

Cause-related Marketing: The Influence of Cause-Brand Fit, Firm Motives and Attribute Altruistic to Consumer Inferences and Loyalty and Moderation Effect of Consumer Values

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Abstract. This study develops a conceptual model of Cause-related Marketing (CrM) investigating the effect of cause-brand fit, firm motives and altruistic attribution to consumer inferences and loyalty moderated by consumer values. The approach used is quantitative where data are collected through a survey using non-probability sampling technique. The sample is formed by consumers of Bottled Drinking Water Aqua brand and data was analyzed through structural equation modeling and multi-group analysis to test the hypothesis of moderation on the model.

The findings shows there is a need for firm to communicate its CSR activities by promoting cause-brand fit and firm motives in CrM campaign, since it leads to consumer trust, commitment and loyalty. There is no moderation effect of altruistic values between CSR perception and its antecedents in the CrM campaign.

Keywords: Cause-related Marketing, Altruistic Values, Corporate Social Responsibility, Customer Trust, Commitment and Loyalty

1. Introduction

Increased competition in the market has been saturated the possibility of brand differentiation based on traditional attributes such as price and quality. Brand needs to be associated with symbolic values such as altruism or civic mind into an entity so that consumers are able to identify themselves with the brand and thus build a stable committed relationship that benefits both parties. In this context, linking the brand with corporate social responsibility (CSR) is a very effective positioning strategy that can be competitive differentiation attributes (Brammer and Millington, 2006; Du et al, 2007 in Bigne'-Alcaniz, et al., 2009). It can be argued that generally people have preference to brands which are associated with social causes in CrM strategy (Webb and Mohr, 1998; Till and Nowak, 2000; Lafferty and Goldsmith, 2005); However, previous literature didn't give much attention to the influence of demographic and psychographic characteristics of consumers in response to CrM (Webb and Mohr, 1998; Cui et al, 2003 in Bigne'-Alcaniz, et al., 2009). In this case, the structure of individual values provides a strong influence on cognition and behavior of individual attitudes toward the brand and social causes (Fishbein and Ajzen, 1975 Bigne'-Alcaniz, et al., 2009).

The main purpose of the study is to analyze the influence of cause-brand fit, firms motives and altruistic attribution to customer inferences and loyalty moderated by customer values. Pursuant to the main purpose, this study specifically aims to analyze: (1) the influence of cause-brand fit and firm motives to altruistic attribution (2) the influence of cause-brand fit, firm motives and altruistic attribution to CSR perception, consumer trust and commitment (3) the moderating effect of altruistic values in the influence of cause-brand fit, firm motives and altruistic attribution towards CSR perception, consumer trust and commitment (4) the

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influence CSR perception to consumer trust, (5) the influence of consumer trust to consumer commitment and (5) the influence of CSR perception, consumer trust and commitment to customer loyalty.

2. Methodology

2.1. Data collection, sample and data analysis

The study was to be designed as descriptive and causal research with single cross-sectional method whereas the unit analysis were consumers of Bottled Drinking Water Aqua (BDWA) brand that have ever seen the CrM campaign of Aqua (customers buy one liter of Aqua, firm provides 10 liter of pure water). The population of the study is consumers of BDWA in Jakarta and Depok, the most populous urban city in Indonesia with 178 sample size. The instrument used in the study is questionnaire using six likert-scale and data were collected using non probability sampling specifically known as purposive and convenience sampling with self-administered survey. Finally, data were analyzed by descriptive analysis using SPSS and relationship analysis using SEM with LISREL versus 8.80.

3. Theoretical Models and Hypotheses Development

As shown in the figure 3.1, the author develops the theoretical model to explore the relationship among variables. According to the Schema theory (Rumelhart, 1980 in Bigne-Alcaniz, et al 2009) the lack of fit between the brand and social causes could increase individual's cognitive effort (Rifon et al, 2004; Simmons and Becker-Olsen, 2006), as they feel obliged to become involved in the communication process in order to assimilate the new information (e.g. social causes) in a pre-existing scheme (e.g. brand). This greater cognitive production makes the consumers scrutinize in greater depth the reasons which have led the brands to associate itself to social causes (Strahilevitz, 2003; Menon and Kahn, 2003; Rifon et al, 2004 in Bigne-Alcaniz, et al 2009), thereby stimulating the appearance of beliefs and pre-existing judgments on the egoistic nature of brand attempts at persuasion (Webb and Mohr, 1998; Speed and Thompson, 2000 in Bigne-Alcaniz, et al 2009).

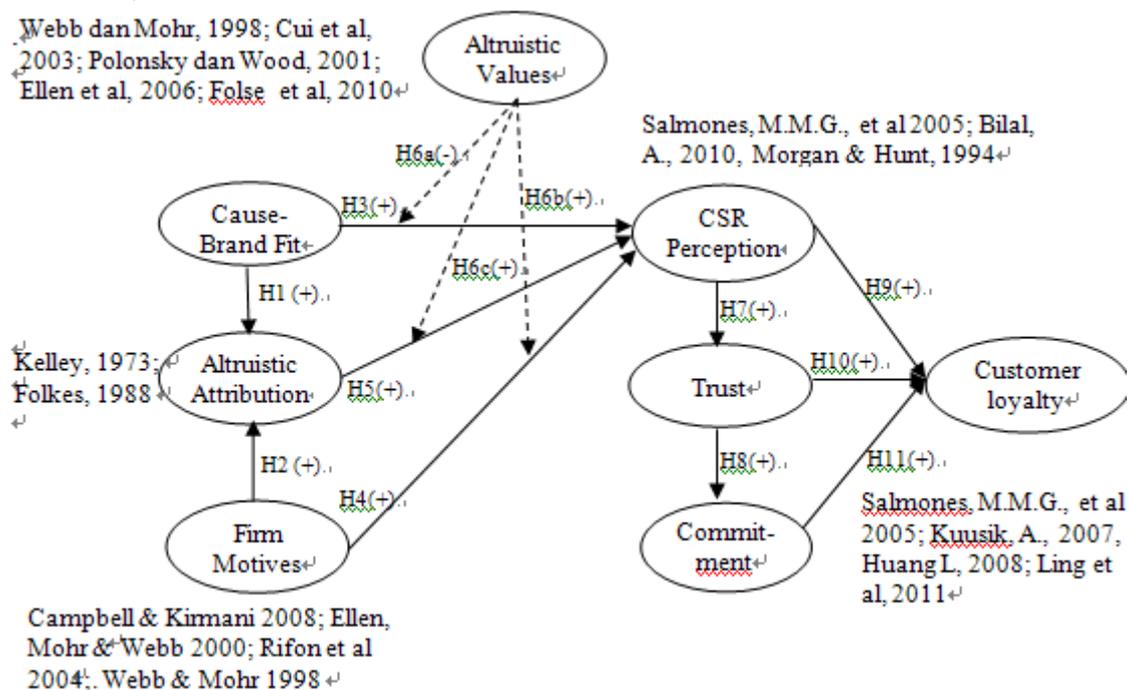


Figure 3.1. Antecedents of CSR perception in CrM campaign, moderating effects of altruistic values and the influence of consumer inferences to customer loyalty

Therefore, the author proposed the hypotheses:

H1. In CrM campaign, cause-brand fit has direct positive impact on consumer attributions of altruistic motivation brand.

H2. In CrM campaign, the company motive has a direct positive impact on consumer attributions of altruistic motivation brand.

Similarly, cause-brand fit may have a direct impact on the perception of CSR in the CrM campaign. As the perception of the compatibility between social causes and brand increases, consumers are more likely to see the brand has more ability and experience (having more expertise) when associated with a cause (Becker-Olsen et al, 2006 in Bigne'-Alcaniz, et al 2009). In addition, a larger cause-brand fit would hamper the development of self-centered assessment so that these variables can be used directly as an indicator to evaluate the honesty and sincerity of its brand in a CrM (Rifon et al, 2004;. Becker-Olsen et al, 2006 in Bigne'-Alcaniz, et al 2009). For the above reasons, the authors suspected cause-brand fit can also be used as an indicator to evaluate the perception of CSR. Thus, the authors propose hypotheses, in the CrM campaign:

H3. Cause-brand fit has a direct positive impact on CSR perception.

The traditional literature on social psychology suggests that the speaker without any personal interest in the message being promoted is considered to be more trustworthy and honest (Hovland et al, 1953 and Margolis, 1984 in Bigne'-Alcaniz, et al 2009). On the other hand, Webb, D.J. and Mohr, L.A., 1998 suggest that CrM campaign has been shown to have a positive influence on consumers' perceptions of corporate reputation after a company has engaged in unethical behavior. Based on the previous study, the authors believe that CrM campaign showing firm social motives and altruistic attribution could affect consumer's perception of CSR. Therefore, the author proposes the hypothesis, in the CrM campaign:

H4. The firm motive has a direct positive impact on CSR perception.

H5. Altruistic attribution has a direct positive impact on CSR perception.

As stated by Bigne'-Alcaniz, et al 2009 that suggested the influence of cause-brand fit on brand credibility will be weaker in altruists than in non-altruists and Adiwijaya, et al, 2011 that proposed altruistic values negatively moderate the impact of cause-brand fit on CSR perception, therefore the authors argue the following hypotheses that in the CrM campaign:

H6a. Cause-brand fit impact on CSR perception will be felt weaker on higher altruists than lower altruists.

According to Bigne'-Alcaniz, et al 2009 that the impact of the attribution of altruistic motivations on brand credibility will be stronger in altruists than in non-altruists, the authors suspect it will also positively moderate the impact of firm motives and altruistic attribution on CSR perception with the following hypotheses that in the CrM campaign:

H6b. Firm motives impact on CSR perception will be felt stronger on lower altruists than higher altruists.

H6c. Altruistic attribution impact on CSR perception will be felt stronger on lower altruists than higher altruists.

Social responsibility associations may be useful in strengthening trust and the consumers' union with the company (Aaker, 1996; Maignan et al., 1999 in Salmones, M.M.G., et al 2005), and Delgado and Munuera, 2001 in Salmones, M.M.G., et al 2005 argued that trust is based on the individual's experience of the brand - the result not only of the direct relations derived from the use of the service but also of other indirect contacts coming from advertising and reputation. Morgan and Hunt in Bilal, A., 2010 and Achrol, 1991 in Morgan and Hunt, 1994 suggest that brand trust leads to brand loyalty and commitment because trust creates exchange relationships that are highly valued. For the above reasons, the authors also suspected the CSR perceptio positively affects brand attitude, with the hypothesis as follows:

H7 CSR perception has a positive influence on consumer trust

H8 Consumer trust has a positive influence on customer commitment

Some authors have observed that a large number of consumers claimed to be more willing to buy products from companies involved in social causes (Ross et al., 1990-91, 1992; Jones, 1997 in Salmones, M.M.G., et al 2005). It seems, therefore, that individuals value companies' efforts in programmes of donations, energy conservation or sponsorship of local events, among other actions, and that this greater support may materialize in stronger loyalty towards the firm (Maignan et al., 1999 in Salmones, M.M.G., et al 2005). Morgan and Hunt in Kuusik, A., 2007 posit that trust is a major determinant of relationship

commitment: brand trust leads to brand loyalty because trust creates exchange relationships that are highly valued. Chauduri and Holbrook in Kuusik, A. 2007, also have showed that brand trust is directly related to both purchase and attitudinal loyalty. According to Ling et al, 2011, various studies have advocated the relationship between trust and customer loyalty. Commitment is positively correlated with loyalty (Rusbult, 1980 in Huang L, 2008). Meyer et al., 1993 and Gounaris, 2005 in Huang L.'s, 2008 study empirically supports that affective and continuous commitment are positively correlated with loyalty. Therefore, the authors propose the hypothesis as follows:

- H9 CSR perception has a positive influence on customer loyalty
- H10 Consumer trust has a positive influence on customer loyalty
- H11 Consumer commitment has a positive influence on customer loyalty

4. Result and Discussion

4.1. Test of Hypotheses

As shown on table 4.1, this study doesn't confirm the previous study suggested that better cause-brand fit would cause low cognitive production which would favor the generation of altruistic attribution to the brand (Adiwijaya, et al., 2011 & Bigne'-Alcaniz, et al., 2009) and it needs to be explored further. On the other hand, the result of study support the statement that firm motives has direct positive impact on consumer attributions of altruistic motivation brand and the result of the analysis was significant ($\beta = 0,58; p < 0.05$). The result also verify the study of Adiwijaya, et al (2011); Rifon et al, (2004) and Simmons & Becker-Olsen, 2006 in Bigne'-Alcaniz, et al., 2009 suggested that firms need to engage in the communication process by assimilating new information (e.g. social causes) in an existing scheme (e.g. brand). As Adiwijaya, et al proposed that when the perception of the compatibility between social causes and brand increases, consumers are more likely to perceive the brand has good CSR activities, the author suspect the same proposition and the result was significant ($\beta = 0,38; p < 0.05$). Related to the premise firm motives positively affect CSR perception, this research supported the study of Zenisek (1979) in J.A.G. Folse et al 2010 that argued CSR can be viewed as an attitude toward the expectations of and actions made by the firm and the study of Adiwijaya, et al (2011) and Folse et al (2010) that stated if consumers believe the motives of the firm are altruistic, their attitude should be that the firm is socially responsible ($\beta = 0,55; p < 0.05$).

According to Bigne'-Alcaniz, et al., 2009 suggested that altruistic attributions are the most powerful antecedent to brand credibility in CrM campaign the author suspect the altruistic attributions will positively affect CSR perception, but the model estimation didn't provide the evidence and the fact in line with the finding of Adiwijaya, et al (2011). Hypothesis 7 and 8 were supported by the evidence whereas the higher the level of customer perception about company's CSR activities the higher of the level of customer trust. The result supported the Salmones, et al study argued that social responsibility associations may be useful in strengthening trust and the consumers' union with the company. However, in this study CSR perception and customer trust do not significantly affect on customer loyalty. On the other hand, the evidence in this study supports that customer commitment influence customer loyalty significantly.

Tabel 4.1 Structural equation modeling: causal relation analysis

H	Structural Relation	Standardized coefficient (β)	Robust t value	Hypotheses
H1	Cause Brand Fit → Altruistic attribution	-0.14	-1.55*	Not Supported
H2	Firm Motives → Altruistic attribution	0.58	4.27*	Supported
H3	Cause Brand Fit → CSR Perception	0.38	3.95*	Supported
H4	Firm Motives → CSR Perception	0.55	4.12*	Supported
H5	Altruistic Attribution → CSR Perception	0.01	0.15*	Not Supported
H7	CSR Perception → Consumer trust	0.77	3.39*	Supported
H8	Consumer Trust → Consumer Commitment	0.68	5.26*	Supported
H9	CSR Perception → Customer Loyalty	0.09	1.26*	Not Supported
H10	Consumer Trust → Customer Loyalty	0.05	0.51*	Not Supported

H11	Consumer Commitment → Customer Loyalty	0.86	4.92*	Supported
Notes: * $p < 0.05$;				
Fit Measures (Goodness of fit index): NNFI = 0.90 CFI = 0.91 IFI = 0.91 RMSEA = 0.067				

4.2. Moderation effect of customer values

To evaluate whether there are any differences in structural coefficient values between two groups (higher and lower altruists) significantly or not, therefore the author performs the following calculation:

Model A : Chi square (X^2) = 1360.32 ; degree of freedom (df) = 913

Model B : Chi square (X^2) = 1308.98 ; degree of freedom (df) = 866

$\Delta X^2 = X^2 \text{ Model A} - X^2 \text{ Model B} = 1360.32 - 1308.98 = 51.34$

$\Delta \text{df} = \text{df Model A} - \text{df Model B} = 913 - 866 = 47$

From the distribution table X^2 for $X^2 = 51.34$ and $\text{df} = 47$, the value of $p = 0.307 > 0.05$, the result was not significant ($\alpha = 0.05$). The evidence doesn't support the differences in structural model (the values of the overall structural coefficient) between the group (i.e. between higher and lower altruist group). The result was different from the study of Adiwijaya et al 2011 confirmed that values structure (specifically, the predominance of altruistic values) has a moderating effect on the antecedents to CSR perception in a CrM whereas lower altruists differ from higher altruists in the way they use various indicators (cause-brand fit and firm motives) to form CSR perception when the brand and the firm are projected as socially responsible in CrM campaigns.

5. Managerial Implication, Limitation and Future Research

As a summary, there is relationship between CSR perception and its antecedents (cause-brand fit and firm motives), and customer loyalty and CSR perception mediated by customer trust and commitment without the moderation effect of customer values. This research shows that there is a need for firm to communicate their CSR activities in CrM campaign by promoting cause-brand fit and social firm motives showing firm social activities program involving society such as donations, energy conservation, save the environment or sponsorship of local events, since it can create customer trust that lead to customer commitment and loyalty beside generate positioning among competitors.

There are some limitations of this study. First, this research uses small sample size, purposive and convenience technique sampling, which may imply that the result is not generalizable to the whole population. Future research using larger sample size and wider coverage area is recommended. Second, object of this research only one firm one of the CSR activities (i.e. CrM). Future research using more firms as object and other kind of CSR activities such as corporate philanthropy, cause promotion, corporate social marketing, community volunteering, and socially responsible business practice (Kotler and Lee, 2005 in Balqiah et al 2011). Third, this study uses customer trust, commitment and loyalty as behavioral consequences of CrM campaign. Using other consequences such as customer satisfaction, customer life time value and advocacy will increase benefit to the firm in understanding corporate social performance. Lastly, this study's outcomes only show behavioral consequences, which might be not sufficient to show that CrM campaign is an investment. Future research could develop a model that reflects financial outcome that can show financial contribution of CrM campaign.

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