

Understanding the Impact of Cause-Related Marketing on Consumer Purchase Intentions: The Role of Cause Significance, Proximity, and Brand Alignment

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Abstract

This research paper delves into the increasingly popular strategy of Cause-Related Marketing (CRM) as a tool for businesses to establish themselves as socially responsible entities in the eyes of consumers. While CRM's popularity is on the rise, there remains a significant gap in scholarly understanding regarding the factors that drive the success of these socially conscious marketing campaigns and their effect on consumer buying tendencies. This study aims to fill this gap by examining how the perceived significance of causes, proximity of causes to consumers, alignment between causes and brands, and consumer engagement in CRM influence purchasing decisions. Results from this study highlight that perceived importance of causes, their closeness to consumer values, and a strong alignment between cause and brand significantly sway consumer purchase intentions. Interestingly, it was observed that the level of consumer engagement in CRM initiatives does not significantly alter purchasing decisions. Additionally, this paper discusses limitations encountered during the research and practical implications of these findings for future marketing strategies.

Keywords: Cause-Related Marketing, Consumer Purchase Intentions, Brand-Cause Alignment, Social Responsibility in Marketing, Consumer Engagement in CRM.

1 Introduction

The shift in corporate paradigms from purely profit-driven motives to encompassing social responsibility marks a significant evolution in modern business practices. This transformation reflects the increasing public expectation for businesses to contribute meaningfully to societal causes. At the forefront of this shift is Cause-Related Marketing (CRM), a strategy that intertwines corporate profitability with social welfare initiatives (Varadarajan and Menon, 1988). CRM stands out from traditional marketing approaches by linking product sales with support for social causes, thereby fostering a mutually beneficial relationship between corporate success and societal progress (Barone et al., 2000; Polonsky and Speed, 2001).

CRM extends beyond conventional marketing by embedding social consciousness into the core branding strategies, enhancing corporate image and fostering deeper consumer engagement (Hoek and Gendall, 2008). Research has shown that consumers tend to favour brands that demonstrate a commitment to social causes, suggesting a significant impact of CRM on consumer preferences and purchasing decisions (Bronn and Vrioni, 2001; Duncan and Moriarty, 1997).

Despite its apparent benefits, the actual influence of CRM on consumer behaviour is a topic of ongoing debate. While some studies highlight its positive impact on consumer choices, others suggest a more complex relationship between corporate social initiatives and consumer decision-making (Smith and Stodghill, 1994; "It Pays to Behave", 1995). This inconsistency in academic literature underscores the necessity for a more nuanced exploration of CRM's role in shaping consumer behaviour.

This study aims to contribute to this area of research by examining the dynamics of CRM and its impact on consumer purchasing intentions. It focuses on the relevance of the cause, the alignment between the cause and the brand, the level of consumer engagement in CRM, and how these factors collectively influence consumer behaviour (Barone et al., 2000; Brown and Dacin, 1997). This investigation is crucial for a comprehensive understanding of CRM and offers valuable insights for both theoretical and practical applications in corporate social responsibility and marketing strategy.

By exploring the various facets of CRM, this study sheds light on the elements that enhance its effectiveness, guiding corporations in developing impactful and socially responsible marketing campaigns. The findings of this research are anticipated to enrich the existing literature on CRM and

offer strategic insights for businesses aiming to balance profitability with social accountability (Bhattacharya and Sen, 2004; Crook, 2005; Lichtenstein et al., 2004; Liston-Heyes and Liu, 2010).

2 Corporate Social Responsibility and CRM in India

The corporate social responsibility (CSR) landscape in India has been evolving, with the government and public increasingly expecting companies to contribute to social welfare. This shift is driven by recognising that CSR extends beyond compliance, which is crucial in building stakeholder trust and reputation. Indian companies progressively embrace CSR, acknowledging its long-term benefits for brand building, employee morale, and investor attraction (CSR India, 2009). India has instituted several awards and recognitions to foster and acknowledge CSR efforts, such as the CSR Excellence Awards and the National CSR Awards, which commend companies for their exceptional CSR initiatives. Additionally, the Securities and Exchange Board of India (SEBI) mandates CSR disclosures for listed companies, promoting the integration of CSR into their business strategies.

Consumers are vital in driving businesses towards CSR adoption. Studies in the Indian context have shown that CSR can lead to creating social alliances, aiming to improve societal welfare while sustaining economic goals (Forehand and Grier, 1999). These alliances manifest in various forms, including collaborations with non-profit organisations, employee engagement in community services, and corporate volunteerism. Cause-related marketing (CRM) has gained popularity in India as a strategic approach where businesses support social causes, benefiting society and the company. For example, a leading Indian telecommunications company initiated a campaign that allowed the public to choose a social cause on its website, with each selection triggering a donation to the chosen non-profit organisation. Another example is a prominent personal care brand that partnered with a global children's fund to run a campaign focused on child protection, successfully raising funds through product sales.

Other examples of CRM in India include initiatives by significant corporations across different sectors, demonstrating the widespread adoption of this strategy. These campaigns contribute to social welfare and enhance the corporate image, resonating with India's increasingly socially conscious consumer base (CSR India, 2009; Forehand and Grier, 1999).

3 Theoretical Framework and Hypothesis Development

This study adopts the concept of prosocial behaviour as the foundational theory to comprehend consumer responses to cause-related marketing (CRM) programs in India. Prosocial behaviour, a common aspect of daily life, involves inherently helpful actions performed without expecting anything in return. In the Indian context, consumers often perceive CRM as a blend of altruistic behaviour and a purchasing decision (Ross et al., 2011). Prosocial behaviour in this regard is about caring for the welfare and rights of others and acting in ways that benefit them (Sanstock, 2007). These behaviours can be categorised into sharing, helping, and cooperation (Marion, 2003). In India, CRM is a strategy linking company brands with non-profit organisations for mutual benefits, enhancing brand image (Polonsky and Speed, 2001), brand awareness (Varadarajan and Menon, 1988), and consumer purchase intentions (Barone et al., 2007; Lafferty, 2007), while fostering an emotional connection between consumers and the brand (Kalligeros, 2005).

3.1 Cause Importance

In the Indian market, cause importance relates to how consumers perceive the significance of a cause. This subjective perception often reflects the personal relevance of the cause to the individual. Personal relevance, or cause importance, is linked to a stimulus's interest in a specific situation (Antil, 1984). Studies have shown the positive impact of empathy on prosocial behaviours (Batson et al., 1989), and empathy towards a cause is linked to donation behaviours (Graziano et al., 2007). If a cause resonates personally with Indian consumers, it gains importance and can influence their behaviour, attitudes towards products, and the businesses behind them. Therefore, we hypothesise:

H1: In India, a positive relationship exists between cause importance and consumer purchasing intention.

3.2 Cause Proximity

Cause proximity in India refers to the perceived closeness of consumers to a cause. Research indicates that the proximity of a cause significantly influences consumer behaviour (Hoeffler and Keller, 2002; Sen et al., 2009; Shipley, 2008). Ross et al. (2011) found that people are more inclined to support

local or regional causes than national or international ones. Additionally, affinity towards a cause can drive favourable brand attitudes and choices (Bhattacharya and Sen, 2003; Lichtenstein et al., 2004), and familiarity with the cause enhances CRM campaign effectiveness (Laaksonen, 1994). Thus, we hypothesise:

H2: In India, consumer purchase intention is higher when a company supports local causes compared to international causes.

3.3 Cause and Brand Fit

In the Indian market, the concept of cause and brand fit is crucial. It refers to the alignment between a company's core operations/missions and the nature of the cause it supports. The perceived fit between a company and a non-profit organisation significantly influences the success of a CRM campaign. Studies have shown that a good fit can enhance the corporate image (File and Prince, 1998; Gupta and Pirsch, 2006) and the effectiveness of CRM campaigns (Strahilevitz and Meyers, 1998; Aaker and Keller, 1990). For instance, using celebrity endorsers in India, which aligns well with the brand's image and cause, can lead to more favourable consumer responses (Kamins and Gupta, 1994). Hou et al. (2008) found that a positive relationship between the cause and the brand can motivate consumer purchasing intentions. Furthermore, a mismatch between the cause and the brand can lead to negative perceptions of CSR (Becker-Olsen et al., 2006; Pracejus and Olsen, 2004; Rifon et al., 2004), while a good fit can improve CRM effectiveness (Bigné-Alcañiz et al., 2012; Chéron et al., 2012). Therefore, we hypothesise:

H3: In India, consumers' purchasing intention is positively influenced when they perceive a good fit between the brand and the cause.

3.4 Involvement in CRM

In India, involvement in CRM refers to how companies engage consumers in their CRM campaigns. This goes beyond merely encouraging product purchases to support a cause; it involves active consumer participation in the campaign. For example, a company supporting a cause like feeding people experiencing poverty might involve consumers in the campaign by allowing them to assist in food preparation or distribution. CRM's ability to differentiate a brand and achieve emotional positioning among consumers is well recognised (García et al., 2003). Ellen et al. (2000) suggested that donations requiring higher consumer involvement are perceived more positively. Chandon et al. (2000) found that consumers use CRM campaigns to enhance their self-perception as savvy shoppers and to alleviate guilt from excessive shopping. This indicates that the level of involvement influences consumer response to CRM campaigns. Thus, we hypothesise:

H4: In India, the greater the involvement of consumers in CRM campaigns, the higher their purchasing intention.

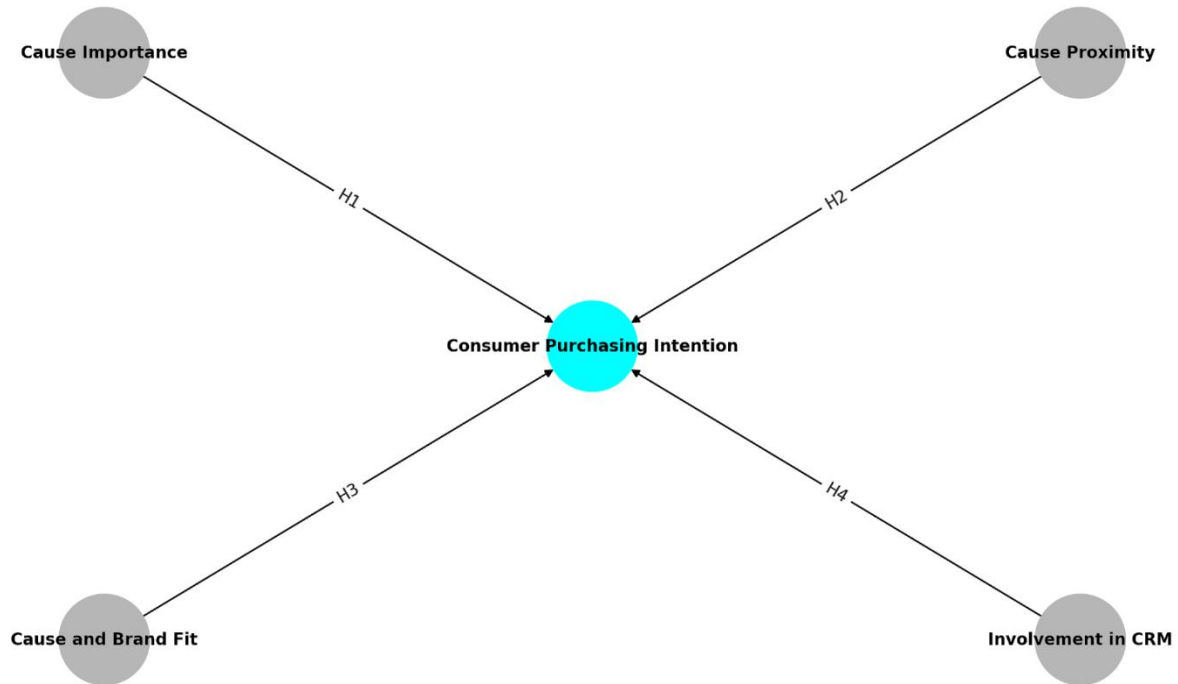


Fig.1 Research Model of CRM and Consumer Purchasing Intention in India

Research Methods

1. Secondary Research Conducted

- **Utilised Literature:** Extensive use of journals, research papers, and books provided an in-depth understanding of the context of Cause-Related Marketing and consumer behaviour in India.
- **Focus of Literature Review:** Emphasised literature discussing the evolution of CRM in India, consumer attitudes towards social responsibility, and the impact of cultural factors on consumer behaviour.

2. Survey Design and Implementation

- **Survey Instrument:** A survey using a 4-point Likert scale, from 'very unlikely' to 'very likely', was developed to measure the study constructs.
- **Adaptation of Survey Items:** Items measuring purchasing intention, cause and brand fit were adapted from Hou et al. (2008). Items for cause importance, cause proximity, and CRM involvement were adapted from Landreth (2002) and tailored to the Indian context.

3. Measurement Constructs

- **Cause Importance:** Survey items included statements like 'I would pay more attention to the cause that I think is important.'
- **Cause Proximity:** Statements such as 'I would purchase from a brand that contributes to local charity rather than international charity' were used.
- **Cause and Brand Fit:** Included items like 'I would prefer a product that adopts a cause closely related to them.'
- **Involvement in CRM:** Surveyed opinions with statements like 'I prefer a brand if it organises CRM programmes I can participate in.'

4. Pilot Test and Feedback

- **Conducted Pilot Test:** A pilot test was performed with a small, diverse group of Indian consumers, including both genders and a range of ages.
- **Objective and Outcome:** The test aimed to evaluate clarity and cultural relevance. Based on feedback, the questionnaire was refined for cultural appropriateness and clarity.

5. Sampling and Data Collection

- **Target Population:** The study focused on Indian consumers, particularly in the retail industry.

- **Sampling Technique:** Purposeful sampling was used to ensure a broad demographic representation.
 - **Data Collection:** Data was collected through electronic questionnaires distributed online and paper questionnaires in various retail environments across India.
6. Response Rate and Data Analysis
- **Achieved Response Rate:** A substantial response rate was achieved, ensuring a representative sample.
 - **Data Analysis:** Employed descriptive statistics, factor analysis, reliability testing, and multiple regression analysis.
 - **Statistical Validation:** Kaiser-Meyer-Olkin measure and Bartlett's sphericity test confirmed the sample's adequacy.
7. Ethical Compliance
- **Informed Consent:** All participants provided informed consent.
 - **Confidentiality:** Strict confidentiality of respondent data was maintained throughout the study.

Table 1: Profile of the Study Sample (N = 176)

Variables	Category	No. of Respondents	Percentage (%)
Gender	Male	81	46.02
	Female	95	53.98
Age	Under 20	14	7.96
	20–29	100	56.82
	30–39	44	25.00
	Over 39	18	10.23
Education	Diploma or below	56	31.82
	Degree	101	57.39
	Master	19	10.80
Monthly Income	Below INR 15,000	53	30.11
Income	INR 15,000 – INR 30,000	36	20.45
	INR 30,001 – INR 45,000	52	29.55
	Above INR 45,000	35	19.89

The following diagram visualises the demographic profile of the study's sample (N = 176) across four main categories: Gender, Age, Education, and Monthly Income.

1. **Gender Distribution:**

- The pie chart illustrates the gender breakdown, with females constituting 53.98% and males 46.02% of the sample.

2. **Age Distribution:**

- The bar graph for age shows that the majority of respondents fall within the 20-29 age range (56.82%), followed by the 30-39 age group (25.00%), under 20 (7.96%), and over 39 (10.23%).

3. **Education Distribution:**

- In terms of education, the majority hold a Degree (57.39%), followed by those with a Diploma or below (31.82%), and a smaller portion with a Master's degree (10.80%).

4. **Monthly Income Distribution:**

- The income distribution bar graph indicates that the most common income bracket is below INR 15,000 (30.11%), followed closely by the INR 30,001 - INR 45,000 range (29.55%), then the above INR 45,000 bracket (19.89%), and the INR 15,000 - INR 30,000 range (20.45%).

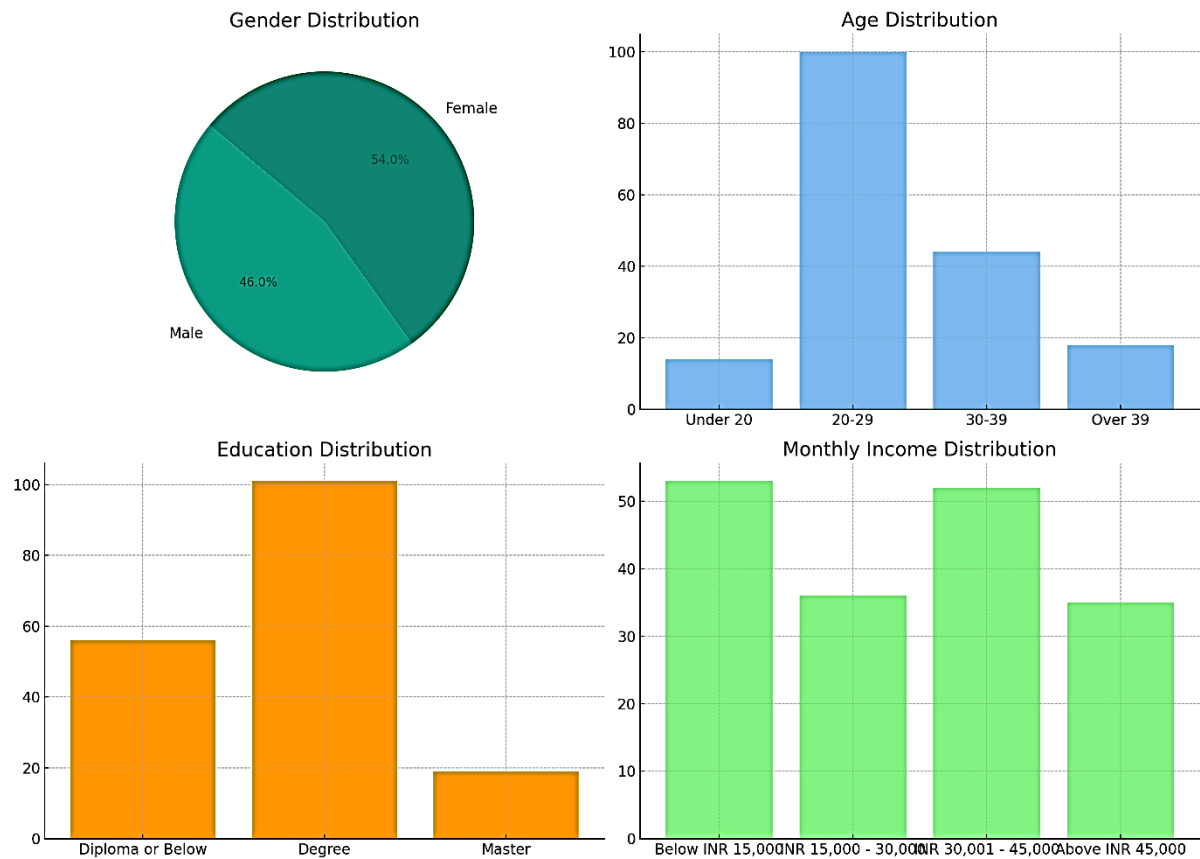


Fig. 2. Demographic profile of the study's sample (N = 176) across four main categories: Gender, Age, Education, and Monthly Income.

Findings

The study results indicate that the four examined factors can elucidate 47% of the variance in consumer purchasing intention ($R^2 = 0.47$, $F = 0.00$). Regression analysis has unveiled that three independent variables, specifically cause importance ($\beta_1 = 0.25$, $p < 0.01$), cause proximity ($\beta_1 = 0.24$, $p < 0.03$), and the alignment between the cause and brand ($\beta_1 = 0.25$, $p < 0.02$), are substantial predictors of the dependent variable, exerting a positive influence on consumer purchasing intention. However, participation in CRM campaigns was not identified as a significant predictor of purchasing intention ($\beta_1 = 0.09$, $p = 0.41$). Consequently, three of the four hypotheses examined in the study have received support (Table 2).

Table 2: Results of Regression Analysis (N = 176)

Hypothesis	Beta Coefficient	Adjusted P-Value	Decision
H1:	A positive relationship between cause importance and consumer purchasing intention	0.01	Supported
H2:	Consumer purchase intention is higher for local causes compared to international causes	0.03	Supported
H3:	Positive impact of cause and brand fit on consumers' purchasing intention	0.02	Supported
H4:	Involvement in CRM campaigns and its influence on purchasing intention	0.41	Not Supported

Discussion and Conclusion

This study aimed to investigate the role of several factors on consumers' purchasing intention in the context of cause-related marketing (CRM). The factors examined included cause importance (the degree to which consumers perceive the cause to be necessary), cause proximity (the closeness of the cause to consumers), the fit between brand and cause (the relevance of the cause to the company's

mission and core operations), and the consumers' involvement in cause-related marketing (practical engagement of consumers in the CRM campaigns).

The study's findings showed a positive and significant link between cause importance, cause proximity, and the fit between brand and the cause to the consumer's purchasing intention.

The findings of this study support the notion that programs which offer proof of good corporate citizenship make good business sense. This study showed that it pays for companies to support local social causes that fit the firm's mission and are perceived to be essential to encourage consumers' purchasing intention from the company. When consumers feel the relevancy of the cause, and it is relatable to their personal experiences or emotional feelings, the level of purchasing intention towards the brand that has adopted the cause will be increased. The empirical results of this study have shown that the cause's importance has a positive impact and is significantly related to consumers' purchasing intention.

The positive link between cause proximity and purchasing intention is also supported by previous research, which has proven that consumers are more willing to develop purchasing intentions toward brands which adopt local causes rather than national causes. This study's findings have concluded a positive and significant relationship between fit and consumer purchasing intention. Therefore, when a company chooses the right cause to associate with its product, it will genuinely influence consumer purchasing intention. Hence, companies adopting cause-related marketing campaigns which are a good fit with their product will gain favourable support from consumers.

Unlike earlier studies where consumers would like to feel connected to the cause and with the brand, this study revealed that consumers may not be keen on cause-related marketing that requires them to be involved in the cause. This is somehow aligned with other researchers' research findings, which showed that consumers do not exhibit a significant impact of tactical cause-related marketing campaigns on purchasing intention.

Based on the statistical results generated from this study, three out of four cause factors (cause importance, cause proximity, and the fit between cause and brands) are positively and significantly related to purchasing intention. This also means consumers will develop a greater purchasing intention if a company handles these three cause factors well when incorporating cause-related marketing programs.

However, consumer involvement with CRM programs does not significantly influence their purchasing intention. These findings provide marketers with a clear understanding of consumer responses to cause-related marketing and an idea of how to successfully incorporate cause-related marketing programs to increase consumers' purchasing intention.

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