Cause-related marketing in international business: concept, context and practice
Cause-related marketing: from notion to practice

At its heart, cause-related marketing (CRM) is a natural extrapolation of the core marketing philosophy, as it has developed over the decades and has been applied in the societal context. And while one may misconstrue CRM as the ultimate philanthropic tool, he/she would probably be wrong because mere philanthropy is unidirectional and, by nature, economically unbalanced. Contrariwise, CRM is not a philanthropic tool, but a business one. And though this may be perceived in a more cynical context, it is, in fact, a concept that allows true exchange of values between its primary stakeholders (the organization, society and consumers). It is, thus, multidirectional and inherently economically balanced, which ensures viability, notion and sustainability and, ultimately, long-term application with multiple benefits to multiple parties. CRM, therefore, far more than a fashionable term of contemporary business, is a notion, concept, philosophy and practice whose irrevocable presence within and adjacent to marketing needs to be studied, understood and developed. International marketing applications of CRM, especially, like other marketing concepts and practices, cannot be viewed as simply an extension of local ones, but at a grander scale. And this is particularly true for CRM, whose value exchange is based on the collective consumers’ societal sensitivities, on the one hand; and on the other, on the individuals’ perception of affective reward gained through the process.

Taking things from their historical start, while profit and other financial metrics such as return on investment and growth remain important concerns for many firms (Duarte and Silva, 2018), social and environmental aspects of doing business, especially in the international business context, have recently been gaining increased attention (Chen and Huang, 2016). The galloping globalization and intensely competitive business environment have driven organizations to search for unique ways (Vries and Duque, 2018) that will enable them to connect more closely with the customers (Kull and Health, 2016). And a key to achieve that is perceiving the world as one of networked connections, with consumers who are no longer isolated individuals and who are connected not simply at the practical/functional level, but also at the affective and societal one (Beckmann et al., 2006; Moosmayer and Fuljahn, 2010; Vrontis et al., 2017; Ferraris et al., 2019). And as they gain greater access to new interactive communication tools (Nelson and Vilela, 2017), they are transforming from passive to active/selective value takers (Duarte and Silva, 2018), but with greater social awareness than ever (Bonetto, 2015; Laroche, 2017). Currently, they are more aware of companies’ behaviors (Choi et al., 2016) and significantly value their ethical aspects (Bonetto, 2015; Choi et al., 2016; Laroche, 2017). This is especially true for millennials (Eastman et al., 2019), who place increasing value on corporate social responsibility (Choi et al., 2016). In this vein, organizations have recognized the importance of creating an exceptional customer experience (Signori et al., 2019) by being more socially responsible, as it helps the organizations to differentiate themselves and gain competitive advantage (Christofi et al., 2013; Ferraris et al., 2019).

One such way is through a CRM strategy, which has become a popular strategic positioning (Vanhamme et al., 2012, Varadarajan and Menon, 1988; Wei et al., 2020) and marketing tool toward fulfilling firms’ corporate social responsibility (CSR) initiatives in today’s global market (Barone et al., 2000; He et al., 2019; Xu and Zhou, 2020). The practice particularly of international CRM has increased exponentially during the last decades, with more and more companies engaging in it (Koschate-Fischer et al., 2012; Roggeveen and Beitelspacher, 2019). CRM can be defined as a form of interorganizational collaboration.
(Hadjikhani et al., 2016) that supports health, environmental protection (Singh et al., 2011; Grolleau et al., 2016) or other relevant causes by donating part of business profits (Grolleau et al., 2016) or simply marketing with a worthy cause (Lafferty et al., 2016). Hence, when consumers purchase a “cause-related” product (Krishna, 2011; Robinson et al., 2012; Andrews et al., 2014; Grolleau et al., 2016), they are concurrently motivating a company donation to an environmental or socioeconomic cause (Koschate-Fischer et al., 2016). This allows consumers to feel better about their purchase decisions and about themselves (Bonetto, 2015; Choi et al., 2016; Laroche, 2017).

Elucidating the international CRM concept and context

The concept of CRM was initially developed, at least prominently so, by Jerry Welsh, executive vice president of worldwide marketing and communications for American Express, with the launch of the American Express Statue of Liberty Restoration campaign in 1983 (Lafferty et al., 2016; La Ferle et al., 2013). Since then the concept became widely adopted by companies all over the world (Varadarajan and Menon 1988; Natarajan et al., 2016). Varadarajan and Menon (1988, p. 60) firstly introduced the term CRM in which they considered it as “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.” CRM is classified as a type of CSR initiative (Chatzoglou et al., 2017; Ferraris et al., 2019) driven by the consumer demand for companies to be socially responsible (Howie et al., 2018). Nevertheless, a wide variety of different definitions of CRM coexist today (Vanhamme et al., 2012), having in common the fact that both the profit-driven company and the cause must benefit from the campaign. In summary and essence, CRM allows companies to engage and connect with various stakeholders, and hence it can help to build, develop and maintain mutually advantageous relationships (Adkins, 2000; Duarte and Silva, 2018).

Over the last 20 years, CRM has evolved from a niche marketing tool (Lafferty et al., 2016) into an established and prevalent form of corporate philanthropy (Chen and Huang, 2016). In practice, numerous successful collaborations between brands and causes have been recorded as raising significant funds in this manner for nonprofit organizations (Singh et al., 2011; Grolleau et al., 2016). In addition, benefits like brand-building, improving corporate reputation and legitimacy (Phillips et al., 2002; Ferraris et al., 2019) and (more tangibly) generating revenues are noted by business managers and scholars; while heads of nonprofit organizations appreciate the increased funding for, as well as heightened public receptivity to their causes (Christofi et al., 2018; Roggeveen and Beitelspacher, 2019). Consequently, CRM has become a strategy widely adopted by hundreds of major companies all over the world (Grau and Folse, 2007; Natarajan et al., 2016) as means to promote sales and enhance companies’ reputation and loyalty (Krishna, 2011; Grolleau et al., 2016; Santoro et al., 2019).

Despite, however, businesses’ expansion of international/global operations, CRM has not been proportionately and/or adequately studied in an international marketing perspective. And yet, it is vital to consider how CRM by multinational corporations (MNCs) might be perceived by consumers (Bignon et al., 2012), as the needs of consumers can vary significantly across nations and cultures (Strizhakova and Coulter, 2019) with substantially different social expectations and perceptions of CRM (Santoro et al., 2019). Only a few of studies have really examined cross-cultural differences in consumers’ responses to CRM (La Ferle et al., 2013; Choi et al., 2016), and researchers have identified some clear cultural patterns regarding CRM strategies in international business contexts. In this vein, effective implementation of CRM can be more challenging for MNCs than local rivals (Choi et al., 2016; Kull and Heath, 2016; Kumar et al., 2017; Laroche, 2017; Nelson and Vilela, 2017; Vrontis et al., 2017). MNCs must be
highly sophisticated in their international operations (Vrontis et al., 2009) and culturally intelligent (Mo et al., 2019), while developing effective CRM campaigns for foreign markets (Delistavrou et al., 2019).

In addition to these, having the right fit between the company’s brand, cause and the culture is critical (Lee et al., 2012). When the right partnership is formed (Matarazzo et al., 2019) and the brand message is aligned closely with the local culture (Liu et al., 2019), it improves consumers’ attitudes toward CRM campaigns and increases consumers’ intention to purchase (Kull and Health, 2016). Moreover, consumers’ perceptions of the corporate motivation for engaging in the cause influence their brand choice (Bigné et al., 2012), and consumers’ perceived novelty of the cause affects their evaluation of the CRM campaigns and the firm itself (La Ferle et al., 2013). Thus, the credibility of CRM campaign is important for its success (Singh et al., 2009; Christofi et al., 2018; Duarte and Silva 2018; Bigné et al., 2012), which is markedly dependent on customer’s engagement (Rosado-Pinto and Loureiro, 2020). Further, researchers have demonstrated that the importance of communicating commitment to support a social cause (Guerreiro et al., 2016) can not only positively influence consumers’ perceptions of a company (Chang and Chu, 2020) but it also gives customers the opportunity to sense (Natarajan et al., 2018) that they are making a difference through purchasing cause-related products (Christofi et al., 2018). The influence of CRM, thus, becomes powerful since cause involvement increases the consumer level of personal connection with social cause.

A basic supposition has been that when it works efficiently, CRM is substantially beneficial for everyone. Resulting in a win-win-win situation, for the organization, the nonprofit organization and the public (Ferraris et al., 2019). For the organization, CRM campaigns enhance brand awareness (Matarazzo et al., 2019), boost corporate reputation, improve corporate and brand image and influence customers’ attitudes and purchase behavior (Hoeffler and Keller, 2002; Koschate-Fischer et al., 2012; Lafferty et al., 2004; La Ferle et al., 2013; Larson et al., 2008; Liu, 2013; Nan and Heo, 2007; Vanhamme et al., 2012; Varadarajan and Menon, 1988). Especially if the consumer esteems the cause as related to his or her life (Youn and Kim, 2008). Furthermore, a CRM campaign can enhance the attractiveness of the firm to potential employees (Wei et al., 2020) and improve employee productivity, engagement and morale (Gourville and Rangan, 2004; He et al., 2019; Roggeveen and Beitelspacher, 2019). Further to the aforementioned benefits, organizations can also earn other benefits from the CRM campaign, like brand recognition/awareness and preventing negative publicity (Xu and Zhou, 2020).

In the non-profit organization’s perspective, the main benefit of a CRM campaign is the inflow of financial and/or physical resources (Duarte and Silva, 2018). Other benefits, though, do exist and include the heightened public awareness and enhanced image (Wei et al., 2020) and favorable publicity (Ferraris et al., 2019). Overall, these benefits can lead to increased commitment to the cause (Wei et al., 2020), thereby boosting the number of volunteers. Eventually, CRM provides consumers a sense of extra perceived value (Natarajan et al., 2018) that satisfies a need or want, but also the satisfaction of supporting a worthy cause (Strahilevitz and Myers, 1998; Altintas et al., 2017; Ferraris et al., 2019).

The special issue content (part II)
In the spirit of the above, this special issue of the International Marketing Review comprises nine articles that constitute a valuable collection of insights on “what does and what does not work in international business” in the context of CRM. The works/articles purposefully cover an array of theoretical, industry and geographic contexts; and individually and collectively aim to identify and shorten the gap in knowledge regarding international CRM.

The article “Cause-related marketing and service innovation in emerging country healthcare: Role of service flexibility (SF) and service climate” by Pradeep Kumar, Sanjay
Kumar Singh, Vijay Pereira and Erasmia Leonidou, aims to identify the constituents of CRM capabilities in the context of an emerging market healthcare sector. The authors apply a quantitative study of healthcare professionals to assess the relationships utilizing PLS-SEM. The study confirms the mediating mechanism of SF between CRM capabilities and service innovation. Furthermore, findings from the study suggest that service climate positively moderates the relationship between CRM capability and SF. The study provides an integrative framework that includes CRM capability, service innovation, SF and service climate and enhances the understanding of the constituents of the CRM capabilities and their influence on service innovation.

“Joining forces for doing good: getting the international cause-alliance right” is another article, by Casey E. Newmeyer, Efua Obeng and John Hulland, which discusses cause marketing and corporate social responsibility literatures, drawing on “brand alliance”. The authors apply an extensive and thorough theoretical research to identify and elucidate on the many forms of alliances and to investigate the extent to which brands are integrated. The authors subsequently use these implications to develop a framework that guides managerial decision-making for both for-profit companies and causes when forming such alliances. The study suggests that to effectively develop international cause alliances, the organization involved must be aware of the challenges and potential benefits that these partnerships produce.

Constantinos-Vasilios Priporas, Irene (Eirini) Kamenidou, Nga Nguyen and Riad Shams co-author the article “The impact of the macro-environment on consumer scepticism toward cause-related marketing; Insights from an economic crisis setting”, which explores how the macro-environment influences consumer scepticism toward cause-related marketing, especially within a turbulent economic setting. Through a qualitative, interview-based approach, they interestingly find that respondents hold a strong scepticism toward CRM campaigns and they are more negative toward CRM campaigns initiated by foreign enterprises as compared to the domestic ones. The research contributes to the existing literature of CRM, as it is the first study that explores the impact of macro-environmental elements on consumer scepticism toward CRM within an economic turbulence setting.

The wider topic of this special issue is further explored in the context of millennial consumers, through the paper “Ethical standards and perceptions of CRM among millennial consumers” by David Cosgrave and Michele ODwyer. The study explores the millennials’ perceptions of cause-related marketing in international markets, through the lens of an ethical continuum. The authors follow a qualitative research approach to build the theory needed in order to address the research gap. Utilizing data collected through semi-structured interviews with 155 undergraduate and postgraduate students, representing 17 nationalities the authors argue that discrepancies exist between millennial consumers when it comes to ethical self-reporting, perceptions of CRM initiatives, choice criteria of CRM offers and purchase intentions. It is also suggested that there is a relationship between the religious and ethical beliefs of millennials in certain regions in the CRM context.

The article “Cause-related marketing, legitimacy and internationalization of professional service firms: A case study of a football talent scouting microfirm” by Ahmad Arslan, Ismail Golgeci, Lauri Haapanen, Shlomo Tarba, Cary Cooper and William Y. Degbey addresses the role of legitimacy in internationalization to Africa of a Finnish professional service microfirm, which uses CRM as the business model. The authors use semi-structured interviews to collect founders’ insights to the issue being addressed. The authors found that socio-political legitimacy plays a major role in dealing with African footballers and local stakeholders, while cognitive legitimacy helped the case firm gain the trust of European football clubs. The research contributes to extant CRM and internationalization literature by being one of the first to analyze a firm whose business model actually revolves around CRM and by
discussing specific roles of different kinds of legitimacies needed for internationalization to Africa in this specific service sector.

“Familiarity and format: cause-related marketing promotions in international markets” by Sangeeta Singh and Lola C. Duque demonstrates cause-related marketing promotions as a brand-oriented international market entry strategy that can leverage an unfamiliar brand in a new international market. The research is undertaken through two studies. The first uses a sample collected on Amazon’s MTurk, whereas the second is undertaken in the “real world” with participants from Norway. The first study shows that presenting the donation explicitly vis-à-vis the price makes a less familiar charity produce the same trustworthy effects as that of a well-known charity. The second study shows that it strengthens utility from the transaction and weakens scepticism of CRM promotions to impact brand evaluations. The study contributes to strengthening knowledge on donation-price formats, offers brands entering international markets a singular way of gaining credibility and competitive advantage and empirically confirms the proposed outcomes of a theoretical model for promotions.

Geographically shifting to the paradigm of France, “Effects of cause-related marketing campaigns on consumer purchase behavior among French millennials: A regulatory focus approach” by Judith Partouche, Saeedeh Vessal, Insaf Khelladi, Sylvaine Castellano and Georgia Sakka investigates the effects of cause-related marketing campaigns on consumer purchase behavior among French millennials, contrasted with their international counterparts. Based on the regulatory-focus theory, the authors conducted three experimental studies among French millennials. Their results reveal a French millennials’ favorable attitude and greater purchase intention for products carrying CRM messages; thus displaying similarities with American and Dutch millennials. When exposed to CRM advertising with promotion messages for hedonic products, French millennials, similarly to their South African and American counterparts, show greater purchase intentions, exhibiting cause sensitivity with hedonic products to reach aspirational goals. The research shows that to improve CRM effectiveness toward millennials, firms must ensure the consistency between the causes, types of messages and products, while CRM campaign efficiency is enhanced when promoted by brands, thereby increasing millennials’ engagement toward the causes.

This article “International Social Entrepreneurship and Social Value Creation in Cause-Related Marketing through Personal Relationships and Accountability” by ___________ draws on the “resource based view” and the literature on relational embeddedness and network ties to examine how personal relationships of international social entrepreneurs and accountability of social enterprises influence social value creation in the CRM of three UK-based international charities. The findings revealed through the case study method highlight the importance of personal relationships between charity and commercial organizations across borders closely allying corporate social responsibility. In international social entrepreneurship, social value creation is facilitated by accountability of social goals while trust-based personal relationships assist access to commercial opportunities.

Finally, the article “An assessment of the Literature on Cause-Related Marketing: Implications for International Competitiveness and Marketing Research” by Demetris Vrontis, Michael Christofi and Constantine S. Katsikeas applies a systematic review to critically examine the state of academic research on CRM. In this context, 105 journal articles, published over the past 30 years have been analyzed and the results highlight that the current knowledge on cause related marketing is characterized by persisting knowledge gaps, conflicting empirical results, theoretical inconsistencies, as well as by the absence of international marketing research on the CRM domain. To this end, the authors develop an ambitious research agenda that addresses a number of promising research paths embracing different international perspectives.
References


Further reading