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Cause-related marketing strategy types: assessing their relative effectiveness

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Abstract
Purpose – The purpose of this paper is to investigate the effect of four types of cause-related marketing (CRM) strategies on consumer responses to a fashion brand and to assess the relative effectiveness of each.

Design/methodology/approach – An experiment was conducted with young adult consumers (n = 344) and undergraduates (n = 415). Using a between-subject design, each participant was randomly assigned to one of four CRM scenarios and completed a questionnaire.

Findings – Across all CRM conditions, the effect of CRM strategy on consumer responses (e.g. perceived brand distinctiveness/credibility/attractiveness, customer–brand identification, brand attitude, customer loyalty) was significant. The effect of corporate social responsibility image on perceived brand distinctiveness was strongest for cause-related event marketing, followed by cause-related experiential marketing, transaction-based CRM and sponsorship-linked marketing.

Practical implications – By providing information about the relative effectiveness of four types of CRM strategies, this research aids fashion marketers in their selection of the CRM strategy that generates the best performance. Adding an event component to their CRM activity would increase the effect of CRM strategies on consumer responses.

Originality/value – This research contributes to the extant literature on CRM by identifying types of CRM strategies, their relative effectiveness, and key variables (e.g., C–B identification) that explain the impact of CRM strategies on consumer responses.

Keywords – Cause-related marketing type, Customer-brand identification, Fashion brand distinctiveness, Fashion brand credibility/attractiveness, Fashion brand attitude, Customer loyalty

Paper type – Research paper

1. Introduction
Over the past decade, corporate social responsibility (CSR) has evolved from a “nice-to-have silo” to a “fundamental strategic priority” for businesses (McPherson, 2017). CSR as a concept refers to the idea that corporations should take responsibility not only for the economic consequences of operating a business but also for any impacts that the business has on social and environmental issues (Australian Human Rights Commission, 2008). One strategy that falls under the umbrella term of CSR is cause-related marketing. Cause-related marketing (CRM) involves mutually beneficial cooperative efforts between a company and a non-profit organization (NPO) designed to promote the company’s sales and the NPO’s cause (Grantspace.org). CRM impacts consumer’s behavior as the 2017 Cone Communication CSR report noted 87 percent of US consumers are likely to purchase a product from a business that advocated for issues they cared about. Then, can companies “do well by doing good” through strategically practiced CRM?

Companies engage in CRM for several reasons such as improving their image (Vanhamme et al., 2012), enhancing consumer’s attitudes (Melero and Montaner, 2016) and increasing customer loyalty (Park et al., 2017). Consumers also directly benefit from companies that engage in CRM initiatives. Participating in a brand’s CRM can result in consumers’ experiencing positive emotions as well as enhancing self-perceptions.
Consumers can also fulfill self-definitional needs via customer identification with a company that implements a CRM strategy (Currás-Pérez et al., 2009).

Marketers have utilized different types of CRM including donating a portion of their profits from the sale of a particular item or participating in social media campaigns for raising awareness (Causegood.com). A substantial amount of research on CRM exists, yet, unknown is the extent to which different CRM types may vary in their effectiveness as well as the identification of concepts (e.g. perceived brand distinctiveness) that might explain such differences. Thus, our research purposes were to assess the effect of four CRM strategies (i.e. sponsorship-linked marketing, transaction-based CRM, cause-related “event” marketing, cause-related “experiential” marketing) on consumer responses (i.e. perception, attitude, behavioral intention) to a fictional fashion brand and to assess the relative effectiveness of each type. The results provide marketers information that can shape their selection of a CRM strategy that generates the best performance for their business and identify aspects of consumer behavior (e.g. perceived brand attractiveness) that are impacted by utilizing CRM strategies.

2. Related literature
2.1 Types of CRM strategies
Different types of CRM strategies exist as researchers have investigated different forms of CRM and have labeled at least some of these marketing approaches (e.g. Cornwell and Coote, 2005). After reviewing the types of CRM that have been investigated by researchers as well as those that have been utilized by marketers, four types of CRM strategies were identified and included: sponsorship-linked marketing, transaction-based CRM, cause-related “event” marketing and cause-related “experiential” marketing.

2.1.1 Sponsorship-linked marketing. Sponsorship-linked marketing is defined as “the orchestration and implementation of marketing activities for the purpose of building and communicating an association to a sponsorship” (Cornwell, 1995). The company donates first to an event and then consumers are expected to have a positive attitudinal or behavioral response to the company as a result of learning that the company has made such contributions (Cornwell and Coote, 2005). Consumers are not involved in any of the decision-making processes regarding the donation or any activities related to the cause. Thus, consumer’s support of a cause is indirect, passive and limited. An example is the Italian luxury brand Giorgio Armani. This brand supplied resources for the charity Gala dinner show in Milan. The show raised funds for the Novak Djokovic foundation supporting early childhood projects (www.wwd.com).

2.1.2 Transaction-based CRM. Transaction-based CRM is a conditional donation wherein a company donates money to a charity after a consumer makes a purchase (Cornwell and Coote, 2005; Grahn et al., 1987). The company’s contributions to the cause depend on the actions of consumers (Seitanidi and Ryan, 2007). However, all donation-related details are decided by the company and consumers do nothing except purchase a product. Fashion companies actively participate in this type of CRM. For example, as a participating member of the “Pink Ribbon” campaign, the US-based cosmetic company Estee Lauder developed a special product line (e.g. pink-ribbon lip set). Part of the profits are donated to a breast cancer research foundation (www.esteelauder.com). Donations of non-monetary resources can also be made. Under the global re-forestation campaign “Plant-A-Tree”, the US-based cosmetic brand Origins plants a tree when its limited-edition skin-purifying product is sold (www.origins.com).

2.1.3 Cause-related “event” marketing. Consumers are “hungry” for brands that they can engage with to actively share their viewpoints on social issues (Hessekiel, 2018). Event marketing enables consumer involvement. Event marketing is “the practice of promoting the interests of an organization and its brands by associating the organization with a specific activity” (Shimp, 1993, p. 8). An example is Michael Kors’ “Watch Hunger Stop” event. In partnership with the United Nations, the company asked participants to use
their website to create digital T-shirts with messages about what they want to do to make the world better. The company donated 50 meals to children in need for every T-shirt posted (www.michaelkors.com).

2.1.4 Cause-related “experiential” marketing. Companies adopting this CRM strategy offer events that are “extremely significant and unforgettable for the consumer immersed into the experience” (Caru and Cova, 2003, p. 273). Although an experience component is also implemented in event marketing, consumer’s involvement or immersion in an experiential event is significantly stronger than in event marketing. According to Schmitt (1999) and Gentile et al. (2007), experiential marketing creates diverse types of experience: sensory (e.g. sound, sight, taste, smell), affective, cognitive (e.g. problem-solving), action (e.g. physical) and relationships (e.g. connecting with others). Experiential marketing benefits companies as it features lived events and shared experiences that facilitate emotional bonds between consumers and company representatives (Wohlfeld and Whelan, 2006) as well as enables the development of beliefs about the company or its product offerings (Schmitt, 1999).

An example is TOMS shoes’ “One Day Without Shoes” event. By participating in the event, consumers have a sensory experience (e.g. feel the ground) by living one day without wearing shoes. Consequently, consumers could empathize with the millions of children in Africa who do not have shoes to wear as well as interact with other event participants (www.toms.com).

Companies engage in different types of CRM strategies and consumers differ in their response (Lii et al., 2013). Thus, consumer’s perceptions of each type of CRM strategy can result in different attitudinal and behavioral decisions relative to the company or brand implementing that strategy.

2.2 Realms of experience and CRM strategies

Pine and Gilmore (1998) proposed one way to differentiate from one’s competitors is to create consumptive experiences. They developed four realms of experience using two bi-polar dimensions (low vs high): customer participation (or involvement) and connection. If participation is high (active participation) the marketer and customer interactively create an event or performance together and customers are actively involved in it (e.g. dancing at a festival). If participation is low (passive participation) customers are inactively involved in the performance (e.g. watching a music performance). Participants experience the event as observers or listeners. The second dimension of connection refers to the environmental relationship between customers and the event/performance. At one end of this dimension lies absorption (low connection) and at the other lies immersion (high connection). For example, people watching “Jurassic World” in a 4DX theater with a large screen, motion seats, environmental effects (e.g. water, wind, scent) and stereophonic sound are immersed in the sounds and smells as compared to people watching the film on video at home.

Pine and Gilmore (1998) proposed that experience can be classified into four broad categories (named four realms of experience) based on where it is positioned within these two dimensions (e.g. “Escapist”: active participation–immersion; “Educational”: active participation–absorption; “Esthetic”: passive participation–immersion; “Entertainment”: passive participation–absorption) (see Figure 1). As the consumer experience represented by each of the CRM strategies varies in customer participation and in connection, each of the strategies could be categorized into one of these realms of experience. Correspondingly, customer participation and connection could be useful in explaining any differences in the effectiveness of the CRM strategies investigated.

“Entertainment” experiences include activities that are engaged in passively such as watching television. Connection with the performance is also inactive. “Educational” experiences involve active participation, but people can still be outside of the event (absorbed). An example is attending a cooking show. Regarding participation level, attending an offline cooking show wherein participants can ask the chef questions involves more participation than watching a cooking show on TV. However, concerning connection level, participants are still less immersed
in the activity when only watching as compared to people who actually cook in a cooking class. During an “esthetic” experience people are immersed in an event but their participation is inactive. This category is exemplified by a tourist who is viewing the Rocky Mountains from a helicopter (immersed) as opposed to viewing a video of the mountains (absorbed). Yet, the tourist’s involvement in the activity is passive compared to people who actually climb the mountains. “Escapist” experiences involve active participation as well as immersion. An example is building a house. Participants are immersed in the physical action of building and can actively engage in discussions about construction.

Applying Pine and Gilmore’s (1998) realms of experience to the four types of CRM investigated (see Figure 1) we see that in sponsorship-linked marketing, consumers passively receive messages about a company’s sponsorship from the mass media, thus, consumer participation is low and connection is low. In transaction-based CRM, consumer’s participation level is higher than sponsorship-linked marketing, however, it is still passive as consumers do nothing other than purchasing. Consumer’s connection level is also on the absorption end of the spectrum. In cause-related event marketing, participation is active because individuals move beyond simple purchasing. For example, consumers who participate in the Clinique Happy Day event create an e-card in the brand’s Facebook site and donate $1 for each card sent. They engage in thinking about the cause and exert effort as they make decisions regarding their donation. However, the connection level is lower than for cause-related experiential marketing. For example, people who participated in an event by logging onto a Facebook site would be less immersed in the experience than people who participated in a walking or running event for charity. Finally, cause-related experiential marketing reflects active participation and high connection (immersion). When consumers participate in the “Pink Ribbon Walk and Run” to raise money to support a cause, they are actively engaged and immersed because they are willing to commit a significant amount of time as well as physically exert themselves.

2.3 Effect of selected CRM strategies on consumer responses
Researchers have investigated the effect of CRM strategies on consumer responses. Currás-Pérez et al. (2009) investigated the effect of CSR using Spanish consumers of toiletry and cosmetic brands. According to their research model, CSR image, generated by a brand’s socially responsible act(s), influences consumer’s perceptions of brand prestige/distinctiveness/coherence and brand attractiveness. These brand perceptions influence customer–company (C–C) identification. C–C identification subsequently influences consumer’s attitude toward the brand and purchase intention.

A brand’s prestige refers to the status that consumers believe a brand has achieved. A brand’s distinctiveness is the degree to which a particular brand is different from other brands.

**Figure 1.**
Pine and Gilmore’s (1998) realms of experience and application in four types of CRM strategies.
A brand’s coherence refers to consumer’s perception of how the traits linked to the brand relate to each other and whether they are integrated. These attributes are antecedents to the brand’s attractiveness. A brand’s attractiveness is the positive evaluation of the brand’s core and distinctive characteristics (Elbedweihy et al., 2016). C–C identification[1] describes the degree of cognitive connection or similarity between a consumer and a company and the coincidence between the identity of the company and the consumer’s identity (Bhattacharya and Sen, 2003). If consumers believe that being socially responsible is part of their self-identity and learn that a company practices socially responsible behavior, they may want to patronize that company. When consumers identify with a company, they may purchase products as a way of expressing their identity (Yoon et al., 2006) and their alignment with that company. Currás-Pérez et al.’s (2009) model proposes that CSR-based C–C identification influences consumer’s purchase intention directly and indirectly through their positive attitudes to the company. In turn, as C–C identification increases, so do consumer’s positive attitudes toward the company and purchase intentions.

Support for this model comes from empirical research. In a grocery retail context, Lombart and Louis (2014) found that a retailer’s social responsibility policy influenced young consumer’s attitude, trust and behavioral intentions relative to the retailer. Studying banking, Pérez and Del Bosque (2015) found CSR image influenced consumer’s identification with a company, emotions generated by the company, consumer’s satisfaction and customer loyalty. Similarly, Deng and Xu (2017), using a fictitious company, found that CSR had positive effects on undergraduate consumer’s purchase intentions, recommendation intentions and loyalty through customer–company identification.

2.3.1 Proposed research framework. Currás-Pérez et al.’s (2009) model identifies key concepts and potential causal relationships that could explain the significant impact of CRM on fashion consumers. Further, although CRM plays a significant role as a strategic marketing tool in the fashion industry, the specific mechanism of CRM’s impact on consumer response toward a fashion brand (e.g. perception-identification-attitude-behavior) is unknown. Thus, utilizing Currás-Pérez et al.’s (2009) model, we assessed the effect of CSR image generated by CRM strategy on consumer’s brand perceptions (e.g. brand distinctiveness, brand attractiveness), C–C identification, brand attitudes and customer loyalty in the context of the fashion industry.

For some fashion businesses the company name and brand are the same (e.g. Gap, Nike, H & M). For other brands, consumers may or may not know the parent company. For example, the Phillips-Van Heusen Corporation owns the Tommy Hilfiger and Calvin Klein brands. Thus, it can be assumed that fashion consumers experience some fashion companies directly when brand and company name match or indirectly when names do not match. In the later instances, however, consumers may view a brand as a proxy for a company and are able to indicate how attractive they perceive a brand to be or to identify with a brand rather than a company. Either way, fashion consumers often experience a company through the brands the company offers. Thus, we used the term “brand” in all variables we assessed (e.g. customer–brand identification). Similar to C–C identification, customer–brand (C–B) identification indicates the coincidence between consumer’s self-concept and a brand’s identity (Elbedweihy et al., 2016).

In developing their model Currás-Pérez et al. (2009) were interested in assessing consumers’ ideas about “known” businesses. However, for this research a fictional brand name was used to control for the influence of previously held opinions about a fashion brand in participants’ responses. Therefore, concepts tied to known brands were excluded from our model. However, we did include credibility as an antecedent of attractiveness as researchers have demonstrated that credibility created from CSR initiatives generates positive consumer attitudes and behavior (Lii et al., 2013). Brand credibility is the degree to which consumers perceive that the brand has the ability (i.e. expertise) and willingness (i.e. trustworthiness) to continuously deliver what has been promised (Tulin and Swait, 2004). Also, customer loyalty was included,
instead of purchase intention, as customer loyalty includes a broader range of consumer’s behaviors relative to a brand (e.g. allocating a high share of wallet, repeat purchasing) (Sirdeshmukh et al., 2002).

Based on the foregoing discussion, the following hypotheses were developed (see Figure 2):

- **H1.** CSR image of a brand influences brand distinctiveness.
- **H2.** CSR image of a brand influences brand credibility.
- **H3.** Brand distinctiveness influences brand attractiveness.
- **H4.** Brand credibility influences brand attractiveness.
- **H5.** Brand attractiveness influences C–B identification.
- **H6.** C–B identification influences consumer’s brand attitude.
- **H7.** C–B identification influences customer loyalty.
- **H8.** Consumer’s brand attitude influences customer loyalty.

### 2.4 Comparing the effectiveness of CRM types

Marketers are creating and implementing diverse types of CRM in their business. This practice has stimulated research on specific types of CRM as well as their relative effectiveness. Bigné-Alcàñiz et al. (2010) reported a significant effect for sponsorship-linked marketing on adult consumer’s perception of brand attractiveness, C–C identification, purchase intention and intention to support a social cause in the context of insurance (e.g. Mapfre) and branded personal hygiene products (e.g. Dove). Hyllegard et al. (2010) found that Gen Y consumers, who held favorable perceptions of CRM, indicated positive attitudes and purchase intention toward an apparel brand featuring transaction-based CRM in its advertising. Studying event marketing, Ramos et al. (2016) investigated the effect of CRM associated with a school sports event on young student consumer’s consumption decisions.

![Figure 2. Hypothesized model](image-url)
Participants’ perception of a food and beverage company’s social responsibility influenced their consumption decisions.

Investigating the effectiveness of CRM strategies, Lii et al. (2013) compared the impact of three different types of CSR (i.e. philanthropy, sponsorship and CRM) on college student’s perception of the credibility of a social cause campaign, attitudes toward a brand, extra-role behaviors (e.g. spreading positive word-of-mouth) and repurchase intention. They found that philanthropy had the strongest effect on consumer evaluations, followed by sponsorship and CRM. Jeong et al. (2013) also tested the effect of cause sponsorship and CRM, as compared to a control condition, on consumer responses to a bottled water company’s fictitious social network site. CRM had the most significant impact on consumers’ intention to join the company’s social network site.

Extant research findings suggest that CRM strategies may vary in their effectiveness. Thus, the last hypothesis was developed to compare the relative effectiveness of the four types of CRM:

\[ H9. \] The effect of CRM on consumer responses are different between the four types of CRM (i.e. sponsorship-linked, transaction based, event and experiential).

3. Method

3.1 Pilot test I: assessment of the four CRM conditions

3.1.1 Procedures. Four scenarios, one for each type of CRM strategy, were developed from existing instances of fashion company/brand marketing practices or developed specifically for this research. All stimuli were reviewed by two individuals who have knowledge of fashion brands’ CRM strategies to establish face validity. These individuals reviewed whether each scenario represented the characteristics of each CRM type. To check manipulation of the CRM stimuli, a pilot study was conducted to assess whether research participants would interpret each CRM strategy as distinct. A pilot study was also conducted to verify whether research participants’ placement of each CRM strategy within Pine and Gilmore’s (1998) realms of experience matched that of the researchers. The scenarios of the stimuli developed were as follows.

Sponsorship-linked marketing: TOM KIDS, a fashion brand, donates baby’s wear, toys and shoes to The Global Fund, an organization to deliver them to African women and children affected by AIDS. This brand donates their resources to a worthy cause regardless of product sales. Consumers learn of the brand’s donations through reading newspapers or magazines.

Transaction-based CRM: ANNIE, a fashion brand, engages in the BLUE Campaign to assist in AIDS prevention. This fashion brand designed shoes, t-shirts, neckties and jewelry to be designated as BLUE products. Profits from the sale of these products are donated to The Global Fund, an organization to help African women and children affected by AIDS.

Cause-related event marketing: J’s Closet, a fashion brand, offers a “J’s Closet Happy Day” event. J’s Closet developed a Facebook page for the event. On this page, customers could create personalized Happy e-cards, post them on their walls and share them with their friends on Facebook. For each e-card sent, the brand donates $1 to The Global Fund, an organization to help African women and children affected by AIDS.

Cause-related experiential marketing: OXO, a fashion brand, organizes a “2 or less clothing item” campaign. For one week, the brand asks their customers to live with less by wearing two articles of clothing. This campaign attempts to raise their customer’s awareness of their reliance on their clothing and its importance by experiencing the life of millions of children in the world that have very few items of clothing.

Data were collected from a convenience sample of 50 undergraduates. The pilot study questions were developed to assess the level of participation and connection participants linked to each CRM type. Using a within-subject design, participants were asked to read the hypothetical CRM strategies and to indicate the perceived degree of effort required to
participate or be involved in an event to support a cause (e.g., “It would take a lot of effort for me to participate in this marketing program to support a cause.”) and perceived degree of connection to a performance (e.g., “This brand’s marketing program can connect me to a social cause.”). The researchers developed the items. Participants indicated their level of agreement with each statement using seven-point Likert scales (1 = strongly disagree, 7 = strongly agree). Additionally, a graph of Pine and Gilmore’s (1998) four realms of experience was provided and participants were asked to locate each CRM type on the graph. To collect participant’s positioning of each CRM type on the graph, the researchers assigned numbers from 1 (lowest participation – lowest connection) to 8 (highest participation – highest connection) diagonally on the quadrants of the graph. For example, the CRM strategy positioned in number “3” involves a higher level of participation and connection than the CRM positioned in number “2.” To prevent possible order effects relevant to stimuli presentation, the presentation of the CRM stimuli was randomized.

3.1.2 Pilot test I results. t-Tests comparing responses revealed ratings were statistically different from each other. Cause-related experiential marketing \( (m = 5.50) \) was rated highest in level of participation followed by cause-related event marketing \( (m = 4.50) \), transaction-based CRM \( (m = 3.57) \) and sponsorship-linked marketing \( (m = 2.87) \). Cause-related experiential marketing \( (m = 5.70) \) was rated highest in the level of connection followed by cause-related event marketing \( (m = 4.81) \), transaction-based CRM \( (m = 4.21) \) and sponsorship-linked marketing \( (m = 3.40) \).

To evaluate participants’ placement of each CRM strategy on the graph of the realms of experience, the mean value of response was calculated (sponsorship-linked marketing \( m = 3.46 \), transaction-based CRM \( m = 4.63 \), cause-related event marketing \( m = 5.60 \), cause-related experiential marketing \( m = 6.89 \)). Each CRM strategy differed in level of participation and connection and the researcher’s placement of the four CRM strategies within Pine and Gilmore’s experience dimensions was supported.

3.2 Pilot test II: assessment of measures

3.2.1 Procedures. The questionnaire used for main data collection was pre-tested to ensure that participants could follow instructions, that questions were understandable, and to estimate measurement reliabilities. Data were collected from a convenience sample of 120 undergraduates. Participants were randomly assigned to one stimulus and completed the questionnaire.

3.2.2 Questionnaire. The questionnaire consisted of three parts. The first part provided the CRM scenario. After reading the scenario, participants responded to measures of CSR image, brand distinctiveness, brand credibility, brand attractiveness, C–B identification, brand attitude and customer loyalty using seven-point Likert scales (1 = strongly disagree, 7 = strongly agree).

To measure CSR image, Bhattacharya and Sen’s (2003) three-item scale was used. A sample item is “[X] brand gives back to society.” Reported reliability was \( \alpha = 0.804 \). Brand distinctiveness was measured using Bhattacharya and Sen’s (2003) three-item scale. A sample item is “[X] brand stands out from its competitors.” Reported reliability was \( \alpha = 0.841 \). A three-item measure developed by Newell and Goldsmith (2001) was used to assess brand credibility. A sample item is “I trust [X] brand.” Reported reliability was \( \alpha = 0.920 \). To measure brand attractiveness, Bhattacharya and Sen’s (2003) three-item scale was used. A sample item is “I like what [X] brand represents.” Reported reliability was 0.804. C–B identification was measured using Bergami and Bagozzi’s (2000) five-item scale. A sample items is “I am similar to what I think [X] brand represents.” This scale also included a diagram to assess the perceived degree of coincidence between a participant’s own personality and the brand’s identity (e.g., “The identity of this brand and mine are [...] 1 = Distant – 7 = Complete coincidence”). Reported reliability was 0.864. Brand attitude was measured using Mackenzie and Lutz’s (1989) four-item scale. Each scale item was presented
with its opposite (e.g. “I think this brand is [...] 1 = bad, 7 = good”). Reported reliability was 0.883. Customer loyalty was measured using Sirdeshmukh et al.’s (2002) scale. This scale includes four questions about allocating a higher share of wallet, spreading positive word-of-mouth and repeat purchasing. A sample item is “How likely is it you will do most of your future shopping with [X] brand?” Reported reliability was 0.843 (see Table I). The final part of the questionnaire contained questions used to gather participant’s demographic information.

3.2.3 Pilot test II results. Across all CRM conditions, Cronbach’s α coefficients for all measurements were greater than 0.75. Thus, all piloted items were used in main data collection.

3.3 Main data collection
Data were collected from young adult consumers (n = 344) and undergraduates (n = 415) between the ages of 18 and 35 years. There was a near equal distribution of participants
across CRM type: sponsorship-linked (n = 150), transaction based (n = 151), event (n = 152) and experiential (n = 153). Young adult consumers and undergraduates were selected because young consumers spend more money on fashion than do mature consumers (Rapier, 2017). As reliance on undergraduates as participants in research can be questioned, drawing participants from both groups enabled identification of any differences. To recruit non-student consumers, an online marketing research firm was utilized. These participants were offered e-currency from the research firm that could be used to purchase products from the firm’s redemption partners. Data from undergraduates were collected at two large US universities. Undergraduates were offered no incentives. After consenting to participate, each participant was randomly assigned to one of the four CRM scenarios.

4. Results

4.1 Participant characteristics

4.1.1 Non-students. In all conditions, participants were primarily women (71.9 percent) whose ages ranged from 20 to 35 (m = 28.1). Most of the participants were Caucasian (74.0 percent). The most frequently reported annual household income range was $40,000–59,999. Participants were primarily professionals (e.g. doctor, teacher) and administrative support workers.

4.1.2 Undergraduates. In all conditions, participants were primarily women (91.9 percent) and Caucasian (77.5 percent). Many participants were in their third year of study (35.8 percent) and in a fashion design/merchandising major (70.4 percent). Participant’s ages ranged between 18 and 31 years (m = 20.2).

Since the total sample was recruited from two sources, independent t-tests were used to determine whether data from the two groups could be combined and whether the two groups of individuals responded to the measures in a similar way. The results showed that p-values for all variables were larger than 0.05, indicating that responses from the two groups were not significantly different. Thus, data from the two groups were combined.

4.2 Preliminary analyses

4.2.1 Measurement model. In each CRM condition, confirmatory factor analysis (CFA) indicated that the measurement model had acceptable construct validity, as all item factor loadings were greater than 0.50 (Kim, 2007). Convergent validity was assessed using the following criteria: all factor loadings are significant (p < 0.001), the composite reliability for each construct is greater than 0.70 and the average variance extracted (AVE) for each construct fulfills the recommended benchmark of 0.50 (Kim, 2007). In all CRM conditions, all factor loadings were significant (p < 0.001), with composite reliabilities greater than 0.90, and AVEs were all greater than or close to 0.75. For evidence of discriminant validity, the squared correlations between constructs must be less than the AVE of each construct (Hair et al., 1998). Across all CRM strategies there was no case in which the square of a correlation between constructs was greater than the AVE of the constructs. This indicated that the constructs within each of the pairs were different from each other.

4.2.2 Test for metric invariance. As the research purpose was to examine whether relationships between variables differed based on CRM strategy, the test for metric invariance was conducted to compare key parameters across each strategy. If metric invariance is indicated, participants in each condition understood and responded to the measures in an equivalent manner (Steenkamp and Baumgartner, 1998). To test model equivalency, the following was assessed: the invariance of the factor pattern and the equality of factor loadings (Childers et al., 2001). To test the invariance of the factor pattern, a CFA was conducted. Results indicated a reasonably good fit for the stacked model ($\chi^2(1,155) = 2,117.44$, $\chi^2/df = 1.83$, CFI = 0.96, NNFI = 0.95, IFI = 0.96, RMSEA = 0.033). Thus, the factor pattern of the model was invariant across the four strategies. Next, to test
the equality of factor loadings, a $\chi^2$ difference test was conducted between the baseline model (non-restricted model) where free parameters among factors were allowed and the full metric invariance model (i.e. a model with structural invariance that assumes the same path coefficients between the groups) that contained fixed parameters. The full metric invariance model was not supported as the $\chi^2$ difference between the baseline model and the full metric invariance model was significant ($\chi^2$ d(68) = 127.525, $p < 0.001$). However, since a $\chi^2$ different test tends to be sensitive to sample size (Anderson and Gerbing, 1988), the goodness of fit values were also considered as they are less influenced by sample size than a $\chi^2$ different test. Also, if the model fit of the full metric invariance model is not as deteriorated as compared to the model fit of baseline model, the full metric invariance model can be accepted. Although the model fit deteriorated slightly in the full metric model ($\chi^2$(1,223) = 2,244.968, $\chi^2$/df = 1.84, CFI = 0.96, NNFI = 0.95, IFI = 0.96, RMSEA = 0.033), the full metric model still exhibited good fit and there was not a big difference of goodness of fit between baseline and full metric models. This indicated that the structural relationships can be assumed to be the same for each strategy.

4.3 Structural model evaluation

The overall fit of the model was assessed using structural equation modeling. For all CRM strategies, the $\chi^2$ test statistics and fit indices showed a good overall model fit: sponsorship-linked marketing: $\chi^2 = 443.10$ with 244 df, $\chi^2$/df = 1.82, CFI = 0.96, NNFI = 0.95, IFI = 0.96, RMSEA = 0.076; transaction-based CRM: $\chi^2 = 347.21$ with 244 df, $\chi^2$/df = 1.42, CFI = 0.97, NNFI = 0.97, IFI = 0.97, RMSEA = 0.053; Cause-related event marketing: $\chi^2 = 460.67$ with 244 df, $\chi^2$/df = 1.89, CFI = 0.96, NNFI = 0.96, IFI = 0.96, RMSEA = 0.077; and cause-related experiential marketing: $\chi^2 = 387.96$ with 244 df, $\chi^2$/df = 1.59, CFI = 0.96, NNFI = 0.96, IFI = 0.96, RMSEA = 0.062.

4.3.1 Hypotheses testing. The results of hypotheses testing showed significant relationships between variables in the hypothesized direction for all CRM strategies (see Figure 3). For example, for the hypotheses related to transaction-based CRM, the results of testing $H1$ through $H4$ showed that there was a significant positive effect of CSR image on brand distinctiveness ($\beta = 0.80, t = 11.03, p < 0.001$) and brand credibility ($\beta = 0.60, t = 7.65, p < 0.001$). Also, there was a significant positive effect of brand distinctiveness on brand attractiveness ($\beta = 0.46, t = 6.27, p < 0.001$) and a positive effect of brand credibility on brand attractiveness ($\beta = 0.53, t = 7.16, p < 0.001$). There was a significant positive impact of brand attractiveness on C–B identification ($\beta = 0.66, t = 8.57, p < 0.001$), supporting $H5$. $H6$ and $H7$ were also supported indicating a significant positive effect of C–B identification on brand attitude ($\beta = 0.26, t = 3.54, p < 0.001$) and on customer loyalty ($\beta = 0.64, t = 9.34, p < 0.001$). The results revealed a significant impact of brand attitude on customer loyalty ($\beta = 0.30, t = 4.55, p < 0.001$) supporting $H8$. Thus, all hypotheses ($H1$–$H8$) were supported.

4.3.2 Comparisons of CRM strategies. There were differences in path coefficients between each CRM strategy. To assess whether these differences in parameter estimates were statistically significant, a $\chi^2$ difference test was conducted between pairs of groups, generating six comparison pairs. For group comparisons, a particular path was fixed to be equal across groups in the restricted model, while the baseline (non-restricted) model was estimated by allowing all model parameters to be free estimates. The difference in the $\chi^2$ value was compared between the baseline and the restricted model. If the results revealed a significant $p$-value ($p < 0.05$), it was interpreted as indicating a significant difference in parameter estimates. There were statistically significant differences in several paths across CRM strategies supporting $H9$ (see Table II).

Significant path difference 1: CSR image $\rightarrow$ Brand distinctiveness. Across all six comparison pairs, there was a statistically significant difference in the path between CSR
The effect of CSR image on brand distinctiveness was largest for cause-related event marketing ($\beta = 0.87, t = 17.76, p < 0.001$), followed by transaction-based CRM ($\beta = 0.80, t = 11.03, p < 0.001$), cause-related experiential marketing ($\beta = 0.66, t = 8.03, p < 0.001$) and sponsorship-linked marketing ($\beta = 0.49, t = 6.36, p < 0.001$) ($\chi^2(1) = 20.448, p < 0.001$). The result of the $\chi^2$ difference test was reported in Table II.

**Notes:** *p < 0.05; **p < 0.01; ***p < 0.001
### Table II. The results of $\chi^2$ difference tests between each of two CRM conditions

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<tbody>
<tr>
<td>1. Sponsorship vs Transaction-based</td>
<td>Significant ($\chi^2(1) = 20.448^{***}$)</td>
<td>ns (not significant)</td>
<td>ns</td>
<td>Significant ($\chi^2(1) = 8.704^{**}$)</td>
<td>ns</td>
<td>Significant ($\chi^2(1) = 30.953^{***}$)</td>
<td>ns</td>
<td>ns</td>
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<tr>
<td>2. Sponsorship vs Event</td>
<td>Significant ($\chi^2(1) = 49.775^{***}$)</td>
<td>ns</td>
<td>Significant ($\chi^2(1) = 3.910^{*}$)</td>
<td>ns</td>
<td>Significant ($\chi^2(1) = 6.303^{*}$)</td>
<td>ns</td>
<td>ns</td>
<td></td>
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<tr>
<td>3. Sponsorship vs Experiential</td>
<td>Significant ($\chi^2(1) = 4.096^{*}$)</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>Significant ($\chi^2(1) = 8.602^{**}$)</td>
<td>ns</td>
<td>ns</td>
<td></td>
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<tr>
<td>4. Transaction-based vs Event</td>
<td>Significant ($\chi^2(1) = 4.169^{*}$)</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>Significant ($\chi^2(1) = 11.399^{***}$)</td>
<td>ns</td>
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<tr>
<td>5. Transaction-based vs Experiential</td>
<td>Significant ($\chi^2(1) = 4.526^{*}$)</td>
<td>ns</td>
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<tr>
<td>6. Event vs Experiential</td>
<td>Significant ($\chi^2(1) = 16.968^{***}$)</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>Significant ($\chi^2(1) = 8.829^{**}$)</td>
<td>Significant ($\chi^2(1) = 4.713^{*}$)</td>
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</table>

**Notes:** *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$*
JFMM

Significant path difference 2: Brand attractiveness → C–B identification. The effect of brand attractiveness on C–B identification varied across CRM types. This effect was largest for cause-related event marketing ($\beta = 0.84$, $t = 15.54, p < 0.001$), followed by transaction-based CRM ($\beta = 0.66$, $t = 8.57, p < 0.001$), cause-related experiential marketing ($\beta = 0.52$, $t = 6.61, p < 0.001$) and sponsorship-linked marketing ($\beta = 0.51$, $t = 6.24, p < 0.001$). The path difference was statistically significant in three comparison pairs: event > experiential ($\chi^2(1) = 8.829**$, $p < 0.01$), transaction based > experiential ($\chi^2(1) = 4.189$, $p < 0.05$) and experiential > sponsorship-linked ($\chi^2(1) = 8.602**$, $p < 0.01$).

Significant path difference 3: C–B identification → brand attitudes. The effect of C–B identification on brand attitudes was largest in cause-related event marketing ($\beta = 0.92$, $t = 11.04, p < 0.001$), followed by sponsorship-linked marketing ($\beta = 0.76$, $t = 12.78, p < 0.001$), transaction-based CRM ($\beta = 0.26$, $t = 3.54$, $p < 0.001$) and cause-related experiential marketing ($\beta = 0.18$, $t = 2.61, p < 0.01$). This path difference was statistically significant in four comparison pairs: event > sponsorship-linked ($\chi^2(1) = 6.303$, $p < 0.05$), event > transaction-based ($\chi^2(1) = 11.339***$, $p < 0.001$), event > experiential ($\chi^2(1) = 4.713$, $p < 0.05$) and sponsorship > transaction-based ($\chi^2(1) = 30.953***$, $p < 0.001$).

5. Discussion and implications

Across all CRM strategies investigated, all hypotheses tied to the conceptual model were supported. For each CRM strategy, if participants rated the brand's image as socially responsible, they also indicated the brand was distinct and credible. When participants indicated the brand was distinct and credible, they rated the brand as attractive. When participants indicated the brand was attractive, they identified with the brand. The higher participant's identification, the more participants indicated a positive brand attitude and a willingness to engage in loyalty behaviors. Customer's identification with the brand influenced customer loyalty both directly or indirectly through brand attitude. Thus, marketers can choose any of the four CRM strategies to stimulate consumer's positive responses related to the brand. In addition, in support of Currás-Pérez et al.'s (2009) model, our results are also consistent with previous investigations examining causal relationships between CSR image and brand perception, C–C identification, brand attitude and customer loyalty (e.g. Bigné-Alcañiz et al., 2010; Deng and Xu, 2017; Lii et al., 2013). The results support Yoon et al.'s (2006) idea that consumer's favoritism toward socially responsible brands allows them to project their personal identity by associating with a socially responsible brand and to reward the socially responsible brand through behavioral commitments (e.g. product purchase).

According to the results of the $\chi^2$ difference tests for group comparisons, the effect of CSR image on perceived brand distinctiveness was the single path that was significantly different between all CRM types. This relationship was strongest for cause-related event marketing, followed by transaction-based CRM, cause-related experiential marketing and sponsorship-linked marketing. Consumers may have rated the brand engaged in cause-related event marketing as the most distinctive because the event enhanced the “fun and unique” aspects of the experience. Cause-related event marketing may also have been perceived as distinctive because it fulfills consumer’s “hedonic” as well as “altruistic” needs as consumers can support a cause while they enjoy participating in an event. These results support Hessekiel's (2018) idea that consumers seek brands that they can actively engage with to express their views on social issues. In contrast, consumers may have rated the brand engaged in sponsorship-linked marketing as the least distinctive because this CRM type involves no active engagement on the part of the consumer and only one-way communication from brand to consumer.

Several relationships (e.g. brand attractiveness → C–B identification, C–B identification → brand attitudes) were significantly different between some pairs of
CRM types. For example, as shown in Table II, the impact of C–B identification on brand attitudes was significantly different between cause-related event marketing and the other three CRM types (e.g. event > sponsorship-linked, event > transaction-based and event > experiential). If consumers identify with the brand, their positive attitude toward the brand would be strongest for cause-related event marketing. Also, the impact of brand attractiveness on C–B identification was significantly different between cause-related experiential marketing and the other CRM types (e.g. event > experiential, transaction-based > experiential and experiential > sponsorship-linked). These results suggest that cause-related event marketing is the best while sponsorship-linked marketing is the weakest at generating consumer’s identification with the brand as a result of perceived brand attractiveness.

Across all CRM types there were no statistically significant differences in relationships between other variables (e.g. CSR image → brand credibility, C–B identification → customer loyalty, brand attitudes → customer loyalty). Consumers may perceive a brand as credible if the brand engages in CRM initiatives regardless of the type of CRM strategy utilized. Similarly, regardless of CRM strategy, customer loyalty stems from positive brand attitudes.

Several implications stem from the results. For academic contributions, results extend prior work on CRM by identifying a range of CRM strategies and comparing the relative effectiveness of each. The placement of each CRM strategy within Pine and Gilmore’s (1998) realms of experience provided an explanation for why differences in effectiveness exist.

For managerial implications, results revealed consumer’s response toward a brand implementing one of the four CRM strategies varied and therefore, the strategy implemented by a brand may also need to vary based on the desired outcome. Clearly, the CRM strategies investigated were not interchangeable. For example, as cause-related “event” marketing was most influential in influencing the consumer’s perception of brand distinctiveness, marketers may want to consider adding an event component to their CRM activity if the desired business outcome is enhancing the uniqueness aspect of their brand. On the other hand, as sponsorship-linked marketing was perceived as the least distinctive, marketers may want to avoid this type of marketing strategy with this same business outcome. Also, considering that cause-related “event” marketing was most effective at generating C–B identification and positive brand attitude, perhaps for the greatest impact marketers employing this strategy need to target the most appropriate consumer group who would likely identify with the brand. For example, the US-based baby skin care brand Johnson’s Baby donates a dollar to Save the Children when Mother’s Day cards created by the brand in their Facebook page are “shared” or “liked” among users that are also typically mothers. In this example, the “mom” users are the group most likely to identify with the brand.

At last, CRM plays a significant role in the fashion industry in promoting positive consumer responses. As all CRM types positively influenced consumer’s brand perceptions, identification, attitudes and loyalty to the brand, fashion marketers may want to continue to utilize CRM as a strategic marketing tool. In addition, fashion marketers can consider incorporating CRM campaigns in their digital marketing (e.g. Elizabeth Arden’s “Pin it to Give It” campaign during which the brand donates eyeliner to women with cancer for every campaign image “pinned” (shared) by the users). Millennials and Generation Z consumers want to support a good cause by doing something and fashion brands might win them over by implementing CRM through their digital devices (Hessekiel, 2018).

6. Limitations and suggestions for future study
First, young consumers were invited as participants because this age group tends to be sensitive to corporate marketing practices. Future researchers could extend the pool of consumer participants as other age groups exposed to CRM practices may respond to them in different ways. Second, this study focused on CRM enacted by fashion brands.
Since sponsorship-linked marketing (e.g. Panera bakery’s donation of unsold bread), transaction-based CRM (e.g. Yoplait’s Pink Ribbon campaign), cause-related event marketing (e.g. Target’s social media event to choose a donation site) and cause-related experiential marketing (e.g. Bank of America’s charity walk) are used across industries, the effectiveness of CRM types could be tested in other business categories. Third, although the four types of CRM included were identified as distinct types, they could possibly overlap or be intertwined in empirical settings. For example, some event marketing can involve transaction-based CRM. Future researchers could investigate synergy effects when two or more CRM types are combined. Fourth, before developing the hypothesized model, we tested a few alternative models (e.g. a model that contains a sole indirect effect of C–B identification on customer loyalty). To figure out the most reasonable model, future researchers could test all possible indirect and direct effects between variables. Fifth, future researchers could investigate the effect of moderating variables (e.g. consumer’s involvement in a cause, tendency to trust in business practices, or sensitivity to marketing) on the relationship between CRM strategy and consumer responses.

Note
1. Some researchers used the concept of “social distance with the brand” to reflect the idea that consumers and companies share similar values (Lii et al., 2013).

References


Further reading

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