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Impact of cause related marketing on customer purchase intention with special reference to cosmetic industry

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Abstract

A discern fit among the product and the purpose appears to play an important function as this undoubtedly impacts both the trustworthiness of the marketing campaign and the mindset to the brand, and that is why cause related marketing is becoming one of the strongest tools for promotion. The aim of this paper is to study how different brands use cause as a marketing and promotional tool to capture customer's attention and the factors that influences consumer purchases toward the cause.

Research Methodology: - To achieve this, the paper has used the descriptive research design and data have been collected through both primary and secondary sources.

Keywords: - cause marketing, brand awareness, promotion, perceived value, social cause, social media, customer relationship management, consumer behaviour

Introduction

With increasing competition in the market , it has become very hard for marketers to distinguish their offerings from different merchandise withinside the market. Cause-associated advertising has now end up a major problem for decision making and isn't a buzzword today. Marketing experts seek to study the effectiveness of marketing communications in an increasingly demanding and competitive business environment. (Khuman Rathod, Dr. Dharmesh D. Gadhavi, 2014)

Initially cause related marketing not only tend to effect customers purchase intension ,brand choice and willingness to pay, however it additionally does have a long-time period tremendous impact at the brands, which includes enhancing brand image.

While evaluating brands cause related marketing customer tend to compare using various factors such as awareness of cause related campaign, involvement with cause, cause-brand fit, and attributions about why are companies actually engaging in such cause related marketing. These factors tend to dominate their thinking and influence their responses towards cause marketing and the companies participating in it (Webb &Mohr, 1998)

Initial from 2017, the market size of the cosmetic ventures across India had a worth of roughly 11 billion U.S. dollars. The market size of the Cosmetic business recorded a year-on-year progress and was predicted to reach at a worth of 20 billion U.S. dollars till 2025.

As today's time cause marketing is not a choice but has become an essential part for any industry to work upon and especially in cosmetic and skincare industry where there is an immense competition and also the various stereotypes related the beauty among different genders

There are many cosmetic and skincare brands in India which are using cause related marketing

TABLE 1(Brands and their campaigns)

Cause and campaign	Brands
Real Beauty campaign / Stop the beauty test	Dove
Time to care	Body Shop
India Mom's Touch	Nivea
Women empowerment / sexual harassment	Loreal
My skin, my choice	Sugar
ItsKayToBeYou	Kay Beauty

Nevertheless, the effect of cause immersion in consumer response to the cause related campaign has been less studied in India. This research examines the use of cause marketing as a promotional tool and also its effect on customer purchase intention and willingness to pay towards the cause.

Literature review

This paper explains about the cause related marketing as a promotional tool. As with increasing competition in the market both nationally and internationally many businesses have opted for cause related marketing strategy as a tool to sustain in such competitive market and many researches has shown that it had led to severe increase in revenue. (Varadarajan & Menon, 1988)

Further Michael J. Barone, Andrew T. Norman and Anthony D. Miyazaki, 2007 explains about the marketers gradually dependence upon cause related marketing strategies for intensifying their sales, disagreement tend to exists regarding whether a retailer should associate themselves with causes offering high or low fit levels

with its main business performs. The current scrutiny reaches out earlier exploration by inspecting what seller–cause fit means for customer assessments of sellers'' cause marketing strategies.

Aggarwal. Vivek and Kumar Singh. Vinod, 2018 explains the part of consumer consciousness about the cause related marketing campaigns and customer purchase intention towards such causes.

Further Brink. Douwe van den, Der. Gaby Odekerken-Schro and Pauwels. Peter explains that to what degree cause marketing can play an important role both strategically and tactically in increasing brand loyalty among customers. Second, the paper tries to examine the role of customer towards product and its relationship associated with the cause marketing and the brand trustworthiness.

Further Melero. Iguácel and Montaner. Teresa explains how the cause tend to depend upon the type of product used and the perceived fit which usually means degree of closeness or basically the compatibility between the promoted product and the cause associated with it. The influence of alleged fit has been studied within many study streaming in marketing, such as brand extensions. (e.g., Aaker & Keller, 1990; De Jong & van der Meer, 2015; Völckner & Sattler, 2006)

Further Mr Saxena explain that as the Business continues to nurture and develop the importance of having an efficient and effective corporate social responsibility system is widely being sensed. With the major work now being on the social cause domain assumes great meaning on account of the fact that innocent customer is believing. (Saxena, 2019)

Further Ms. Arora, Dr. Jain explains about studying consumer behaviour always seems to be the top priority of marketers as it is very difficult to understand consumer behaviour in a self-motivated environment. Consumer behaves differently according to different situations. Reference groups, include consumer's peer groups, family, society, and culture. Understanding the changing behaviour of consumers with time, marketers articulate strategies to connect with them.

Research Gap

This study focuses on cause related marketing and its use as a promotional tool in retail sector and particularly cosmetic and skincare industry through various primary and secondary researches. There has been study on cause related marketing through various factors like brand awareness, perceive value and other factors and also in various industry, however there are not many researches on cause marketing in retail sector specially in cosmetic and skincare industry.

Analytical Framework

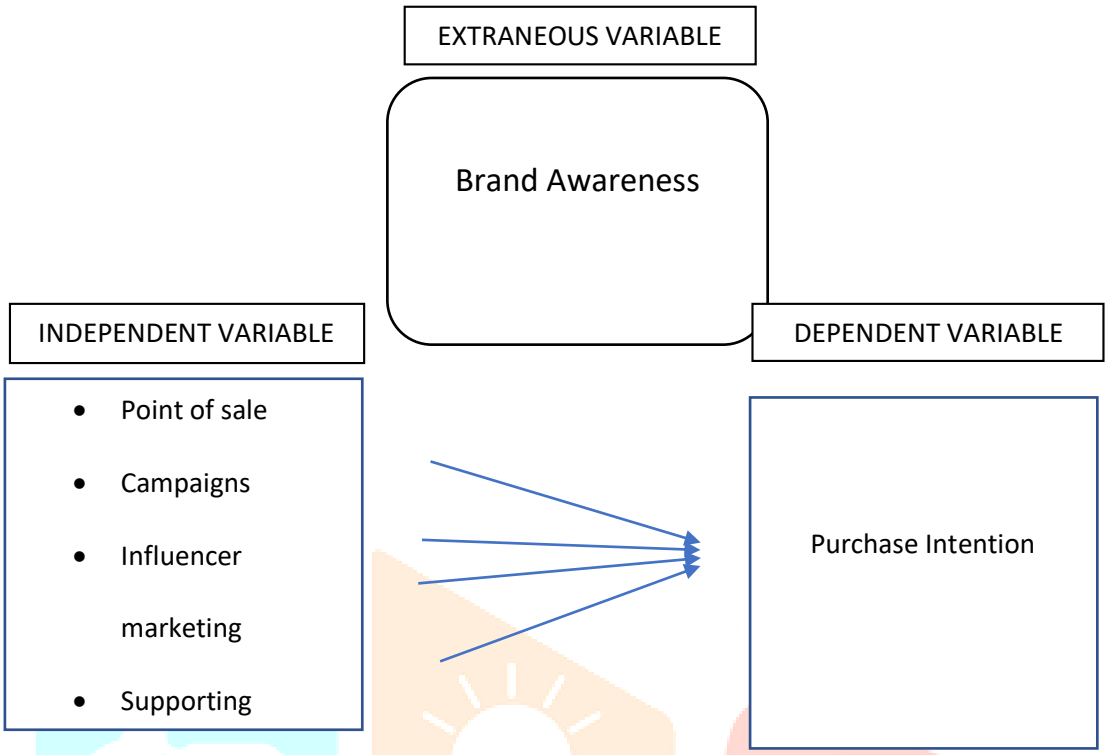

Figure 1: Analytical framework model

INDEPENDENT VARIABLE

- Point of sale- It is a term used by the marketers and retailers when planning the placement of consumer products. It is basically a type of in-store marketing campaign that can be used in an operative and powerful way of efficient selling to customers and growing their spend-per-visit within a retail atmosphere. Many stores tend to keep donation box related to cause on the side of cash counter.

- Campaigns-It includes a planned activities that brand carry out over a span of time in order promote and sell.

- Influencer marketing - It includes using various social media influencer to promote certain cause initiated by brands

- Supporting Brands – It includes when customer support the brands that are using cause related marketing.

DEPENDENT VARIABLE

- Purchase intention- It refers to the intention of the customers to buy the product or services. In another words Purchase expectation has another viewpoint that the customer will buy product after evaluation.

Research Methodology

Research Question

What is the impact of brand awareness on purchase intention?

Research Objective

- To study the impact of point of sale on the purchase intention of the customers.
- To examine the impact of campaigns on the purchase intention of the customers.
- To examine the impact of influencer marketing on the purchase intention of the customers.
- To study the impact of supporting of brands on the purchase intention of the customers.

Hypothesis

H1: Point of sale increases the purchase intention of customers

H2: campaigns used by the marketers increase the purchase intention of customers

H3: Influencer marketing increase the purchase intention of customers

H4: Supporting such brand will increase the purchase intention of the customers.

Statistical Framework

We have collected data of 101 respondents and with the help of SPSS we have done Descriptive analysis, correlation, regression. We have also done the reliability check of our data.

TABLE 2 (Statistical findings)

Statistics							
		Preference of Cosmetic brand	Supporting such brands	Purchase intention	Awareness through Media campaign	Point of Purchase (Donation box)	Influencer Marketing
N	Valid	101	101	101	101	101	101
	Missing	0	0	0	0	0	0
Mean		3.47	1.97	2.10	2.42	2.52	2.22
Median		4.00	2.00	2.00	2.00	2.00	2.00
Mode		4	2	2	2	2	2
Std. Deviation		1.604	1.005	1.034	1.194	1.213	1.285
Skewness		-.159	1.389	.849	.761	.610	1.052
Std. Error of Skewness		.240	.240	.240	.240	.240	.240
Kurtosis		-1.050	2.131	.072	-.197	-.444	.051
Std. Error of Kurtosis		.476	.476	.476	.476	.476	.476

- Preference of cosmetic brand is highly skewed
- Supporting brands, purchase intention, point of sale, campaign awareness and influencer marketing are all moderately skewed.

TABLE 3(Reliability test)

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.813	.811	5

As per our interpretation the reliability between variable is high as it is more than 0.5

TABLE 4 (Correlation between Purchase intention and supporting such brands)

Correlations			
		Purchase intention	Supporting such brands
Purchase intention	Pearson Correlation	1	.359**
	Sig. (2-tailed)		.000
	N	101	101
Supporting such brands	Pearson Correlation	.359**	1
	Sig. (2-tailed)	.000	
	N	101	101
**. Correlation is significant at the 0.01 level (2-tailed).			

As per our interpretation there is a low positive correlation between purchase intention and supporting brands as the value is less than 0.5.

TABLE 5 (Correlation between Purchase intention and Media campaigns)

Correlations			
		Purchase intention	Awareness through Media campaign
Purchase intention	Pearson Correlation	1	.468**
	Sig. (2-tailed)		.000
	N	101	101
Awareness through Media campaign	Pearson Correlation	.468**	1
	Sig. (2-tailed)	.000	
	N	101	101
**. Correlation is significant at the 0.01 level (2-tailed).			

As per our interpretation there is a low positive correlation between purchase intention and Awareness through media campaign as the value is less than 0.5.

TABLE 6 (Correlation between Purchase intention and point of purchase)

Correlations			
		Purchase intention	Point of Purchase (Donation box)
Purchase intention	Pearson Correlation	1	.524**
	Sig. (2-tailed)		.000
	N	101	101
Point of Purchase (Donation box)	Pearson Correlation	.524**	1
	Sig. (2-tailed)	.000	
	N	101	101
**. Correlation is significant at the 0.01 level (2-tailed).			

As per our interpretation there is a moderate positive correlation between purchase intention and point of sale as the value is greater than 0.5.

TABLE 7 (Correlation between Purchase intention and Influencer Marketing)

Correlations			
		Purchase intention	Influencer Marketing
Purchase intention	Pearson Correlation	1	.600**
	Sig. (2-tailed)		.000
	N	101	101
Influencer Marketing	Pearson Correlation	.600**	1
	Sig. (2-tailed)	.000	
	N	101	101
**. Correlation is significant at the 0.01 level (2-tailed).			

As per our interpretation there is a moderate positive correlation between purchase intention and influencer marketing as the value is greater than 0.5.

TABLE 8 (Model summary)

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.652[a]	.424	.401	.801	1.914
a. Predictors: (Constant), Influencer Marketing, supporting such brands, Awareness through Media campaign, Point of Purchase (Donation box)					
b. Dependent Variable: Purchase intention					

In the above model summary, the Durbin – waston test value should be near 2 which mean that there is no autocorrelation detected in the sample. So, the value in our table is 1.914 that states there is no autocorrelation. Our adjusted R square is .401 or 40.1% which means our independent variable can appreciably predict the movement of the dependent variable.

TABLE 9 (ANOVA)

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	45.426	4	11.356	17.703	.000[b]
	Residual	61.584	96	.642		
	Total	107.010	100			
a. Dependent Variable: Purchase intention						
b. Predictors: (Constant), Influencer Marketing, supporting such brands, Awareness through Media campaign, Point of Purchase (Donation box)						

The significance value in the above table is less than 0.05 from which we can say that our model is a good fit

TABLE 10 (Variance inflation factors)

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.511	.229		2.235	.028		
	Supporting such brands	.103	.089	.100	1.159	.249	.811	1.234
	Awareness through Media campaign	.127	.083	.146	1.534	.128	.661	1.514
	Point of Purchase (Donation box)	.182	.085	.214	2.152	.034	.607	1.648
	Influencer Marketing	.279	.088	.347	3.162	.002	.498	2.007
a. Dependent Variable: Purchase intention								

We have considered Variance inflation factors (VIF) in above mention table. The VIF should be not more than 10 for each variable. In the above table it shows that our data is not more than 10. So, it means that none of the factors is correlated to each other and there is very less influence on each other.

Future Scope of Cause Related Marketing

With increasing competition in the Cosmetic Industry, it is difficult for various brands to survive the market. Whether we talk about the campaign launched by Kay Beauty #ItsKayToBeYou or #StopTheBeautyTest by Dove, cause marketing plays a vital role to capture the eyes of the audience. It's very interesting to see how brands select the Cause advertising route from the start of their journey, if we take an example of Kay Beauty launch its campaign #ItsKayToBeYou that aligns with the cause of encouraging women to be themselves without paying much attention to societal judgement and help the brand position its self very uniquely in the mind of customers in such a competitive market.

As we are proceeding to future generation, we have seen continues break barriers whether it is regarding beauty standards or challenging the social perception about individuality. The adoption of cause related marketing does tend to succeed due to the insight driven approach that puts perception at the forefront. The brand creates a positive visibility which indeed impact the consumer and brand engagement.

Conclusion

The drive of this research is to study the impact of cause marketing on customer purchase intention with reference to cosmetic industry. The research aims to investigate the consumer behaviour and their attitude towards the brand that use cause related marketing and the factors that influence them to purchase from those brands.

The study highlights that the supporting such brands and awareness through this campaign have low positive impact on customer intention to purchase, whereas point of purchase and influencer marketing have moderate positive impact on customer purchase intention. After obtaining data through questionnaire and on the basis of our analysis done, two main factors point of purchase and influencer marketing have huge impact on customer buying behaviour. Cause marketing has become one of the strongest tools to make customer emotional connect with the brands and that letting them purchase towards these brands.

Customers can feel pressed at times. They either want to support those in need by giving at the checkout counter, or they truly want to help those in need. It may have little to do with the cause; they might simply choose to shop with a specific brand that is associated with a particular cause.

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