Marketing Communications Role in Shaping Consumer Awareness of Cause-Related Marketing Campaigns

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Received: December 17, 2013 Accepted: January 10, 2014 Online Published: March 24, 2014

Abstract

Cause-related Marketing (C-RM) has received an increasing interest worldwide due to its positive impacts on companies' revenues and reputation. This study investigates the role of marketing communications in shaping consumer awareness of C-RM campaigns. A sample of 397 subscribers who use the services of three mobile service provider in Jordan was used to examine the relationships between consumer awareness of C-RM on the one hand and advertising, public relation, and direct digital marketing on the other. The results indicated that the dominant factor was public relation, including event sponsorships. Additional information about methodology, results and implications are discussed.

Keywords: cause-related marketing, consumer awareness, advertising, public relation, direct digital marketing

1. Introduction

In today's dynamic and competitive environment, companies have to improve their corporate image and trustworthiness in the minds of customers. Cause- related marketing, hereinafter referred to as C-RM, is one of the strategies that enable marketers to do that. C-RM generally refers to marketing practices that involve cooperative efforts between "profit" and "non-profit" organizations for mutual benefit (Beise-Zee, 2011). The fact that C-RM has received the interest of many corporations implies that it has gained an ever-growing popularity among marketers. The problem for many companies is that C-RM campaigns go unnoticed by targeted customers. The purpose of this study is to contribute to the body of research on the C-RM domain through exploring which of the marketing communication elements play the major role in shaping consumer awareness of C-RM campaigns. The paper starts by presenting C-RM literature and research hypotheses followed by the methodology. The last two sections highlight the study results, discussions and implications.

2. Literature Review and Research Hypotheses

C-RM has emerged in the early eighties as a practice of modern marketing that consider corporate social responsibility. One of the first attempts in C-RM was by American Express who supported the Statue of Liberty's reparation through donations based on card usage and commitment (File & Prince, 1998). Since then, C-RM became one of the fastest growing forms of marketing communication, which is reflected in increased expenditures on it. A classical definition of C-RM was offered by Varadarajan and Menon (1988, p. 60) who suggested that C-RM refer to "the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives". According to Hou et al. (2008), when establishing a partnership with a cause, there are a number of options to choose from, it could be related to health, human services, or environmental causes. Kotler and Keller (2012) suggest that C-RM is part of societal marketing, a concept suggesting that a business does not only exist to meet business objectives and satisfy consumer needs, but also to conserve and improve society's long-term best interests. In contrast, Berglind and Nakata (2005) point out that one should distinguish between C-RM and societal marketing, the first one is enhancing a market position of a business, while the second pulls attention to the social cause without any promotion or advertisement; that is why they do not consider C-RM campaigns as a general consciousness raising exercises, but rather as resource generating attempts for specific concerns. Researchers (e.g., Berglind &

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Nakata, 2005; Chen & Hsieh, 2012) and practitioners agree that C-RM has positive impacts on businesses because it builds the brand and enhances the corporate reputation, consequently, improves revenues and profitability. Other benefits from C-RM include generating goodwill and improving the employees' morale and retention.

An important factor in C-RM campaign success is customer awareness. Each day, individuals are exposed to hundreds of stimuli. Therefore, it is important in C-RM to create interesting/exciting stimuli that can shape consumer awareness, which ultimately should lead to the purchase of a product. King (2001) expresses the concern that some C-RM strategies do not give consumers a good reason to know or remember the company; in the end, it is supposed to be marketing not philanthropy, so it is not enough only to justify the cause-fit; it should be accompanied by well managed marketing communications to enhance consumer awareness. Consumers have to be convinced in the credibility of the campaign. Additionally, individuals have their own perception of marketing offerings. According to Blythe (2008), the overall awareness and perception is complex to analyze; it involves combining different sensory inputs, which includes the basic five senses (touch, taste, smell, sight, and hearing) in addition to the sense of direction and sense of balance; each sense provides information to the brain. Blythe (2008) further adds that when individuals constructs a perception, they assemble information to map what is happening, this mapping will be affected by subjectivity (the existing world view within the individual), categorization (the prejudging of events and products), selectivity (the degree to which the brain selects from the environment), and finally expectations and past experience that leads individuals to information interpreting.

C-RM campaigns employ several marketing communications elements to achieve its objectives. For example, it could be based on advertising when business aligns itself with a particular cause and uses its advertising to communicate the cause's message, or it could use public relations through attracting press and public attention to a partnership between a business and a nonprofit organization or corporate sponsorship of a particular program or event (Goi & Yong, 2009; Stole, 2006). Following is a brief overview of how the major elements of marketing communication mix could influence consumer awareness of C-RM.

The first element to be examined is advertising, which is perceived as an important vehicle for generating sales and enhancing the product or service recognition in a market (Parka & Jangb, 2012). Advertising is also important for creating awareness of products and building attitude or preferences towards the corporation as a whole, since it has the ability to communicate with large numbers of people at one time. Based on that, advertising effect can be translated as:

H1: There is a statistically significant effect of advertising on consumer awareness of cause-related marketing campaigns.

The second element in the marketing communication mix to be considered is public relation (PR) activities such as press releases, speeches, and sponsorships. PR is considered important to the corporation boundary spanning roles and responsibilities, it is viewed as the management of communication between an organization and its public (Pride & Ferrell, 2011), which can benefit companies through enhancing its image, reputation, profit and increasing exposure, awareness, support and funds for their activities (Tindall, 2007). Accordingly, public relation effect can be translated as:

H2: There is a statistically significant effect of public relations on consumer awareness of cause-related marketing campaigns.

The final element is direct digital marketing, which is described by the American Marketing Association (AMA) as the method that provides relevant marketing communications that are addressed to a specific individual with an email address, a mobile phone number or a Web browser cookie. Previously, Traditional direct marketing used individual's postal address. The rapid emergence of the internet and the proliferation of mobile phones and other new technological devices have created new marketing channels. These technologies offer significant opportunities for marketers to reach customers at anytime and anyplace (Shaltoni, 2006). Concerning mobile marketing, there is a set of information practices for guiding consumers which include: notice and awareness, choice and consent, access and participation, and integrity and security by means of strong encryption, enforcement, and aid (Cleff, 2010). Also, E-marketing, particularly E-mail based, provide significant agent of marketing communication particularly for companies pursuing to build and uphold closer relationships with customers (Chadwick & Doherty, 2012). Similarly, social networking sites such as Facebook and Twitter became a new medium for Word-of-Mouth. Indeed, the growth of these sites has guided content and discussions that can create powerful communities and facilitate the interactions of people with common interests. Based on the above, direct digital marketing effect can be translated as:

H3: There is a statistically significant effect of direct digital marketing on consumer awareness of cause-related marketing campaigns.

3. Methodology

To examine the study hypotheses, data have been collected using a survey method. The research population included all subscribers who are active in using the mobile phone services in Jordan, as the three suppliers of the service are: Zain, Orange, Umniah. The mobile telecommunication services industry was chosen because the companies mentioned above spend large amounts of their budgets on marketing communications, including C-RM. Also, these companies are easier to be recognized by respondents since they deal with them on a continuous basis (Al-Dmour & Alshurideh, 2008). Self administrated questionnaires were handled to a random sample of 800 respondents, 450 of which were collected back, noting that 53 questionnaires were excluded because of their inadequacy for statistical analysis (incomplete or same answer to all questions), which reduced the number of respondents to be used in the analysis stage to 397. Therefore, the effective response rate in this study was 49%. Such rate is considered high and can be explained by the delivery method of the questionnaire bearing in mind that researchers tried to minimize their contact with respondents during data collection stage to reduce the effect of interviewers' bias.

The questionnaire was developed in a set of stages. First, exploring the literatures in order to specify the variables and their measuring items/scales, this resulted in the preliminary questionnaire which was presented to academic scholars who gave feedbacks about it. After that, a pilot study was performed by disseminating questionnaires to a convenience sample. No problems were detected. The questionnaire consisted of both closed-end questions. 5 point Likert scale of extremity ranging from 1, "strongly disagree" to 5, "strongly agree" was used for all survey items. Reliability of the scales was examined using Cronbach alpha. Concerning validity, the items used in the scale were gathered from established literature (e.g., Moosmayer & Fuljahn, 2010; Varnali et al., 2012). Also, the scholars' feedbacks and pilot study enhance the validity. Different descriptive and inferential statistical techniques were used to examine the data, descriptive statistics to identify the characteristics of the population, while inferential statistics were used to test research hypotheses. In more details, relationships between each marketing communications' elements and consumer awareness of C-RM campaigns were examined separately using correlation analysis to identify strength and direction. More importantly, multiple regression analysis was used to identify which of different elements has the strongest relationship with C-RM campaigns.

4. Findings and Discussion

The results showed that 44% of respondents were male and the majority was between 18–25 years (61%). Besides, the majority of respondents were holding bachelor degrees representing 80% of the total sample. With regards to reliability, the Cronbach alpha coefficient for each study item was examined and the reliability coefficients' results of all the study variables were above the cutoff point 60% of alpha (advertising 62%, direct digital marketing 73%, and public relation 78%, C-RM awareness 74%). The correlation analysis, which was conducted using SPSS, showed that all the marketing communication mix elements have positive relationships with consumer awareness of C-RM campaigns. Details are provided in table 1.

Table 1. The relationships between marketing communications elements and consumer awareness of C-RM campaigns (Pearson correlation)

	Advertising	Direct digital marketing	Public relation
Consumer awareness of C-RM campaigns	.352	.354	.483
Significance	.00	.00	.00
Responses (N)	397		

Concerning Multiple Regression analysis, the results were slightly different, both public relation and direct digital marketing had significant relationship with consumer awareness of C-RM campaigns at the .00 level, with public relation having the biggest impact. In the case of advertising, the results were only significant at the .05 level. Based on these results, second and third hypotheses are supported while hypotheses one is partially supported, details are provided in table 2. This contradiction can be statistically explained on the basis of Tabachnick and Fidell (2001) argument who suggested that in multiple regression, it is possible for a variable to be insignificant in the solution even if it correlates with the dependent variable. In other words, if the area of that

correlation is whittled away by other independent variables, the unique contribution of the independent variables has been often very small despite a substantial correlation with the dependent variables.

More specifically, with regards to public relation, the results comply with previous studies (e.g., Cornwell & Maignan, 1998, Polonsky & Speed, 2001, O'Reilly & Horning, 2013) which confirm the important role of public relation, particularly sponsorship of events, in shaping consumers' awareness and knowledge whenever it is employed in marketing campaigns. However, it is important to keep in mind that a certain degree of balance is needed because the public can be opposed to C-RM campaigns that are based on insincerity, ambiguity and opacity (Tustin & Pienaar, 2005). Concerning advertising, the findings denote that audience may give attention to corporations which use advertisement that is attached to a specific social cause (Morton, 1999). However, the relatively little role of advertising, as suggested by the results of this study, can be explained by the low level of advertising credibility among final consumers and the impact of advertising irritation (Çelebi, 2007; Rant & O'Donohoe, 2007). With regards to direct digital marketing, the results are in line with previous studies (e.g., Winer, 2009; Ivanov, 2012; Chadwick & Doherty, 2012) that highlighted the importance of electronic communication methods, particularly E-mail and SMS, in building and upholding closer relationships with customers. A summary of the hypotheses testing results is provided in Table 3.

Table 2. The relationships between marketing communications elements and consumer awareness of C-RM campaigns (multiple regression)

Model	R	R Square	Adjusted R Squar	e F	Sig.		
1	.525a	.275	.270	49.751	.00		
Model			Unstandardized Coefficients		Standardized Coefficients	t	Sig.
			В	Std. Error	Beta		
	(Constan	t)	1.230	.205		6.008	.00
1	Advertis	ing	.101	.063	.085	1.619	.041
	Direct di	gital marketing	.167	.046	.179	3.646	.00
	Public re	lation	.412	.055	.377	7.506	.00

Table 3. Hypotheses testing results

Hypothesis	Result
H1: There is a statistically significant effect of advertising on consumer awareness of cause-related	Partially supported
marketing campaigns	
H2: There is a statistically significant effect of public relations on consumer awareness of cause-related	supported
marketing campaigns	
H3: There is a statistically significant effect of direct digital marketing on consumer awareness of	supported
cause-related marketing campaigns	

5. Conclusion and Implications

The findings of this study confirmed the expected relationships between marketing communication elements and C-RM campaigns. Concerning the strength of relationships, public relation activities had the strongest explanatory power/impact as suggested by Beta coefficient (see table 2), this was followed by direct digital marketing and finally advertising. Overall, C-RM must be an essential part of the corporation's marketing plan and must be integrated into its marketing communications strategy. From practitioner's perspective, it is suggested that corporations should adopt marketing communication strategies that focus on providing a set of public relation activities to increase the levels of consumer awareness of C-RM campaigns. Moreover, marketers should take more care of C-RM campaigns and direct more organizations' resources and capabilities towards benefiting their customers as much as possible. Through integrated marketing communication activities, a successful campaign offers an effective way to increase consumers' awareness of C-RM campaigns. In addition to focusing on public relation activities, companies should encourage styles that increase the usefulness of direct digital marketing as it has become prevalent and widely used by consumers segments. In other words, more C-RM campaign should take place in the cyberspace, particularly online communities, in order to broaden the area of customer participation to express their awareness levels of CRM campaigns.

This study provides essential insights into marketing communications and C-RM. However, results and conclusions must be put in the context of the potential limitation and directions for future research. In brief, this study was conducted with the service sector only in one of the developing countries. Therefore, future studies might consider other business sectors such as Fast-Moving Consumer Goods (FMCG). Also, comparisons of the results from others countries may expand the understanding of the impact of different cultures on C-RM awareness. It will also be interesting to get managers/decision makers views on the role of marketing communications in C-RM campaigns using qualitative methods. Applying the research in different research settings should reinforce the generalizability of the results.

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