



Impact of Cause-Related Marketing on Consumer Buying Behavior

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Abstract

In recent era, cause-related marketing has become a common term since it emerged in the 1980s. Consumers are the major stakeholders for organisations and their views and satisfaction or agreements are of utmost importance while making strategies. Thus this paper attempts to study the impact of cause-related marketing on consumer buying behaviour. The sample consists of 187 rural consumers in Thrissur district collected with the help of a standardized questionnaire. The data was analysed using descriptive statistics as well as analytical statistics. The paper does not focus on specific product or companies but attempts to get a general idea of consumers. From the analysis it is clear that 38.5 percent of respondents have no idea regarding the term cause-related marketing but unknowingly participate in CRM initiatives. This research paper infers that CRM has a high impact on consumer buying behaviour.

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Keywords: Cause Related Marketing, Consumer Behavior, Effectiveness

1. Introduction

Cause-related marketing is not a new term. Because it emerged in the 1980's, CRM according to Varadarajan and Menon (1988) is the process of formulating and implementing marketing activities that are marked by a firm's offer to contribute a specified amount to a designated cause when customers engage in revenue-generating exchanges that meet organisational and individual goals. Cause marketing involves collaboration between a for-profitable organisation and a non-profitable organisation on a common benefit motive. This brand association with a non-profit organization will boost their CSR.

Cause-related marketing initiatives have become more and more popular among organisations. These tactics assist a social cause while promoting marketing success. Supporting a specific cause can have a very big impact on customers. This type of cause marketing helps to establish a connection with clients while also demonstrating a commitment to social responsibility. This can help the companies to attain customer satisfaction, to reach the consumer's emotional level and also to create a good brand image among customers and to destroy the competition.

2. Statement of the Problem

Cause-related marketing activities are mainly focused on customers to buy product that compensate for any social cause. It means that a nonprofit organization in exchange for their ethical contribution to the collaboration can create more awareness for their organisation and the for-profit business can sell their products easily by enhancing the cause. Thus there is a question whether the customers are aware about the cause-related marketing and how it impacts on the organisations from the customer's perspective.

3. Objectives of the Study

The following are the objectives of the study:

- To know the awareness level of customers on cause-related marketing.

- To identify the impact of cause-related marketing.

4. Scope of the Study

Cause-related marketing has a lot of potential for both businesses and the general public. Consumer attitudes and preferences for cause-related marketing are investigated in this study. The findings provide valuable information to the central governments and banks for the purpose of getting awareness about whether cause-related marketing have any impact on consumer buying behaviour.

Also the people in academia are the beneficiaries of the findings of the study. It serves as a source of literature to the people who intend to conduct a similar research either in Thrissur district or elsewhere in the world. Companies and financial institutions use the report on impact of cause-related marketing to know whether the companies could achieve corporate social responsibility.

5. Research Methodology

The research method is both descriptive and analytical. Primary and secondary sources were used to compile the data. The basic data was gathered through the use of questionnaires. Secondary data was gathered from websites, journals, and magazines, among other sources. The study's sample was drawn from the Thrissur district in Kerala using convenience sampling. 187 samples were chosen by the researcher.

6. Literature Review

Liu, Gordon (2012) - The goal of cause-related marketing, as stated in this study, is to expand on a company's social engagement programmes in order to produce a good return on the company's social investment. It investigates the strategic plans of these cause-related marketing campaigns, as well as their impact on company decision-making. It focuses on improving the firm's credibility in order to create relationships with target interest holders. The report employs a variety of qualitative approaches to investigate a company's marketing decisions in relation to a variety of demographic parameters such as duration, geographic scope, and cause selection and implementation strategies.

Kelliher and De Menezes (2011) - The researcher in this study was interested in learning about the work that has been done in the cause-related marketing area, as well as the outline of the exact nature of the research objectives. The goal is to investigate and appraise the extent CRM research in order to improve the quality, scope, and impact of future CRM studies. The goal is to identify potential flaws and knowledge gaps in the extent literature and to establish a research agenda for future research.

Maria Ryan, Michele Robert (January 5, 2005) - The consumer's attitude and preference for cause associated marketing were examined in this study of the impact of cause-related marketing on purchasing behaviour. The respondents want to know if the firms are concerned about social and environmental issues. Also, to figure out what kind of involvement they want and whether they're willing to pay for it. This form of marketing has the potential to be a powerful technique for influencing female consumers who have a good amount of disposable income and who make purchasing decisions based on pricing. It is crucial in the case of cosmetics. Because these products have reached maturity, they offer opportunities for product differentiation, higher market share, and brand loyalty.

The research report by Auger, Burke, Devinney, and Louviere (2003) indicates that there is a substantial relationship between ethical effect on purchase and social demographic elements like gender, and that women are the most favourable respondents to the topic of cause linked marketing.

According to the findings of Harris and Mohr Webb (2001), cause-related marketing had a minor impact on the purchasing decisions of less than half of the respondents. Furthermore, 41% of respondents stated that cause-related marketing had a lower impact on consumption. It finds that there is a sizable, viable, and definable market sector that considers a company's level of social responsibility when making a purchasing choice.

7. Results & Discussion

Table 1
Demographic Profile

	Frequency	Percent
Gender		
<i>Male</i>	63	33.69
<i>Female</i>	124	66.31
<i>Total</i>	187	100
Age (in Years)		
<i>18-30</i>	53	28.34
<i>30-40</i>	72	38.51
<i>40-50</i>	32	17.11
<i>50-60</i>	21	11.23
<i>Above 60</i>	9	4.81
<i>Total</i>	187	100

Source: Primary data

Interpretation: The above demographic table shows that 66.31 percent of respondents are female and 38.5 percent of respondents belong to the age group of 30-40.

Table 2
Awareness regarding Cause-Related Marketing initiatives

Level of awareness	Frequency	Percent
<i>Extremely aware</i>	18	9.63
<i>Moderately aware</i>	27	14.44
<i>Somewhat aware</i>	51	27.27
<i>Slightly aware</i>	19	10.16
<i>Not at all aware</i>	72	38.5
<i>Total</i>	187	100

Source: Primary data

Interpretation: According to the data, 38.5 percent of respondents are unaware of cause marketing initiatives, while 61.5 percent are well aware of CRM programmes.

Hypothesis 1

H₀: There is no significant difference between the awareness on cause-related marketing between male and female.

H₁: There is significant difference between the awareness on cause-related marketing between male and female.

Table 3
Gender wise T - test

Level of awareness	Male	Female	Test Statistic	Critical value @ 5%	P value	Accept/Reject
<i>Extremely Aware</i>	3	15	1.43	2.776	0.1898	Accept
<i>Moderately aware</i>	9	18				
<i>Somewhat aware</i>	11	40				
<i>Slightly aware</i>	13	6				
<i>Not at all aware</i>	27	45				
The test distribution is normal: T Test Grouping variable: Gender						

Source: Primary data

Interpretation: The test statistic is smaller than the critical value at the 5% level of significance, as shown in the table. As a result, accept the null hypothesis, which states that there is no significant difference in cause-related marketing awareness between gender groups.

Hypothesis 2

H₀: There is no significant difference between the awareness on cause-related marketing in between age groups.

H₁: There is significant difference between the awareness on cause-related marketing in between age groups.

Table 4
Age wise T - test

Age groups	Aware	Not aware	Test Statistic	Critical value at 5%	P value	Accept/Reject
18-30	30	23	1.06	2.776	0.317	Accept
30-40	39	33				
40-50	23	9				
50-60	16	5				
Above 60	7	2				
The test distribution is normal: T - test Grouping variable: Age						

Source: Primary data

Interpretation: The test statistic is smaller than the critical value at the 5% level of significance, as shown in the table. As a result, accept the null hypothesis, which states that there is no significant variation in cause-related marketing awareness between age groups.

Table 5
Sources of awareness on cause-related marketing

Sources of awareness	Frequency	Percent
Social media	108	93.91
Television ads	67	58.26
News paper	43	37.39
Magazines	39	33.91
Campaigns by organisations	78	67.82
Internet/web browsing Ads	103	89.56

Source: Primary data

Interpretation: It is obvious from the table that most of the respondents get information relating to cause-related activities through social media and internet or web browsing ads. Fewest among them get information through magazines.

Hypothesis 3

H₀: There is no impact of cause-related marketing activities on performance of business from customer perspective

H₁: There is an impact of cause-related marketing activities on performance of business from customer perspective

Table 6
Impact of CRM on performance of business from customer perspective: One sample T Test

Statement	Total	Test statistic	Critical value at 5%	Accept/Reject
<i>CRM initiatives help the organisations to fulfil the demand for CSR.</i>	115	3.34	2.776	Reject
<i>It helps to improve positive brand image.</i>	115	2.82	2.776	Reject
<i>It helps to create a relationship with the community</i>	115	3.04	2.776	Reject
<i>Helps to increase brand loyalty and trust among customers</i>	115	1.40	2.776	Accept
<i>It helps to stand out from the competition</i>	115	2.78	2.776	Reject

Source: Primary data

Interpretation: According to the data the customers agree that the cause-related marketing help companies to create a relationship with the community, it can improve positive brand image and it fulfills the demand for CSR initiatives and also helps to create and increase trust among customers. So the initiatives of CRM have a big impact on consumers that they believe it makes the business perform better.

Hypothesis 4

H₀: There is no impact of cause-related marketing activities on consumer buying behaviour.

H₁: There is an impact of cause-related marketing activities on consumer buying behaviour.

Table 7
Impact of CRM on consumer buying behaviour: One sample T Test

Statement	Total	Test statistic	Critical value at 5%	P value	Accept/Reject
<i>I am willing to spend a higher price for a product that supports a good cause</i>	115	2.78	2.776	0.046	Reject
<i>I want to be a part of such causes by buying products of those companies</i>	115	3.04	2.776	0.038	Reject
<i>I am willing to switch brands if they engage in cause-related marketing.</i>	115	2.79	2.776	0.048	Reject
<i>I believe that the purpose of cause is served by the companies effectively</i>	115	3.24	2.776	0.0316	Reject

Source: Primary data

Interpretation: Consumers are willing to switch brands that engage in cause-related marketing campaigns, as evidenced by the table. They also want to be part of such causes by buying products of those companies and also believe that the purpose of cause is served by companies effectively. The consumers are also willing to spend a higher price for a product that supports a good cause. So this table shows that CRM initiatives have a huge impact on consumer buying behaviour.

8. Findings

Following are the major findings of the study:

- 66.31 percent of the respondents are female and 38.5 percent of respondents fall inside the age group of 30-40.
- 38.5 percent of respondents are unaware of cause marketing initiatives, while 61.5 percent are well aware of CRM programmes.
- There is no significant difference between the awareness on cause-related marketing between gender groups.

- There is no significant difference in awareness level on cause-related marketing between age groups.
- Almost all of the respondents are getting information relating to cause-related activities through social media and internet or web browsing ads. Fewest among them get their information through magazines.
- Customers agree that the cause-related marketing helps the companies to create relationships with the community, it can improve positive brand image, it fulfills the demand for CSR initiatives and also helps to create and increase trust among customers.
- Initiatives of CRM have a big impact on consumers that they believe this raises business performance..
- Consumers are willing to switch to brands that engage in cause-related marketing campaigns, as evidenced by the table. They also want to be part of such causes by buying products of those companies and also believe that the purpose of the cause is served by companies effectively. The consumers are also willing to spend a higher price for a product that supports a good cause.
- CRM initiatives have a huge impact on consumer buying behaviour.

9. Suggestions

- The study shows that 38.5% of respondents are not aware about the term cause-related marketing. Thus the study suggests that the companies must do marketing campaigns and other awareness programmes to the customers.
- Most of the respondents are getting awareness of CRM activities through social media and web browsing advertisements. So companies must concentrate on social media to give adequate information regarding their products and what cause they are involved with.
- The analysis shows that though the companies are making efforts for the CRM initiatives, there is still a need for more emphasis on CRM.

- It can be suggested that the companies must carry out CRM with all their might but they should also properly advertise about it so that the consumers are well aware of the different kinds of activities that these companies are carrying out.

10. Conclusion

This research paper mainly focused on the impact of cause-related marketing on consumer buying behaviour. The researchers set objectives to analyse the awareness level of consumers on CRM initiatives and also identify the impact as well. From the results it is clear that out of 187 respondents 72 have no idea regarding the term cause-related marketing. But they are unknowingly participating in the CRM initiatives. So this study suggests that the company should make sure that the initiative related to cause marketing should be advertised through social media or any other medium to retain their customer base. Customers agree that the cause-related marketing helps the companies to create relationships with the community, it can improve positive brand image and it fulfills the demand for CSR initiatives and also helps to create and increase trust among customers. The consumers are willing to switch brands that conduct cause-related marketing initiatives. They also want to be part of such causes by buying products of those companies and also believe that the purpose of the cause is served by companies effectively. The consumers are also willing to pay more for products that cover a cause. So this study concluded that there is an impact of CRM initiatives on the consumer buying behaviour.

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