The Effects of Corporate Commitment and Cause Commercialization in Cause-Related Marketing

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Using attribution theory, this study investigated the effects of a company’s commitment to Corporate Social Responsibility (CSR) and the level of commercialization of the associated social cause on consumer response to the company’s Cause-Related Marketing (CRM) campaign. As predicted, the results of the experimental study revealed positive effects of corporate commitment to CSR. That is, when consumers believed the company was strongly committed to CSR, they inferred more altruistic, less self-serving motives from the company’s CRM activity and held more credible perceptions of and more favorable attitudes toward the corporation than when the company’s CSR commitment was weak. On the other hand, the commercialization level of the associated cause in the CRM campaign did not significantly affect corporate motive attributions, corporate credibility perceptions, and corporate attitudes.

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most preferred coffee by students. HCC also reports that people evaluate caffe latte as the most polished, mildest, and most delicious coffee. Subjects responded to several discomfort and motivation to reduce discomfort items on seven-point scales (discomfort: uneasy, uncomfortable, bothered by the information; motivation: discard, ignore, skip over the information). To measure systematic and counterargument processing, the study used open-ended questions that asked the subjects to describe their thoughts about the presented information.

The findings provide strong support for the hypotheses. Korean subjects exhibited much higher levels of discomfort than did the U.S. subjects in response to the same positive caffe latte information (p<.01). Furthermore, the Korean subjects were more motivated to reduce their discomfort than the Americans with the same positive information (p<.05). Finally, the subjects' remarks and comments matched the hypotheses: Koreans noted more systematic processing and counterarguments than did the Americans.

Thus, as hypothesized, Easterners experience more discomfort and greater motivation to reduce their discomfort than do Westerners when it comes to positive information. These findings suggest that marketers should employ different methods to present positive information in Eastern countries to elicit the most favorable reactions. For examples, claims that “we are the best” may not be well-received in Eastern cultures, because they would elicit higher levels of discomfort and evoke greater motivation to reject the information and create counterarguments.

References

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In Cause-Related Marketing (CRM), one of the major Corporate Social Responsibility (CSR) strategies, a participating company makes a donation to a charity or cause each time a consumer purchases an item from that company. According to the IEG Sponsorship Report, U.S. corporate spending on CRM was $1.50 billion in 2008—a dramatic increase from $120 million in 1990. CRM has been widely recognized as an effective marketing strategy that enhances corporate image and boosts sales. As today’s consumers become increasingly savvy, consumer responses to CRM may not be uniformly positive, however. Attribution theory suggests that consumers will not evaluate a company’s commitment to CSR. Past research suggests that the amount of resources invested by a company in its CRM program, including the duration of the CRM activity, influences consumer perceptions of the company’s overall commitment to a social cause. For example, Varadarajan and Menon (1988) proposed that long- versus short-term CRM campaigns have greater potential to enhance a corporate image. Likewise, advertising campaigns with a social dimension are more likely to be successful when accompanied by a long-term commitment (Drumwright 1996). Other investments, such as monetary donations, employee expertise, and volunteer work, also enhance perceived corporate commitment (Brink et al. 2006).

A significant factor leading to positive CRM outcomes is a company’s commitment to CSR. Past research suggests that the amount of resources invested by a company in its CRM program, including the duration of the CRM activity, influences consumer perceptions of the company’s overall commitment to a social cause. Furthermore, Varadarajan and Menon (1988) proposed that long- versus short-term CRM campaigns have greater potential to enhance a corporate image. Likewise, advertising campaigns with a social dimension are more likely to be successful when accompanied by a long-term commitment (Drumwright 1996). Other investments, such as monetary donations, employee expertise, and volunteer work, also enhance perceived corporate commitment (Brink et al. 2006).

Another factor that may influence the effectiveness of CRM is the cause’s level of commercialization. As more and more causes have engaged in CRM, there has been growing concern about cause exploitation and over-commercialization (Varadarajan and Menon 1988). As Gurin (1987) noted, for example, companies generally wish to be associated with popular, risk-free, and highly visible causes to maximize their benefits from CRM programs. As a result, less popular, relatively risky, and less visible causes that are often in greater need of support tend to be neglected and receive little corporate support. Further, over-commercialization of a nonprofit organization could endanger the value of the cause and thus erode its appeal to individual supporters (Gurin 1987). Yet this dimension of CRM has been overlooked in previous research on consumer response to various CRM acts and deserves careful research attention.
Therefore, this study investigated the effects of two variables on CRM effectiveness: a company’s commitment to CSR, and the level of commercialization of the cause. As drawn from attribution theory, it was predicted that when a company demonstrates strong commitment to CSR in general by having engaged in various CSR activities over the long term, consumers will infer more altruistic and less self-serving motives from the company’s CRM and hold more credible perceptions of and favorable attitudes toward the company than is the case when the company shows little commitment or has no history of CSR activities. Similarly, when the company is aligned with a less commercialized cause that receives little corporate support, consumers will perceive more altruistic and less profit-oriented motives from engaging in CRM and show greater corporate credibility and attitude than would be the case when associated with a more commercialized cause that enjoys a larger roster of corporate sponsors.

To examine how CRM programs with different degrees of corporate commitment to CSR and cause commercialization influence consumers’ attribution of corporate motives, credibility, and attitude, this experimental study employed a 2 (CSR commitment: strong vs. weak) X 2 (commercialization of the cause: high vs. low) between-subjects, factorial design. A fictitious beauty care company was used in this study; the subjects were instructed to read the description of the company and its recent activity in supporting a social cause. Specifically, stronger corporate CSR commitment was manipulated by focusing on a long history of corporate involvement in CSR activities and support of various socially worthy causes while weaker corporate commitment was manipulated by stating that the company had no record of CSR engagement until recently. For the commercialization level of the cause, the Susan G. Komen Breast Cancer Foundation (Komen) was chosen as the more commercialized cause based on its popularity and sufficient number of corporate sponsors, while Breast Cancer Action (BCA) was selected for the less commercialized cause that has low visibility and little corporate support. Congruence between cause, company, and cause importance were pretested—no significant differences were found across the four conditions.

As predicted, the results suggest that stronger corporate CSR commitment leads consumers to ascribe more altruistic and less self-serving motives to a company’s CRM, and to hold more credible perceptions of and favorable attitudes toward it than does weaker corporate CSR commitment. On the other hand, the level of cause commercialization produced no significant effects on the dependent measures. Study findings expand our theoretical knowledge of the effects of corporate CSR commitment and cause commercialization on consumer attributions of corporate motives in the CRM context that subsequently influence corporate credibility and attitude. This study also has useful implications for managers who seek to optimize the effectiveness of CRM campaigns by indicating the benefits of establishing long-lasting CRM programs and points to the importance of carefully selecting a socially worthy cause.

References