CONSUMER PERCEPTION OF CAUSE RELATED MARKETING

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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



Types of Donations



Unconditional

• Donation not linked to revenue-producing transaction with the firm



Canon (China) unconditional donation



Canon (China) gave 300000 yuan for the victims of the Magnitude 6.4 earthquake that hit Pu'er City, Yunnan Province, in southwestern China, on June 3, 2007.

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



Ito-en White Ribbon Alliance Donation Campaign



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White Ribbon Alliance





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McGill University Women Health Center Campaign



© Prof. Chéro

McGill University Women Health Center Campaign



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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?

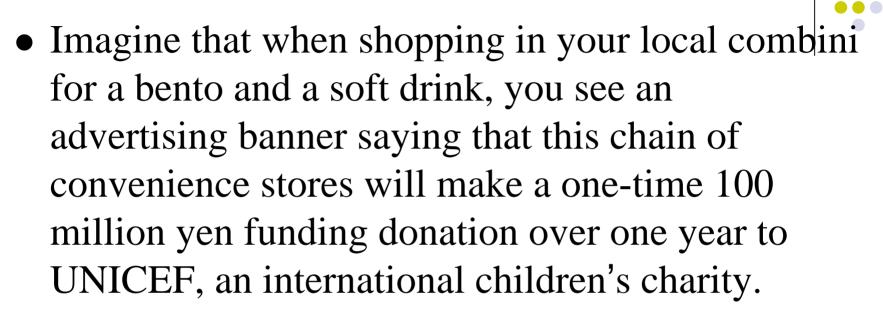


More specifically

How does the <u>type of charity donation system</u> influence how consumers <u>regard the company</u>, to what extent they consider the donation as motivated by the <u>company's self-interest</u> and their perception of the <u>company's quality of management</u>?

- 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

One Time Donation Scenario (Sophia students)



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.

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. © Prof. Chéron (2008)

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 54321Strongly disagree 9Don't know2. This company is making this donation to increase sales.

Strongly agree 54321Strongly disagree 9 Don't know3. This donation is a good management decision.

Strongly agree 54321Strongly disagree 9Don't know

• Last week visits to combini and spending, gender, faculty of study, field, year

Profile of Sophia respondents

Language & Gender	One time donation	One yen per item	Percent of ballot	Total
English Males	15	23	16	54
English Females	52	40	52	144
Japanese Males	22	26	26	74
Japanese Females	54	45	46	145
Total	143	134	140	417

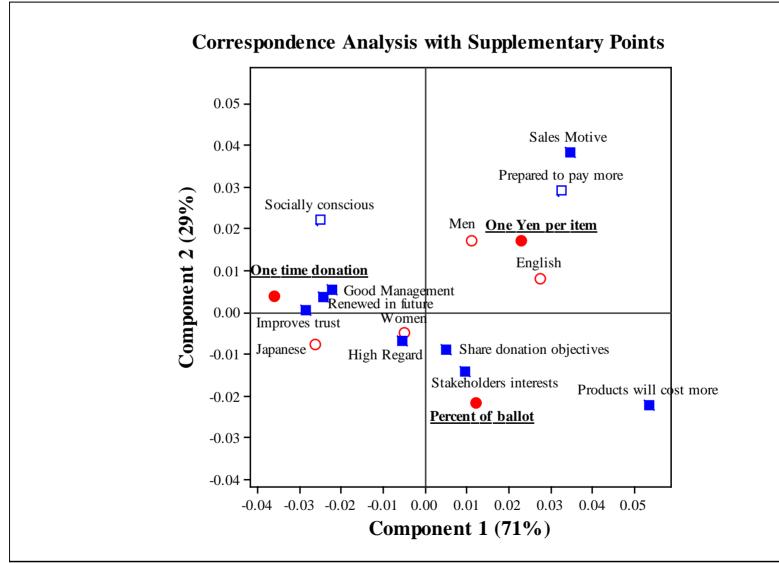


Profile of Sophia respondents

Combini frequency & spending	One time donation	One yen per item	Percent of ballot	F & p values
How many times last week?	4.07	4.49	3.99	.98; p=.38
How much on average last week? (yen)	467.28	404.19	472.25	1.09; p=.34

Gender	Males	Females	
difference			
Number	127	281	
How much on			T=.05;
average last	452.52	454.95	p=.96
week? (yen)			-

Sophia results





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**)

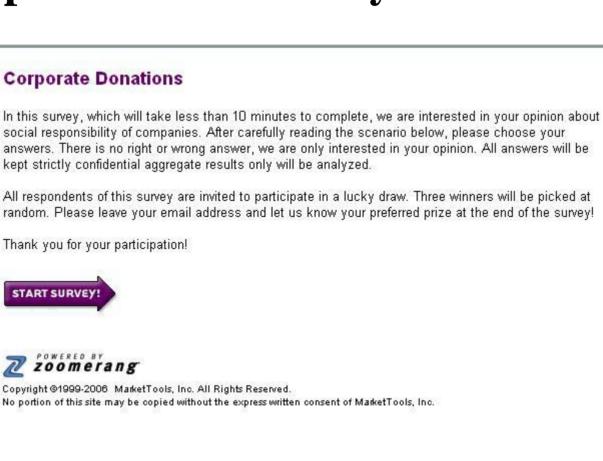


• Imagine that when shopping in your usual supermarket for groceries, you see an advertising banner saying that this chain of supermarkets will donate 1 cent for each dollar of sales revenue over one year to UNICEF, an international children's charity. The amount varies according to the amount of sales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

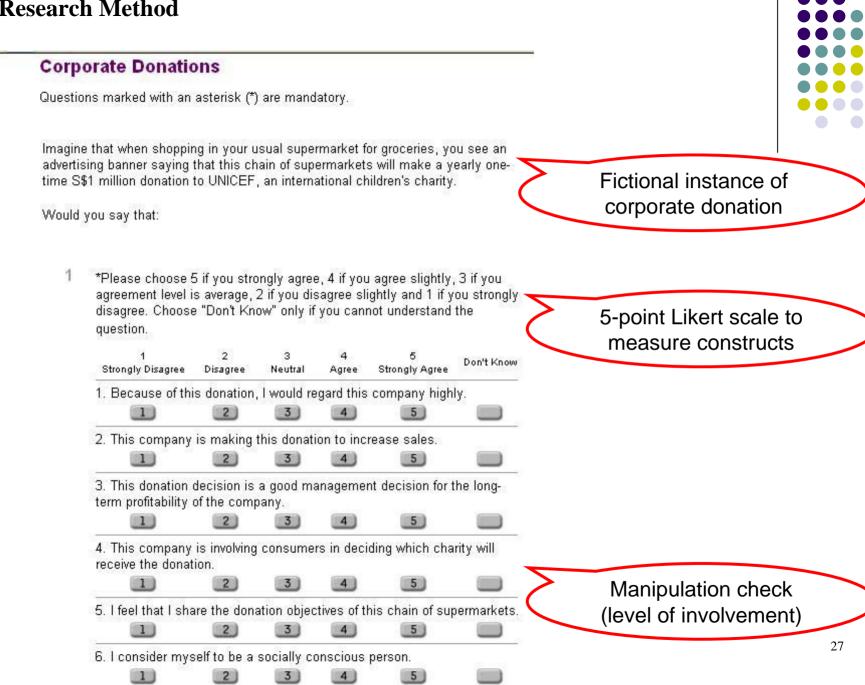
One Percent of Ballot Donation Scenario (Singapore respondents)

• 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.

Singapore Online Survey

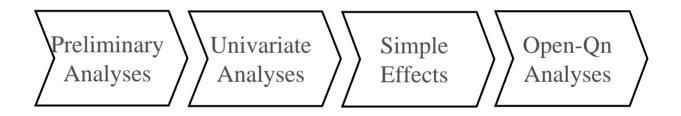








Process





• Data preparation

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

	Men	Women
S\$50 Borders Voucher:	33.8%	38.8%
S\$50 HMV Voucher:	8.8%	15.8%
S\$50 Donation to UNICEF:	57.5%	45.4%
	100.0%	100.0%

Chi-Square: 3.86, df = 2, p = .15 NS



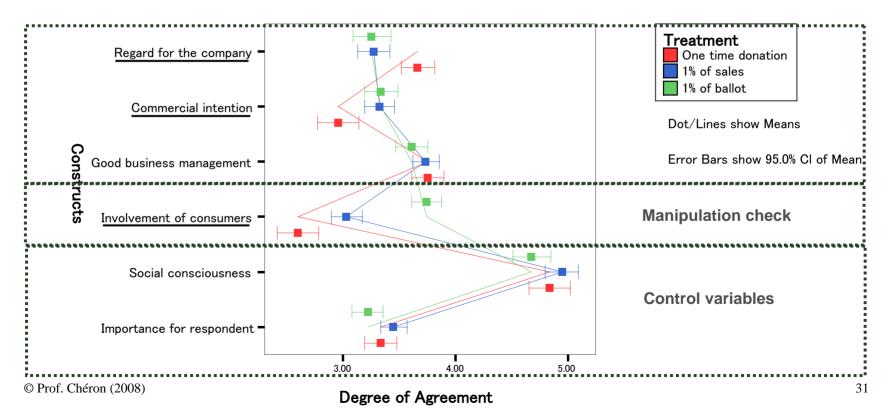
• Testing internal validity

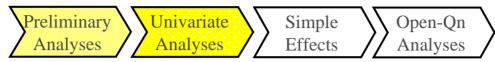
- Q6: "Do you know the purpose of the survey?"
- Profile of respondents across treatments
- Control variables
- Factor analysis
- Reliability tests of constructs



One-way Analyses

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



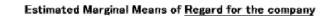


• Two-way Analysis of Variance

• Significant interaction between type of donation program and gender type on consumer attributions

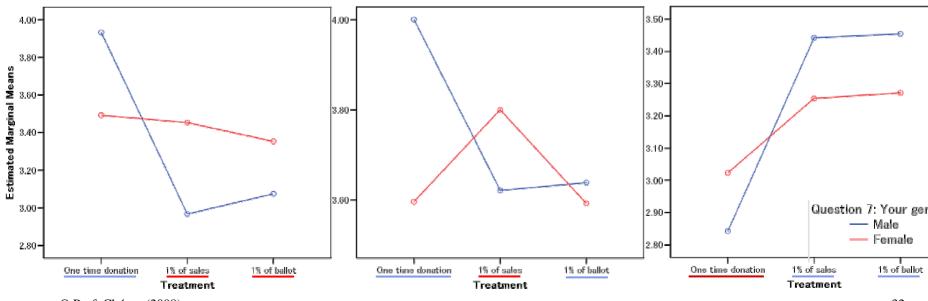
Interaction Graphs

(Fixed Factors: Scenario, Gender)



Estimated Marginal Means of Good business management

Estimated Marginal Means of Commercial intent

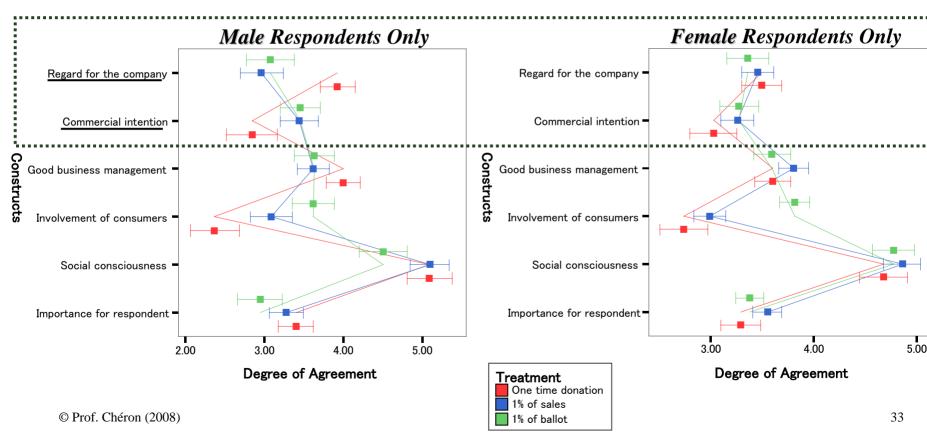


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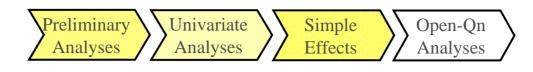


• Two-way Analysis of Variance

Profiles of means for the various constructs



Dot/Lines show Means Error Bars show 95.0% Cl of Mean

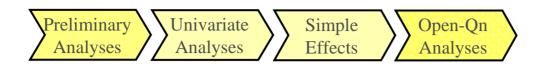




Only male respondents perceived a difference between an unconditional system compared to a conditional system.

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.

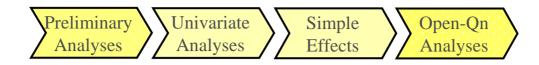




• "... why do you think companies organise charity donation campaigns?"

- Rewards sought <u>for the firm</u> itself (n=99)
- Rewards sought <u>mostly for firm</u> but partly for others (n=50)
- Rewards sought <u>mostly for others</u> but partly for firm (n=24)
- Rewards sought <u>solely for others</u> (n=16)

(Not significantly different between men and women)



⁶⁶To 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

5 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

5 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

POTENTIAL CONFLICT OF INTERESTS BETWEEN PROFIT AND NON PROFIT ORGANISATIONS



54 M B T R @ P @ L I S . C @ . J P © Pror. Cneron (2008)

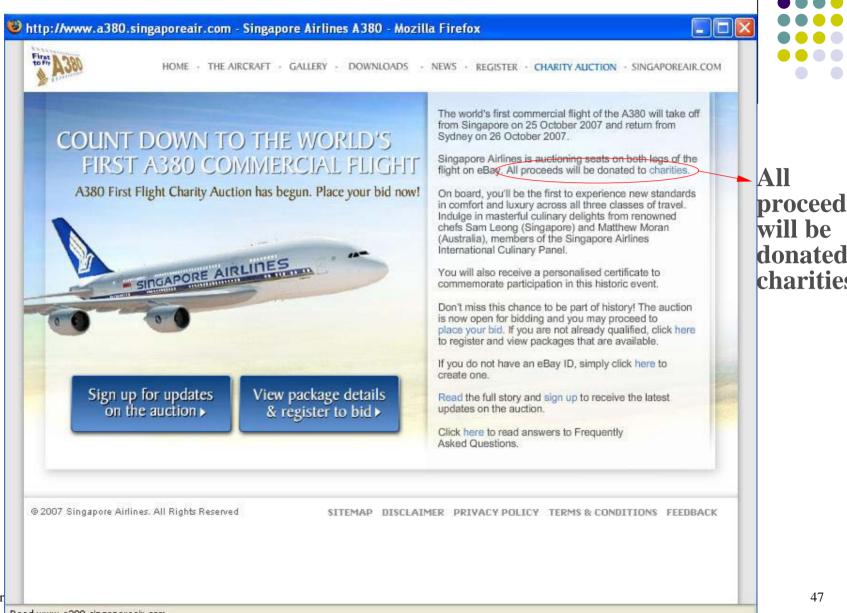


Thank you very much for your attention!

JAPANESE RED CROSS COLLECTION BOXES



Singapore Airlines A380 First Flight Charity



Read www.a380.singaporeair.com

Singapore Airlines A380 First Flight Charity

	Singapore Airlines A380 🚺 🖸 Singapore Airlines A380 🚺 🔂 Singapore Airlines A380			
	ABOUT THE BENEFICIARIES			
	Cincenses			
	Singapore			
	COMMUNITY CHEST OF SINGAPORE			
	Semmunity 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 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			
	MMM*CHM*EdfF0f			
	Global Humanitarian Organisation			
	olobar idinamanan 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 18 countries. MSF teams in the field are composed of international and national			
	staff and each year over 3000 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 dispenses			
	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			
rc	emergency care and also on speaking out, using volunteers' eyewitness accounts and medical data, when witnessing massive acts of violence against individuals and groups MSE 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.





Lorsque vous achèterez cet ours en peluche, les profits de la vente iront à ECPAT INTERNATIONAL. Organisation internationale qui lutte contre l'exploitation sexuelle et commerciale des enfants. D'autres articles vendus à bord de nos avions sont également associés à cette opération. When you buy this teddy bear, the profits from the sale go to ECPAT INTERNATIONAL. Other products sold on board are also associated with this campaign.





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END CHILD PROSTITUTION PORNOGRAPHY AND TRAFFICKING



49

(PRODUCT)RED CAMPAIGN



Products

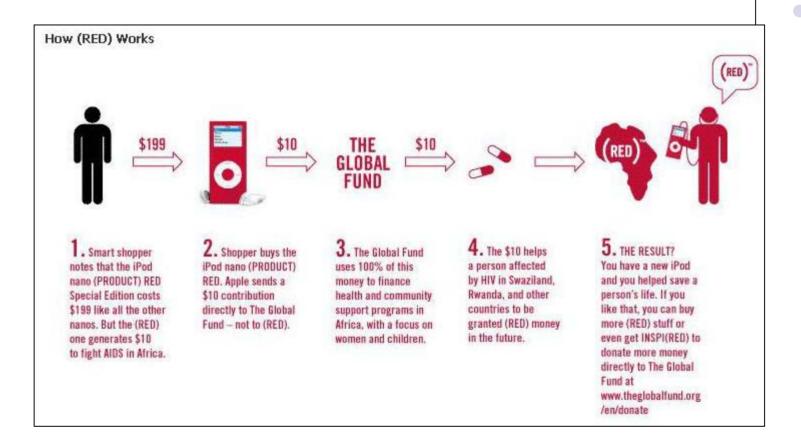
Check out the (PRODUCT)RED items that are available now. We'll unveil more in the coming months. Click on the image or logo below to see more details on each (PRODUCT)RED line.

Designed to Help Eliminate AIDS in Africa





(PRODUCT)RED CAMPAIGN



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(PRODUCT)RED CAMPAIGN



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 © Prof. Chéron (2008)

SAVE ELLIS ISLAND PROJECT

://www.weareellisisland.org/pages/the_cause

🔹 🕨 🔀 🗣 Phillips-Van Heusen Corp.

HOME THE CAUSE **OUR STORIES** CAMPAIGN/MEDIA **GET INVOLVED** ARROW APPAREL DONATE LOGIN/REGISTER

BOUT ELLIS ISLAND
OUR VISION
WHO WE ARE
OUR PLAN
WHAT YOU CAN DO

THE CAUSE

THE CAUSE

READ AND WATCH AMERICA'S STORIES OF HOPE AND INSPIRATION

WE ARE ELLIS ISLAND

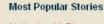
Sometimes called Ellis Island's "forgotten side," nearly 30 hauntingly beautiful buildings on the Island's South Side have been vacant, shuttered, and unseen by the public for well over a half a century. These are the former buildings where immigrants in need of medical attention received care. The buildings 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.











Katharine McPhee Kristin Cavallari John Lloyd Young Manny Chirico



SAVE ELLIS ISLAND PROJECT

HOME THE CAUSE **OUR STORIES** CAMPAIGN/MEDIA **GET INVOLVED** ARROW APPAREL DONATE LOGIN/REGISTER

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

THE CAUSE

ABOUT ELLIS ISLAND

OUR VISION

WHO WE ARE

OUR PLAN

WHAT YOU CAN DO

WHAT YOU CAN DO

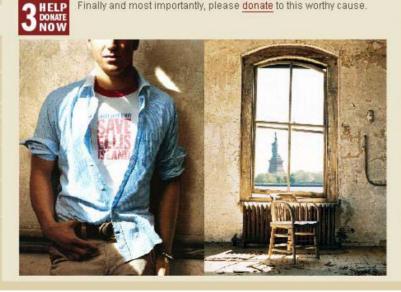


First, share your story of your family's journey through Ellis Island to highlight the hope, courage and inspiration that personifies America.



Second, help spread the news of the campaign to create the greatest public awareness of Save Ellis Island's efforts in raising donations.

Finally and most importantly, please donate to this worthy cause.





GET

A T-SHIRT

DONATE





SPONSORED BY RRO A

AUTHENTIC APPAREL SINCE 1851

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



play again

Send a Message to the Pink Ribbon Marketers

© 2006, Think Before You Pink. a project of Breast Cancer Action



Pink Ribbon Example



A dollar gift on a \$200 purchase is less than one percent-and Eureka caps its annual contribution from the sales at \$250000. Is the company spending more on its "Clean for Cure" ads than it's donating to the cause?



It sounds noble: Buy this vacuum cleaner and Eureka will give a dollar te a breast cancer organization.

But wait. 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 the Cure" ads than it's donating to the cause?

It's not just Eareka. American Express donates a penny per transaction when you "Charge for the Cure." BMW kicks in a buck per mile when you test-drive its cars, which produce chemical compounds linked to breast cancer. Avon lipstick, Yoplait yogurt — the list goes on and on. During Breast Cancer Awareness Month, pink-ribbon promotions are everywhere.

Breast Cancer Action urges you to "thin, before you pink." Will your purchase make a difference? Or is the company exploiting breast cancer to boost profits?

Preventing, curing, and guaranteeing quality treatment for breast cancer will require real change — and not the kind you carry



in your pocket.

Dozens of products of the cosmetics industry contain toxic ingredients that may be linked to breast cancer itself. Is this philanthropy? Or hypocrisy?

© Prof. Chéron (2008)

THE COSMETICS INDUSTRY AND BREAST CANCER

Philanthropy or Hypocrisy?

ctober is breast cancer awareness month, and major cosmetics companies – from Avon and Revion to Estee Lauder – are marketing pink ribbon products to "support the fight against breast cancer."

That might seem like a good thing. But dozens of their products contain toxic ingredients that may be linked to breast cancer itself. Is this philanthropy? Or hypocrisy?

Parapens (PArk-a-pens), used

as preservatives, are endocrine disruptors that mimic the hormone estrogen. And increased estrogen exposure over a lifetime is a proven risk factor for breast cancer.

Phthalates (THAL-ates) help lotions penetrate the skin and make nail polish more flexible. They have been phased out of baby toys

I want to support this work.

ADDRESS		E-MAIL ADDRESS
CTV .	STATE	70
CITY Minka checks or within to BCA :	STATE and used to the orderest of	zie rright. Breast Concer Action is a real

because of an association with birth defects and developmental disabilities. Because phthalates are also endocrine disruptors, concerns have been raised as well about their association with breast cancer.

With safer alternatives available, the past time for the cosmetics giants to phase out these chemicals. In the meantime, they should be clearly listed counce label so consumers can make an informed choice.

After all, corporate conscience belongs in a company's products, not just its marketing.

To learn more about this issue, and what you can do about corporate "pinkwashing," visit www.ThinkBeforeYouPink.org.



Breast Cancer Action 55 New Montgomery St., Suite 323 San Francisco, CA94105 415-243-9301 Tallfree B77-2-STORBC (877-278-6722)