

What Beverage Types Should Charities Partner with in CRM Campaigns? An Empirical Study of Brand-Cause Fit, Attitudes, and Purchase Intentions

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Abstract

The purpose of this study is to examine brand-charity marketing partnerships and their influence on brand attitudes and purchase intentions in the consumer beverage category. Findings suggest that consumers react differently to brand-charity partnerships within the beverage category, and that a water brand is viewed more positively as a beverage partner than an iced-tea brand.

Literature Review

Cause Related Marketing (CRM) is a marketing strategy that links together purchases of a product or service with fundraising efforts for a worthwhile charity project or cause (Fromherz 2006). CRM can create a mutually profitable outcome because it can simultaneously promote charitable goals and marketing objectives for a firm (Varadarajan & Menon 1988). Studies show the positive implications these partnerships have on brand perceptions, attitudes, and beliefs about the brand (Sen & Bhattacharya 2001), including brand performance indicators. For example, a recent study found that when a wine brand was engaged in a CRM partnership, (compared to no partnership), consumers reported that it tasted better (Chernev & Blair 2015). This is attributed to the halo effect, which refers to the tendency of overall evaluations of an object to influence other evaluations of the same object (Chandon & Wansink 2007). Importantly companies are experiencing a quantifiable positive gain in sales from CRM involvement in core business practices (Varadarajan & Menon 1988).

Another important factor in CRM partnerships is the degree to which the two entities are perceived by consumers to be a good match, known as “brand-cause fit”. Brand-cause fit is the overall perceived relatedness of the brand and cause with multiple

cognitive bases (Nan & Heo 2007). Studies in sponsorship suggest that strong fit between two entities encourage positive brand attitudes and purchase intentions (Roy & Cornwell 2003), as well as enhanced advertising effectiveness (Pracejus & Olsen 2004); but to date there has been no investigation as to the types of charities that are best suited for different beverage categories. This is an important item of consideration given the recent and anticipated growth of non-alcoholic beverages, particularly among bottled water and ready-to-drink coffees and teas (Beverage Marketing Corporation 2016). This study begins to address and fill this gap by discussing the results of an exploratory study on ten purported beverage-charity partnerships.

Methodology

An online experiment was conducted using a between-subjects design. The study consisted of a 2 (beverage type: bottled water vs. bottled iced-tea) x 5 (charity type) factorial design where upon beginning the study, participants were told that they would be asked to view an advertisement, then asked some questions about the ad. Ten mock ads were created that partnered each beverage with one of five real charities (American Heart Association, ASPCA, National Parks Foundation, Box Tops for Education, and American Red Cross) by showing an image of the beverage, the charity logo, and a simple photo that demonstrated the beneficiary of the organization (e.g., the ASPCA ad included a photo of a dog). The layout and size of the ads remained consistent, with the only changes being the product, charity, text and photo. These charities were chosen to represent distinct beneficiaries: animal welfare, education, environment, health, and disaster relief. Each ad specified that a portion of the sales proceeds would benefit the charity. The same fictitious brands for bottled water and bottled tea were used for the manipulations in order to prevent pre-existing attitudes towards established brands (Ribbon Leaf Tea and Cliff Mountain Water).

Following a randomized exposure to one of the ten ads, participants completed an attention check and then questions that measured purchase interest (1- very unlikely, 5 – very likely), attitude towards brand (four item bipolar scale; Webb et al. 2000), and brand-cause fit (three items; Nan & Heo 2007). Respondents were also asked to share their beliefs about charitable organizations in general, charitable donation patterns, purchase intentions for the advertised drink,, beverage consumption patterns, and basic demographic information.

Results

A convenience sample comprised primarily of students was used. The study concluded with 291 useable responses (42% male, 71% ages 18-24) out of 333 individuals that started the study (87% completion rate). An independent t-test comparing beverage type indicated that participants showed greater purchase interest when exposed to the water CRM ads (n = 144; M = 4.00) than the tea CRM ads (n = 149; M = 3.54), $t(291) = -2.50, p = .01$. Further, water (M = 14.31) was also viewed as a better overall fit with the five charities than tea (M = 12.22), $t(291) = -4.54, p = .00$. Participants' overall attitude towards the water brand was also higher (M = 20.61) than the tea brand (M = 19.18), $t(291) = -2.23, p = .02$. These results accounted for respondents' attitudes towards charitable organizations, and suggest that water is a better beverage partner compared to iced-tea.

We conducted a two-way ANOVA using charity and beverage type on attitude towards the brand, brand-cause fit, and purchase intentions. No significant interactions were observed; however, main effects of beverage type were present in each test (all $p < .05$).

A closer inspection of brand-cause fit using one-way ANOVA tests and independent t-tests indicates the difference between water and tea is driven largely by a negative response to the tea/Red Cross ad, and the positive match between water and the National Park Foundation, the American Red Cross, and the ASPCA (see Table 1). These seem like logical associations one could make. For example, National Parks focus on preserving clean water and the natural environment. The Red Cross focuses on disaster relief, which often relies on water donations for consumption of displaced people. The ASPCA benefits animals who would not consume any other drink than water. Interestingly, the tea category was most positively matched ($p < .05$) to the American Heart Association. We suspect this is because respondents may have considered the antioxidant benefits tea can have for the body, though further inquiry would be needed. We did not find any real influence of Box Tops for Education between or within treatments, suggesting that it is suitable for both tea and water partnerships.

Table 1

Means of Brand-Cause Fit Across Treatments

	<i>N</i>	<i>Tea</i>	<i>Water</i>	<i>t-test</i>
<u><i>Charity</i></u>				

National Park Foundation	28	13.10	16.13	-3.06**
American Red Cross	30	10.90	14.00	-2.90**
ASPCA	33	11.00	13.33	-2.23*
Box Tops for Education	32	12.40	13.80	-1.40
Am. Heart Association	26	14.07	14.24	-0.17
<i>One-Way ANOVA</i>		$p = .005$	$p = .06$	

* $p < .05$, ** $p < .01$

Discussion

The results of our study suggest that water was an overall better partner with charitable organizations than tea. This is suggested by the stronger purchase intentions that respondents had for water, and the more favorable brand-cause fit results. The water ads elicited more positive brand attitudes than any of the tea ad's. Managerial implications of these findings would suggest that a consumer beverage company such as Coca-Cola, who has a wide breadth of beverage types in their portfolio, would be better off engaging their bottled water brands in a CRM partnership, than their tea brands.

The measures of purchase intent and consumer attitudes can also assist charitable organizations in deciding which CRM partnerships to engage in. The implication that water creates a more beneficial return, would allow the charitable organization to partner with a more successful product, and generate increased funds. With the increase in popularity and profitability, it is imperative that firms incorporate best practices in the CRM domain, and gain a well-informed understanding of consumer reactions to cause partnerships in order to maximize profitability and awareness.

This study was somewhat exploratory in nature and has some limitations including a narrow participant profile and beverage profile. In the future, measuring the specific increased responses to certain charities in contrast to a control group with no CRM partnership would be ideal. We also could not account for the brand power and equity that some beverages like Dasani or Snapple would contribute to raising money in CRM campaigns. However, new brands seeking increased awareness often find cause partnerships a viable means of gaining consumer attention. For these brands, this study should encourage thoughtful consideration of cause partners. Further research could be done on other types of consumer beverage products, while manipulating the drink type and keeping the CRM partnership consistent across a multitude of products. These are some areas for future research, along with a more robust consideration of individual consumer differences.

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Keywords: *brand charity partnerships, cause-related marketing, charity, consumer beverage products, brand-cause fit, corporate social responsibility*

Relevance to Marketing Educators, Researchers and Practitioners: The findings indicate that consumer attitudes and beliefs about a product based solely on a charitable partnership can vary based on specific partnerships. The manipulation of partnerships can result in the most appealing brand-cause fit for consumers, and organizations.

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Track: Cause-Related Marketing