Improving The Impact Of Cause-Related Donation Exchanges Through Message Framing: A Conceptual Perspective

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ABSTRACT

A conceptual framework is presented in support of a cause-related exchange model. Of interest is the possible effect of message framing on the likelihood of participating in a cause-related donation exchange. Framing the cause related marketing message concretely or abstractly, in regard to the dollar amount or percentage level of a cause-related purchase that will actually go to a designated cause, is posited to directly impact the likelihood of participating in a donation exchange. Furthermore, the level of cause support and the level of donation request are posited to mutually moderate the above-mentioned relationship. The cause support level is presented to have a central role, influencing both the effects of message framing on the likelihood of participating in a donation exchange and the level of donation request on the likelihood of participating in a donation exchange. It is the authors' intention that the presentation of this conceptual model will contribute to cause-related research literature, and concomitantly, attract practitioner interest as well.

Keywords: cause-related marketing, abstract and concrete message framing, cause support level, level of donation request, and likelihood of participating in a donation exchange

INTRODUCTION

Cause-related marketing has become an integral part of the strategic marketing efforts utilized by current day marketers toward selected target markets. Cause-related marketing is defined as “a 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” (Varadarajan and Menon, 1988). In addition to a specified amount to a designated cause, cause-related marketing activities can take the form of a variety of different offers involving for profit or non-profit motivations. For example, with or without specifying an amount or percentage of proceeds, cause-related marketing can take the form of buying a product to help “Jerry’s kids” (Jerry Lewis’ Muscular Dystrophy campaign), a high school sponsored car wash to assist students to acquire band uniforms, selling jambalaya dinners to help an individual with high medical bills, or a university based business fraternity selling t-shirts with a portion of the proceeds going to the families directly impacted by the terrorist attacks in New York and Washington D.C. These and other activities are all part of the cause-related marketing process, whereby the purchaser receives the product offered in addition to the supplemental utility received from the act of contributing to a cause.

The unique contribution of this study to the field of cause-related marketing relates to the effects of message framing, specifically the effects of abstract versus concrete messages. Extant literature in this context predominantly uses positive vs. negative framing content. Departing from the previously defined dimensions of message framing, the main contention of this study is that the framing construct, when defined in terms of concreteness (or abstractness), has a unique effect on the likelihood of participating in donation exchanges. An
additional contribution of the study emanates from the moderating effects of two key variables, specifically the level of donation request and the level of cause support.

The remainder of the manuscript is organized in the following manner: A summary of the origin and development of cause-related marketing is presented, followed by the introduction and a detailed explanation of the proposed Cause-Related Marketing Exchange Model. Finally, probable managerial and theoretical implications emanating from the study are discussed.

THE ORIGIN AND PURPOSE OF CAUSE-RELATED MARKETING ACTIVITY

Up until the early 1980’s, the dominant philosophy among most firms was that businesses had no significant social responsibility other than that of corporate profitability and increased shareholder wealth (Smith and Higgins, 2000). It was thought that, in essence, the business of business was business, and the firm resources were best used on attempts to survive, grow, and prosper within a competitive environment. In 1983, American Express instituted the first ever cause-related marketing campaign, as we know it today. American Express pledged a one-cent donation to the Statue of Liberty and Ellis Island renovation project for each use of its charge card, and a one-dollar donation for each new card issued during the third quarter of 1983. In fact, the Travel Related Services unit of American Express registered the term “cause related marketing” as a service mark (Smith and Higgins 2000; Varadarajan and Menon 1988).

Varadarajan and Menon (1988) viewed the cause-related marketing process as a program attempting to attain 2 primary goals: (1) improving corporate financial performance, and (2) helping worthy causes. Firm objectives would include increased corporate visibility and product/brand awareness, increased sales via new and repeat purchases, attenuated current or future negative publicity, and the easement of market entry. Webb and Mohr (1998) found that in regards to consumer attitudes, cause-related programs are looked upon with overall favorable attitudes and purchase intent. Varadarajan and Menon (1988) also contended that cause-related marketing has experienced evolutionary changes over time. Cause-related marketing has evolved from a spirit of voluntarily doing good, to the recognition of stakeholder issues and societal marketing activities, to the current day philosophy of “doing better by doing good.” The latter encompasses the adoption of profit optimization goals (meeting satisfactory financial returns, while devoting a portion of firm resources to meeting stakeholder needs) and the utilization of enlightened self-interest (furthering the interest of others so as to serve one’s own interest) and corporate philanthropy strategies. Meyer (1999) also noted that another benefit to the firm, stemming from the use of cause-related marketing programs and the value placed on social responsibility within the organizational culture, was higher levels of employee loyalty and esprit de corps resulting in lower levels of employee turnover. Cause-related marketing efforts do clearly appear to be beneficial to the following three key actors in such an exchange: the marketer or seller (who benefits from each unit sold), the buyer of the cause-related product (who derives satisfaction from both the product purchased and the assistance given to a cause), and the cause itself (as the recipient of exchange proceeds or donations).

CAUSE-RELATED MARKETING EXCHANGE MODEL

A proposed Cause-Related Marketing Exchange Model is presented in the Figure below. As depicted in the conceptual model, the message framing dimensions of a cause-related marketing communication has a direct impact on the likelihood of targeted consumers participating in a donation exchange. As noted previously, the dimensions of the offer frame are defined in terms of either concreteness or abstractness. It is proposed that the likelihood of consumers participating in a donation exchange depends mainly on whether they are exposed to either a concrete or an abstract framing of the cause-related offer (path 1). The impact of the cause-related marketing message frame on the likelihood of donation exchange is influenced by two key factors: the level of donation request and the level of support for the cause affiliated with the marketing offer. These factors are shown in the model as having moderating effects on the path from the message frame to the likelihood of participating in a donation exchange (paths 2 and 3). Cause support levels will also have a moderating influence on the effect of donation request level on the likelihood of consumer participation in a donation exchange (path 4).
MESSAGE FRAMING EFFECT ON CAUSE-RELATED EXCHANGE

Message framing, in the present context, is defined in terms of how consumer benefits and consequences are described in an ad (Smith, 1996). Researchers have long claimed that the framing of message content influences a consumer’s decision-making process. In marketing literature, message framing has been primarily defined in positive or negative terms (Maheswaran & Meyers-Levy, 1990; Smith 1996; Smith and Berger, 1995). In reference to extant cause-related research, Grau and Folse (2007) empirically examined the impact of proximity and positive versus negative message framing on attitudes and purchase intentions. Positively framed advertising communicates positive potential benefits and consequences resulting from the purchase of the promoted brand, whereas negatively framed advertising communicates negative potential consequences resulting from the failure to purchase the advertised brand (Smith 1996).

This study defines message framing in terms of concreteness and abstractness of cause-related ad content. Concreteness is defined as the ease with which a particular word can elicit images in one’s mind (Burns et al., 1993). In their work on mental imagery effects on advertising strategies, Babin et al. (1992) reviewed the effects of concrete stimuli as a type of imagery manipulation. Their review of literature found that the use of concreteness, in the form of pictures or words, can positively enhance effects on identifiability, elicitation of mental images in the mind, memory, more positive attitudes toward the brand and ad, and importantly, behavioral intentions (consumer intentions to purchase or repurchase). Abstractness, in contrast, showed attenuating responses to these effects.

Of particular interest is the conceptual support from MacInnis and Price (1987), who reported the positive effects of concrete stimuli, and the lesser effects of the use of abstract stimuli, on imagery elicitation, memory, learning, and behavioral intention formation. Smith & Berger (1995), in their study on direct mail charitable contributions, reviewed the effects of suggested anchorpoints and found that when specific concrete dollar amounts were suggested in telephone and face-to-face fundraising efforts, respondents were more likely to engage in the exchange. Moreover, framing related issues were found to influence actual donor behavior more so than attitudinal measures such as beliefs, affect, or intent to purchase. Tversky and Kahneman (1974) found that consumers make heuristic judgments relative to these concrete, specific anchorpoints so as to reduce decision processing and mental effort. Perceptual judgments are biased in the direction of the anchorpoint. In addition, Grau et al. (2007) found in their exploratory study of various elements of cause-related campaigns that consumers prefer tangible donation information, and in contrast, abstract messages were perceived as least trustworthy and least preferred.

In the context of this study, concrete message framing relates to the content of an ad providing the amount of each purchase or the percentage of each purchase amount going to the designated cause. An example of a concretely framed donation request using an amount of the purchase might be presented as follows: “Support the ongoing relief efforts among families affected by the 9-11 New York City World Trade Center attacks: Buy a T-shirt with the ‘United States of America’ emblazoned on the front and ‘United We Stand’ printed on the back. $10 per shirt, with $5 of each purchase going directly to the NYC 9-11 Relief Fund.” In contrast, the abstract version of this
donation request would not present specifically the portion of the purchase price to be given to the fund. Such a reference would be by design very vague, completing the request presented above with “$10 per shirt, with a portion of the purchase price going to the NYC 9-11 Relief Fund.”

In the above example, prospective donation participants understand clearly the key elements of the offer, i.e., of the total cost of the exchange, the amount going to the designated cause and the amount used to cover the cost of supplying the product. When contrasted to an abstract alternative whereby no information is given in regard to the amount going to the cause, this concrete message frame should likely have a favorable effect on the decision making process and the level of intention to participate in the donation exchange.

Alternatively, an example of a concretely framed donation request using a percentage of the purchase might be presented as such: “Buy a plate of jambalaya to support the Community Food Bank - $10 per plate, with 50% of the proceeds going directly to the Community Food Bank Replenishment Fund.” Again, in contrast, the abstract version of this donation request would similarly present no specificity as to what percentage of the price or proceeds would go to the stipulated cause. Its vague representation might complete the request with “$10 per plate, with a percentage of the purchase price going directly to the Community Food Bank Replenishment Fund.”

In the above example, the request specifies the percentage of the transaction that will go directly to assist the food bank fund. Again, as in the previous example, the elements of the offer are clear. The decision-making process and behavioral intentions should likely be more favorably influenced by the concretely phrased message frame when compared to what is proposed to be the less effective alternative, i.e., an abstractly phrased message frame.

Based on the empirical and theoretical support given in the above discussion, it is posited that stipulating the exact amount or percentage of each purchase that will be going to a designated cause is likely to have a greater positive effect on the likelihood of participating in a donation exchange than when no such stipulation is present.

THE MODERATING INFLUENCES OF LEVEL OF DONATION REQUEST

The level of donation request is likely to moderate the effects of a cause-related offer frame on the likelihood of participating in a donation exchange. Adaptation Level theory (Helson 1964) may help to understand the nature of the interaction between these variables. Specifically, the Adaptation Level theory states that consumers react to three kinds of cues or stimuli: focal, contextual and residual. In the present context of framing, focal cues and contextual cues are most relevant. Focal cues are the ones to which consumers respond directly (the level of donation request). Contextual cues refer to the background stimuli in which the consumers respond to the focal cues (concrete versus abstract framing). Residual cues relate to issues such as consumers’ value systems and past experiences, and these issues may be examined in future research.

It is reasonable to assume that consumers would prefer to know exactly how much of their donation is going towards the cause. This specific knowledge, among other factors such as cause support, helps the consumers decide whether they want to participate in any given donation exchange. Companies can inform consumers about the exact amount going to a cause by framing the message in such a way that there is no ambiguity regarding how the donation will be used. Moreover, consumers would also like to minimize the amount of financial risks when they are asked to donate a sizeable sum of money for a particular cause. In this context, financial risk is related to the uncertainty associated with the use and distribution of cause-related exchange proceeds. In their study of trust and investments across cultures, Berry and Suer (2008) found that trust levels were closely related to perceived risks, in that the higher the level of trust in a company, the lower the level of perceived investment risk. The level of trust granted to a cause-related marketer and the perceived financial risks may be similarly related, and would be an interesting research objective of a subsequent study.

Consider the following scenarios: John is asked to purchase a jambalaya plate for $10; part of the proceeds would be donated to the Red Cross. In this case, John most probably would not be that concerned about the exact magnitude of the donation to Red Cross, because of the low level of donation request. On the other hand, if John is asked to purchase a four-course dinner worth $250, and he knows that this is a fund raising event for a hospital, then
most probably he would like to know how much of the donation would be given to the cause. The reason for the apparent indifference in the first case (when the jambalaya plate costs $10) and the probable high level of interest in the second (four-course dinner worth $250) case, with reference to the magnitude of the donation, stems from the fact that there is a significant difference in the levels of donation request. When the level of donation request is high, the financial risk faced by John is also high. When the financial risk is high, John is likely to look for additional information that might help him reduce the foreseen risk. In this context, knowing the portion of each donation going to the cause might help the consumer better assess the risk associated with spending a relatively large sum of money.

Given the above discussion, it might be assumed that consumers would be most likely to participate in a donation exchange when the level of donation request is low, in addition to being aware of the exact amount of contribution going to a cause. On the other hand, consumers could have little intention of participating in a donation exchange when the ad is framed in an abstract way and the level of donation request is high. In sum when donation requests are low, the low levels of risks associated with the donation may not motivate the potential participant to process additional message related information, such as ad concreteness. Consequently, message framing may not have any effect on the likelihood of participating in a donation exchange at low levels of donation request. At higher levels of donation request, potential participants are likely to process additional message related information. In such cases, only concrete messages might help reduce the uncertainty issues associated with the donation and enhance the likelihood of participation in a donation exchange.

THE MODERATING INFLUENCES OF CAUSE SUPPORT

The concept of cause support is very important in the field of cause-related marketing. Studies have shown that the importance of the cause to the consumer creates an influence on the responses of the consumers (Broderick et al. 2003; Webb and Mohr 1998). In a study cited by Webb and Mohr (1998), the authors report that cause support results in positive attitudes and shopping intentions. Moreover, the level of cause support sometimes becomes so important for the consumers, that even an ad that does not mention a cause provides a more positive attitude and purchase intention, than an ad that reflects a low cause support level (Webb and Mohr 1998). In their qualitative examination of consumer perceptions and involvement in cause-related marketing promotions, Broderick et al. (2003) found that the level of emotional involvement played a key role in the awareness, perception, and response levels directed toward cause-related campaigns.

Cause support might also help consumers choose the best alternative in their consideration set, other factors remaining constant. A study reported by Meyer (1999) observed that even when price and quality are the same, two thirds of the consumers chose a brand or retailer supporting a good cause. The main assumption here is that consumers infer that the primary motivation for the company’s use of the cause-related marketing is not to exploit the cause, but to lend a genuine support to the cause (Barone et. al. 2000). Broderick et al. (2003) also found that consumers tend to develop overall positive views toward businesses that are involved in appropriate cause-related marketing efforts. In this context, individual perceptions about a company’s support for a given cause would affect the choice of those individuals. In other words, a positive feeling about the company supporting a cause affects the product choice of consumers.

An important source of influence on consumer judgment and choice relating to information input is diagnosticity (Dick et al. 1990). Diagnosticity in the present cause-related marketing context relates to the level of perceived importance (level of cause support) given to the information provided regarding the specific cause associated with the exchange offer. From the previous discussion it can be postulated that cause support is the diagnostic cue that may moderate the influence of cause-related offer framing on the likelihood of participating in the donation exchange. Consumers having a high level of cause support would experience greater personal relevance than consumers having low cause support. Greater personal relevance is likely to lead the potential participant to focus on the central cues (i.e. the cause) and decide on the donation request (Petty & Cacioppo 1984). In other words, the cause itself becomes the diagnostic cue and other message related cues (such as the type of framing) might have little, if any, influence on a potential participant. When the cause support is low, the personal relevance of the message is likely to be low. As a result, the peripheral or the incidental message related cues, like the type of
cause related offer framing, would assume greater importance and ultimately influence the likelihood of participating in a donation exchange.

Therefore, a firm looking to increase its consumers’ likelihood of participation in a donation exchange must ensure that consumers can identify highly with the cause. Assuming consumers have positive perceptions about the cause-related marketing efforts of the firm, those with a high level of support for a good cause are likely to have a higher likelihood of participating in a donation exchange, regardless of how the offer is framed. On the other hand, consumers with a low level of support for a cause would probably have some likelihood of participating in a donation exchange when the cause related offer frame is concrete, than when it is abstract.

When consumers are choosing a particular product, the price of that product becomes an important element affecting the judgments of the consumers. Other determinants of choice might include the attributes and the availability of the product. These determinants, although not exhaustive, reflect the fact that consumers tend to use all available relevant information while making choices. Moreover, while arriving at decisions, consumers usually make trade-offs between the attributes of the product, either choosing a product that is less expensive or choosing another product that is more favorable on some other attribute, but more expensive (Barone et. al. 2000). Past research has shown that in the process of making trade-offs, consumers lay particular stress on moral attributes (Barone et. al. 2000). Hence, consumers are more likely to participate in a donation exchange even if the price is relatively more, when they prefer the product in some other way (for example, supporting a cause with which they can identify). On the other hand, when consumers cannot identify with a particular cause, they are likely to shy away from high levels of donation request.

MANAGERIAL IMPLICATIONS

The incorporation of cause-related exchange activities into the overall strategic marketing game plan is an important consideration for today’s marketing practitioner. As stated previously in this study, the benefits of using cause-related product offerings certainly appear to be many fold. Possible opportunities likely accruing to the cause-related marketer include possible financial performance improvement, assistance in attaining corporate strategic objectives, increased corporate visibility and brand awareness, increased sales from both new and repeat purchases, and positive attitudes toward the company/brand among consumers, resulting in higher purchase and repurchase intentions. Additional likely benefits might also include lessening the impact of any negative publicity, easing market entry efforts, and through the development of internal cultures that place value on social responsibility, improved employee turnover, esprit de corps, and loyalty. Of course, while marketing and corporate strategic objectives are being attained, with the help of cause-related marketing strategies, worthy causes are also being helped and this effect is an inherent goal of corporate social responsibility activity.

The model presented in this study and the resultant discussion lays down the likely effects of message framing and other key moderating constructs on the likelihood of consumer participation in a donation exchange. The effects and interactions involving the issues of framing the cause-related message, levels of donation request, levels of support for a given cause, and the likelihood of purchasing a cause-related product can have significant managerial implications for today’s marketer. Armed with the knowledge of the uses and benefits of cause-related marketing, marketers may develop effective cause-related tactical plans and with them, improved probabilities of attaining strategic marketing objectives.

APPLICATIONS OF THEORY TO MARKETING STRATEGY

It is apparent that numerous firms tie their strategy to cause related marketing. From American Express’s support for the Statue of Liberty and Ellis Island, to Ben & Jerry’s Ice Cream support for a variety of social causes, to Midway USA’s support for the National Rifle Association of America, the use of cause related marketing has proven beneficial to both the marketing and recipient firms. Its use in the marketing strategy of firms is well grounded and has grown significantly since the Statue of Liberty/Ellis Island promotion. Marketers wishing to advance their efforts through the use of a cause related strategy would achieve the best results by keeping the following in mind:
1. Those exposed to concretely framed cause-related marketing messages will likely display higher levels of the likelihood of participating in a donation exchange than will those exposed to abstractly framed cause-related marketing messages.

2. The level of donation request will likely moderate the effects of cause-related offer framing on the likelihood of participating in a donation exchange. Specifically, when the level of donation request is low, the likelihood of participating in a donation exchange will be high regardless of how the message is framed. Conversely, when the level of donation request is high, the likelihood of participating in a donation exchange will be higher for concretely framed ads than for abstractly framed ads.

3. The level of cause support will likely moderate the effect of cause-related offer framing on the likelihood of participating in a donation exchange. Specifically, the likelihood of participating in a donation exchange will be higher when the cause support is high, regardless of how the message is framed. Alternatively, when the cause support is low, the likelihood of participating in a donation exchange will be higher for concretely framed ads than for abstractly framed ads.

4. The level of cause support will likely moderate the effect of magnitude of donation request on the likelihood of participating in a donation exchange. Specifically, for high levels of cause support, the likelihood of participating in a donation exchange will be higher for all levels of donation request. For low cause support, the likelihood of participating in a donation exchange will be higher when the level of donation request is lower, than when it is higher.

The use of cause-related strategies can be an effective component of the overall organizational marketing plan. Mumel et al. (2007) found a positive correlation between business performance and the use of multiple marketing communication activities. Such activities would be chosen on the basis of management’s assessment of the effectiveness of each activity. There is no disputing that many marketers who have adopted cause-related marketing efforts can attribute some of their successes to such strategies. With the expectation by many that firms owe more than just jobs and taxes to society, the use of cause related marketing is sure to gain additional devotees.

The burgeoning impact of the Internet further influences how cause related marketing creates opportunities and challenges. For instance, Budden et al’s (2007) research found that female students spent significant amounts of time on the Internet. Females averaged more than 5 hours per week on the Internet, 60% of which was spent on social networking sites. These sites can provide access to this market for cause related marketing strategies and should not be ignored. Also, Budden et al. (2007) found that the amount of time college students, who often have the time and inclination to support causes, spend on the Internet is significant. Thus, marketers wishing to reach college students need to use the Internet to impart their marketing messages to advance both their firms’ agendas and the agenda of their cause related efforts.

SUMMARY

A conceptual cause-related marketing model has been posited, highlighting the effect of message framing on the likelihood of participating in a donation exchange. Message framing in this study’s context is defined in terms of concrete versus abstract dimensions. A review of the pertinent research literature suggests a sufficient amount of theoretical groundwork from which to logically traverse from the point of recognizing the importance of using concrete words and visuals to achieve advertising and sales effectiveness, to the proposition that concretely framed cause-related communications will lead to higher levels of cause-related exchange. The levels of donation request and cause support are both viewed as having key moderating roles in the cause-related exchange process.

It is interesting to note that Pracejus et al. (2003/2004) empirically examined the pervasiveness of abstract framing in cause-related marketing promotions, the impact of abstract framing on consumer perceptions regarding marketer donation levels, and the impact of perceived donation levels on consumer choice. Their study, given the perspective taken and the constructs evaluated can be both distinctly differentiated from and complementary to the conceptual model presented in this paper. The commonality between the two studies is the focus on and the importance of how a cause-related offer is framed. Differences reside in the dependent and independent constructs investigated. Both efforts are complementary in that each can build upon the other’s findings and advance the knowledge within the cause-related field of study.
Subsequent empirical research to this study will help determine the value of what appears to be a well-grounded, theory-based conceptual model. Additionally, there would be value in empirically testing the impact of the intensity (more specific versus less specific) of concrete framing on the likelihood of participating in a donation exchange. It would also be of interest to further investigate the extent of the moderating influences of such constructs as proximity (local versus distant), need for cognition (high versus low), and the perceived strength of the marketer’s support of a cause on the likelihood of participating in a donation exchange. Proximity relates to the nearness of the charity to the community or region within which the consumer lives. Need for cognition is a personality variable and it relates to the differences among individuals in regard to the cognitive processing of information provided by marketers, and the varying evaluations that stem from these differences. Yoon et al. (2006) found that while consumers may understand and accept that marketers undertake cause-related promotion strategies for ulterior, profit-related motives, they will place their focus on the seriousness of the marketer’s support of the participating cause. Examining the likely interaction between these and other constructs, and the framing of a cause-related offer (concrete versus abstract), and the impact of these interactions on the likelihood of participating in a donation exchange, would make interesting contributions to cause-related marketing literature.

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