



The Effect of Promotions in Cause related Marketing on Consumer's buying decision

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ABSTRACT

The aim of this study is to investigate the effect of promotions on the consumer decision to purchase in cause related marketing. The primary conceptualizing was developed based on the existing theoretical literature which had been validated by means of the empirical researches. According to that, one major hypothesis and four sub hypothesis were designed. This research in terms of the kind and gathering the information is of application and survey forms respectively. A number of 383 individuals were selected from the statistical society of the Hani restaurant customers according to the formula of the infinite sample volume and the data were collected using the questionnaire. The results achieved from the hypothesis testing which were carried by the application of the descriptive statistics and the inferential statistics, indicate that the personal selling in cause related marketing has the greatest impact on the consumer decision to purchase.

Keywords: Cause-related Marketing, Corporate social responsibility, Promotion Mix, Consumer's purchase decision.

INTRODUCTION

Marketing refers to the efforts made for connecting the value of the product (goods or services) and the customer. Marketing is sometimes known as the art of selling. But sale is considered as one of the small functions of marketing. Corporate social responsibility (CSR also called corporate conscience, corporate citizenship or sustainable responsible business/ Responsible Business).

New research in the American Marketing Association's Journal of Marketing shows that employee engagement in CSR activities such as environmental initiatives, charitable giving, and ethical business practices, can improve job performance. More than 200 employees at a Global 500 financial services company took part in the study, which matched employee surveys with supervisor ratings of job performance. The study is authored by Daniel Korschun of Drexel University, CB Bhattacharya of the ESMT European School of Management and Technology, and Scott D. Swain of Clemson University.

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Kotler and Lee discussed about various forms of social responsibility in six conceptions of cause promotion, company's social marketing, altruism, voluntary social activities, and business activities with social responsibility and cause marketing. Over the past decades, cause-related marketing (CRM) has been considered as one of the most promising communication tools in the United States¹. Following the cause-related marketing literature, CRM refers to initiatives where firms contribute a specified amount to a cause contingent upon the consumer buying the company's product².

Cause marketing is a method for implementing corporate social responsibility, and based on the definition, it is a marketing strategy that follows two objects of supporting a social cause and improving the corporate marketing performance. Since 4P is the main core and central axis for formulating and determining proper marketing strategies in today's competitive market, therefore, identification of its components and the impact of type each component is very important and becomes more critical in today cause marketing. The marketing mix is a business tool used in marketing and by marketers. The marketing mix is often crucial when determining a product or brand's offer, and is often associated with the four P's: price, product, promotion, and place. In service marketing, however, the four Ps are expanded to the seven P's. In 2012, a new four P's theory was proposed with people, processes, programs and performance. Consumer's buying decision; The process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants. Therefore, it is attempted to investigate combined promotion with respect to its subsections in cause marketing in this study.

Theoretical framework

1. Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Marketing refers to the efforts made for connecting the value of the product (goods or services) and the customer. Marketing is sometimes known as the art of selling. But sale is considered as one of the small functions of marketing.

Marketing is defined as a managerial-social process by which individuals and groups provide their needs through production and trading goods with each other.

Hunt et al³ believes that the marketing philosophy includes cost, product, sale, confusion, marketing and social marketing philosophy. Various views have been involved in the development of marketing theory that one of these views believes that marketing is not only an economic and managerial activity but also it is a social process. Corporate social responsibility is one of the concepts that are discussed in social marketing and it seems that its use by companies is increasing.

2. Corporate social responsibility

Corporate social responsibility (CSR also called corporate conscience, corporate citizenship or sustainable responsible business/ Responsible Business).

New research in the American Marketing Association's Journal of Marketing shows that employee engagement in CSR activities such as environmental initiatives, charitable giving, and ethical business practices, can improve job performance. More than 200 employees at a Global 500 financial services company took part in the study, which matched employee surveys with supervisor ratings of job performance. The study is authored by Daniel Korschun of Drexel University, CB Bhattacharya of the ESMT European School of Management and Technology, and Scott D. Swain of Clemson University.

French and Perks⁴ wrote in "The Management Culture" book about social responsibility: "The social responsibility is a task that is undertaken by the private institutes, so that they don't have any adverse effect on the life of the society in which they work. This tasks generally

include duties such as not polluting, not discriminating in employment, not doing immoral activities and informing the consumer about products quality. Also, social responsibility is a duty based on positive participation in the life of society.

Kotler and Lee⁵ discussed about various forms of social responsibility in six conceptions of cause promotion, company's social marketing, altruism, voluntary social activities, and business activities with social responsibility and cause marketing.

Over the past decades, cause-related marketing (CRM) has been considered as one of the most promising communication tools in the United States¹. Recent estimates projected corporate spending in cause-related initiatives to reach \$1.51 billion in 2009. Following the cause-related marketing literature, CRM refers to initiatives where firms contribute a specified amount to a cause contingent upon the consumer buying the company's product². This type of marketing initiative is to be distinguished from sponsorship of causes, where the contribution to a cause does not depend on the consumers' purchases⁶.

Many studies have demonstrated that the impact of CRM on consumer choice can be influenced by many factors⁷ and ⁸. One factor is the degree of perceived fit between the firm contributing to a cause and its beneficiary. Higher degrees of perceived fit between the firm and the beneficiary can aid consumers' information processing and have been shown to have a positive impact on consumer choice⁸. Another factor of influence is the trade-offs that individuals are willing to make when making a purchase that would benefit a cause⁹.

3. Cause-related Marketing (CrM)

Cause-related marketing is a method for implementing corporate social responsibility, and based on the definition, it is a marketing strategy that follows two objects of supporting a social cause and improving the corporate marketing performance.

4. Marketing mix

Since 4Ps is the main core and central axis for formulating and determining proper marketing strategies in today's competitive market, therefore, identification of its components and the impact of type each component is very important and becomes more critical in today cause marketing. The marketing mix is a business tool used in marketing and by marketers. The marketing mix is often crucial when determining a product or brand's offer, and is often associated with the four P's: price, product, promotion, and place . In service marketing, however, the four Ps are expanded to the seven P's. In 2012, a new four P's theory was proposed with people, processes, programs, and performance. Promotions refer to the entire set of activities, which communicate the product, brand or service to the user. The idea is to make people aware, attract and induce to buy the product, in preference over others. There are several types of promotions. Above the line promotions include advertising, press releases, consumer promotions (schemes, discounts, contests), while below the line include trade discounts, freebies, incentive trips, and awards and so on. Sales promotion is a part of the overall promotion effort.

There are also:

1. Personal selling: one of the most effective ways of customer relationship. Such selling works best when a good working relationship has been built up over a period of time. This can also be expensive and time consuming, but is best for high value or premium products.

2. Sales promotions: this includes freebies, contests, discounts, free services, passes, tickets and so on, as distinct from advertising, publicity and public relations.

3. Public relations: PR is the deliberate, planned and sustained effort to establish and maintain mutual understanding between the company and the public.

5. Consumer's buying decision

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The process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants.

Buyer decision process

The Buyer decision process is the decision making process used by consumers regarding market transactions before, during, and after the purchase of a good or service.

More generally, decision making is the cognitive process of selecting a course of action from multiple alternatives. Common examples include shopping and deciding what to eat. Decision making is a psychological construct. This means that although a decision cannot be "seen", we can infer from observable behavior that a decision has been made. Therefore we conclude that a psychological "decision making" event has occurred. It is a construction that imputes commitment to action. That is, based on observable actions, we assume that people have made a commitment to effect the action.

There are generally three ways of analyzing consumer buying decisions:

Economic models - largely quantitative and are based on the assumptions of rationality and near perfect knowledge. The consumer is seen to maximize their utility. See consumer theory. Game theory can also be used in some circumstances.

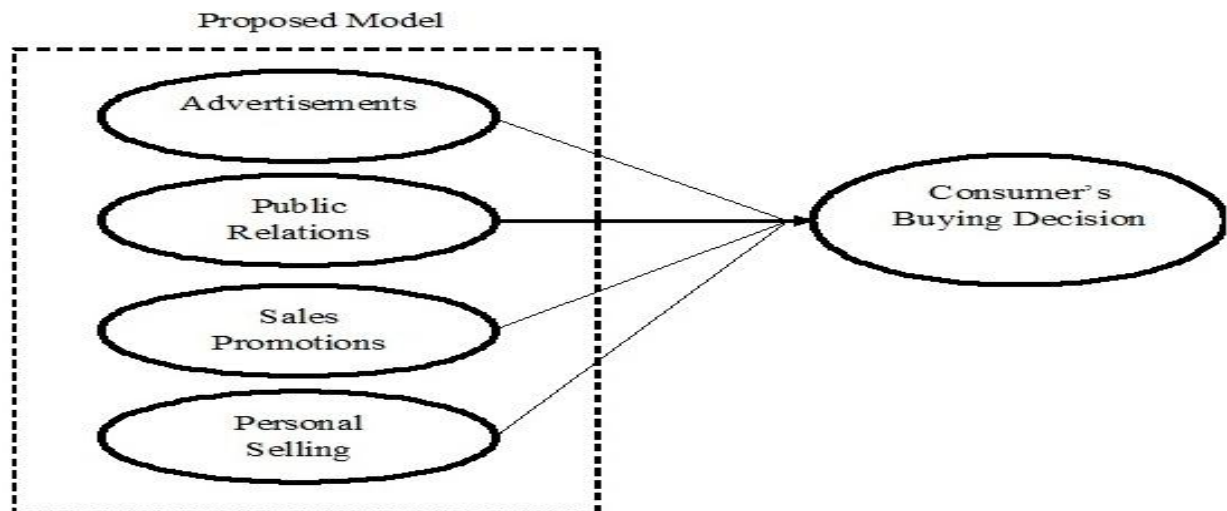
Psychological models - psychological and cognitive processes such as motivation and need recognition. They are qualitative rather than quantitative and build on sociological factors like cultural influences and family influences.

Consumer behavior models - practical models used by marketers. They typically blend both economic and psychological models.

Neuroscience is a useful tool and a source of theory development and testing in buyer decision-making research. Neuro imaging devices are used in Neuro marketing to investigate consumer behavior. Due to normal psychology, there are five stages consumers experience with a purchase: **Problem/Need Recognition** - Recognize what the problem or need is and identify the product or type of product which is required. Page text.

Information Search- The consumer researches the product which would satisfy the recognized need. **Evaluation of Alternatives** - The consumer evaluates the searched alternatives. Generally, the information search reveals multiple products for the consumer to evaluate and understand which product would be appropriate.

Purchase-After the consumer has evaluated all the options and would be having the intention to buy any product, there could be now only two things which might just change the decision of the consumer of buying the product that is what the other peers of the consumer think of the product and any unforeseen circumstances. Unforeseen circumstances for example in this case could be financial losses which led to not buying of the product. **Post Purchase Behavior**-After the purchase the consumer may experience post purchase dissonance feeling that buying another product would have been better. Addressing post purchase dissonance spreads good word for the product and increases the chance of frequent repurchase.



Research hypothesis

Main research hypothesis:

In cause-related marketing promotions, advertising has the greatest impact on the consumer's purchase decision.

Secondary research hypotheses:

1. Advertising has influence on the consumer's purchase intention in the cause marketing.
2. Public relations has influence on the consumer's purchase intention in the cause marketing.
3. Sale advance has influence on the consumer's purchase intention in the cause marketing.
4. Personal or verbal sale has influence on the consumer's purchase intention in the cause marketing.

Research background

In a research which was conducted by Shabbir et al¹⁰ with the title of "cause marketing programs and consumer purchase intentions", the relationship between cause marketing and brand awareness and company's subjective image and their influence on the consumer's purchase decisions were studied. Then, in order to test the relationships, quantitative data were collected from 203 university students in the region. Regression analysis and correlation analysis was used to test the hypotheses. The findings indicated that consumer's purchase decisions are influenced by cause marketing.

Tong and Hawley have attempted to study the influence of the eight selected marketing activities on creating brand value in their paper. They used wholesale centers to collect quantitative data. In this study, a structural model has been used to test the hypotheses. The results indicated that the shop store image, celebrity support, supporting events, web advertisement and non-price promotions have a major role in creating brand value.

French et al study is an attempt to understand consumer perceptions about cause marketing. Research findings were obtained from on a survey of 200 consumers. The object of this research is focused on consumer perceptions of the alliance between the companies and nonprofit organizations. Findings have shown that consumers have better perceptions than companies which cooperate with public institutions.

Ross et al investigated the effect of gender on cause marketing programs in their research. Attitudes of a multi-part example of young consumers has been analyzed. Women had more appropriate reactions to cause marketing programs in comparison to men.

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In Iran, during the research which was conducted in Tehran science and research university, a PhD thesis in the field of cause marketing entitled “cause marketing and its effect on the brand value and changing the consumer’s purchase decision was conducted by Mr. Hassan Saberi, which its object is investigating the relationship between cause marketing programs and brand value aspects as preludes to the consumer’s purchase intentions in Iran country, also it is observed that the perceptual aspects of brand value and cultural features have balanced the influence of cause marketing programs on the consumer’s purchase intentions.

METHODOLOGY

This research is descriptive and survey. It is a description that presents an image of the present condition. And it is a survey which collects information from the statistical population through a questionnaire.

In this research, the statistical population includes the customers of Hani restaurant and their attitude toward the research subject is questioned. Because the population size is considered infinite, we use the following formula in this research:

$$n = \frac{z_{\alpha}^2 \sigma_x^2}{\varepsilon^2} \qquad n = \frac{1.96^2 \times 0.207}{5^2} = 318$$

The population of the sample society is estimated 318 persons based on the calculated variance of 0.207 (determining the difference of individual’s ideas) and error level of 5%, and the researcher distributed 440 questionnaires between individuals and the data of 383 questionnaires were useable. In this research, sample were selected by simple random sampling.

Data collection method in this research is field method. Data was collected by going to libraries and studying the related books and papers in order to achieve the theoretical principles and research background. The data collection tool is questionnaire.

When the questionnaires were prepared, data entry in Excel software is done. In order to perform statistical analysis and calculating the indicators, the available data is transferred to SPSS software, and outputs are obtained.

In the step of information description, first the descriptive specifications of respondents are studied. Then, the index of the key factors of model is studied.

Appropriate descriptive statistics with qualitative data including mode, median and statistical graphs has been used and two of the appropriate illative and statistical methods are single and group Chi-square test and Friedman test And it is conducted by Excel and SPSS software. In order to select the proper statistical method of testing the hypotheses, first Kolmogorov-Smirnov normality test is done and then based on the results of this test, nonparametric method is used in order to analyze information in the section of testing hypotheses.

Table 1. Reliability Statistics

Cronbach's Alpha	Number of Items
.752	17

Table 2. Test Statistics

N	383
Chi-Square	801.441
df	3
Asymp. Sig.	.001
a. Friedman Test	

Table 3. Kolmogorov-Smirnov Test

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17
N	383	383	383	383	383	383	383	383	383	383	383	383	383	383	383	383	383
Mean	3.45	3.74	3.48	3.43	3.01	4.20	3.17	3.06	3.45	3.48	3.07	3.60	3.38	4.62	4.79	4.44	3.69
Std. Deviation	1.15	1.06	1.05	1.12	1.05	.947	1.11	1.05	1.05	1.08	1.08	1.10	1.30	.588	.601	.777	1.05
Absolute	.222	.258	.198	.216	.192	.267	.178	.195	.227	.248	.167	.244	.181	.403	.489	.349	.201
Positive	.122	.147	.198	.128	.166	.198	.178	.162	.149	.152	.163	.140	.118	.260	.362	.236	.157
Negative	-.22	-.25	-.167	-.21	-.19	-.26	-.15	-.19	-.22	-.24	-.16	-.24	-.18	-.40	-.48	-.34	-.20
Z	4.35	5.04	3.86	4.23	3.74	5.22	3.47	3.82	4.44	4.84	3.26	4.77	3.54	7.89	9.56	6.82	3.94
p	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000

RESULTS

The results of conducted analysis in this research are presented in two parts as follows:

Descriptive results

Which of the following notifying methods in relation to charitable activities of Hani restaurant has been effective in encouraging you to return to Hani restaurant?

37 percent of the sample population believe that informing through advertisement about charitable activities of Hani restaurant was effective in encouraging them to go again to Hani restaurant and about 20 percent of the population believe that public relations about charitable activities of Hani restaurant was effective in encouraging them to go again to Hani restaurant. 14 percent of customers believe that sale advance of Hani restaurant was the reason for their return (informing through giving advertising gifts and food samples and other products) and about 29 percent of the population stated that personal or verbal sale (presenting explanations by personnel of restaurant) was their reason for going again to Hani restaurant and the rest of the population did not answer this question.

Inferential results:

According to the below table, the adaptive coefficient of 0.42 shows the influence intensity of advertisement variable on the consumer's purchase decision in cause-related marketing. This influence is much less than the influence of personal or verbal sale and public relations in marketing. The hypothesis that personal or verbal sale has the greatest impact on consumer's purchase decision in cause marketing is confirmed.

Summary and Conclusion

The present research attempts to study the sub-factors of promotion on consumer's purchase decision in cause marketing and introduces the following factors as the main effective factors in the model:

- Advertisement
- Public relations
- Personal or verbal selling
- Advance sale

In order to conduct the research, we first studied the theoretical principles of the research, for this purpose, different resources and also previous studies which were conducted in this field had been investigated. Also, in explaining the research hypotheses, questionnaire method was used as the research tool.

In this research which is a practical type and it is conducted by survey method (collecting questionnaire), the influence of promotions on the consumer's purchase decision in cause marketing is evaluated and analyzing and modeling is done by using it. As mentioned, the survey method was used to measure the model variables. Field operations was started to collect

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questionnaires, and at this phase, due to the statistic population and design and implementation of simple random sampling, questionnaires were completed verbally. During the given time, 400 questionnaires were collected totally, and 383 questionnaires were completed and confirmed. After preparing the questionnaires, data was entered in Excel software. In order to conduct statistical analysis and calculation of the indicators, the available data was transferred to SPSS software, and outputs were obtained.

Table 4. Inferential results please draw table left to right

Friedman Ranking	Significance	Adaptive Coefficient Consumer's purchase intention	p	Variable
2.23	Confirmed	0.42	.000	Advertisement in cause-related marketing
2.24	Confirmed	0.46	.000	Public relations in cause-related marketing
1.84	Confirmed	0.36	.000	Sale advance in cause- related marketing
3.69	Confirmed	0.78	.000	personal Selling in cause- related marketing

CONCLUSION

It is suggested in future research, the customers' viewpoints about the influence of promotions in cause marketing will be compared with the viewpoints of restaurants' managers (service centers). It is recommended in future research, three other combined factors of marketing will be studied. It is suggested that this research subject will be conducted in other geographical regions of the country and the results will be compared with the results of the present study.

One of the main limitations of research projects is impossibility of generalizing the research results to other statistical populations. The present research is not an exception, and due to the different restaurant services and different characteristics of customers and the influence of many other factors on consumer's decisions, the results cannot be generalized confidently to other statistical populations.

Restrictions in the distribution and collection of questionnaires due to the unwillingness of some of the sample members to answer the questionnaires and lack of sufficient precision in answering the questions and also the fact that sampling is conducted in several weeks, may be the reason that the researcher did not succeed to have access to a completely proper sample in the whole population.

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