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Because It Makes Me Feel Good: Moderation and Mediation Effects in Cause-Related Marketing

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Based on a 2x2 factorial design, advertisements for a consumer product generated higher purchase intentions when a cause-related marketing (CRM) message was present than when no such message was included in the ad. This effect was statistically significant, regardless of the type of the product (luxury versus non-luxury). However, for the specific cause used in this study (fight against breast cancer), gender moderated the relationship between the presence/absence of a cause in the ad and purchase intentions. Further, in order to shed more light on the underlying process of cause related marketing messages, two alternative mediation hypotheses were tested using a parallel multiple mediator model. Formal testing based on the procedures suggested by Hayes (2013) showed that positive emotions, but not attitudes toward the brand, fully mediated the relationship between cause and purchase intentions. The results thus suggest that emotions play a fundamental role in explaining the effectiveness of cause-related marketing.

Introduction

Corporate social responsibility (CSR) rejects the idea of pure profit maximization and stipulates that corporations must not knowingly do anything that could harm their stakeholders (Campbell 2007). The central idea of CSR is that by attending the interests of diverse groups, such as customers, employees, the government, local communities, and society at large, CSR initiatives can elicit favorable responses toward the company (Hildebrand, Sen, and Bhattacharya 2011; Maignan and Ferrell 2004). In fact, previous research demonstrates that successful CSR management can increase financial performance substantially (Luo and Bhattacharya 2006; Orlitzky, Schmidt, and Rynes 2003). A specific manifestation of CSR is cause-related marketing or CRM (Brønn and Vrioni 2001; Lafferty, Goldsmith, and Hult 2004), a strategy that ties donations to a non-profit organization directly with product sales (Varadarajan and Menon 1988). Thus, CRM meets the needs of companies that strive for reputation and financial success, and provides non-profit organizations with resourcing and funding opportunities (Chang 2008). Evidence from the field demonstrates that cause-related marketing matters: CRM spending in the United States has been growing at an impressive rate, from $922 million in 2003 to $1.78 billion in 2013 (Cause Marketing Forum 2014). However, there are also concerns regarding the credibility and commitment of companies engaging in CSR activities (Chang and Cheng 2015; Polonsky and Wood 2001). Consumers indeed question if a company’s support of a social cause is a genuine effort to benefit the cause or merely a tool used to increase the consumer’s goodwill toward the company (Barone, Miyazaki, and Taylor 2000, Skarmeas, and Leonidou 2013).

Because of the importance of cause-related marketing, a better understanding of the process related to CRM messages is needed. However, previous research investigates the influence of attitude formation and change in CRM (Chang and Cheng 2015; Gupta and Pirsch 2006; Lafferty and Edmondson 2014), but seems to disregard the role of consumer emotions in CSR advertising (for an exception, see Chang 2011). Further, although previous studies have shown a positive effect of cause-related campaigns and advertising on consumer attitudes and purchase intentions (e.g., Lafferty and Edmondson 2009; Nan and Heo 2007), the majority of CRM research focuses on the conceptual or perceptual fit between the brand and the cause (Barone et al. 2007; Kuo and Rice 2015; Nan and Heo 2007; Robinson et al. 2012) rather than the congruency between the cause and the consumer. To address these issues, we tested two alternative mediation paths (brand attitudes versus positive affect) in order to shed light on the underlying psychological process of cause-related advertisements and its effect on purchase intentions. Further, we investigated the influence of cause-gender congruency on individuals’ reactions to a cause-related advertisement.
promoting the fight against breast cancer in order to demonstrate the importance of gender effects for the cause selection process.

Based on a parallel multiple mediator model, we found that positive emotions fully mediated the effect of the CRM message on purchase intentions, whereas the mediating effect of attitudes toward the brand was not significant. This finding is inconsistent with traditional perspectives on the attitude-behavior relationship such as the Theory of Planned Behavior (Ajzen 1991), but in line with recent research suggesting that attitudes are not always a good predictor of behaviors (Elen et al. 2013). Further, we found a moderating effect of gender on the effectiveness of the CRM message. Specifically, purchase intentions for a wristwatch were higher for female participants when the “fight breast cancer CRM message was included in the ad, as opposed to the same ad without the CRM message. However, for male participants, no such effect occurred. This moderating gender effect is highly relevant for marketing practitioners because it emphasizes the importance of paying attention to cause-consumer congruencies rather than only focusing on the congruency between the brand and the cause. In the sections that follow, we first present the theoretical framework and hypotheses development. Next, we describe the research method and summarize our findings. Finally, we discuss the implications of our research and suggest avenues for future research.

Theoretical Framework and Hypotheses Development

Early research on cause-related marketing suggests a positive effect of CRM cues on consumer responses (e.g., Ross, Patterson, and Stutts 1992; Webb and Mohr 1998). Different mechanisms may be at work to explain this effect. For example, social production function (SPF) theory posits that individuals generate their own well-being by achieving two ultimate goals, physical and social well-being, through optimizing five instrumental goals (stimulation, comfort, status, behavioral confirmation, and affection) (Lindenberg 1996). As societies are moving quicker towards a “global village” (Wellman 1999), individuals are becoming more interrelated with other people’s well-being. For instance, individuals are willing to provide money, food, or other means of relief to people who have been stricken by natural disasters, wars, or who are suffering from illness. Thus, through a process of optimizing social well-being by substituting the instrumental goals of status, behavioral confirmation, and affection (Ormel et al. 1999), individuals may decide to engage in morally desirable activities even when direct reinforcement does not occur.

However, more recent empirical studies testing the CRM effect under controlled conditions have provided mixed results. A majority of studies (e.g., Nan and Heo 2007; Pracejus & Olsen 2004) show a positive effect of CRM messages on purchase intentions. On the other hand, Hamlin and Wilson (2004) do not find a main effect of cause-related cues on consumers’ evaluations of products and their intent to purchase, and Yechiam et al. (2003) observe a negative effect of CRM cues on product choice when CRM was used to promote a superior product alternative. These diverging findings may of course be tied to moderators related to, e.g., the type of product or the specific consumer segment. For example, Luchs et al. (2010) show that the positive effect of product sustainability on consumer preferences is reduced for those products where strength-related product attributes are important (such as detergents), because consumers tend to associate higher product ethicality with gentleness attributes and lower product ethicality with strength-related attributes. Because, as demonstrated above, a majority of previous research has found a positive effect of CRM messages on attitudes and preferences and the product featured in our study was a wristwatch where gentleness to the skin may be important, we hypothesize the following:

**H1:** Participants express higher purchase intentions for a wristwatch featured in a print advertisement when a CRM is present in comparison to the same ad without a CRM message.

Although testing the main effect of CRM messages on purchase intentions may be insightful in its own right, this research aims to shed light on the underlying psychological processes that explain why CRM works in the first place. Previous research has conceptualized CRM as a comparably rational mechanism that is triggered by attitude change or similar cognitive processes (e.g., Chang 2008; Lafferty and Edmondson 2009; Pracejus and Olsen 2004; Robinson et al. 2012). Chang (2011) included affect in his CRM model but focused on guilt, a negative emotion. However, our study argues that positive emotions may play a fundamental role in explaining the positive impact of CRM messages on consumer responses. In disentangling purely emotional from attitude-driven explanations, two competing hypotheses are formulated and tested in a parallel multiple mediation model. H2a states
a mediating effect of attitudes toward the brand, whereas H2b refers to positive emotions as the mediator for the positive effect of CRM message on purchase intentions.

**H2a:** Attitudes toward the brand mediate the relationship between cause and purchase intentions.

**H2b:** Positive emotions mediate the relationship between cause and purchase intentions.

We draw on Congruity theory (CT) to formulate our expectation concerning the moderating effect of gender for the specific CRM message used in our study. Congruity theory states that individuals seek to establish and maintain consistency among cognitive elements (Kamins and Gupta 1994). Building on the CT framework, previous studies have focused on the fit between the brand and the cause (Hamlin and Wilson 2004; Kuo and Rice 2015; Lafferty et al. 2004; Nan and Heo 2007; Prajewcus and Olsen 2004), the product category and the cause (Lafferty et al. 2004), or the cause and the retailer (Ellen, Mohr, and Webb 2000). However, research considering the congruity between the cause and the consumer is extremely scarce (for an exception, see Gupta and Pirsch 2006). Considering that, similar to brands, causes can be gendered (for example, the Susan G. Komen for the Cure initiative is portrayed as being more female, whereas other causes may be perceived as being neutral or male-gendered), we hypothesize that a specific cause can have a differential effect on purchase intentions for male versus female consumers. This expectation is also congruent with self-categorization theory, which suggests that consumers prefer causes from a domain they most closely associate with (Lafferty and Edmondson 2014). Hence,

**H3:** For a feminine cause-related marketing message (fight against breast cancer), gender moderates the effect of the CRM message on purchase intentions. Specifically, the difference in purchase intentions for an ad with a CRM message (as opposed to the same ad without such a message) is higher for female than for male consumers.

Finally, previous research has tested the fit between brand and cause, but has been surprisingly silent concerning the boundary conditions for the product type itself. Strahilevitz and Myers (1998) report that cause-related marketing was more effective for frivolous luxuries (e.g., a hot fudge sundae) than for practical necessities (e.g., a box of laundry detergent). The underlying effect is based on the premise that the consumption of luxury products evokes guilt (Lascu 1991) which consumers seek to compensate with socially-desirable or altruistic behaviors (Cialdini et al. 1982). Hence,

**H4:** The type of product moderates the effect of the CRM message on purchase intentions. Specifically, the difference in purchase intentions for an ad with a CRM message (as opposed to the same ad without such a message) is higher for a luxury product than for a non-luxury product.

**Method**

**Pretests**

Three studies were conducted to select and pretest the product category, brand, and cause. Informal conversations with university students suggested six relevant product categories: Handbags, shoes, perfumes and body lotions, sunglasses, belts, and watches. To ensure that participants were involved with the product category, 75 university students (54 female) were asked to rate the six product categories mentioned above based on Zaichkowsky’s (1994) ten-item, seven-point personal involvement inventory. The results suggested a high product involvement for perfumes and lotions (M=5.50), followed by shoes, (M=5.41), watches (M=5.00), handbags (M=4.16), sunglasses (M=4.10), and belts (3.71). For the main experiment, wristwatches were selected because they demonstrated a reasonably high product involvement and have been used successfully in previous consumer research (e.g., Teas and Agarwal 2000). Similar procedures were used to select the brand (Gucci for the luxury brand and American Eagle for the non-luxury brand), and the cause (fight against breast cancer).
Participants and Design

One hundred and seventy-two undergraduate students (114 female) from a private university in Northern Mexico were randomly assigned to cells of a 2 (advertising with versus without cause) x 2 (luxury product versus non-luxury product) factorial design. The context of the study, an emerging economy, is relevant for the topic because corporate social responsibility has become increasingly important outside of the traditional realm of developed countries (Baskin 2006). Thus, this study follows Burgess and Steenkamp’s (2006) call for more research in emerging economies.

Participants saw one of four different advertisements for a watch that represented the manipulations for cause (with or without) and type of product (luxury versus non-luxury). The four combinations resulting from these two manipulations are shown in Annex 1. For example, participants in the “with cause/luxury product” condition saw an advertisement for a Gucci-branded watch, accompanied by a larger text saying “Today you have time to give time to someone: Join the cause,” a pink ribbon, and a smaller text saying “Buy the watch and contribute to the fight against breast cancer.” Participants in the “without cause/non-luxury product” condition saw an advertisement for an American Eagle-branded watch, accompanied by a larger text saying “The time lost is never recovered” and a smaller text saying “Now available in stores”. Participants then answered questions related to their purchase intention, attitudes toward the brand, emotions, brand familiarity, product involvement, and demographics.

Measures

Purchase intentions were assessed by asking participants to indicate the probability that they would purchase the brand in the future, based on MacKenzie and Spreng’s (1992) three-item, seven-point semantic differential scale. The end-poles of the three items were unlikely/likely, improbable/probable, and impossible/possible (Cronbach’s α = .89). Attitudes toward the brand were measured with Campbell and Keller’s (2003) four-item, seven-point differential scale, anchored by bad/good, low quality/high quality, unappealing/appealing, and unpleasant/pleasant (α = .92). Positive emotions were measured with Watson and Clark’s (1994) Positive and Negative Affect Schedule (PANAS, α = .90). Brand familiarity, one of the two control variables in the study, was assessed with tree seven-point items from Kent and Allen (1994), anchored by unfamiliar/familiar, inexperienced/experienced, and not knowledgeable/knowledgeable (α = .61). Although reliability for this scale was the lowest for all scales in this study, it is still above the cut-off value of .60 suggested by Nunnally (1978) for scales used in exploratory research. The second control variable, product involvement, was measured with nine seven-point items from Zaichkowsky’s (1994) personal involvement inventory (α = .94).

To evaluate the success of the product type manipulation (luxury versus non-luxury), participants expressed their agreement with three items (prestige, exclusive, and high status) on a seven-point scale anchored by totally disagree/totally agree (Kirmani et al, 1999, α = .92). Because all scales demonstrated unidimensionality and acceptable reliability, composites based on factor scores were used in the subsequent analysis. Specifically, the imputation option in AMOS 22.0 was used to reduce the scores from the multi-item measures to just one latent factor score. The advantage of using composites based on factor scores instead of simple or weighted averages is that more information from the original latent variables is retained.

Manipulation Checks

A one-way analysis of variance (ANOVA) showed that participants who saw the ad with the Gucci watch (luxury product condition) scored significantly higher (M=6.29) on the three-item, seven-point Kirmani et al. 1999 prestige measure than those participants who saw the ad with the American Eagle watch (non-luxury condition) (M=4.19, F[1, 170]=172.74, p<.001). The success of the manipulation for the absence or presence of the cause in the advertisements was not assessed because the interest of the study was tied to the effect of the factual absence or presence of the cause in the advertisements and not to participants’ conscious awareness of the absence or presence of the cause. In other words, the study assumes that the absence or presence of the cause may very well work at the unconscious or subconscious level of information processing.

Results

Main Effects of Cause and Product Type

Results from a univariate general linear model with cause and type of product as the factors and purchase intentions as the dependent variable revealed a significant main effect of cause on purchase intentions. Specifically,
participants who saw a version of the ad where the cause (donation to fight breast cancer) was included expressed a significantly higher purchase intention (M=3.20) for the watch than those participants who saw the same ad without the cause (M=2.79, F =5.12, p<.05). Thus, the results provided support for H1. The product type (luxury versus non-luxury) did not directly influence purchase intentions. Finally, the direct effects of the two control variables (brand familiarity and product involvement) were not statistically significant.

**Mediation of Attitudes Toward the Ad and Positive Emotions**

In order to test hypotheses H2a and H2b, both attitudes toward the brand and positive emotions were entered into a parallel multiple mediation model (model 4 in Hayes 2013). Although the graphical representation of model 4 shows only one mediator, it can be extended to include several mediators simultaneously (p. 134). Congruent with the results from the main effect analysis based on the univariate analysis of variance shown previously, a bootstrap analysis with 10,000 samples (Preacher and Hayes 2008) indicated a positive and statistically significant total effect of cause (absence or presence) on purchase intentions (b=.41, t=2.08, p<.05). Contrary to hypothesis 2a, the mediating effect of attitudes toward the brand was not significant (b=−.02, bootstrapping SE=.04, 95% CI=−.12 to .03). However, supporting hypothesis 2b, the mediating effect of positive emotions was positive and statistically significant (b=.21, bootstrapping SE=.10, 95% CI=.04 to .42). Thus, positive emotions, rather than attitudes towards the ad, seemed to be the underlying psychological mechanism that explained the positive effect of cause-related marketing activities on purchase intentions in this study. With the simultaneous inclusion of the two mediators into the model, the direct effect of cause on purchase intentions became non-significant (b=.22, t=1.30, p=.19). Thus, positive emotions fully mediated the relationship between cause and purchase intentions, which is equivalent to indirect-only mediation in Zhao et al. (2010).

**Testing for Boundary Conditions: Moderation Effects**

Testing for moderation effects was based on Hayes (2013) model 1. In order to facilitate the interpretation of the results, the independent variables were mean-centered. As shown in Figure 1, and supporting H3, the analysis revealed a statistically significant moderating effect of gender on the relationship between cause and purchase intention (b=.90, t=2.16, p<.05). This coefficient is an unstandardized effect, that is, it is contingent on the scale of the dependent variable.

The advantage of Hayes’ regression-based approach to moderation is that it does not only provide information regarding the significance of the interactions and the cell means, but also the conditional effects of the independent variable at different levels of the moderator. The conditional effect of cause (absence or presence) on purchase intention was .71 at level .5 of the moderator (that is, for female participants). This effect was statistically significant (t=2.92, p<.01, 95% CI=.23 to 1.19). However, the conditional effect for cause on purchase intention at level −.5 of the moderator (that is, for male participants) was −.19 and not significant (t=−.56, p=.58, 95% CI=−.85 to .48). Thus, the presence of the social cause of fighting breast cancer in the advertising increased women’s intention to purchase the product by .71 points on the seven-point purchase intention scale, whereas men apparently
did not react to this specific cause. In fact, the negative coefficient, though statistically not significant, suggests that men might actually be repelled by an openly feminine social cause. On the other hand, product type (luxury versus non-luxury) did not moderate the relationship between cause (absence or presence) and purchase intentions (H4). Thus, the effect of the CRM message proved to be robust for both luxury and non-luxury products.

Discussion, Implications, and Avenues for Future Research

This study contributes to the existing knowledge on cause-related marketing in several ways. First, the results of the experiment demonstrate a positive effect of the “fight breast cancer” CRM message, regardless of the type of advertised product (luxury versus non-luxury). Although previous research suggests that the decision making process for luxury products is often quite different from the decision making process for non-luxury products (Geiger-Oneto et al. 2012), previous research has not investigated if these differences affect the effectiveness of CRM messages. The experimental design used in this study provides preliminary evidence regarding this issue and suggests a comparatively robust effect for CRM cues. However, whereas CRM messages seem to work in different contexts and situations, marketing managers are advised to choose the specific cause for their campaign with care. The results of this study demonstrate a significant gender effect for the CSR message on purchase intentions. Whereas the effect of the “fight breast cancer” CSR message on purchase intentions was positive and statistically significant for female participants, no such effect was found for the male participants in this study. Rather, the sign of the regression coefficient, though not statistically significant, suggests in fact the possibility that, depending on the congruity between cause and consumer, specific consumer segments may be repelled by certain causes. Investigating this possible “backfire” effect of cause-related marketing campaigns opens interesting avenues for future research. Second, the results of this study shed light on the psychological process that explains the effectiveness of CRM messages. A meditation analysis based on the procedures described by Hayes (2013) suggests that positive emotions, rather than attitudes toward the brand, can play the dominant role in this process. The role of affect has been widely neglected in previous research on cause-related marketing, and this study presents a first step towards more research able to integrate emotional responses into the current CRM framework.

Appendix: Manipulations for Cause and Product Type

![Manipulations for Cause and Product Type](attachment:images)
References


