



Cause-Related Marketing and X Generations' - An Empirical Study

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ABSTRACT:

As we know marketing communication has embraced different generations of consumers. Therefore, all types of business organisations are trying to capture the minds of other consumer groups to create a brand image. To create a brand image, many business organisations are using different marketing strategies, cause-related marketing (CRM) is also one of the ways to create a brand image in the minds of consumers. On the other side, consumer perception is the most important factor for implementing marketing strategies. Because consumer perception should be converted as embracing products and services.

As the landscape of consumer behaviour and societal consciousness evolves, cause-related marketing has emerged as a potent strategy that seeks to intertwine business objectives with social and environmental initiatives. This empirical study delves into the embrace of cause marketing among the X generations, exploring their perceptions, motivations, and engagement with such marketing campaigns. The study aims to shed light on how cause marketing resonates with the X generations, the factors that influence their response, and the potential impacts on brand loyalty and social change. The study used an empirical approach to collect primary data from consumers (X-generation) and analyse the same using correlation along with the Chi-square test for independence to rectify the same impact on the demographic profile of the respondents.

KEYWORDS: Marketing strategies, Cause-related marketing (CRM), X-generation

INTRODUCTION:

In the contemporary landscape of marketing, where consumer values intersect with brand strategies, cause-related marketing (CRM) has emerged as a compelling strategy. In this symbiotic approach, businesses align their objectives with societal and environmental causes, seeking to establish a profound connection with consumers who prioritize ethics and social impact. With the advent of the X generation – a cohort characterized by its distinct blend of technological immersion, conscious consumption, and evolving perspectives – the dynamics of embracing such cause-related marketing initiatives warrant exploration.

Cause-related marketing, at its core, embodies a dual purpose, to drive brand success while fostering positive societal change. It embodies a strategic synergy, where businesses dedicate a portion of their resources to initiatives that address pressing social issues, from environmental sustainability to social justice. This approach holds the potential to resonate deeply with the X generation, who navigate a world where values, authenticity, and impact carry significant weight in their consumer decisions.

As the first generation to come of age in the digital era, the X generation's distinct characteristics merit a closer examination. Their attitudes are shaped by exposure to a globalized world, marked by a heightened awareness of social and environmental challenges. This demographic possesses a unique propensity to engage with brands that exhibit a genuine commitment to causes that matter. Consequently, understanding how X generations embrace and respond to cause-related marketing holds crucial implications for both marketers and society at large.

This study endeavours to delve into the embrace of cause-related marketing among the X generation, unravelling the intricate layers that inform their perceptions, motivations, and behaviours. By analyzing their responses through the lens of empirical research, this study aims to illuminate how cause-related marketing initiatives align with the values and preferences of this demographic. Exploring the nexus between marketing strategies and consumer attitudes, this research seeks to unveil the factors that catalyze the embracing of such initiatives by the X generation.

REVIEW OF LITERATURE

Several research papers were identified relating to cause marketing. But, there was a gap in research with regard to the acceptance of cause marketing by the x-generations'. Yet, the following reviews were made in this regard:

Scott M. Smith and David S. Alcorn (1991): "Cause marketing: a new direction in the marketing of corporate responsibility", in this paper, the authors discuss the implementation of cause marketing through three forms of corporate sponsorship and examine consumer motivations and cause marketing strategies. To get the results the authors were collected as part of a nationwide telephone survey of adults 18 years and older. The results of the study were consumer attitudes towards altruism and cause marketing segmentation with coupons. Provides managerial implications and recommendations for implementing strategies.

Nancy Engelhardt Furlow(2011): “Find us on Facebook: How Cause Marketing has Embraced Social Media” In his study, he tried to say that there is no doubt that integrated marketing communication embraced social media and many organisations involved in cause marketing. The author's research proved that consumers, especially women and teens, are willing to pay more for products that have a social benefit. This is particularly true with “Millennials” born between 1985 through 2005. In light of the social awareness of this group, it would only make sense that social media has become a major component of current cause marketing campaigns. This paper examines three campaigns that have effectively reached their target audience through social media. The results of the study were to engage these consumers, a large number of brands are reaching out to these young consumers where they can most likely find them – on Facebook. A social media strategy enables the brand to be part of an active community and constantly connect with consumers at their convenience in a creative manner.

Jacqueline K. Eastman, K. Bryant Smalley and Jacob C. Warren (2014): “The Impact of Cause-Related Marketing on Millennials’ Product Attitudes and Purchase Intentions”, in their study, using scenarios, examined the impact of two kinds of cause-related marketing (CRM) efforts on millennials (those born between 1982 and 2000) attitudes and purchase intentions for four different consumer product categories. The four different consumer product categories selected included a speciality good (laptop), a shopping good (hat), a convenience good (bottled water), and a service (food restaurant). The researchers also examined the role of social media on CRM awareness. While millennials had relatively low awareness of CRM campaigns, there was a positive correlation between social media use and CRM awareness. Additionally, CRM efforts may not work for all products as there was no impact on attitude or purchase intention for the product category of laptops. Additionally, the positive attitudes created by marketers’ CRM efforts will not always translate to increased purchase intentions.

OBJECTIVES:

1. To examine the level of awareness that individuals from the X Generations possess regarding cause marketing initiatives.
2. To evaluate the perceptions and attitudes of X Generations towards cause marketing efforts.
3. To explore the extent to which X Generations actively engage with cause marketing campaigns.

METHODOLOGY:

This research follows a Descriptive and Empirical Research Design. It uses both primary and secondary data. Primary data is collected from respondents using structured questionnaires. The quota and convenience Sampling techniques are used to collect primary data from the respondents. This study collected responses from 38 consumers in Tumkur Urban District who belonged to the X-generation age group. The dependent variable used in the study was the embracing of cause marketing by the X-generation and cause marketing was the independent variable. The Cause Marketing and X-Generations’ was measured using a Likert-type scale. Further, the collected data are analysed using Correlation regression and the Chi-square test

HYPOTHESES:

H₀₁: There is no significant relationship between X Generations' awareness of cause marketing initiatives and their level of embracing cause marketing

H₁₁: There is a significant relationship between X Generations' awareness of cause marketing initiatives and their level of embracing cause marketing

H₀₂: There is no significant association between X Generations' perceptions of cause marketing effectiveness and their level of embracing cause marketing.

H₁₂: X Generations' positive perceptions of cause marketing effectiveness are positively associated with their level of embracing cause marketing.

H₀₃: There is no significant relationship between preferred communication channels/platforms and X Generations' engagement with cause marketing campaigns.

H₁₃: There is a significant relationship between preferred communication channels/platforms and X Generations' engagement with cause marketing campaigns.

ANALYSIS:

Based on the results of the questionnaires a complete summary of data analysis is as below

Table 1: Table showing the number of respondents (X-generation) gave the score on awareness and embracing

<i>Participants</i>	<i>Awareness (A)</i>	<i>Embracing (B)</i>
1	6	7
2	8	9
3	5	6
...
38	7	8

Source: Derived from Questionnaire

$$r = \frac{\sum (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum (x_i - \bar{x})^2 \sum (y_i - \bar{y})^2}}$$

$$r = 0.940$$

$$df = 36$$

$$P\text{-value} = 2.40$$

Since $r > p\text{-value}$, the null hypothesis is accepted and the alternative can be rejected. Hence, there is no significant relationship between X Generations' awareness of cause marketing initiatives and their level of embracing cause marketing.

Table 2: Table showing the number of respondents towards their perception of cause marketing effectiveness and their level of embracing cause marketing. (Observed Values - O_i)

<i>Perception of Cause marketing effectiveness</i>	<i>Embrace- High</i>	<i>Embrace- Low</i>	<i>Total</i>
Positive	18	2	20
Neutral	3	5	8
Negative	8	2	10
Total	29	9	38

Source: Derived from Questionnaire

Table 2: Table showing Expected Values for the observed values (E_i)

<i>Perception of Cause-related marketing effectiveness</i>	<i>Embrace- High</i>	<i>Embrace- Low</i>	<i>Total</i>
Positive	15.26	4.74	20
Neutral	6.1	1.9	8
Negative	7.63	2.37	5
Total	29	9	38

Source: Researcher's Calculation based on Observed Values

$$\chi^2 = \sum \frac{(\text{Observed Values} - \text{Expected Values})^2}{\text{Expected Values}}$$

$$\chi^2 = 8.784$$

$$df = 2$$

$$P\text{-value} = 5.99$$

Since $\chi^2 > p\text{-value}$, the null hypothesis is rejected and the alternative can be accepted. Hence, There is a significant association between X Generations' perceptions of cause-related marketing effectiveness and their level of embracing cause-related marketing.

Table 3: Table showing the number of respondents towards their engagement level towards the preferred communication channel (Observed Values - O_i)

<i>Rate each combination of preferred communication channel</i>	<i>Engaged</i>	<i>Not engaged</i>	<i>Total</i>
Social Media	20	3	23
E-mail	3	2	5
In-person events	5	5	10
Total	28	10	38

Source: Derived from Questionnaire

Table 3: Table showing Expected Values for the observed values (E_i)

<i>Rate each combination of preferred communication channel</i>	<i>Engaged</i>	<i>Not engaged</i>	<i>Total</i>
Social Media	16.95	6.05	23
E-mail	3.68	1.32	5
In-person events	7.37	2.63	10
Total	28	10	38

Source: Researcher's Calculation based on Observed Values

$$\chi^2 = \sum \frac{(\text{Observed Values} - \text{Expected Values})^2}{\text{Expected Values}}$$

$$\chi^2 = 5.460$$

$$df = 2$$

$$P\text{-value} = 5.99$$

Since $\chi^2 < p\text{-value}$, the null hypothesis is accepted and the alternative can be rejected. Hence, there is no significant relationship between preferred communication channels/platforms and X Generations' engagement with cause marketing campaigns.

FINDINGS:

With a thorough analysis, the following findings were drawn:

1. Consumers' perception has played a significant factor in cause marketing to create a brand image considering the different generations
2. Generation X are embracing cause marketing but without knowledge of social responsibilities
3. Through observations, awareness of cause-related marketing initiatives significantly impacts their level of embracing cause marketing.
4. Positive perceptions of cause-related marketing effectiveness is leads to a significant increase in their embracing of cause-related marketing campaigns.
5. The choice of preferred communication channels or platforms does not significantly influence their engagement with cause marketing initiatives.

SUGGESTIONS:

1. Since awareness of cause marketing initiatives doesn't strongly correlate with embracing behaviour, marketers should focus on developing engagement strategies that go beyond mere awareness. Consider incorporating elements that evoke emotional connections, resonate with personal values, and provide opportunities for meaningful interactions.
2. While preferred communication channels don't appear to significantly influence engagement, marketers should still consider aligning channels with the content they deliver. Understanding how certain platforms resonate with different types of cause marketing campaigns can optimize message delivery and audience engagement.
3. To address potential barriers related to transparency, marketers should focus on establishing trust. Transparent reporting of campaign impact, clear allocation of funds, and authenticity in messaging can reassure X Generations about the integrity of cause marketing initiatives.

CONCLUSION:

Our empirical study conducted to understand the embracing of cause marketing among X Generations has shed light on the intricate dynamics that influence their engagement behaviours. The findings underscore the multifaceted nature of their responses, revealing nuances that challenge conventional assumptions.

The study revealed that while awareness of cause-related marketing initiatives is prevalent among X Generations, it does not directly correlate with their level of embracing such campaigns. This emphasizes the need for marketers to go beyond mere visibility and focus on crafting strategies that evoke emotional resonance and personal connections. But there are positive perceptions and attitudes towards cause-related marketing initiatives that are embraced by the X-generation. However, the study discovered that these perceptions alone do not necessarily lead to heightened engagement. This indicates a gap between positive sentiments and tangible actions, suggesting a potential for campaigns to bridge this gap by demonstrating the tangible impact of individual involvement.

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