

Investigating The Impact of Cause Related Marketing on Consumer Attitude and Purchase Intention

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ABSTRACT

Cause-related marketing (CRM) is a marketing program that closely relates to corporate social responsibility. The increasing popularity of CRM has led many researchers to investigate effective CRM campaign strategies. This study employs an experimental design with a factorial design to assess the impact of time duration, proximity, and congruence on brand attitudes and intentions. The study was conducted with college students from two cities in Indonesia, and statistical analyses, including t-tests and regression, were utilized. The results indicate that respondents' attitudes vary with respect to time duration and congruence, and attitudes towards brands related to CRM programs positively affect intentions. Therefore, marketers should consider the attributes of CRM, such as duration and congruence, to ensure that the program is accepted by consumers.

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Introduction

Kotler & Keller (2012) assert that companies can use differentiation as a marketing tactic to maintain market competitiveness. Due to the passage of time, human intelligence, and the depletion of natural resources, individuals must be mindful of their environment. Consumers get more engaged in environmental protection when they learn about issues like global warming, natural disasters, forest fires, and other environmental harm. Businesses have an excellent chance to develop concepts that will help preserve the earth by engaging in corporate social responsibility (CSR). At the 2002 World Summit on Sustainable Development in Johannesburg, South Africa, a decision was made on CSR. The agreement's objective was to persuade all businesses worldwide to support sustainable development. CSR can be viewed as an organisation's effort to uphold ethical business practises, responsible corporate citizenship, and excellent corporate governance. To build a solid reputation and obtain a competitive edge, firms include social responsibility into their business plans.

CRM, or cause-related marketing, is a marketing strategy that encourages businesses to support social or environmental causes. The combination of strategic marketing and CSR perspectives is the basis of CRM, which aims to enhance a firm's

differentiation and build trust with individuals by promoting its social and environmental involvement, ultimately leading to improved business performance and community relationships (Liu & Ko, 2014). These initiatives require collaboration between businesses and non-profit organizations in order to raise funds or public awareness for a particular cause. CRM has become an increasingly popular marketing strategy for businesses seeking to increase brand recognition and cultivate personal relationships with customers. CRM is the process of creating and implementing marketing strategies that include a company's promise to donate a specific amount to a chosen charity in exchange for customers making revenue-generating purchases. In other words, CRM means donating a certain percentage of revenues to a particular cause based on the revenues generated during the announced period of support (Thomas et al., 2022). However, there is ongoing debate regarding the effectiveness of CRM in influencing consumer behavior and the resulting impact on a company's reputation.

CRM enables the application of CSR (corporate social responsibility) to marketing. CRM is also a form of corporate social responsibility because it combines marketing elements with social program campaigns. As a moderator of the relationship between scepticism and behavioural intention, the findings suggest that religiosity influences the outcomes of CRM campaigns (Deb, 2021). Businesses use CRM programs to be socially and environmentally responsible, and CSR has gained popularity in Indonesia since 2001. Customers are those who purchase a company's products or services, and sometimes they want to contribute to the environment or a cause; therefore, brand awareness is crucial to CRM success. Brand awareness is closely related to a company's reputation, so implementing more competitive CSR strategies can increase a company's reputation and sales. The theory of prosocial behavior is the foundation for comprehending why consumers engage in specific CRM behaviors.

In general, CRM programmes can be helpful marketing tools for businesses trying to enhance consumer emotional connections and their brands. A CRM programme's success is influenced by a wide range of elements, including the consistency of the underlying messaging and brand image, the types of items included in the programme, customer demographics, and psychological considerations. A consumer's intent to purchase a CRM programme is positively influenced by their brand attitudes (Thomas et al., 2022). Participating customers in the co-creation process can boost the efficacy of a CRM programme, but doing so also involves a substantial time and financial investment from the company.

Therefore, it is crucial for companies to take each of these factors into account when setting up a CRM programme to make sure they select the optimal strategy for their brand and customers. This study seeks to determine how much influence causes have on the decisions and actions of consumers. The study will employ an experimental methodology that takes into characteristics found in CRM, such as geographic closeness to the cause, duration of the cause, and product congruence for the cause. This study has an experimental design to determine the extent to which causes will affect how consumers choose the brand they will purchase and maintain their desire to do so. It is concluded that the research question is: does the length of time, geographical proximity, and product congruence with a cause encourage consumers to evaluate the brand more positively? And does attitude have a positive influence on consumer purchase intentions?

Theoretical Background

This research uses the Theory of Planned Behavior (TPB). The theory of reason and action (TRA) is reinforced by this theory (Armitage & Conner, 2010; Sheppard et al., 1988). In TPB, there is an additional variable (perceived behavioral control), while TRA employs attitudes, subjective norms, intentions, and behavior as variables. Ajzen (1991) originated this theory, which has since become widely used in behavioral research. Using a cause-related marketing (CRM) strategy, a company can promote its products and services while contributing to the community. The success of a CRM program depends on a number of factors, including its duration. Prior research has investigated the relationship between the length of a CRM program and customer attitudes toward it. Customers may view a CRM program as novel or unremarkable, which may affect their opinion of it. Customers are increasingly perceiving CRM programs as deteriorating over time, which may have a negative impact on the profitability of the program.

In contrast, some studies suggest that an extended CRM program duration can increase customer participation and trust. Long-term CRM programs may encourage consumers to become more engaged by providing enough space for reflection. Other studies indicate, however, that consumers may be less inclined to utilize an excessively outdated CRM because they perceive it as ineffective. When carried out by a business, long-term CRM campaigns with low-engagement products can boost brand loyalty. It was discovered that a low-involvement product, a specific donation recipient, and a large actual donation amount had the greatest impact on consumer responses. (Terblanche et al., 2023). The duration of a CRM program can also affect customer confidence in an organization. Consumers are more likely to have faith in businesses that have been committed to CRM for an extended period of time. However, research suggests that the duration of a CRM program may influence consumer perceptions of its efficacy, thereby diminishing their confidence in the program. The number of items required can affect the length of a CRM programme, which can impact the programme's ability to maintain consumer interest without becoming monotonous.

The influence of geographical proximity on the perception of CRM programs by customers has been studied with variable results. According to a number of studies, customers who reside closer to businesses that use CRM tend to have more positive attitudes toward the program because of their emotional connection to the company. However, other studies indicate that geographic proximity has no effect on consumer perceptions of CRM programs and that other variables, such as consumer trust and value, may influence their attitudes. In addition, factors such as the quantity of information available about the program and brand recognition can also impact how customers perceive CRM. Research indicates that brand awareness can act as a mediator between consumers' perceptions of CRM programs and their geographic proximity. In constructing a CRM program and a marketing strategy, businesses should therefore consider these factors.

The success of CRM programs relies heavily on product-program fit, which is achieved through a strong relationship between the organization and its corporate sponsor (Lanying Du et al., 2008), because it influences consumers' perceptions of the program and the associated brand. Multiple studies have demonstrated that consumers are more likely to favor a brand if it is advantageous to them and its marketing campaigns support specific objectives. This is due to the fact that consumers tend to favor brands that share similar values and beliefs because it influences their perceptions of the program and the associated brand. Customers are more likely to support and remain loyal to a brand if the

products promoted are consistent with the program. Customers may not perceive a company as having a high level of social responsibility if it supports social programs infrequently or selectively. Conversely, consumers are more likely to support and remain loyal to a brand that consistently supports social initiatives aligned with its fundamental values.

For hedonic consumption, marketers should strive to use messages that emphasise how the donation will be used, the importance of the cause, and the consequences of donating, while for utilitarian consumption, marketers should lower the perceived cost of purchasing a cause marketing product by using cost-focused messages (Seo & Song, 2021). Customers are more likely to purchase products associated with a CRM program if they have a favorable opinion of the program. Additionally, those who are more likely to purchase are frequently involved in marketing campaigns that support charitable causes. They will decide to purchase program-related and distribute it to their families. Therefore, businesses must ensure that the programs they broadcast are relevant to the audience's beliefs and interests. Businesses must communicate cause-related marketing initiatives in a clear and consistent manner if they want consumers to feel better about them and be more likely to buy their products. Based on the explanation above, we propose the following hypothesis:

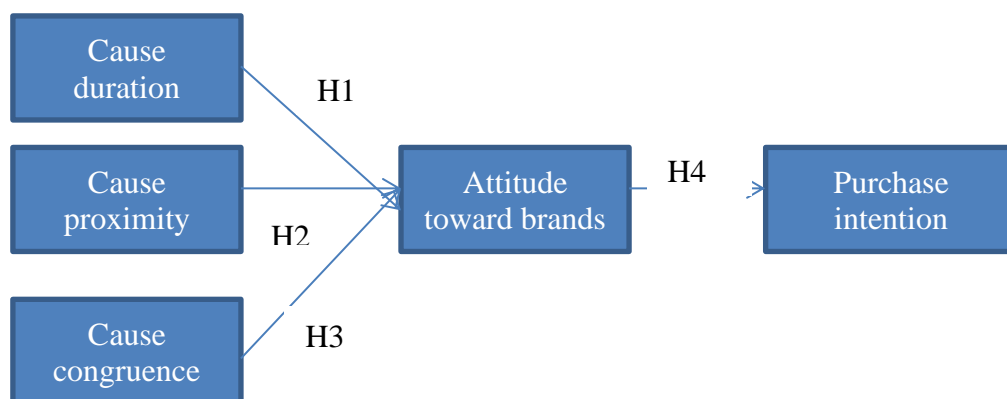
H1: There are significant differences in consumer attitudes on cause duration (one month or one year).

H2: There are significant differences in consumer attitudes towards proximity (near or far).

H3: There are significant differences in consumer attitudes towards cause congruence (congruence or not congruence).

H4: Attitudes towards brands involved in cause-related marketing programs have a positive impact on consumer purchase intentions.

Figure 1 Research Model



Research Methods

The present study is experimental research conducted in two cities in Indonesia, namely Jakarta and Yogyakarta. A total of 264 participants, comprising 107 men and 157 women, were divided into eight experimental groups. The experiment was carried out in a classroom setting, where participants were exposed to different treatments of cat food advertisements with varying descriptions. Before the experiment, the treatment to be given to the participants passed the manipulation check.

For instance, an ad with the caption "Every product sold will contribute to a one-month programme of aid at the South Sulawesi Animal Conservation" was used to represent the treatment of cause congruence, short time duration, and far cause proximity (Figure 2). On the other hand, an ad with the caption "Every product sold will contribute to a one-year aid programme for the orphanage" was used to represent the treatment of non-congruence, long duration, and near proximity of the cause (Figure 3). A total of eight ad images were used to represent all treatments. The participants responded to a questionnaire through an online Google form.

The scale used in this study was a 7-point Likert scale. The validity of the data was tested using factor analysis, and its reliability was tested using the Cronbach's alpha method. Hypotheses 1 to 3 were tested using an independent sample t-test, while hypothesis 4 was tested using multiple regression analysis. The data analysis was conducted using SPSS 22 software.



Figure 2 Cause Congruence Treatment



Figure 3 Cause Not Congruence Treatment

Results and Discussions

In this study, the validity of the data was tested using factor analysis, and its reliability was tested using the Cronbach's alpha method. The results of the validity test showed that one attitude statement item, number 2, needed to be removed from the analysis. Meanwhile, the reliability test results for attitude and intention variables had Cronbach's alpha values of 0.615 and 0.826, respectively, as shown in Table 1. Therefore, it can be concluded that the instrument used in this study is valid and reliable.

Table 1. Validity and Reliability Test

| Validity | Factor Analysis |
|--|-------------------------|
| Attitude: | |
| The brand in the advertisement tends to make claims about a social responsibility scenario. | 0,958 |
| I feel good and positive about the advertisement. | 0,922 |
| I like the brand in the advertisement. | 0,962 |
| Intention: | |
| I participated in a cat food advertising campaign by purchasing the product. | 0,899 |
| I am willing to influence others to buy cat food products because there is a match between the product and the social responsibility being done. | 0,873 |
| I am willing to buy cat food products because they are related to a social campaign. | 0,894 |
| Reliability | Cronbach's alpha |
| Attitude | 0,615 |
| Intention | 0,826 |

Table 2. Hypotheses Test

| Independent Variable | Mean Square | F | Sig | Hypotheses |
|-----------------------------|--------------------|----------|------------|-------------------|
| Cause duration | 0,446 | 5,138 | 0,024 | H1 Supported |
| Cause proximity | 0,002 | 0,025 | 0,874 | H2 Not supported |
| Cause congruence | 0,439 | 5,059 | 0,026 | H3 Supported |
| Multiple Regression | 5,421 | 95,837 | 0,000 | H4 Supported |

In the hypothesis testing results, it can be seen in Table 2 that the unsupported hypothesis is Hypothesis 2, which is that proximity does not affect consumer attitudes towards CRM programs. A statistical value of 0.874, which denotes no significant difference between treatment causes near and far, indicates this. This result differs from previous research regarding proximity, which was found to influence CRM evaluation

(Anuar & Adam, 2017). This may be due to the fact that if consumers feel that the cause is truly important and meaningful to them, then geographic distance is no longer relevant to a person's attitude towards CRM campaigns. This needs to be a concern for marketers.

Meanwhile, duration and congruence were found to affect consumer attitudes. These results support previous research. The type of product promoted in cause-related marketing campaigns affects brand attitude and purchase intention, with hedonic products generating greater brand attitude and utilitarian products leading to higher purchase intentions (Lestari & Nugroho, 2023). The perceived fit between the product and the cause is also an important factor, positively impacting campaign credibility and brand attitude (Melero & Montaner, 2016). Regarding the variable of attitude influencing intention, hypothesis 4 was proven with a statistically significant regression analysis result of 0.000. This indicates that attitudes towards the brand are related to CRM campaigns as an antecedent to the intention to purchase products linked to the cause. A cause-related marketing campaign can enhance attitudes towards both the promoted cause and the sponsoring brand, particularly when attitudes towards both are already favourable. In addition, message bias towards either the brand or the cause will influence the results, and the predominance of one partner in the message can result in asymmetry in the results (Mora et al., 2021). Additional analysis results also found that gender differences actually affect differences in attitudes towards the brand

Conclusion

This study aims to investigate how consumer attitudes towards brands associated with CRM programs affect their buying behavior. Attitudes can be positive or negative, and people's preferences and behavior tend to follow their attitudes. If a person has a positive attitude towards a behavior, they are more likely to prefer and adopt that behavior, whereas a negative attitude will result in the avoidance of that behavior. Intention also plays a crucial role in behavior, and strong intentions and beliefs can lead to a behavior being carried out.

The results of the study indicate that the duration of a CRM campaign program and the congruence between a company's products and the supported causes are important to consumers. Furthermore, CRM campaigns are effective in influencing purchase intentions. Therefore, marketers need to understand the attributes related to CRM campaigns and use them correctly in advertising campaigns to achieve marketing success. If consumers perceive a connection to the supported cause, they are more likely to support the CRM program. Additional investigation may examine the characteristics of CRM and how variations in personal values towards a CRM initiative might influence attitudes and intentions to purchase

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