Cause related marketing (CRM) is a strategy in which for every product sold, the company contributes a share of proceeds to a charitable cause. This study investigates people’s perception of cause related-marketing programs compared with fund raising campaigns promoted by non-profit association. Results showed that people choose more often CRM programs and fund raising campaigns describing the total amount of people they could help when paired with programs helping single victims. When presented with only one program individuals donate more to support a single victim but not to buy a product supporting a single victim rather than many victims.

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Cause Related Marketing: Improving People Willingness to Donate by Selling Them a Product

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Cause related marketing (CRM) is a way to link products with socially responsible activities following a strategy, which is directed to strength the emotional image of the product and to increase the market shares (Varadarajan, Menon, 1988). CRM programs allow consumers to buy a product which devolves part of its revenues to a social cause and to integrate the donation into the price of the product. In order to implement a successful CRM program it is relevant to understand how consumers perceive the social cause. Previous research has shown that people have a diminished sensitivity in valuing life saving interventions against a background of increasing numbers of lives (psychophysical numbing, Fetherstonhough, et al., 1997). In addition, Kogut and Ritov (2005) found people less willing to contribute in favor of a group of victim rather than in favor of a single, victim. People seem to perceive a charitable program supporting a great amount of people less emotional and effective than a charitable program which aims to collect money in favor of one identifiable victim.

The aim of the present study is to investigate people’s perception of CRM programs in different evaluation modes (joint versus separate). In addition, we seek to assess if different description of the charitable program could influence consumers’ choices and their willingness to support a social cause through the purchase of a product.

Hypothesis 1: If people are presented with two different CRM programs (joint evaluation) then they should be more willing to choose a product associated with a social project describing the total amount of people needing help rather than a product associated with a cause describing an identifiable victim.

Hypothesis 2: If people are presented with only one CRM program (separate evaluation) then they should be willing to pay an amount of money not significantly different for the two products.

Hypothesis 3: If people are presented with two different fund raising campaigns (JE) then they should choose significantly more often to donate money toward the campaign describing the total amount of people needing help rather than donating money toward the campaign describing an identifiable victim.

Hypothesis 4: If people are presented with only one fund raising campaign (SE) then the should be significantly more willing to donate in favor of the campaign describing an identifiable victim rather than donating money to the campaign describing the group of people needing help.

In the Experiment, 276 (36% males; mean age 22 years) students were asked to either judge CRM programs or fund raising campaigns. A first group of participants was presented with two products (spaghetti and toothpaste) associated with a CRM program they were supporting. A second group of participants was presented with the description of two fund raising campaigns supporting the same campaigns associated to the products in the other condition. The first pair of charity campaigns was in favor of the Ethiopian starving population whereas the second pair of campaigns was in favor of the medical research. In joint evaluation, participants were presented with two different description of the same social cause: one was described as a program aiming to help the group of people needing help whereas the other was described as a program aiming to support a single identifiable victim. In separate evaluation people were presented with either one or the other campaign. In JE participants were asked either to choose the product they prefer to buy or the campaign they prefer to support. In SE participants were asked to indicate either their willingness to pay for each product or their willingness to donate to each fund raising campaign.

In JE condition, participants chose significantly more often the product associated with the social cause describing the total amount of people needing help rather than the product associated with the social cause describing the single identifiable victim: respectively, χ²(1, 27)=13.37; p<.01 for the toothpaste and χ²(1, 39)=16.03; p<.01 for the spaghetti. On the other hand, no significant differences have been found in SE condition.

Participants in the “fund raising campaign condition” chose significantly more often the campaign describing the amount of people needing help rather than the campaign describing the identifiable (respectively χ²(1, 25)=23.12; p<.01 for the campaign in favor of the Ethiopian starving population and χ²(1, 25)=20.48; p<.01 for the campaign in favor of medical research). However, in SE participants were willing to donate less to the campaigns describing the total amount of people in need (M=39.63; M=40.28) than to the other format of the same campaigns (M=60.73; M=68.46). Respectively t(67)=1.95; p=.05 for the campaigns against starvation and t(65)=2.49; p<.02 for the campaigns supporting medical research.

In the present study, we investigated if people willingness to support a charitable project was less influenced by the identified victim effect when individuals are presented with a CRM program rather than being asked to donate money. The results of the present study showed that people have not a reduced diminished sensitivity in valuing the number of lives saved when they evaluate or choose among products devolving part of their revenues to a social cause. These results seem to suggest that CRM programs should induce people to focus on the product they are buying therefore reducing the role of their affective reactions toward the social cause and the victims needing help.

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