CONSUMER PERCEPTION OF CAUSE RELATED MARKETING

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1 Introduction

Corporate Social Responsibility (CSR):

A company’s commitment to minimizing or eliminating any harmful effects on society and maximizing its long term beneficial impact.

– Mohr, Webb, and Harris 2001
1 Introduction

Types of Donations

Unconditional

- Donation not linked to revenue-producing transaction with the firm
1 Introduction

Canon (China) unconditional donation

Canon (China) gave 300,000 yuan for the victims of the Magnitude 6.4 earthquake that hit Pu’er City, Yunnan Province, in southwestern China, on June 3, 2007.
1 Introduction

Types of Donations

Conditional / Cause-related marketing (CRM)

- A marketing program that strives to (1) improve corporate performance and (2) help worthy causes

- by linking fund raising for the benefit of a cause to the purchase of the firm’s products and/or services
1 Introduction

Ito-en White Ribbon Alliance Donation Campaign
1 Introduction

White Ribbon Alliance

Every minute, around the world

380 women become pregnant
190 women face unplanned or unwanted pregnancies
110 women experience pregnancy-related complications
40 women have unsafe abortions
1 woman dies

We’re working to change these numbers. Please join us.

Global Secretariat • One Thomas Circle NW, Suite 200 • Washington, D.C. 20005 USA
tel. 202.775.9680 • fax: 202.775.9694 • wra@whiteribbonalliance.org

© Prof. Chéron (2008)
1 Introduction

Open your life with a new card

スマートキャンパスライフ「慶應カード」で。

クレジットカードは、大学生活を快適・充実させる必須品のひとつとなっています。国内・海外旅行、留学の際だけでなく、インターネットショッピングや音楽の配信といった用途で活用できる。カードの登録や

【慶應カード（学生）】の特徴

1. 慶應の姿に添う
慶應カードは慶應義塾の学生向けのサービスを提供しています。
2. 年会費無料
学生向け年会費無料です。
3. 高い安全性
ご利用時の情報は最善のセキュリティが保証されています。
4. 各種保険付
国内旅行保険、国内旅行保険等が付帯されています。
5. 海外利用OK
海外でも利用できるインターナショナルカードです。
6. 項目のカードから選択
三井住友、JCB、Diners、MCC等の国際ブランドのカード会社と提携しています。この中から自由に1枚を選べます。カード保険別3枚です。
7. 慶應独自のサービスもプラス
カード会社のサービスに加え、慶應の協力で慶應カード専門の優待サービスをご利用いただけます。
8. 相談窓口も充実
キャンパス内の相談窓口でアドバイスを受けることができます。
1 Introduction

McGill University Women Health Center Campaign

On Sep 29 and 30, many of your favourite Stores across Greater Montreal will be giving 5% of their weekend sales to the Women’s Health Mission of MHUC.
1 Introduction

McGill University Women Health Center Campaign
1 Introduction

Consumer Charity Choice
ÆON Happy Yellow Receipt Campaign

Once a month, ÆON donates a portion of the day’s receipts to shopper-designated Japanese NGO and non-profit organizations.
1  Research Question

How does allowing the consumer to play a part in choosing the cause in a CRM program compares to either a conditional and or an unconditional corporate donation for which the cause has been decided only by the firm?
1 Research Question

More specifically

How does the type of charity donation system influence how consumers regard the company, to what extent they consider the donation as motivated by the company’s self-interest and their perception of the company’s quality of management?
2 Research Method

- Pretest with Sophia students
  - Combini scenarios
- Online survey with Singapore respondents
  - Supermarket scenarios
  - Each respondent was exposed to only one scenario
- Follow-up online survey questionnaire
- Convenience sampling and snowballing
2 Research Method

One Time Donation Scenario (Sophia students)

- Imagine that when shopping in your local combini for a bento and a soft drink, you see an advertising banner saying that this chain of convenience stores will make a one-time 100 million yen funding donation over one year to UNICEF, an international children’s charity.

- 近所のコンビニへお弁当や飲み物を買いに行く事を想像して下さい。その店舗では、「年間定額1億円をUNICEF（国連児童基金）に寄付する」という義援活動の広告が掲示されています。
One Yen per Item Scenario (Sophia students)

Imagine that when shopping in your local combini for a bento and a soft drink, you see an advertising banner saying that this chain of convenience stores will donate 1 yen for each item sold over one year to UNICEF an international children’s charity. The total amount donated varies according to the number of items sold; the more sold, the more the charity will receive.
2 Research Method

Percent of Ballot Scenario (Sophia students)

• Imagine that when shopping in your local combini for a bento and a soft drink, you see an advertising banner saying that this chain of convenience stores is asking customers to vote during one year for a charitable donation of their choice by depositing their cash receipt in one of three boxes (UNICEF, an international children’s charity, the RED CROSS or help for EARTHQUAKE victims). The donation given to the selected charity is 1% of the amount of the receipts put in the box.
2 Research Method

Survey Questionnaire (Sophia students)

- Random distribution of scenarios to students
- Questionnaire in English to FLA students and Japanese to others
- One page questionnaire:
  - Introduction
  - Scenario
  - Main questions:
    1. Because of this donation you have a high regard for this company.
    Strongly agree 5 4 3 2 1 Strongly disagree 9 Don’t know
    2. This company is making this donation to increase sales.
    Strongly agree 5 4 3 2 1 Strongly disagree 9 Don’t know
    3. This donation is a good management decision.
    Strongly agree 5 4 3 2 1 Strongly disagree 9 Don’t know
  - Last week visits to combini and spending, gender, faculty of study, field, year
# Profile of Sophia respondents

<table>
<thead>
<tr>
<th>Language &amp; Gender</th>
<th>One time donation</th>
<th>One yen per item</th>
<th>Percent of ballot</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>English Males</td>
<td>15</td>
<td>23</td>
<td>16</td>
<td>54</td>
</tr>
<tr>
<td>English Females</td>
<td>52</td>
<td>40</td>
<td>52</td>
<td>144</td>
</tr>
<tr>
<td>Japanese Males</td>
<td>22</td>
<td>26</td>
<td>26</td>
<td>74</td>
</tr>
<tr>
<td>Japanese Females</td>
<td>54</td>
<td>45</td>
<td>46</td>
<td>145</td>
</tr>
<tr>
<td>Total</td>
<td>143</td>
<td>134</td>
<td>140</td>
<td>417</td>
</tr>
</tbody>
</table>
2 Research Method

Profile of Sophia respondents

<table>
<thead>
<tr>
<th>Combinifrequency &amp; spending</th>
<th>One time donation</th>
<th>One yen per item</th>
<th>Percent of ballot</th>
<th>F &amp; p values</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many times last week?</td>
<td>4.07</td>
<td>4.49</td>
<td>3.99</td>
<td>.98; p=.38</td>
</tr>
<tr>
<td>How much on average last week? (yen)</td>
<td>467.28</td>
<td>404.19</td>
<td>472.25</td>
<td>1.09; p=.34</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender difference</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>127</td>
<td>281</td>
</tr>
<tr>
<td>How much on average last week? (yen)</td>
<td>452.52</td>
<td>454.95</td>
</tr>
</tbody>
</table>
2 Research Method

Sophia results

Correspondence Analysis with Supplementary Points

Component 1 (71%)

Component 2 (29%)

Socially conscious

Prepared to pay more

Products will cost more

Improves trust

Share donation objectives

Stakeholders interests

Renewed in future

Good Management

Sales Motive

Men

One Yen per item

Women

English

Japanese

High Regard

Stakeholders interests

Percent of ballot

Sales Motive

One Yen per item

Women

English

Japanese

High Regard

Stakeholders interests

Percent of ballot
2 Research Method

One Time Donation Scenario
(Singapore respondents)

- Imagine that when shopping in your usual supermarket for groceries, you see an advertising banner saying that this chain of supermarkets will make a yearly one-time S$1 million donation to UNICEF, an international children's charity.
One Percent of Sales Donation Scenario (Singapore respondents)

- Imagine that when shopping in your usual supermarket for groceries, you see an advertising banner saying that this chain of supermarkets will donate 1 cent for each dollar of sales revenue over one year to UNICEF, an international children’s charity. The amount varies according to the amount of sales – the more sales, the more the charity will receive.
2 Research Method

One Percent of Ballot Donation Scenario (Singapore respondents)

- Imagine that when shopping in your usual supermarket for groceries, you see an advertising banner saying that this chain of supermarkets is asking customers to vote during one year for a charitable donation of their choice by depositing their cash receipt in one of three boxes (UNICEF, an international children’s charity, the RED CROSS or help for EARTHQUAKE victims). The donation given to the selected charity is 1% of the amount of the receipts put in the box.
2 Research Method

Singapore Online Survey

Corporate Donations

In this survey, which will take less than 10 minutes to complete, we are interested in your opinion about social responsibility of companies. After carefully reading the scenario below, please choose your answers. There is no right or wrong answer, we are only interested in your opinion. All answers will be kept strictly confidential aggregate results only will be analyzed.

All respondents of this survey are invited to participate in a lucky draw. Three winners will be picked at random. Please leave your email address and let us know your preferred prize at the end of the survey.

Thank you for your participation!

START SURVEY!
2  Research Method

Corporate Donations

Questions marked with an asterisk (*) are mandatory.

Imagine that when shopping in your usual supermarket for groceries, you see an advertising banner saying that this chain of supermarkets will make a yearly one-time S$1 million donation to UNICEF, an international children's charity.

Would you say that:

1. Because of this donation, I would regard this company highly.
   Please choose 5 if you strongly agree, 4 if you agree slightly, 3 if you agreement level is average, 2 if you disagree slightly and 1 if you strongly disagree. Choose "Don't Know" only if you cannot understand the question.


2. This company is making this donation to increase sales.

3. This donation decision is a good management decision for the long-term profitability of the company.

4. This company is involving consumers in deciding which charity will receive the donation.

5. I feel that I share the donation objectives of this chain of supermarkets.

6. I consider myself to be a socially conscious person.

Fictional instance of corporate donation

5-point Likert scale to measure constructs

Manipulation check (level of involvement)
3 Data Analyses and Findings

*Process*

- Preliminary Analyses
- Univariate Analyses
- Simple Effects
- Open-Qn Analyses
3 Data Analyses and Findings

- **Data preparation**
  - 312 responses in total (100, 108, 104)
  - Coding
  - Compute indices
  - Lucky draw preferences (232 out of 312)

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>S$50 Borders Voucher:</td>
<td>33.8%</td>
<td>38.8%</td>
</tr>
<tr>
<td>S$50 HMV Voucher:</td>
<td>8.8%</td>
<td>15.8%</td>
</tr>
<tr>
<td>S$50 Donation to UNICEF:</td>
<td>57.5%</td>
<td>45.4%</td>
</tr>
<tr>
<td></td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Chi-Square: 3.86, df = 2, p = .15 NS
3 Data Analyses and Findings

- **Testing internal validity**
  - Q6: “Do you know the purpose of the survey?”
  - Profile of respondents across treatments
  - Control variables
  - Factor analysis
  - Reliability tests of constructs
3 Data Analyses and Findings

- One-way Analyses

Profiles of means for the three constructs of interest, the manipulated construct of involvement of consumers and control variables

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3 Data Analyses and Findings

- **Two-way Analysis of Variance**
  - Significant interaction between type of donation program and gender type on consumer attributions

*Interaction Graphs*
*(Fixed Factors: Scenario, Gender)*

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3 Data Analyses and Findings

- **Two-way Analysis of Variance**

Profiles of means for the various constructs

**Male Respondents Only**

- Regard for the company
- Commercial intention
- Good business management
- Involvement of consumers
- Social consciousness
- Importance for respondent

**Female Respondents Only**

- Regard for the company
- Commercial intention
- Good business management
- Involvement of consumers
- Social consciousness
- Importance for respondent

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Only male respondents perceived a difference between an unconditional system compared to a conditional system.

For males only, an unconditional system leads to a higher perceived degree of regard toward the firm and a lower perceived self-interest of the firm.

With respect to perceived management skills, further research is needed.
3 Data Analyses and Findings

- “... why do you think companies organise charity donation campaigns?”
  - Rewards sought for the firm itself (n=99)
  - Rewards sought mostly for firm but partly for others (n=50)
  - Rewards sought mostly for others but partly for firm (n=24)
  - Rewards sought solely for others (n=16)
  (Not significantly different between men and women)
3 Data Analyses and Findings

“To a certain extent, the objective of companies going into such campaigns is for the sake of publicity. Many even mark up the selling price slightly so that the profit margins wouldn’t be affected, while at the same time getting the desired publicity effect. The cost burden can be passed on to the unknowing customers. If the companies are sincere about donation campaigns, they should organize it in such a way that it is not directly linked to their business activities (such as x% of revenue etc). Publicity is something that should be given to companies who are sincere and upfront in helping the less fortunate.”

— Male, 36
4  Limitations

- Respondents
  - Experiments cannot be projected to the entire population

- Fictional situations
  - Real-life company situations are multidimensional

- Number of dependent variables
  - Captures only a fraction of the possible changes in consumer reactions
5 Managerial Implications

- Results support Unconditional Donation Program
- Target Market
  - Different approaches for males/females
- To manage cause-related marketing better
  - Increase amount pledged to charity/cause
  - Demonstrate long-term commitment
- Company Charity Choice > Consumer Charity Choice
- Donation Program
  - Less logistics involved
Managerial Implications

“On some occasions, the companies truly want to make charitable donations while also increasing their own reputation in their customer’s eyes as a morally upright company. In these cases, a much higher percentage of the donation (if not all) would go to the charity of choice. Otherwise, these companies seem to be in it mostly for the money and publicity less so than to help.”

— Female, 19
Managerial Implications

“…I’m not sure how much the charity (or even the company itself) will benefit. e.g. For each McDonald’s Happy Meal sold, I think 5 cents goes to a charity but because it is only 5 cents, I will not purposely buy a Happy Meal so that the charity can get that 5 cents. Sometimes, I also think that McDonald’s is ‘stingy’ in its donation, and yet still dares to ‘advertise’ their ‘generosity’.”

— Female, 25
6 Directions for Future Research

- Reactions to other corporate donation programs
- Influence of the organiser of corporate donations
- Too many steps in consumer charity choice donations
  - Backfires
- Increasing consumer awareness
  - Effects on CSR strategies?
6 Directions for Future Research

- Do accusations of irresponsible acts hurt companies more when they promote themselves as being socially responsible?
- Differences between men and women?
- I am socially responsible…but do you remember me?
- Extend research to different social, political, economic contexts (ie: Consumer perceptions of CSR in Korea)
MANAGEMENT OF CRM PROJECTS
BY NON PROFIT ORGANISATIONS

1. Understand your non-profit product/service and your value
2. Understand business and how it works
3. Follow classic account management principles (one contact person)
4. Best proposals happen without paper
5. Learn a lot about potential partners and listen to them
6. Patience is required
7. Cause-related marketing is an agency-wide effort
8. Cause-related marketing is about relationships
9. Cause-related marketing is about delivering
10. Cause-related marketing is about becoming part of the business strategy of a corporation

Kurt Aschermann,
Chief Marketing Officer and Managing Director, Boys & Girls Club of America
http://www.independentsector.org

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POTENTIAL CONFLICT OF INTERESTS BETWEEN PROFIT AND NON PROFIT ORGANISATIONS
Thank you very much for your attention!
JAPANESE RED CROSS COLLECTION BOXES
Singapore Airlines A380 First Flight Charity

COUNT DOWN TO THE WORLD'S FIRST A380 COMMERCIAL FLIGHT
A380 First Flight Charity Auction has begun. Place your bid now!

The world’s first commercial flight of the A380 will take off from Singapore on 25 October 2007 and return from Sydney on 26 October 2007.

Singapore Airlines is auctioning seats on both legs of the flight on eBay. All proceeds will be donated to charities.

On board, you'll be the first to experience new standards in comfort and luxury across all three classes of travel. Indulge in masterful culinary delights from renowned chefs Sam Leong (Singapore) and Matthew Moran (Australia), members of the Singapore Airlines International Culinary Panel.

You will also receive a personalised certificate to commemorate participation in this historic event.

Don’t miss this chance to be part of history! The auction is now open for bidding and you may proceed to place your bid. If you are not already qualified, click here to register and view packages that are available.

If you do not have an eBay ID, simply click here to create one.

Read the full story and sign up to receive the latest updates on the auction.

Click here to read answers to Frequently Asked Questions.
Singapore Airlines A380 First Flight Charity

ABOUT THE BENEFICIARIES

Singapore

COMMUNITY CHEST OF SINGAPORE

Community Chest was founded in 1983 to raise funds for the nation’s many social service organisations, relieving them of the burden of fund-raising so that they can focus on their primary responsibility of caring for and serving the needy. With the generosity of individuals, corporations and foundations, today Community Chest funds 147 social service programmes run by 57 charities to help over 340,000 people in Singapore. All funds raised will go towards nurturing children to succeed, keeping families together, dignifying the lives of the elderly as well as empowering people with disabilities to lead independent lives. Singapore Airlines has been a supporter of Community Chest for over two decades.

www.communitychest.org.sg

Sydney

SYDNEY CHILDREN’S HOSPITAL RANDWICK

Sydney Children’s Hospital, Randwick is one of Australia’s leading specialist medical centres for children. They provide quality, comprehensive and expert clinical services to the children and families of New South Wales and beyond.

www.sch.edu.au

THE CHILDREN’S HOSPITAL AT WESTMEAD

The Children’s Hospital at Westmead is the highly respected, largest paediatric centre in NSW, providing excellent care for children from NSW, Australia and across the Pacific Rim. The Hospital has 3,000 staff working in 150 departments.

www.chw.edu.au

Global Humanitarian Organisation

MÉDECINS SANS FRONTIÈRES

Médecins Sans Frontières (MSF) is an independent medical humanitarian organisation, delivering emergency aid to people affected by armed conflict, epidemics and natural as well as man-made disasters in over 70 countries. MSF is an international movement with branches in 19 countries. MSF teams in the field are composed of international and national staff and each year over 3,000 volunteers work alongside more than 25,000 locally hired staff to provide urgent medical care to vulnerable populations. In emergencies and their aftermath, MSF provides essential healthcare, rehabilitates and runs hospitals and clinics, performs surgery, responds to epidemics, carries out vaccination campaigns, operates feeding centres for malnourished children, and offers mental healthcare. When needed, MSF also constructs wells and dispensaries, clean drinking water, and provides shelter materials like blankets and plastic sheeting. MSF was founded in 1971, with the aim of cutting through red tape to deliver humanitarian aid fast and effectively. The organisation focuses on delivering emergency care and also on speaking out, using volunteers’ eyewitness accounts and medical data, when witnessing massive acts of violence against individuals and groups. MSF was awarded the Nobel Peace Prize in 1999.

www.msf.org

Download the full press release here.
AIR FRANCE ECPAT CRM CAMPAIGN

Achetez ce jouet pour que les enfants ne soient plus des jouets. Buy this toy to stop children becoming toys.
(PRODUCT)RED CAMPAIGN

Products

Check out the (PRODUCT)RED items that are available now. We'll unveil more in the coming months. Click on the image or logo below to see more details on each (PRODUCT)RED line.

Designed to Help Eliminate AIDS in Africa
(PRODUCT)RED CAMPAIGN

How (RED) Works

1. Smart shopper notes that the iPod nano (PRODUCT) RED Special Edition costs $199 like all the other nanos. But the (RED) one generates $10 to fight AIDS in Africa.

2. Shopper buys the iPod nano (PRODUCT) RED. Apple sends a $10 contribution directly to The Global Fund – not to (RED).

3. The Global Fund uses 100% of this money to finance health and community support programs in Africa, with a focus on women and children.

4. The $10 helps a person affected by HIV in Swaziland, Rwanda, and other countries to be granted (RED) money in the future.

5. THE RESULT? You have a new iPod and you helped save a person’s life. If you like that, you can buy more (RED) stuff or even get INSPIRED to donate more money directly to The Global Fund at www.theglobalfund.org/es/donate
(PRODUCT)RED CAMPAIGN

SHOPPING IS NOT A SOLUTION
Buy (Less). Give More.
Join us in rejecting the (red) notion that shopping is a reasonable response to human suffering.
We invite you to donate directly to the (RED) campaign's beneficiary, The Global Fund, and to these other charitable causes, without consuming.

Charities | Mission | Contact | Recommend a Charity

The Global Fund
The Global Fund was created to finance a dramatic turn-around in the fight against AIDS, tuberculosis, and malaria. To date, the Global Fund has committed US$ 7 billion in 136 countries to support aggressive interventions against all three diseases.
http://www.theglobalfund.org

Alzheimer’s Research
The Fisher Center for Alzheimer’s Research Foundation is dedicated to solving the scourge of Alzheimer’s with a 3-pronged assault focused on the causes, care, and cures for Alzheimer’s disease as well as supporting the public with educational programs.
http://www.alzcenter.org

Wherever The Need
Wherever The Need provides clean drinking water to villages in Asia.
ONE LAPTOP PER CHILD (OLPC) PROJECT

Get 1 Give 1

Intel has withdrawn its funding and technical help (Jan 2008)
Classmate vs. XO

OLPC is a non-profit organization set up by Professor Negroponte of MIT to bring education to poor regions of the world
SAVE ELLIS ISLAND PROJECT

WE ARE ELLIS ISLAND
READ AND WATCH AMERICA'S STORIES OF HOPE AND INSPIRATION

THE CAUSE

Sometimes called Ellis Island's "Forgotten Side," nearly 30 hauntingly beautiful buildings on the Island's South Side have been vacant, shuttered, and unseen by the public for well over half a century. These are the former buildings where immigrants in need of medical attention received care. The buildings are in dire need of repair and your help. Save Ellis Island, Inc. has joined the National Park Service to raise funds to rescue and reuse these buildings.
WE ARE ELLIS ISLAND
READ AND WATCH AMERICA’S STORIES OF HOPE AND INSPIRATION

WHAT YOU CAN DO

1. SHARE YOUR STORY
First, share your story of your family’s journey through Ellis Island to
highlight the hope, courage and inspiration that personifies America.

2. SPREAD THE NEWS
Second, help spread the news of the campaign to create the greatest
public awareness of Save Ellis Island’s efforts in raising donations.

3. HELP DONATE NOW
Finally and most importantly, please donate to this worthy cause.
Pink Ribbon Example

Yoplait

Save Lids to Save Lives
For every *pink lid sent back to the company*, Yoplait will donate 10 cents to the Susan G. Komen Foundation, with a minimum total donation of $500,000 and a maximum donation of $1.5 million.

Price: $1
Breast cancer is about women's lives, not a marketing opportunity.

Tell corporations to put people before profits

think before you pink

TAKE ACTION NOW

click here

play again

Send a Message to the Pink Ribbon Marketers

© 2005, Think Before You Pink, a project of Breast Cancer Action

© Prof. Chéron (2008)
Pink Ribbon Example

THIS OCTOBER
DO SOMETHING
BESIDES SHOP
FOR BREAST CANCER
A dollar gift on a $200 purchase is less than one percent—and Eureka caps its annual contribution from the sales at $250,000. Is the company spending more on its “Clean for Cure” ads than it’s donating to the cause?
Dozens of products of the cosmetics industry contain toxic ingredients that may be linked to breast cancer itself. Is this philanthropy? Or hypocrisy?