# A Study of Consumers' Attitudes Toward the Methods Employed by an Enterprise for Charitable Acts: Cause-Related Marketing vs Sponsorship

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#### **ABSTRACT**

There have been many studies in the past on sponsorship and cause-related marketing, but few authors have compared these two ways of performing charitable acts and studied welfare activity issues. Therefore, this study compares the effects of the methods by which an enterprise performs charitable acts (cause-related marketing/ sponsorship), and shows how different types of issues (correlation/ differential/ emergent) affect marketing benefits (enterprise image and purchase intention). The study used a quasi-experiment for its research and produced a  $2 \times 3 = 6$  treatment design.

We formed some conclusions from the data analysis. (1) The different methods employed by an enterprise for doing good have a significant effect on purchase intention, with cause-related marketing having a better effect than sponsorship on purchase intention. But they do not have significantly different effects on enterprise image. (2) The different types of issues do not have significantly different effects on marketing benefits. But, on average, the effect of the differential issue is higher than the other issues. (3) The congruence between an enterprise and issue has a positive effect on marketing benefits. In other words, the enterprise image and purchase intention can increase when the congruence between the enterprise and issue are high. (4) Consumers' attitudes toward issues have a positive association with marketing benefits. The more the consumer supports an issue, the more it can promote an enterprise image and a purchase intention.

Key words: cause-related marketing, sponsorship, activity issues, enterprise image, purchase intention.

#### 1. INTRODUCTION

In the past, when an enterprise engaged in charitable and public welfare activities, it did so spontaneously and most methods for doing good simply involved monetary donations to help somebody in need. As the environment changed, a larger percentage of the populace began to think that an enterprise should shoulder the duty of social responsibility. Hence enterprises began investing more mental and physical effort by spontaneously joining in public welfare activities. Gradually, enterprises joined public welfare activities mostly by sponsorship to support specific issues. But now when an enterprise joins in a charitable or public welfare activity the action does not stem from spontaneity, instead it comes from self-interested motives. The corporate environment is now evolving into a phase in which social responsibility is viewed as an investment (Stroup & Neubert, 1987). Many non-profit organizations cannot get any real help because enterprises choose to sponsor more famous non-profit organizations or issues to achieve marketing benefits.

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This was the case until 1981, when cause-related marketing (CRM) first appeared and the concept of CRM began to be utilized by for-profit and non-profit organizations (Josephson & Nancy, 1984). It allows for-profit and non-profit organizations to work together on the basis of particular events, building mutually beneficial relationships. Both CRM and sponsorship consider the benefits to the enterprise. But the difference between CRM and sponsorship is that CRM puts greater emphasis on the aspect of mutually beneficial relations. CRM concurrently covers altruistic and self-interest motivations, receiving the approval of enterprises.

Varadarajan and Menon (1988) traced the emergence of philanthropic activities and defined three stages: (1) Voluntarily doing good, (2) Mandated corporate social responsibility, (3) Doing better by charitable actions (CRM). From these three stages we can understand the progress of the methods used by an enterprise for charitable deeds.

When an enterprise performs charitable acts it is not purely from spontaneity. It combines both marketing and charity and thus becomes the new way of marketing. In the past, the results of research on CRM and sponsorship proved that the two methods for engaging in charitable actions can both help an enterprise to achieve an improvement in sales volume and corporate image and present apparent marketing benefits. But in the past there was less relevant research and discussion dealing with a comparison of the two. Therefore this study tries to compare these two methods and understand which is better, or which has the best marketing benefits. In addition, this study also tries to compare the effects of different types of issues on marketing benefits and understand the effects of congruence between issues and an enterprise and how consumers' attitudes toward issues affect marketing benefits (enterprise image and purchase intention).

When the different methods used today by enterprises for performing charitable acts are compared, it is seen that the most common ways are CRM and sponsorship, and these two methods have received a lot of research discussion from scholars in the past. In order to understand these two methods and understand whether they can bring marketing benefits to an enterprise, this study attempts to analyze the two methods and find the differences between CRM and sponsorship from the consumer's viewpoint. In addition, this study also attempts to ascertain what kinds of public issues can bring better effects. Hence, the research objectives of this study are as follows:

- (1) To explore the effect of cause-related marketing and sponsorship on marketing benefits.
- (2) To explore the effect of correlation, differential, and emergent issues on marketing benefits.
- (3) To explore the relationship between the sponsor-issue congruence and marketing benefits.
- (4) To explore the relationship between consumers' attitudes toward issues and marketing benefits.

## 2. LITERATURE REVIEW

## 2.1 Methods Used by An Enterprise for Performing Charitable Acts

Over the past few years, besides traditional advertisements, promotions, discounts and so on, a different marketing technique has appeared. Due to an upward surge in consumer consciousness, an emphasis on life quality and the development of public welfare associations; assuming the duty of social responsibility has become an indispensable condition for the continued existence of an enterprise. Therefore, enterprises have enthusiastically joined in charitable and public welfare activities to maintain or enhance their public image and meet the needs of the populace. The most common way for an enterprise to join in public welfare activities is sponsorship. But, as far as the enterprise is concerned, it must be responsible to its shareholders and make a profit. An enterprise is unable to unilaterally contribute for a long time. Therefore a way emerged of combining an enterprise with a non-profit organization to achieve marketing benefits. Past research termed this method Cause-Related Marketing. Obviously, enterprises often use these two ways, cause-related marketing and sponsorship, to achieve sales promotion and establish a good image. Therefore, this study focused on these two methods, CRM and Sponsorship, to explore the effects of the methods used by an enterprise for charitable actions on marketing benefits (purchase intention and enterprise image).

## 2.1.1 Cause-related marketing (CRM)

In 1981, CRM was used for the first time by American Express and was very successful. American Express developed an association with the Statue of Liberty Foundation in 1983, offering to donate 1 cent to the foundation every time an American Express charge card was used in the United States and \$1 for every new card issued, which the foundation could then use to support the actual cost of restoration. As a result of this cause-related marketing campaign, American Express experienced a 28% increase in charge card usage and a 45% increase in new cards issued, resulting in a donation of \$1.7 million to the Statue of Liberty Foundation. From this moment on, both enterprises and NPOs began to pay more attention to the idea of CRM. CRM represents a confluence of perspectives from many specialized areas, including business marketing, product promotion, public relations, marketing for an NPO, corporate philanthropy, and fund-raising management.

Varadarajan and Menon (1988) defined CRM as the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organization and individual objectives. The cooperation between these for-profit and non-profit organizations is based on particular events and builds a mutually beneficial relationship. However, consumers also participate in the CRM process and cause-related marketing promotions (CRMPs) establish close relations between the enterprise, the NPO, and consumers. The internal process of cause-related marketing is shown in Figure 1.

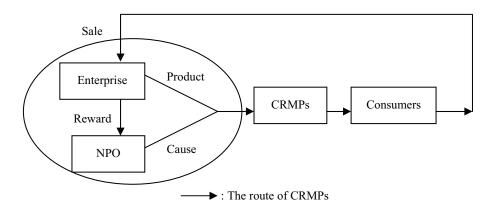


Figure 1. The interactive process for a cause-related marketing relationship The source: You (2001).

## 2.1.2 Sponsorship

Initially, sponsorship activities were considered one kind of entreaty behaviour. The enterprise's donation activities were under strength or stemmed from a charitable motive to supply money or materials to an NPO (Chang, 1991). This caused sponsorship to be misunderstood for a long time and most people confused sponsorship with philanthropy (Sandler & Shani, 1993). The biggest difference between sponsorship and philanthropy is that a philanthropic donor is not seeking and does not expect to obtain a commercial benefit. In addition, sponsorship activity is affiliated with other marketing messages and the sponsor can estimate its potential value beforehand. Therefore sponsorship is a transaction activity on the basis of benefits. The sponsorship's eventual purpose for the enterprise is a winning strategy to obtain each kind of relationship.

Sandler and Shani (1989) felt that the sponsors provide the resources (including money, staff, equipment and techniques) in order to favour the administration with its activities and achieve business marketing or mass media goals. Meenaghan (1991) defined sponsorship as the "provision of assistance, either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives." Johnson (1990) quoted the viewpoint of accessional value. He thought sponsorship should be administered to create multiple effects and could obtain bigger benefits from the cooperation between the sponsor and NPO, than by itself.

In brief, sponsorship and CRM are both marketing techniques that are different from past marketing techniques. Both sponsorship and cause-related marketing employ mutual cooperation between a corporation and an NPO to achieve dual winning and marketing benefits.

# 2.1.3 Comparison between CRM and sponsorship

Table 1. Comparison between CRM and sponsorship

	Sponsorship	Cause-Related Marketing
1. Definition	Provision of assistance, either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives. (Meenaghan, 1983)	CRM is the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organization and individual objectives. (Varadarajan & Menon, 1988)
2. Purpose	By some specific issues, to achieve marketing goals, including sales promotion and positive image, as well as awareness, elevation from the market place and concern from potential customers.	Combining corporate and public welfare issues to create dual wins (NPO and Corporate), including achieving sales, image and awareness promotion, and raising money for the NPO.
3. Object	The main object for sponsorship is sports, which accounts for eighty percent and upward.	Containing all types of public welfare issues, including sports, medical, religious, academic, and social charity organizations.
4. Motivation	On the basis of social responsibility, assistance activities, and the pursuit of corporate benefits.	On the basis of social responsibility, assistance activities, and the pursuit of corporate benefits.
5. Criticism	Consumers regard the enterprise as using sponsorship to execute marketing goals.	Consumers regard the enterprise as using sponsorship to execute marketing goals and allowing worthwhile issues or objects be exploited.
6. Research Finding	1. Suggests that respondents' attitude toward sponsor and the congruence between sponsor and activity issues have significant effects on the use of sponsor's products. (Speed & Thompson, 2000)  2. When respondents' attitudes toward sponsor are positive, then it produced positive effects on corporate image. (Chen, 2003)  3. Suggests that a positive relationship exists between consumers' identification with an NPO and their intentions to purchase sponsors' products. (Cornwell & Coote, 2005)	1. Most respondents felt CRM was a good way to raise money for the cause, had purchased a product to help a cause, and expressed favourable attitudes toward the firm and the cause. (Ross, Stutts & Patterson, 1991)  2. Respondents believed it important to make donations to a local charity and to buy products from companies that support charitable causes. (Smith & Alcom, 1991)  3. Suggests that there is a potential segment of consumers that responds to CRM with purchase behaviour. (Webb & Mohr, 1998)

From the viewpoint of consumers, there was no doubt that an enterprise joining a charity helped to enhance its image. Chen (2003) found that consumer sponsorship had positive effects on the sponsor's image and it appeared that the more the enterprise joined in public welfare activities, the more consumers

supported the enterprise. In addition, the charitable acts performed by the enterprise also had potential effects on purchase intention. And pointed out that: (a) 86% of the consumers agreed that when comparison with other advertised products showed that price and quality were equal, they were more likely to buy a product associated with public welfare and CRM; (b) 89% of the consumers had purchased a product or service associated with a charity or public welfare activity. Barone and Miyazaki (2000) found that when enterprises supported public welfare activities this support could affect consumers' purchase decisions. The information presented above proved that consumers are willing to purchase a product or service promoted in conjunction with public welfare activities to support the activities.

According to the above, we can deduce hypothesis 1:

- H1-1: The charitable acts of an enterprise (CRM/Sponsorship) have significant differential effects on the image of the enterprise.
- H1-2: The charitable acts of an enterprise (CRM/Sponsorship) have significant differential effects on purchase intention.

## 2.2 Types of Activity Issues

You (2001) referred to the study of Cobb and Elder (1983) to treat the characteristics of public issues related to an enterprise involved in public welfare activities. You classified the issues related to an enterprise involved in public welfare activities and divided these issues into five categories:

- 1. Conspicuousness: This is concerned with whether the issues can solicit public identification when the enterprise guides or joins in the issues. As the issues' social meanings are revealed and the public is effectively persuaded, then the issues will be explored and solicit public attentiveness. Cheng (1993) indicated that an enterprise usually has a higher inclination to sponsor large-scale public welfare activities and that large-scale activities result in wider effects. Apparently the issues' conspicuousness is one of the important factors for the enterprise when the enterprise joins in welfare activities.
- 2. Timeliness: An issue which is discussed by the mass media for a long time more easily has a long-term influence on the public. Therefore, it will have much more development than a short-term issue. Cooper (1997) felt that an enterprise can establish moral and benevolence prestige, attract constant attention from the mass media, and cause the consumers, the staff, the benefiting parties, and the community to accept this enterprise with pleasure when the enterprise owns an issue by adoption over a long time.
- 3. Differential: This means that the issues have never or have seldom been used by domestic enterprises in the past and the degree of attraction and attention to these issues by the public is higher. So whether the issues can rapidly expand is related to whether the issues can appear in a brand-new way. This kind of issue also can avoid having confusion with past related issues affect the propaganda effects.
- 4. Emergent: The enterprise helps the object needing urgent support in the short term by the donation of money or the like. Yang (1995) advanced a

- proposition "The occurrence of emergent events can affect the enterprise's decision to sponsor public welfare." Many international studies have shown that issues related to emergent rescue or disease treatment more readily receive the favour of consumers than other issues (Scholder, Mohr & Webb, 1996).
- 5. Correlation: Varadarajan and Menon (1988) explained that whether the enterprise can make a profit from the public welfare activities may possibly be decided by the correlation of the active mission, the reputation, benefactor and the enterprise image, the position, the target market, the product, and so on. It appears that the correlation between the enterprise and the issues is for the enterprise's benefits.

According to the above statements, the issues can be divided into five types. However, in order to avoid having multiple types of issues with the same concept, this study divides the issues into three types; correlation, differential, and emergent. Conspicuousness may easily appear in other types of issues and the concepts of timeliness and emergent show mutual repetition.

The different active issues created different effects and the enterprise easily chose higher well-known issues to attract the attention of the public. Kotler (2000) felt that the mistakes made in the choice of issues are based on marketing, because the choice of issues may not consider the value of the issues themselves. It is easy to choose popular, lower risk, high exposure issues. It appears that the various types of issues can result in different effects. Therefore an enterprise shows favour to some specific issues in order to achieve specific goals, such as awareness, image, sales, and so on.

According to the above, we deduce hypothesis 2:

- H2-1: Activity issues (correlation/differential/emergent) have significant differential effects on enterprise image.
- H2-2: Activity issues (correlation/differential/emergent) have significant differential effects on purchase intention.

#### 2.3 Congruence between Enterprise and Issues

The relationships between different sponsors and issues appear to represent different images. Accordingly, the relationship between an issue and the enterprise's image probably affects the benefits of the enterprise's charitable actions. In consequence, many scholars paid close attention to the degree of congruence between issues and enterprise image. Speed and Thompson (2000) defined the congruence between an enterprise and issues as consumers' cognition toward issues and the enterprise, and they were conscious of a "fit" between the enterprise and issues.

Smith (1994) explained that when facing different activity issues, American enterprises would carefully choose unrelated activity issues to avoid negative reflections. Amott (1996) and Benezra (1996) indicated that business executives agreed that the degree of congruence between the sponsor and issue is the key factor which affects the benefits of an enterprise's charitable actions and that when

the degree of congruence between a sponsor and issue is lower, then the enterprise is not considered to be using other people's misfortune to gain benefits. This point is different from past research on sponsorship. It shows that when used inappropriately, it will create negative effects. The research of Webb (1999) concluded that the degree of congruence between sponsor and issue will significantly affect consumers' ascription of the objectives to the enterprise. Johan and Sirgy (1991) proposed that value-expressive advertising appeals are persuasive when the product is value-expressive, whereas utilitarian appeals are persuasive when the product is utilitarian. Shimp (1981) discovered that different product categories use of the advertisement technique really makes a difference. Laskey, Fox, and Crask (1995) indicate that execution style does influence advertising effectiveness, but the result is moderated by product category and type of measure. Their study found that the effectiveness of informational versus transformational advertising differed significantly for recall and key message comprehension, but not for persuasion. So therefore, since different forms of advertising have different effects on the customer, the congruence between the enterprise and issues will also be affected by the advertising. You (2001) found that the degree of congruence between the sponsor and issue affected consumers' purchase intention and future sales, as well as the image of the enterprise.

According to the above, we deduce hypothesis 3:

- H 3-1: High congruence between an enterprise and issue has a significant effect on enterprise image.
- H 3-2: High congruence between an enterprise and issue has significant effect on purchase intention.

#### 2.4 Attitude toward Activity Issues

Rosenberg and Hovland (1960) believed that attitude is composed of cognitive, affective, and behavioural factors. Fishbein and Ajzen (1975) defined attitude as a learning tendency. According to the tendency, it attached a coherent like or unlike status to the specific observation object. Kotler (2000) gave as the definition of attitude: an individual like or unlike evaluation, emotional feeling, and behavioural intention for some object or idea. To integrate the definitions given above, this study concluded that attitude is composed of cognitive, affective, and behavioural factors. Cognitive means a belief in a specific objective, affective means an emotional response to a specific objective, and behavioural means a tendency to act in a certain way toward a specific objective. Someone's belief and emotion for a specific objective will form their attitude and their attitude will result in a behavioural tendency. Therefore, attitude plays an important role in consumers' purchase intention.

Speed and Thompson (2000) pointed out that consumers' responses would be more positive when they liked the active issues of the sponsorship more. The research of D'Astous and Bitz (1995) found that when the respondents felt more interested or attracted to the sponsorship issue, there was a more apparent effect on the sponsor's image. Obviously, consumers attach importance to the active issue

itself, not to the proportion of the donation. Yang, Wu & Lee, (2006) showed that the donation behaviour did not have significant effects on purchase intention. Consumers' subjective consciousness of the issues may cause a directly positive or negative attitude. Therefore, the more consumers have a positive attitude toward activity issues, the more the enterprise can gain a great response. From the above results, we know that an enterprise can gain favourable impressions from consumers and support for the sponsorship relationship when consumers are fond of the issues that are supported by the enterprise.

According to the above, we deduce hypothesis 4:

H4-1: High support toward issues has a significant effect on enterprise image.

H4-2: High support toward issues has a significant effect on purchase intention.

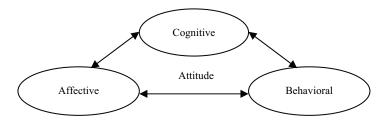


Figure 2. The model of a consumer's attitude. The source: Hawkins, Best and Coney (1997).

#### 2.5 Research Framework

This study was done mainly by means of consumer research to examine and compare the effects of the methods by which an enterprise performs charitable acts (cause-related marketing/ sponsorship), showing how different types of issues (correlation/ differential/ emergent) affect marketing benefits (enterprise image and purchase intention), and examining the effects of congruence between an enterprise and issue and consumers' attitude toward issues of dependent variables. The framework of this study is illustrated in Figure 3.

#### 3. METHODOLOGY

## 3.1 Research Design

#### 3.1.1 Experimental design

This study used a quasi-experiment, a between-subjects design, as our research method. There are four reasons why we chose to use this research method. First, a quasi-experiment is convenient and cost saving; second, it can manipulate

variables effectively and is also suited to research concerning casual problems; third, a quasi-experiment has a better internal validity than other research methods and is also suited to our research participants (college students); fourth, it prevented the respondents from noticing the main purpose and panorama of the experiment, showing them different scenarios in order to reduce disturbance.

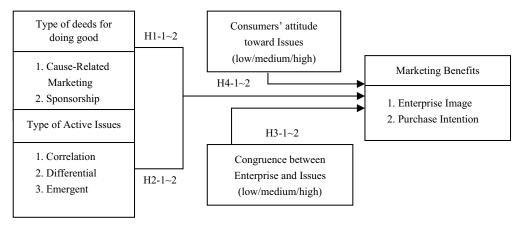


Figure 3. Research framework.

This study manipulated two variables, charitable acts of the enterprise and activity issues, to understand their effects on dependent variables. Therefore this study produced a  $2 \times 3 = 6$  treatment design and included one control treatment, as shown in Table 2:

Table 2. The study experimental design

Experimental						_	Control		
Cause	Cause-Related Marketing			Sponsorship					No
Correlation	Differential	Emergent		Correlation	Diffe	erential	Emergent		No
I	П	Ш		IV		V	VI		VII

#### 3.1.2 Experimental object

The object of this study was to give priority to students in the management school in I-SHOU University based on timeliness, convenience, and cost consideration. Furthermore, it allowed us to avoid having a higher heterology affect the accuracy of the experimental result, as students have higher homogeneity. Due to the adoption of a group of graduate students, who have higher homogeneity, the results were rarely affected by personal characteristics, such as income, age, lifestyle, etc., allowing the research to focus on the experimental variables. Future related research can aim at different consumer groups and research the effects of personal characteristics on marketing benefits.

Cause-related marketing and sponsorship are both marketing techniques with which an enterprise hopes to achieve marketing benefits. In order to understand whether the charitable acts of an enterprise have an effect on product promotion, the study adopted a product with which the students were familiar (athletic shoes) as a research object. The study used a fictitious brand (SpOrTy) to avoid any pre-experience or brand preference by the respondents from affecting the results, thus allowing us to exactly understand the effects of charitable acts by the enterprise.

In order to choose issues that coordinated with our research subject, the study implemented a pre-test to choose suitable issues. The pre-test respondents came from sophomore graduate students in the management school of I-SHOU University. There was a total of 36 subjects available on the pre-test. Based on the results, the study chose the issues of the Olympics, O.I. foundation, and Lunch Expenses to separately represent the subjects of correlation, differential, and emergent.

## 3.2 Advertisement Design

The study used two independent variables (charitable acts by the enterprise and types of issues) and divided the advertisement designs into seven types to measure the effects on enterprise image and purchase intention. The advertisement designs were as follows:

## 1. Cause-Related Marketing

- (1) Sporty Company is currently participating in a marketing campaign. For each pair of shoes sold, 5 percent will be donated to the athletes participating in the Olympic Games, up to a maximum of \$10,000,000. (Correlation Issue)
- (2) Sporty Company is currently participating in a marketing campaign. For each pair of shoes sold, 5 percent will be donated to the Osteogenesis Imperfecta (O.I.) foundation, up to a maximum of \$10,000,000. (Differential Issue)
- (3) Sporty Company is currently participating in a marketing campaign. For each pair of shoes sold, 5 percent will be donated to help children with their lunch expenses, up to a maximum of \$10,000,000. (Emergent Issue)

## 2. Sponsorship

- (1) Sporty Company is currently participating in a marketing campaign. They have decided to donate \$10,000,000 to the athletes participating in the Olympic Game (Correlation Issue)
- (2) Sporty Company is currently participating in a marketing campaign. They have decided to donate \$10,000,000 to the Osteogenesis Imperfecta (O.I.) foundation. (Differential Issue)
- (3) Sporty Company is currently participating in a marketing campaign. They have decided to donate \$10,000,000 to help children with their lunch expense. (Emergent Issue)

## 3.3 Experimental Sampling

The study used convenient sampling in the research, choosing undergraduate students in ISU's department of business administration. The experimental scenarios in the study were divided into seven types and the participants were randomly assigned to one of the seven scenarios. It took ten minutes for the entire process. In order to increase the internal validity and improve the quality of the survey, the study adopted a voluntary reply method for participants and gave the participants gifts after finishing the survey.

Based on the method explained above, the study sent out 210 questionnaires, received 210 questionnaires, and 186 questionnaires are still available for further analysis. The structure of the data is shown as follows:

	J				
Issu	ie types				
		Correlation	Differential	Emergent	Total
Method for	CRM	31	31	31	93
Charitable Acts	Sponsorship	31	31	31	93
Total	•	62	62	62	186

Table 3. The structure of the data

#### 4. DATA ANALYSIS AND RESULT

#### 4.1 Reliability and Validity Analysis

The study used Cronbach's value as a standard for the lower bound of reliability, setting 0.70 as the standard value. Cronbach's value for each construct was higher than 0.70. Therefore the questionnaire had good reliability for each construct. The reliability results are shown in Table 4.

The questions used in the study's questionnaires were mainly derived from past theory, the literature and correlative researches. Therefore the content of the questionnaires was able to cover the subject content and cohere with the content validity.

## 4.2 Manipulation Checks

The study used ANOVA to examine the manipulation checks, which were concerned with the types of issues. After computing the ANOVA, the study found that there were significant differences among the different issues. In other words, the study could confirm that the subjects were significantly manipulated by the types of issues in the correlation, differential, and emergent issue scenarios.

#### 4.3 The Tests for the Manipulation Experiment

The study used an independent samples t-test to examine the effects of the different methods used by the enterprise for performing charitable acts on

enterprise image and purchase intention, and used one way ANOVA to examine the effects of different types of issues on enterprise image and purchase intention.

According to the results of Table 6 and Table 7, the methods used by an enterprise for performing charitable acts have significantly different effects on purchase intention, but do not have significantly different effects on enterprise image. Furthermore the mean of cause-related marketing shows a greater effect than sponsorship on purchase intention. The types of issues do not have significantly different effects on either enterprise image or purchase intention. But the average for the types of issues, the effect of differential (O.I.), is higher than the others.

Table 4. Reliability for each construct

Items	Item Total Correlation	Cronbach's alpha value
Congruence		
1. Logical connection	0.6355	0.9029
2. Image similar	0.6614	0.8038
3. Fit together well	0.6536	
Attitude		
4. Strong support	0.6434	
5. Attend	0.7315	0.9527
6. Following coverage	0.5846	0.8536
7. Important	0.6717	
8. Important for me	0.7001	
Enterprise Image		
9. Social responsibility	0.6980	
10. Be eager for public welfare	0.8348	0.9006
<ol> <li>Morality and fame</li> </ol>	0.8259	
12. Good enterprise Image	0.7566	
Purchase Intention		
13. Commend	0.7150	
14. Needs	0.7212	0.8900
15. Support issues	0.7840	
16. Be willing to buy	0.8164	

Table 5. Issue manipulation checks

Advertisement	Scenario	Mean	Sd	F	p
	Olympics	5.2930	1.16		
Correlation	O. I.	5.0645	1.35	3.60*	.029
	Lunch Expenses	4.6935	1.22		
	Olympics	4.6290	1.43		
Differential	O. I.	5.4032	1.08	7.40**	.002
	Lunch Expenses	4.8548	1.19		
	Olympics	4.6935	1.65		
Emergent	O. I.	5.3871	1.11	8.84***	.000
	Lunch Expenses	5.6935	1.26		

Note. \* p<.05; \*\* p<.01; \*\*\* p<.001.

Table 6. The effects of the different methods used by the enterprise for performing charitable acts on enterprise image

Variables		N	Mean	Sd	p
Methods for performing	CRM	93	5.4480	1.05	.39
charitable acts	Sponsorship	93	5.4229	1.17	.39
	Correlation	62	5.2742	.98	
Types of issues	Differential	62	5.6452	1.14	.16
	Emergent	62	5.3871	1.17	

Table 7. The effects of the different methods used by the enterprise for performing charitable acts on purchase intention

Variables		N	Mean	Sd	p
Methods for performing	CRM	93	4.9427	.97	.024*
charitable acts	Sponsorship	93	4.7240	1.18	.024
	Correlation	62	4.6290	1.10	_
Types of issues	Differential	62	5.0484	1.03	.09
	Emergent	62	4.8226	1.09	

*Note.* \* p<.05.

Table 8. ANOVA of congruence between sponsor and issues and consumers' attitude toward issues showing the effects on enterprise image

Variables		N	Mean	Sd	p
Congruence between issue and enterprise	Low	64	4.8906	1.2041	
	Medium	63	5.4286	0.8949	.000***
	High	59	6.4355	0.8813	
C	Low	62	4.5215	0.9517	
Consumers' attitude toward issues	Medium	64	5.4427	0.7947	.000***
	High	60	6.3722	0.6725	

Note. \*\*\* p<.001.

Table 9. ANOVA of congruence between sponsor and issues and consumers' attitude toward issues showing the effects on purchase intention

Variables		N	Mean	Sd	p
Congruence between issue and enterprise	Low	64	4.2708	1.1235	
	Medium	63	4.9524	0.9330	.000***
	High	59	5.3164	0.9106	
C	Low	62	3.9839	0.8981	
Consumers' attitude toward issues	Medium	64	4.8177	0.8313	.000***
	High	60	5.7278	0.7248	

Note. \*\*\* p<.001.

# 4.4 The Test for Other Independent Variables (Congruence and Attitude)

The study used ANOVA to examine the effects of congruence between the issues and enterprise and the effects of the consumers' attitudes toward issues on enterprise image and purchase intention.

According to the results of Table 8 and Table 9, a higher congruence between issues and an enterprise has significantly higher effects on enterprise image and purchase intention. In other words, enterprise image and purchase intention can be greatly increased when the congruence between the enterprise and issue is higher. In addition, the consumers' attitudes toward issues also have significant effects on enterprise image and purchase intention. The more the consumers support the issues, the more promotion the issues provide to the enterprise image and purchase intention.

## 4.5 Analysis of the Impact of Variable Interaction on Marketing Benefits

Besides the independent effects of each variable, in order to gain a better understanding of the interaction among variables, this study used two-way ANOVA to analysis the interaction impacts on marketing benefits.

According to the results in Tables 10, 11, 12, 13, 14 and 15, most of the impacts of interaction among variables on marketing benefits are insignificant. The only significant impact comes from the interaction between congruence and attitude. The results show that the two independent variables (charitable acts by the enterprise/issue types) are independent and can be regarded as important effect factors. They have direct and cardinal effects on marketing benefits and do not need other factors to reinforce their effects on marketing benefits. However, the other variables (consumers' attitudes toward issues and congruence between enterprise and issue) have significant interaction effects on enterprise image promotion, but do not have significant interaction effects on purchase intention. The results appear to show that the impact of the interaction between congruence and attitude is higher than their independent effects on enterprise image. An increase in both consumer support for an issue and the congruence between the enterprise and the issue causes an increase in enterprise image. Their multiplicative interaction impact on enterprise image is conspicuous.

Table 10. Two-way ANOVA mixed design for charitable acts under different issues

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Variable		MS	F	p	
Entomorias	Charitable acts (C1)	2.927E-02	0.024	.876	
Enterprise	Issue Types (C2)	2.242	1.872	.157	
Image	C1 x C2	3.065	2.560	.080	
Dunchaga	Charitable acts (C1)	2.223	1.973	.162	
Purchase Intention	Issue Types (C2)	2.731	2.424	.091	
	C1 x C2	2.992	2.655	.073	

Table 11. Two-way ANOVA mixed design for charitable acts under different congruencies

Variable		MS	F	P	
Enterprise	Charitable acts (C1)	1.050E-04	0.000	.992	
	Congruence (C2)	19.957	19.317	.000	
Image	C1 x C2	3.569E-02	0.035	.966	
D	Charitable acts (C1)	1.361	1.361	.245	
Purchase	Congruence (C2)	16.648	16.653	.000	
Intention	C1 x C2	0.126	0.126	.882	

Table 12. Two-way ANOVA mixed design for charitable acts under different attitudes

Variable		MS	F	P	
Enterprise Image	Charitable acts (C1)	3.841E-03	0.006	.939	
	Attitude (C2)	51.966	78.204	.000	
	C1 x C2	1.054	1.586	.208	
D1	Charitable acts (C1)	1.518	2.265	.134	
Purchase	Attitude (C2)	45.929	68.526	.000	
Intention	C1 x C2	0.786	1.173	.312	

Table 13. Two-way ANOVA mixed design for issue types under different congruencies

Variable		MS	F	P	
Enterprise Image	Issue types (C1)	4.365	4.473	.013	
	Congruence (C2)	23.045	23.612	.000	
	C1 x C2	1.153	1.181	.321	
Purchase Intention	Issue types (C1)	5.183	5.401	.005	
	Congruence (C2)	19.796	20.626	.000	
	C1 x C2	0.404	0.421	.794	

Table 14. Two-way ANOVA mixed design for issue types under different attitudes

Variable		MS	F	P	
Enterprise	Issue types (C1)	0.655	1.003	.369	
	Attitude (C2)	50.396	77.177	.000	
Image	C1 x C2	1.274	1.951	.104	
Purchase Intention	Issue types (C1)	0.663	0.970	.381	
	Attitude (C2)	44.787	65.563	.000	
	C1 x C2	0.436	0.639	.636	

Table 15. Two-way ANOVA mixed design for congruence under different attitudes

Variable		MS	F	P	
Enterprise Image	Congruence (C1)	0.628	1.033	.358	
	Attitude (C2)	31.200	51.286	.000	
	C1 x C2	2.811	4.620**	.001	
Purchase Intention	Congruence (C1)	1.212	1.896	.153	
	Attitude (C2)	27.542	43.074	.000	
	C1 x C2	1.469	2.297	.061	

*Note.* \*\* p<.01.

# 5. CONCLUSIONS AND SUGGESTIONS

## **5.1 Research Conclusions**

1. Charitable acts by an enterprise: the different methods employed by an enterprise for charitable acts have significantly different effects on purchase intention, but do not have significantly different effects on enterprise image. Furthermore, cause-related marketing has better effects than sponsorship on purchase intention.

- 2. Issue types: the types of issues do not have significantly different effects on enterprise image and purchase intention. Although the effects on enterprise image and purchase intention do not show significant differences, the average for the types of issues, the impact of differential issues (O.I.) on dependent variables is higher than for others.
- 3. Congruence between issue and enterprise and consumers' attitudes toward issues: a higher congruence between the issues and the enterprise has significant effects on enterprise image and purchase intention. In other words, enterprise image and purchase intention can experience a greater increase when the congruence between the enterprise and issue is higher. In addition, the effects of higher consumer support for issues on enterprise image and purchase intention are also significant. It appears that the higher the consumer support for the issues, the greater the promotion for the enterprise image and purchase intention.
- 4. Interaction among variables: The effects of interaction among variables are almost insignificant. Obviously each variable is independent and does not arise out of interactions. The sole interaction occurred between congruence and attitude. The interaction between congruence and attitude has significant effects on enterprise image. It appears that the greater the interaction between congruence and attitude, the higher the promotion of enterprise image.

#### 5.2 Research Discussion

After analysis, the study found that the different methods employed by an enterprise for performing charitable acts have significantly different effects on purchase intention, with the effects of cause-related marketing being higher than sponsorship, but do not have significantly different effects on enterprise image. This shows that if an enterprise wants to increase sales, the enterprise should adopt CRM, not sponsorship, to engage in public welfare activities. The implication of CRM covers philanthropy and sales promotion, while sponsorship is primarily engaged in philanthropy. Therefore, CRM has a direct influence on sales promotion. For the image of an enterprise, both CRM and sponsorship have an influence, but do not reveal diverse effects.

The types of issues do not have significantly different effects on image and purchase intention. But the average for the issues, the effects of the differential issue are higher than the others. Obviously, when the issues have never or seldom been used by domestic enterprises in the past, the degree of attraction and attention to the issues by the public is higher. They can also easily give rise to discussion. In addition, the use of different issues can prevent any confusion with issues that have been used by other enterprises.

The congruence between an enterprise and issues and the consumers' attitudes toward issues have a positive influence on image and purchase intention. In other words, when the congruence between an enterprise and issue is higher or the issue has more support, the enterprise image and purchase intention will experience a greater increase. In the past, congruence was always regarded as an important factor in related researches. Therefore, an enterprise needs to give careful

consideration to issues and understand whether the issue is suitable for that enterprise. The decision concerning issues will directly affect the final results and produce different perceptions and attitudes in consumers.

#### **5.3 Managerial Implications**

Based on the conclusions of the methods employed by an enterprise for performing charitable acts, this study submits some management implications.

- 1. From the past until now, enterprises have been increasingly engaging in charitable acts. Due to the fact that enterprises are thinking more and more about business continuity, a successful enterprise not only thinks about the immediate benefits to be gained, but about acquiring the hearts of consumers. Therefore, nowadays an enterprise joins in public welfare activities to achieve these goals. The enterprise most often uses sponsorship and CRM. On the basis of the study results, CRM has higher effects on purchase intention, but there are no significantly different effects on purchase intention and image between sponsorship and CRM. When comparing them, this study found that adopting CRM brings more benefits to an enterprise than sponsorship. If the enterprise adopts sponsorship rather than CRM it will need to use other promotion methods, such as discounts or coupons, to achieve added and better sales effects. Thus, the enterprise may spend more funds to achieve its goal. CRM can use fewer funds to get better benefits than sponsorship. Furthermore, CRM is more diverse than sponsorship and can be used in an appropriate program in accordance with an enterprise's needs, giving the enterprise the power to determine the influence.
- 2. Although for the choices of issues the results do not show significantly different effects, on average, the differential issue is better than the others. It appears that when an enterprise chooses issues, it does not necessarily choose issues that are related to itself. Sometimes choosing issues that are related to itself allows consumers to think that the enterprise is exploiting the issue to achieve its goals, thus creating a negative effect. Therefore when the enterprise chooses a differential issue, it not only does not conflict with older issues but easily achieves goals due to the differential. The enterprise should try to choose more differential issues, and not blindly choose a more famous or popular issue as its subject.
- 3. Even though choosing differential issues as a subject may have better effects, the choice of issues should consider the congruence level between the issue and enterprise. If consumers do not think that the issue and enterprise make a good combination, the differential issue will not attract or affect consumers' behaviour. This has a consequent negative impact on the perceptions and attitudes of consumers. So the enterprise should investigate and understand consumers' opinions before deciding on issues.

On the whole, the application of CRM is closely related to consumers. Good CRMPs can create consumer consonance, affecting their support and reinforcing their impression of the enterprise over a long period of time. Comparatively,

sponsorship only accounts for short-term consumer consonance. When an enterprise joins in public welfare activities, the best method of doing so is not clear-cut. The decision should rest on the enterprise's goals. After deciding on a method of joint philanthropy, the most important part is the choice of issues. The choice of issues will determine the results of the whole activity, as well as consumers' perceptions and behaviour. It needs to be given careful consideration.

#### **5.4 Research Limitations**

- 1. External validity: In order to make the whole experimental environment uniform throughout and avoid disturbance by other factors, this study adopted students as sampling subjects. But they could not represent all consumers. Therefore, whether the results can be applied to the general public is a question that awaits further discussion in future research.
- 2. The presentation of the advertisement: Although the experimental advertisements were not more exacting than real advertisements, there were still some differences between them. Hence, the effects between them have a disparity.
- 3. Experimental subjects: Based on the considerations of time and cost, this study used convenient sampling and chose undergraduates to be research subjects. But the undergraduates for our research issues might not have paid close attention. Therefore this may have created an error in this study.

## 5.5 Suggestion for Future Research

- 1. To compare with different groups: In the future when choosing the subjects, the research can aim at different groups to explore and understand whether different groups will have different effects on the methods for charitable acts and the issues. It can be determined which group is more interested in, or pays more attention to, the charitable acts of the enterprise and the issues and is more willing to join in.
- 2. To compare with different types of products: In this research, the study used athletic shoes as the promotion product. In the future other kinds of products can be adopted to determine which kinds of products can more easily stimulate consumers' purchase intentions. From this we can realize which kinds of products have the greatest effects when the enterprise implements CRM. This can provide enterprises with a reference, allowing them to ascertain whether any of their products would be appropriate for use as a promotion product in a CRM program.
- 3. Congruence between an enterprise and issues: From the research process this study realized that the congruence between an issue and enterprise is not exclusively defined by a correlation or image resemblance. It is related to the perceptions of individual consumers. Even if an issue and enterprise do not have a correlation, they can still be a good combination and create an influence. Therefore, it will be possible to have a better understanding of the congruence between an issue and enterprise in the future and compare the

relationship using both correlative and non-correlative issues to determine a good congruence.

In addition to the items mentioned above, there are still many aspects, including the choices for issues, issues' proximity and so on to be discussed to make up for the deficiencies of this study.

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