



Modeling Romanian Consumers' Behaviour Case study: Cause-related Marketing Campaigns

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Abstract

Although in other countries, cause-related marketing is a very familiar concept, in Romania, the existing literature shows that there is relatively poor understanding and little if any research or evidence as to its potential. Therefore, this study provides an empirical, valuable step, towards understanding cause-related marketing campaigns and their impact on stakeholders. The methodology included two analyses: one regarding the validity of the sample and, the second, regarding the impact generated on cause-related marketing campaigns. The results reveal that there is a significant relationship between cause-related marketing campaigns and the impact generated on the corporations, non-profit organizations and consumers. Results also confirm that it is more likely that a corporation will impact a cause-related marketing campaign rather than a non-profit organization. To conclude, this study offers a better understanding of the cause-related practices in Romania, their impact on consumers, as well as their contribution to the welfare of society.

Keywords: Cause-related marketing, social responsibility, social marketing, Romania.

Introduction

Whether we talk about philanthropic associations engaged in health behaviour programs or nonprofit organizations involved in environmental protection activities, their aim form a common ground: helping improve people's lives by promoting a responsible behaviour in the society¹. Nowadays, it is important to evaluate the perceptions of well-being of people² in order to raise concerns on aspects regarding future resources, climate change^{3,4} or waste management⁵.

Together with corporations, social organizations promote activities which appeal to moral values and civic duties of consumers and manage to persuade individuals and businesses on the importance of adopting a responsible behaviour⁶.

The purpose of cause-related marketing is to attract consumers that want to make a difference in society by their purchasing⁷. It is maintained that when faced with products or services of similar quality and prices, customers will prefer the ones that are linked to a social cause^{8,9}.

Previous research on cause-related marketing raises important questions for both social organizations and managers. Cause-related marketing should become a natural part of successful business practice because it is an effective way of enhancing corporate image, differentiating product and increasing both customer loyalty and sales¹⁰.

There is no doubt about the opportunities a cause-related marketing campaign raises, therefore a major direction should be to release this potential for the benefit of everyone¹¹.

The present study aims to provide a better image regarding the cause-related marketing campaigns in Romania. Therefore, the

importance of these activities is studied from three points of view: from consumer point of view, from corporation point of view and from non-profit organization point of view.

In the first part of the study, the author analyzes the relationship between cause-related marketing and consumer research and defines one solid hypothesis:

H1: Cause-related marketing campaigns generate a positive impact on the consumer.

The three sub-hypotheses associated reflect different aspects regarding consumer's willingness to involve and contribute to a certain cause-related marketing campaign.

H1a: The consumer's opinion is positively associated with campaign advocacy. H1b: The consumer's opinion is positively associated with his ethical standards. H1c: The consumer's opinion is positively associated with the utility of the social product received.

In the second part of the study, the author investigates the benefits brought by cause-related marketing campaigns to corporations. Therefore, the following hypothesis is defined:

H2: Cause-related marketing campaigns generate a positive impact on corporations.

Two sub-hypotheses are also considered: H2a: The relationship between corporation and its image generated on the market through a cause-related marketing campaign is positive. H2b: The relationship between corporation and its increasing sales of the social product is positive due to the cause-related marketing campaign.

In the last part of the study, it is analyzed the relationship between cause-related marketing campaigns and non-profit organizations in general.

The associated hypothesis is: H3: Cause-related marketing campaigns generate a positive impact on the non-profit organizations involved.

To better express the relationship between cause-related marketing and the non-profit organization, the following sub-hypothesis is defined: H3a: The benefits brought by a cause-related marketing campaign to a non-profit organization are positively associated with the type of cause promoted.

Figure 1 presents the framework guiding the research. It highlights the impact that cause-related marketing campaign on a company, on the non-profit organization and the customers.

Methodology

Research methods: The goal of this research is to investigate the importance of the concept cause-related marketing for the Romanian society, considering the following three dimensions of the cause-related marketing programs: the impact generated on the consumer, the impact generated on the corporation and the impact generated on the non-profit organization. This research employed an online questionnaire survey. Questions were presented using a five-point Likert scale, which requested respondents to fill their responses with values from 1 to 5, where 1 represented strongly disagree and 5 strongly agree, scale also used in other social responsibility related studies¹².

All items considered were individually analyzed and supported by related studies. For example, in examining the impact on consumer, for the item campaign advocacy, it was considered the measurement scales used in related studies^{13,14}. Another variable considered was ethical standards of the consumer. In approving the Likert scale for this variable there were analyzed two studies^{15,16}. Another variable considered was image of the corporation. For validating the measurement scale for this item it was considered a study regarding corporate image research in Britain¹⁷.

Population and sample: The link to the online questionnaire was sent by e-mail to a number of postgraduate students in Romania. A total of 127 complete answers were received: 30% were men and 70% were women. The average age was 24-35. Prior to sending the link of the online questionnaire, the questions were pre-tested on seven persons. Minimal changes were required based on the feedback provided. In the data collection process, the survey included two phases. As the first phase managed to collect only 46 responses the author considered necessary to organize a second phase. Thus, non-respondents were sent the link questionnaire two weeks after the first phase and were informed about the importance of this study. The rate of response immediately increased.

Although most studies on corporate responsibility are usually carried on employees, the author chose to address this study to postgraduate students for several reasons. One is based on a

study which points out that students are usually more motivated and involved, and often relate better with the researcher¹⁸. Therefore, students are more apt to respond conscientiously with the researcher¹⁹. Another reason for choosing this market segment was the difference in needs and motivations of students compared to other population²⁰. Since cause-related marketing is still considered to be a new domain in Romania, few people are capable to respond to questions related to this subject. Students, unlike other populations, have the age advantage, which accompanies not only the amount of learning but also the up-to-date information owned.

Dependent and independent variables: Different types of analysis were carried out. Therefore, in some cases, an independent variable in one analysis was afterwards used as a dependent variable in another analysis. The first analysis represents an overview over the entire research, considering the main variables defined. Thus, it is described the relationship between cause-related marketing campaigns and the generated impact on the following independent variables: consumer, corporation and non-profit organization.

Another analysis studied the impact generated by the cause-related marketing campaigns on the consumer. The impact on consumer was considered the dependent variable while campaign advocacy, ethical standards of the consumer and utility of the product were considered independent variables. The third analysis considered impact on the corporation as a dependent variable, while improved image and increasing sales were treated as independent variables. The last analysis tested the relationship between impact on non-profit organization – a dependent variable, and the type of social cause promoted – an independent variable.

Analysis technique: The most commonly used analysis technique in this study is linear regression. Other analysis techniques included are Cronbach's Alpha, Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of sphericity. In analyzing the information collected from the survey, it was used two software programs: SPSS 13.0 and E-views 4.0. The first software tested the validity of information collected, while the second software tested the relationships between all items considered, in different combinations. By using these techniques, it was detected relevant findings for our study.

Results and Discussion

Content validity: In testing the goodness of measurement it was first analyzed the values for Cronbach's Alpha. Reliability and validity were checked using the factor analysis. According to the results obtained in table 1, the internal consistency reliability alpha values ranged from 0.655 to 0.765. The alpha values should be above 0.7, but not much higher than 0.9²¹. This is the case for impact on consumer and impact on corporation values. For the impact on non-profit organizations, the value of Cronbach's Alpha is above 0.6 (0.655), which represents the minimum level of acceptance for testing the reliability and validity of the composite survey measures²².

Table-1
Goodness of measurement for impact on the consumer, impact on the corporation and impact on non-profit organization

Items	Cronbach's Alpha	KMO	Bartlett's Test
Impact on consumer	0.765	0.731	129.154
Impact on corporation	0.754	0.687	89.376
Impact on non-profit organizations	0.655	0.600	73.487

The factor analysis carried on the considered sample offered results for KMO test and Bartlett's test of sphericity. Analyzing the values obtained for the KMO test, we can say that they are all higher than 0.6, which confirms that the factor analysis was successful. This result is also confirmed by the Bartlett's Test which values are high enough to express content validity.

Regression model interpretation: In describing the regression models implemented in this study, it was first developed a descriptive statistics analysis of the main variables considered. According to the results presented in table 2, the mean had small variations, the difference between the lowest value – 3.99 and the highest one – 4.65, being less than 1, on a scale from 1 to 5. This means that most consumers consider these variables significant for carrying the study. Standard deviation approximates the average distance from the mean²³. Since the scale used has only 5 items, the values for standard deviation are not spread out too much. The minimum and maximum values range between 1 and 5.

Table-2
Descriptive statistics of cause-related marketing campaigns, impact on the consumer, impact on the corporation and impact on the non-profit organization

Variable	Mean	Standard deviation	Minimum value	Maximum value
Cause-related marketing campaigns	4.65	0.791	2	5
Impact on the consumer	4.45	0.774	1	5
Impact on the corporation	4.19	0.833	1	5
Impact on the non-profit organization	3.99	0.684	1	5

Table 3 describes the correlations between cause-related marketing campaigns and the impact on the consumer, impact on the corporation and impact on non-profit organization. Values are above 0, which means that the variables are positively correlated. The most powerful correlation is between impact on the corporation and impact on the consumer (0.582).

In order to test the main hypotheses, H1, H2 and H3, the author developed a multiple regression model, where cause-related marketing was considered a dependent variable and impact on the consumer, impact on the corporation and impact on the non-profit organization were considered independent variables. Before developing the multiple regression model, linear regression models were implemented between the variables considered and the values of the determination coefficient (R^2) were described.

Results of the multiple regression model, presented in table 4, show that the independent variables explain 38.4% of the variance (R^2) in cause-related marketing campaigns. Since the value of F-statistic is high (25.543) and the probability is 0.000, the model is considered valid and the main hypotheses H1, H2 and H3 are sustained.

There were developed two types of regression models: two multiple regression models and one simple linear regression model. The first regression model is described in table 5. This model expresses the relationship between the impact on the consumer – dependent variable and campaign advocacy, ethical standards of the consumer and utility of the product – independent variables. The result suggests that the independent variables explain 44.5% of the variance (R^2) in the dependent variable. The value of F-statistic is high, 32.852 and the probability is 0.000. This means that the model is valid and the sub-hypotheses H1a, H1b and H1c are sustained. The second regression model, presented in table 6, describes the relationship between impact on the corporation – dependent variable and improved image and increased sales – dependent variables. Since the value of F-statistic is 33.431 and the probability is still 0.000, we can say that the model is valid and the sub-hypotheses H2a and H2b are sustained.

The third regression model is a simple linear regression, since it only involves two variables: impact on the non-profit organization and the social cause promoted. Although the value of the determination coefficient (R^2) is low, the significance of the probability level is 0.000, which indicates that the model is valid and H3a hypothesis is sustained. The results of the regression are presented in table 7.

Discussion of results: The findings show that cause-related marketing campaigns have a positive effect on the Romanian population considered. Thus, cause-related marketing campaigns determine a positive impact on variables like: impact on consumer, impact on the corporation and impact on the non-profit organization. The most powerful relationship was established between impact on the corporation and cause-related marketing campaigns. As previously argued, nowadays, the majority of corporations accept the corporate social responsibility doctrine, since generally they no longer see economic success as being necessarily in conflict with the protection of environmental and social objectives²⁴. Cause-related marketing, also called “joint venture marketing”²⁵, came

as a response to corporations' need to approach better their customers. Non-profit organizations, with their expertise, influence and noncash resources²⁶ can help corporations in the process of improving their image and increasing their sales. Findings of this study support this idea. Therefore, cause-related marketing campaigns represent an effective strategy, which can bring benefits to both sides involved. In this sense, our findings are in line with other international studies²⁷, who consider

cause-related marketing as an opportunity for corporations and non-profit organizations to stand out by helping their communities.

Therefore, the findings obtained indicate that cause-related marketing campaigns represent a step ahead in aligning corporations and non-profit organizations values and expectations with customers' needs for building a civil society.

Table-3

Correlations between cause-related marketing campaigns and the impact on the consumer, impact on the corporation and the impact on non-profit organization

		1	2	3	4	5	6	7	8	9	10
1	Impact on consumer	1									
2	Campaign advocacy	0.477**	1								
3	Product utility	0.465**	0.395**	1							
4	Consumer ethical standards	0.573**	0.486**	0.292**	1						
5	Impact on corporation	0.582**	0.364**	0.343**	0.559**	1					
6	Improved image	0.512**	0.406**	0.298**	0.458**	0.551**	1				
7	Increasing sales	0.526**	0.397**	0.282**	0.476**	0.463**	0.501**	1			
8	Cause-related marketing campaigns	0.581**	0.460**	0.423**	0.452**	0.365**	0.355**	0.383**	1		
9	Impact on non-profit organizations	0.471**	0.381**	0.393**	0.513**	0.392**	0.333**	0.388**	0.464**	1	
10	Type of cause promoted	0.427**	0.348**	0.184*	0.451**	0.388**	0.327**	0.380**	0.467**	0.29**	1

** Correlation is significant at the 0.01 level (2-tailed), *Correlation is significant at the 0.05 level (2-tailed).

Table-4

Relationship between cause-related marketing campaigns and impact on the consumer, impact on the corporation and impact on the non-profit organization

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	0.620	0.384	0.369	0.628	25.543	0.000(a)

Predictors: (Constant), Impact on the consumer, Impact on corporation and Impact on non-profit organization

Table-5

Relationship between the impact on the consumer, campaign advocacy, ethical standards of the consumer and utility of the product (model summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
2	0.667	0.445	0.431	0.583	32.852	0.000(a)

Predictors: (Constant), Consumer ethical standards, Product utility, Campaign advocacy

Table-6
Relationship between impact on the corporation, improved image and increased sales (model summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
3	0.592	0.350	0.340	0.677	33.431	0.000(a)

Predictors: (Constant), Increasing sales, Image

Table-7
 Relationship between impact on the non-profit organization and the social cause promoted

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
4	0.297	0.088	0.081	0.656	12.082	0.000(a)

Predictors: (Constant), Type of cause promoted

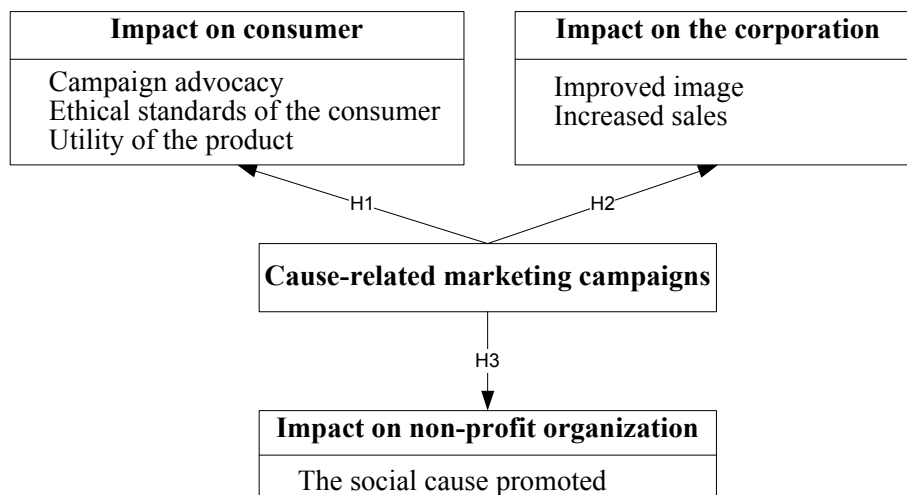


Figure-1

Research framework – The impact of cause-related marketing campaigns on the consumer, the corporation and the non-profit organization

Conclusion

Results showed that corporations which initiate cause-related marketing campaigns differentiate themselves from competitors with an improved image and increased sales. This favours the reach of new niche markets and the increase of customers²⁸. Moreover, cause-related marketing is closely linked to emotional branding, which aims at creating an emotional bond between the consumer and the brand²⁹. A good customer perception enables an enhanced brand image as well as an increase in loyalty³⁰. In our study, the relationship between impact on the consumer and the following items: consumer ethical standards, product utility and campaign advocacy, confirmed a positive impact and a significant connection – the coefficient of determination R^2 is 0.445.

The paper also describes the effect of cause-related marketing on non-profit organizations. Shareholder value is also analyzed. With the purpose of identifying the relationship between the type of cause promoted (e.g. education field, health,

environment, etc.) and the impact of non-profit organizations, the paper identifies a relatively limited connection, meaning that consumers are not necessarily influenced by the type of cause as they are about campaign advocacy, for example. However, the variable was considered important and included in the study since the literature sustains its value for the customer. Thus, the type of cause-related marketing can enhance the corporation's product and raise funds for worthy causes.

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