THE IMPACT OF CAUSE IMPORTANCE AND GENDER ON CONSUMERS' PURCHASING INTENTION IN CAUSE-RELATED MARKETING: A CASE STUDY AMONG CUSTOMERS OF IRANIAN CHAIN STORES

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ABSTRACT

In today’s fiercely competitive world, cause related marketing (CRM) plays an important role in business. It is seen as an effective way to build brands, create product awareness, revitalize corporate values and make corporate social responsibility and community involvement visible. It has proven to be an important marketing tool and offers valuable contributions in addressing corporate needs in the context of societal issues and the related needs of charities and causes. Cause importance which is one of the important elements of CRM’s structure has been suggested to significantly influence consumers’ purchasing intention towards CRM. However, the impacts of cause importance on consumers’ purchasing intention are inconsistent. In this light, this paper investigates (1) the effect of cause importance on consumers’ purchasing intention to CRM, (2) the moderating role of gender on the relationship between cause importance and consumers’ purchasing intention to CRM. The results indicate that cause importance has a significant positive impact on Consumers’ Purchasing Intention, also gender has an influence on the consumers’ purchasing intention in CRM and The rate of cause importance is not the same for male and female consumers in CRM. Results of this study can be directly or indirectly used as guidelines for manufacturing companies or firms, service, advertising and commerce firms.

Keywords: Cause-related marketing, cause importance, Gender, Purchasing Intention, Iran.

INTRODUCTION

In recent years, marketing campaigns and promotions with a social dimension have become more visible (Drumwright, 1996). Consumers are becoming more concerned with corporate social responsibility (Benezra, 1996) and firms are finding that consumers’ perceptions of this responsibility influence their attitudes and purchasing intention about new products manufactured by a company (Brown and Dacin, 1997).

Cause-related marketing (CRM) is a common and popular form of CSR. Corporate social responsibility (CSR) initiatives have become increasingly popular among companies in many parts of the world.

CSR is defined as ‘recognizing that companies have a responsibility to a range of stakeholder groups which include; consumers, employees, suppliers, shareholders, the political arena, the broader community, [and] the environment’ (Adkins, 2005).

The number of businesses that support cause-related marketing (CRM) programs has grown substantially.
CRM is a horizontal cooperative promotion, and involves the contribution to a cause by a firm which is ‘linked to customers’ engaging in revenue-producing transactions with the firm’. In other words, CRM is a program designed to create a partnership between a company and a cause in order to raise money through product sales. (Varadarajan and Menon, 1988). This definition shows CRM is essentially a way for a firm to ‘do well by doing well’ and provides several benefits to both the firm and the nonprofit organizations (NPOs) receiving the donations, and only refer to promotions in which the amount given to a charity by a firm is somehow tied to the purchase intention of consumers. Central to its definition is the idea of a marketing partnership between a business and nonprofit entity for mutual benefit (Hou et al., 2008).

The budget spent on cause-partnership was expected to reach USD1.55 billion in 2009 (IEG, 2011). The growth of CRM has been an international phenomenon (Wymer and Samu, 2009). North America and European countries have shown the most rapid growth of CRM. However, CRM has also been noted to emerge and gaining popularity in countries outside North America and Europe such as China, Malaysia, Thailand, Iran and many more.

Well-known examples of successful CRM campaigns include: (Papasolomou and Kitchen, 2011)

1. Tesco, the UK supermarket giant, in funding the provision of computers for schools through customers’ spending;
2. the American Express campaign to restore the Statue of Liberty;
3. Liverpool Football Club working in collaboration with Liverpool City Council to create a range of programmes to promote healthy living in one of Britain’s poorest areas;
4. Avon’s Breast Cancer Awareness Campaign which was launched in different countries around the world; and
5. BT’s (major international telecommunication provider) support of Childline, which has risen over UK£6m since late 2002 in support of vulnerable children (see: http://www.bitc.org.uk).

As CRM becomes more widespread, companies must be critical in designing their CRM campaigns. This is very important as to ensure the success of CRM campaigns. CRM structural elements refer to messages that explain the CRM campaign presented to the consumer (Grau and Folse, 2007).

Several CRM’s structural elements such as product type (Subrahmanyan, 2004; Strahilevitz and Myers, 1998), cause-type (Cui et al., 2003; Ellen et al., 2003), cause importance (Petty and Cacioppo, 1984; Ellen et al., 2003; Hou et al., 2008), cause-proximity (Grau and Folse, 2007; Ross et al., 1991) and fit between sponsoring company and the cause supported (Hou et al., 2008) have been postulated in the literature to influence consumers’ purchasing intention to CRM.

Their findings suggest that these structural elements do influence consumers’ purchasing intention to the CRM campaigns. Of these elements, cause importance plays an important role in consumers’ attitudes and their purchasing intention towards CRM.

Because importance increases the level of personal relevance (involvement) and become an important determinant of the extent of elaboration the consumer engages in upon being exposed to a CRM ad. The primary avenue is through cause importance, which has the
largest potential impact due to the personal nature of many social causes. If a cause is personally relevant to a consumer, it becomes more important to the consumer and this may drive consumer behavior through increased elaboration about the offer to a determination about their ultimate attitude about the product and firm and their behavioral intentions.

The present study aims at: (1) understanding the effect of Cause importance on consumers’ purchasing intention towards CRM and (2) examining the moderating role of gender on the relationship between Cause importance and consumers’ purchasing intention towards CRM.

In essence, it is important for marketers to understand why some consumers participate in CRM and others do not and how best to structure the offer to maximize participation. There are some consumers who will always participate primarily due to the effect of high levels of cause importance. When cause importance is at the highest, consumers focus on the cause. In this case, the structure of the offer means very little because attitudes and intentions are dictated by cause importance. However, when there are lower levels of cause importance, the structure of the CRM may become very important in influencing consumer attitudes and intentions.

The current study contributes to this stream of research in that this study investigates the impact of Cause importance on consumers’ purchasing intention to CRM. Additionally, extensive review of relevant literature suggests that study that examines the effect of moderating variable on the relationship between Cause importance and consumers’ purchasing intention remains marginal. Past study (Ross et al., 1992) suggests that female as compared to male shows more favorable response towards CRM. However, to the best of our knowledge, it is not clear how gender influences the impact of Cause importance on consumers’ purchasing intention to CRM. Hence, examining the moderating effect of gender is important as to understand how gender influences the relationship between Cause importance and consumers’ purchasing intention towards CRM.

LITERATURE REVIEW

There has been growth and interest in CRM over the past few years. (Fellman, 1999; Dupree, 2000; Kitchen and Schultz, 2001; Vallaster and de Chernatony, 2005; Berger et al., 2007). CRM is growing and its growth is due to several factors such as favorable consumers’ response and consumers’ purchasing intention towards CRM (Hou et al., 2008; Brink et al., 2006; Gupta and Pirsch, 2006; Lafferty and Goldsmith, 2005; Ross et al., 1992), growing companies concern to support causes (Brink et al., 2006) as well as to increase companies’ profits (Varadarajan and Menon, 1988). Dupree (2000) suggests that growth of interest in CRM is due to consumers’ growing social consciousness, whereas Fellman (1999) argues that companies are taking a more strategic approach to community involvement efforts, and are seeking ways of benefiting community organizations while simultaneously furthering company business goals. In fact, many of the world’s most admired corporations maintain a sustained commitment to various forms of CRM (Demos, 2006).

CRM may be viewed as a strategic positioning and marketing tool, which associates a company or brand with a relevant social cause or issue, for mutual benefit (Pringle and Thompson, 1999). It has been defined as ‘the public association of a for-profit organization with a non-profit organisation, intended to promote the company’s products or services and to raise money’ (Polonsky and Macdonald, 2000; Demos, 2006).

The corporate income benefits of successful CRM initiatives include the following: attracting new customers, increasing product sales, creating and sustaining a positive brand identity (Kotler and Lee, 2005); enhancing corporate image, differentiating products and organizations,
increasing brand loyalty and sales (Adkins, 2005); motivating employees and teams, bringing business values to life, building relationships and loyalty, adding value, demonstrating organizational values and enhancing reputation and profile (Adkins, 2005; Berger et al., 2007; Dowling, 2001).

Berger et al. (1996) found that CRM led to favorable attitude toward the product involved. On the basis, Strahilevitz and Meyers (1998) researched moderating role of product types to CRM and consumers’ purchasing intent.

Pracejus and Olsen (2004) used experimental methods to explore the role of fit between brand and cause on choice and purchasing intention when the cause is well-liked, and found brand/cause fit substantially can amplify the CRM’s effect above. They also replicate and extend previous research findings using choice-based conjoint. Their two studies involving 329 respondents show that fit between brand and charity can impact choice. In terms of trade-offs against price discounts, donation to a high-fit charity can result in 5-10 times the value of donation to a low-fit charity. They also find, however, that in both studies, the value of CRM does not justify its cost, at least in terms of short-term sales.

Kalligeros (2005) considered CRM is a strategy that links a company, brand, or product to a NPO for a mutually beneficial purpose, and it can enhance the reputation of a corporate entity, differentiate a brand, and build the emotional bond between the consumer and a brand.

Deshpande and Hitchon (2002) used experimental study to comparatively analyze the influence of three ads to brand image, the results shown CRM ads produced more favorable responses than brand ads prior to PSAs.

Varadarajan and Menon (1988) suggested that causes can be categorized into three levels, national, regional and local. The survey conducted by Cone Roper (2000) shows that consumers prefer local as compared to national and global cause.

Ross et al. (1992) found that CRM had a positive impact on perceptions of the sponsoring firm and these effects were stronger for women than for men. This positive impact of CRM was also found to be greater when the association was presented as a local, as opposed to a national ad.

Today there are also companies that support causes at international level. CRM campaigns often mentioned or communicate to the consumer specific donations distributed to cause. It represents one specific cue that can influence consumers’ purchasing intention to a particular CRM campaigns.

**Cause Importance Effects on Consumers’ Purchasing Intention to CRM**

Pro-social behavior literature provides a good theoretical explanation about consumers’ involvement in helping behavior and donation decision-making behavior. Pro-social behavior refers to acts that are perceived as voluntary without any expectation of external rewards and having positive social consequences. Physical distance is an important variable studied in pro-social behavior, it has been suggested that the physical distance has strong impact on the helping behavior of consumers; the physically closer the recipient of donation to the potential donor, the more likely it is that the potential donor will engage in some form of helping behavior (Bar Tal, 1976). Cause importance will be the variable that explains most of the use of pro-social behavior. When because importance is high, the cause drives all effects on attitude and intentions about CRM. However, when because importance is low, there are certain conditions that should lead consumers to devote attention to the CRM offer and thus
examine several aspects of the offer. Pro-social behavior schema explains the importance of cause importance and it is under high elaboration that consumers’ evaluation of persuasion tactics becomes more influential regarding congruency and participation effort.

On the other hand Personal relevance (also known as involvement) has been studied extensively in both psychology and marketing contexts. (Krugman, 1965) first defined the concept of Involvement and stated that it varies by circumstances and individuals. Involvement is a personal connection or bridging experience for an individual. Since its introduction, there have been multiple definitions of the involvement construct. Personal relevance is connected to the individual as the primary component of ego involvement (Sheriff et al. 1965) thus making it vital to their self-identity. Despite the proliferation of several definitions (Greenwald and Leavitt 1984; Houston and Rothschild 1977; Krugman 1965; Mitchell 1979) the most widely used definition is a simple, straightforward one. Personal relevance theory studied extensively in both psychology and marketing contexts, Personal relevance is the level of perceived personal importance and/or interest evoked by a stimulus within a specific situation (Antil, 1984). Zaichkowski (1985) added that personal relevance is based on inherent needs, values and interests.

According to Krugman’s definition, personal experiences are vital to personal relevance. This personal relevance can be a result of past experiences with a cause (e.g., a relative has cancer) or part of their self-concept (e.g., environmentally conscious people are likely to find recycling programs more personally relevant). The concept of personal importance is manifested as cause importance, which is the support of a cause due to personal experience or social norms. Ellen et al. (2000) manipulated the donation situation as either an ongoing cause or a disaster, which utilizes the notion of personal relevance to determine consumers’ assessments of a firm’s CSR. Menon and Kahn (working paper) did not assess involvement with the cause but used a cause agent (i.e., American Cancer Society) to represent the cause. Petty and Cacioppo (1984) found that disaster situations were perceived as more important, because disasters were perceived as more personally involving. Which shows higher levels of cause importance should lead to greater levels of motivation and opportunity to think about a message and lower levels of involvement should lead to the examination of peripheral cues in order to make an evaluation. As consumers have greater levels of cause importance, the cause becomes more diagnostic and consumers become more motivated to devote more cognitive effort to evaluate the issue-relevant arguments that are presented, indicating a more central route to persuasion. Therefore, greater levels of cause importance should lead to greater motivation and elaboration of the message. However, when cause importance is low, consumers will not devote attention to elaborating about the CRM program.

Based on the theories mentioned, it is proposed that the Cause importance cue communicated in a CRM campaign will influence consumers’ purchasing intention to CRM. . Hence, the following hypothesis is proposed:

H1: There is a significant correlation between Cause importance and Consumers’ Purchasing Intention in CRM.

The Moderating Role of Gender

The influence of gender on consumers’ purchasing intention to CRM has been discussed in the past literature (e.g. Moosmayer & Fuljahn, 2010; Ross et al., 1992; Barnes, 1992). The basis for expecting that gender will positively affect consumers’ evaluation of CRM comes from the pro-social behavior literature. Research suggests that consumer characteristics such as gender (Ross et al., 1992, Barnes, 1992) influences consumers’ purchasing intention to CRM. The difference in response toward CRM is not biologically rooted but is attributed to
the gender roles. The research on gender and pro-social behavior suggests that the help that one individual is willing to provide to other people is related to perceived sex roles (Bar-Tal, 1976). Past studies on sex roles suggest that females are more favorable toward self and other oriented appeals compared to males’ (Meyers, 1988). Hence, with regards to CRM, female as compared to male is expected to give more favorable response towards CRM regardless of the Cause importance. This is because with regards to pro-social behavior female is likely to respond to CRM campaigns more positively than male. It is therefore expected that gender may moderates the impact of Cause importance on consumers’ purchasing intention to CRM. Based on the theories mentioned and review of relevant literature the following hypothesis is therefore suggested:

**H2:** The rate of Cause importance is not the same for male and female consumers in CRM.

**METHODODOLOGY**

In the present study we investigated the effects of Cause importance and gender on Consumers’ Purchasing Intention in Cause-Related Marketing (CRM). In order to analyze the first hypothesis, (i.e. the relationship between Cause importance and Consumers’ purchasing intention in CRM) inferential two-variable linear regression was used to determine the relationship between two variables Cause importance and purchasing intention by means of distance scale in which the determination rate of criterion variance by means of predictor variable was identified by $R^2$ (coefficient of determination).

In order to analyze the second hypothesis, (i.e. the moderating role of gender on the relationship between Cause importance and Consumers’ purchasing intention in CRM); Leven test was used to determine the equality of variance between the groups of women and men, then given equal variances between these two groups, inferential independent T-test was used to compare the average of Cause importance between the two groups of male and female.

The current study, according to its purpose, is an applied research and also is kind of descriptive surveys of the area of field studies considering the data collection method. To investigate the relationship between the variables and testing hypothesis, after collecting the needed data and information through questionnaires, statistical software SPSS20 was used.

All Iranian consumers form the Statistical population of this research. Due to the magnitude and distribution of these consumers, those who bought their needs from Sepah, Refah and Moallem Chain Stores underwent this survey. In this study, simple random sampling has been used meaning that the researcher accidentally went to these stores and gave the questionnaire to the buyers to fill out the questionnaire and some of the completed questionnaires were chosen from each region according to the Cochran formula about the estimated sample.

The sample size is very important to generalize the results to the community. There are several methods for determining sample size which among them mathematical methods are the most accurate ones for calculating the sample size.

Cochran's formula is used to obtain the sample size in this study based on which the number of sample is equal to 384, which shows the maximum sample size in cases we may not have the exact population of the study with 5% of error.

$$d = 0.05 \quad \alpha = 0.05 \quad \frac{z_{\alpha}}{2} = \frac{1}{96} \quad p = 0.50$$
In this study, the data collected in the field part was done by a questionnaire and the library method was used to collect information about the concepts and theories related to the topic of the research.

The questions are based on a Likert scale from very much agreement to very much disagreement that the grading is 1 to 5. In the present study, in order to more assurance a total number of 400 questionnaires were distributed among consumers in stores. Some of questionnaires were excluded due to wrong and incomplete responses and finally 384 questionnaires were analyzed for data analysis.

In the present study, Cronbach's alpha coefficient was used to assess the reliability of the questionnaire and the reliability of the questionnaire is obtained Cronbach's Alpha: 0.85.

FINDINGS AND DISCUSSION

In this part we have tried to examine each hypothesis by using inferential two-variable linear regression statistics to test the first hypothesis and independent T test to examine the second hypothesis, and made a decision to approve or reject the hypotheses.

Test of the first hypothesis: There is a significant correlation between Cause importance and Consumers’ Purchasing Intention in CRM.

Our H0 is: There is not a significant correlation between Cause importance and Consumers’ Purchasing Intention in CRM.

Our H1 is: There is a significant correlation between Cause importance and Consumers’ Purchasing Intention in CRM.

A survey on the correlation between Cause importance and Consumers’ Purchasing Intention is achieved by using an inferential two-variable linear regression statistics, based on which the calculated p-value (0.001) is less than significant level 0.01, therefore, at this level, H0 is rejected. So it is concluded that the linear regression model is significant and it means that there is a significant correlation between Cause importance and Consumers’ Purchasing Intention. Correlation coefficient is R=0.67, which represents extend of correlation between Cause importance and Consumers’ Purchasing Intention. Given that the value of R\textsuperscript{2}adj (adjusted R\textsuperscript{2}) is equal to 0.43, it is concluded that the variable of Cause importance to consumers in this model, determine 0.43 of the variance of purchasing intention of a product by consumers (Table 1).

The results also indicate that the regression coefficient of Cause importance impact on purchasing intention is 0.49 and the due to the P-value (significance) of 0.001 which is smaller than the significance level of \( \alpha = 0.05 \), the H0 is rejected in this level and thus it can be said that Cause importance has a significant positive impact on Consumers’ Purchasing Intention. In other words, the results show that, the higher importance of a cause sponsored by a firm consumers perceive, the more likely its product is purchased.
Table 1. The coefficients of the regression model of the correlation between Cause importance to consumers and their purchasing intention

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>$R^2$</th>
<th>$R^2_{adj}$</th>
<th>Estimate B</th>
<th>SE</th>
<th>The standard estimate of $\beta$</th>
<th>t</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>The extent of Cause importance for consumers</td>
<td>0.67</td>
<td>0.44</td>
<td>0.43</td>
<td>1.06</td>
<td>0.065</td>
<td>0.67</td>
<td>16.55</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Test of the second hypothesis: The rate of Cause importance is not the same for male and female consumers in CRM.

Our H0 is: The rate of Cause importance is the same for male and female consumers in CRM.

Our H1 is: The rate of Cause importance is not the same for male and female consumers in CRM.

Leven Test was used to examine the equality of variances and due to a p-value (significance) of 0.389 which is larger than the significant level of $\alpha=0.05$, H0 is not rejected and as a result the variances of the two groups are said to be equivalent, so parameter one test is applicable.

Comparison of Cause importance for male and female consumers is obtained via T-test and because the p-value (significance) equals 0.001 is smaller than the significance level of $\alpha=0.05$, so the H0 hypothesis is rejected in this level. Thus it can be concluded that there is a significant difference between the rate of Cause importance of male and female consumers. According to the averages the Cause importance for male consumers is more than that for female consumers, and male purchasing intention towards CRM is influenced by Cause importance. (Table 2)

Table 2. T-test statistics for comparing the average Cause importance for consumers in terms of gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>T Statistic</th>
<th>Degree of freedom</th>
<th>Significant t</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Numbe r</td>
<td>Mean</td>
<td>SD</td>
<td>Numbe r</td>
<td>Mean</td>
</tr>
<tr>
<td>The rate of Cause importance for consumers</td>
<td>123</td>
<td>10.3</td>
<td>2.5</td>
<td>261</td>
<td>9.13</td>
</tr>
</tbody>
</table>

CONCLUSION

The present study assesses the effect of Cause importance and gender on consumers’ purchasing intention to cause-related marketing. Using an experimental study on a total of 384 respondents of Iranian consumers, the current study shows that Cause importance has a significant positive impact on Consumers’ Purchasing Intention, and cause importance play an important role in consumers’ attitudes and their purchasing intention towards CRM. In other words, the results show that, the higher importance of a cause sponsored by a firm consumers perceive, the more likely its product is purchased. Second, the current study examines the effect of Cause importance on male and female. With regards to the moderating
effect of gender on the relationship between Cause importance and consumers' purchasing intention to CRM, the results of this study shows that The rate of Cause importance is not the same for male and female consumers in CRM. Male purchasing intention towards CRM is influenced by Cause importance. In other words, Cause importance does not impact female purchasing intention attitudes towards CRM very much. On the contrary Cause importance does impact attitudes towards CRM for male purchasing intention much more than female. Overall, female have more favorable purchasing intention towards CRM than male and that male purchasing intention towards CRM is influenced by Cause importance. The results show that cause importance play an important role in consumers’ attitudes toward the product and firm and their intentions to purchase the advertised product and participate in the CRM campaign, which suggests an opportunity for nonprofits to compete for these vital resources by nurturing and leveraging the antecedent factors and an opportunity for firms to select a cause partner. The findings of this study can be used by managers in designing their CRM campaigns in the future and based on these results, implications for CRM campaign managers and research limitations are highlighted.

REFERENCES


