrajan and Menon (1988) considered CrM as cooperative

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promotion and referred to promotions in which amount given to a charity by a company was linked to consumers' purchase intention. However, many scholars differentiate CrM from 'corporate philanthropy'- giving to society without expectations of any gains and 'social marketing'- targeting societal behaviour ; it is also considered to be different from sales promotion, corporate sponsorship, and public relations (Ćorić, Zivadinovic, & Dropuljic, 2011) . Briefly, cause related marketing has become the mainstream agenda in promotional planning. In this, the use and aligning with causes related to health, animal protection, human services, environmental causes, and so forth strategically place a great importance in planning and also influence the consumers' attitude towards the cause. It has been widely accepted that such marketing campaigns can shift consumers' attitude towards products/brands and thus behaviors, that is, purchase intention.

However, from a marketer's perspective, it is necessary to understand the extent of influence of cause-related marketing campaigns on purchase intention. In simpler terms, can consumers' attitude-behaviour relationship be influenced positively with the use of cause related marketing campaigns? To answer this question, the present study attempts to infer whether the interest in CrM influences the consumers' purchase intention or not, and more importantly, the study also analyzes the effectiveness of a CrM campaign. It is also to be noted that few studies have been undertaken in the Indian context in comparison to the Western context specifying whether a partnership with causes alters the consumers' attitude towards products and the purchase intention relationship. Hence, the present study is a novel attempt in this direction.

Review of Literature

✎ **Cause Related Marketing (CrM) :** CrM was first coined and practiced successfully by American Express (Yang & Li, 2007). According to Varadarajan and Menon (1988, p. 60), CrM is “characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives.” Literature on cause related marketing revolves around the performance of a company generated through its CrM (Bragdon, 1985 ; Freeman & Wayne, 1988 ; Haugh, 1981; Kovach, 1984; McIlquham, 1985; Rosenfeld, 1985). Ross, Patterson, & Stutts (1992) described CrM as a vehicle for goal congruence and a combination of a purchase decision and their social concern. Cause-linked donations are directly attached with product sales in CrM. In fact, Dean (2004) questioned the various motives behind supporting a cause and engaging CrM campaigns. Few authors have come up with results that consumers' buying decisions and consumers' perception of the sponsoring company were influenced by CrM campaigns (e.g. Green & Peloza, 2011 ; Moosmayer & Fuljahn, 2010). Moreover, Pandey (2007) stated that cause related marketing endows value to brand image, corporate reputation, and satisfaction.

✎ **Consumers' Attitude and Purchase Intention as a Consumer Response to CrM :** Webb and Mohr (1998) proved that companies practicing CrM generate a more favorable consumer response as compared to companies that do not support a cause in their communication campaigns. Ross et al. (1992) found that CrM had a positive impact on perceptions of the sponsoring company. In addition to this, Berger, Cunningham, and Kozinets (1996) also found that CrM led to a favorable attitude towards the product involved. Attitude is a learned predisposition to act in a coherent favorable or unfavorable way towards an object (Schiffman & Kanuk, 2004). According to Strahilevitz and Meyers (1998), a product type moderates the CrM and consumers' purchase intent. According to Rossiter and Percy (1998, p. 126), consumer purchase intention is defined as "the buyer's self instruction to purchase the brand (or take another relevant purchase related action)."

In the same line, many studies were undertaken to improve and gauge the effectiveness of CrM campaigns (Bigné-Alcañiz, Currás-Pérez, Ruiz-Mafé, & Sanz-Blas, 2011 ; Drumwright, 1996 ; Laaksonen, 1994; Olsen, Pracejus, & Brown, 2003 ; Strahilevitz, 1999). However, literature on CrM campaigns has provided general responses of consumers towards CrM campaigns. However, few studies focused on quantification of the amount of positive effects that CrM campaigns had on consumer response (Hou, Du, & Li, 2008). Moreover, Srinivasulu (2006) found that cause related marketing resulted in a favorable image of the organizations in the consumers' mind (which leads to favorable purchase intentions) and ultimately results in increase in sales. Clearly, it is apparent that

more efforts can be put to see whether CrM campaigns moderate the consumers' responses; specifically, attitude towards products and consumers' purchase intentions.

Conceptual Framework

With an aim of understanding the attitude-behaviour relationship, the tri-component model of attitude (cognitive, affective, and conative) was used in varied situations or contexts (Schiffman and Kanuk, 2004). However, Fishbein and Ajzen (1975) developed the theory of reasoned action (TRA) relating to attitude toward products and intention to purchase. Page and Luding (2003) confirmed that intentions can be predicted if attitudes are known at the time the behaviour occurs. Thus, it was inferred that attitude is positively related to purchase intentions and can be used in the context of CrM offers. Hence, it was hypothesized that:

✎ **H₁: Attitude towards the product and purchase intention relationship is more positively influenced among those who are exposed to a CrM offer than those who are not.**

Methodology

✎ **Research Design :** The participants were selected randomly (*R*) and were matched to minimize selection bias and thus, the issue of internal validity could be resolved. These participants were equally assigned to an experimental group (EG) and a control group (CG) to accomplish the requirements of post-test only control group experimental design. The study period was from April to October 2012 for execution of the experiment. From the secondary data, only one company was identified practicing CrM during this period, and thus, was selected for this study. The campaign considered was Marico's Nihar Shanti Amla Hair Oil, in which 2% of the proceeds from the sale of each bottle are being devoted to the education of children. In line with the objectives set for this study, two questionnaires were developed for the experimental and control group. The first questionnaire was for the EG; wherein, the print ad of Nihar Shanti Amla Hair Oil containing 2% contribution to children's education (CrM message) was shown. This ad was symbolized as treatment-X. In the second questionnaire, the study variables were shown without any printed ad.

<i>EG</i>	(<i>R</i>)	<i>X</i>	<i>O</i> ₁
<i>CG</i>	(<i>R</i>)		<i>O</i> ₂

✎ **Study Participants :** For this causal-experimental study, 140 participants who were students and faculty staff were selected from a private university in Gujarat. Both experimental and control group had 70 participants who were assigned randomly. 48.6% of the respondents were male (*n* = 68) and 51.4% were female (*n* = 72). A majority of the respondents belonged to the age group of 21 to 30 years (*n* = 125; 89.3%). In addition, the income levels of the respondents were : 51 participants were in the income group of ₹ 15000- ₹ 25000 (per month)(36.4%), 69 participants were in the income bracket of ₹ 25001- ₹ 50000 p.m. (49.3%), and 20 participants' income was more than ₹ 51000 p.m. (14.3%).

✎ **Procedure :** Firstly, the participants were either assigned to the EG or the CG, and thereafter, they were contacted personally. Questionnaire with the print ad was administered to the participants of EG; wherein, the print ad itself was considered as the stimulus/exposure called *X* (refer to Annexure 1) and the measurements were recorded (denoted as *O*₁). After that, from the participants of the CG, post-test results were measured with the questionnaire having no print ad (denoted as *O*₂). The measurements included attitude towards the product (AtP) and purchase intention (PI) for both the EG and CG.

✎ **Independent and Dependent Variables :** The dependent variable was purchase intention, measured on a three-item, 7-point semantic differential scale anchored by *definitely no/yes*. The scale was adopted and modified from

Table 1. Reliability Statistics of the Study Variables

Groups	No. of Statements	Variable	Cronbach's Alpha
Experimental Group (EG)	6	Attitude towards the product	0.908
Control (CG)	6	Attitude towards the product	0.878
Experimental Group (EG)	3	Purchase intention	0.884
Control (CG)	3	Purchase intention	0.882

Source: Scale adopted from - Baker and Churchill Jr. 1977, Batra and Ahtola, 1990

Table 2. Correlation Analysis Between Attitude Towards the Product and Purchase Intention

Dependent Variable	Experimental group	Control group
	Attitude towards the product	Attitude towards the product
Purchase intention	0.731	0.705
	0.000*	0.000*

Note: * $p < 0.001$; Sig. (1-tailed)

Table 3. Regression Analysis for Purchase Intentions (Control Group)

Variables	B	t	Sig.
Attitude towards the product	0.705	8.191	0.000*

Note: $F = 67.094^*$; $df = 1, 68$; $R^2 = 0.417$; $p < 0.001$

Table 4. Regression Analysis for Purchase Intentions (Experimental Group)

Variables	B	t	Sig.
Attitude towards the product	0.731	8.840	0.000*

Note: $F = 78.153^*$; $df = 1, 68$; $R^2 = 0.535$; * $p < 0.001$

Table 5. Comparison of Regression Results for CrM as a Moderator

Purchase Intention	Experimental group	Control group
	Attitude towards the product	Attitude towards the product
Standardized beta	0.731	0.705
R square	0.535	0.417

Baker and Churchill Jr.'s (1977) study. Attitude towards the product, a six-item, 7-point semantic differential scale was used with the anchors such as bad/good, unfavourable/favourable, disagreeable/agreeable, unpleasant/pleasant, negative/positive, and dislike/like (Batra & Ahtola, 1990). The alpha coefficient (α) was calculated to assess the strength of the scale and reliability coefficients must be higher than the threshold, that is, 0.7 (Nunnally, 1978). All the variables achieved satisfactory reliabilities (refer to Table 1).

Analysis and Results

For the subsequent testing of the hypothesis, a composite score of attitude towards the product and purchase intention was computed for both the experimental and the control group. In order to test the relationship between attitude towards the product and purchase intention among the participants who were in the control group and were not exposed to the ad, bivariate regression was performed as only one independent variable was used to predict the dependent variable. However, regressing one variable with the other variable, the necessary condition was to have significant correlation between the two variables. Thus, the correlation between AtP and PI was calculated for the

experimental group and control group, and it was found to be significant for both the groups at $p < 0.001$ (Table 2). Once the correlations were significant, bivariate regression was performed. The model containing one IV, one DV was found to be significant ($F(1, 68) = 67.094, p < 0.001$) indicating the model fit (Table 3). The percentage variance explained by this model was 0.417, that is, 41.7 %. In addition to this, it was found that the attitude towards the product was significant in explaining purchase intentions ($p < 0.001$) with the predictability of 0.705 (standardized beta).

Similarly, another bivariate regression was performed for the experimental group wherein the participants were exposed to the ad containing the CrM offer (experimental group). The model containing one IV, one DV was found to be significant ($F(1, 68) = 78.153, p < 0.001$) indicating the model fit (Table 4). The percentage variance explained by this model was 0.535, that is, 53.5 %. In addition to this, it was found that the attitude towards the product was significant in explaining purchase intentions ($p < 0.0001$) with the predictability of 0.731 (standardized beta). Both regression analysis results for experimental group and control groups were compared to study the influencing effect of the CrM offer ; and it was found that PI was influenced more by attitude towards the products for those participants who had seen the ad containing the CrM messages than the control group (Table 5). It was found that participants in the control group had 41.7% variance explained in comparison to 53.5% variance for the experimental group. Thus, the participants in the experimental group, who had seen the ad showing the CrM appeal, had a better attitude - purchase intention relationship. This increase in percentage variance explained in purchase intention by attitude towards the product is due to the effect of the cause-related marketing (CrM) offer.

Discussion and Implications

Understanding the relationship between attitude towards the product and consumers' purchase intention is essential for maximizing the effectiveness of cause related marketing (CrM). And thus, it is theoretically and managerially important to test the said relationship for participants who have been exposed to any CrM offer in comparison to those participants who have not been exposed to the same. Moreover, a primary goal of this research was to identify how consumers perceive and process CrM campaigns, which eventually provides a strong base for understanding consumers' purchase intentions. The findings from the present study demonstrate that consumers who have been exposed to any cause related marketing offer in the form of a campaign have more explained purchase intention base on their attitude towards the product than consumers without any exposure to CrM offers.

This is consistent with earlier studies demonstrating a positive effect of CrM (Barone, Miyazaki, & Taylor, 2000; Strahilevitz & Meyers, 1998; Strahilevitz, 1999). The findings also indicate that the consumers' attitude towards a product is the key driver in explaining purchase intention. So, corporate managers must ensure that the CrM activities undertaken by their organizations are communicated well to the consumers to maximize market awareness and performance. This can also be instrumental in creating value for corporate marketers and independent promotional planners. Above all, companies supporting the cause must cooperate and communicate their stand clearly so that the consumers' attitude towards their product can be strengthened. In addition to this, this research study shows that due to CrM offers, the attitude towards the product - purchase intention relationship could only be increased by upto 12 % (approx.). In this study, the cause was supported by giving 2% to children's education nationwide; however, after purchasing the product, the consumers have no idea about the development happening because of their support. Henceforth, corporate managers must be cautious in removing all skepticism regarding the utilization of funds donated to the cause and should ensure complete communication through press releases and reports so as to spread awareness about how the consumers' money is being utilized for the development of the cause supported by them.

Limitations of the Study and Scope for Further Research

Despite having relevant and interesting insights for effective use of CrM campaigns on business performance though stimulating purchase intentions and sales in an Indian business environment, it is important to recognize the limitations of this study: First, convenience sampling method was used to recruit participants for this study, so it is

perhaps difficult to generalize the findings for a larger audience. Thus, future research studies can consider this issue to improve the sample representativeness and should use larger sample sizes for their studies. Second, this study only utilized one independent variable, that is, attitude towards the product, so more relevant variables can be identified such as fit between cause-company, cause attributes, and so forth to further increase the understanding of CrM offers. Furthermore, future research can also consider the interaction effect of all variables within the CrM context.

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Annexure 1

Cause Related Marketing Offer Shown in the Advertisement

As part of the “*Chhotte Kadam Pragati Ki Aur*” initiative, every time a woman chooses to buy a bottle of Nihar Shanti Amla, 2% of all proceeds will be contributed to the cause of children's education in partnership with CRY India. Launched on September 1, 2012, this initiative will benefit many villages like Lusa to address their concerns regarding children's education.

