A study on impact of cause related marketing on purchase intention of college students

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Abstract:

Every business needs a unique way in their various business functions to success in competitive world. The marketing function also adopts new ways and techniques to lure customers. The cause related marketing provides the opportunities for marketers to create the image as well as to revert back to society. The cause related marketing helps the companies to connect, communicate and engage with the customers. It also helps the companies to create brand awareness and enhances their sells. So far, very few researches have been done in the cause related marketing and how the various factors affect the purchase intention. This study identifies the various cause related marketing factors which influence the purchase intention of college students. With the help of structured questionnaire, a survey of 150 respondents has been done in Gandhinagar region of Gujarat. Exploratory factor analysis and regression analysis have been used for the data analysis. The findings suggest positive results of cause related marketing factors on purchase intention of college students.

Key Words:

Cause related marketing, Purchase intention

1.1 Introduction:

In this highly rapid technological world and competitive markets, majority of the companies are trying hard to place the product in consumers’ mind with the help of innovative ways. The Cause related marketing is one of the unique ways with the help of that companies find a new way for doing this (Marin & Ruiz, 2007). Cause related marketing helps the companies to identify their products from competitor and also helps to create a brand presence among multiple similar kind of competitors products (Adkin, 2004). The expectations of people
rising such a way that corporate houses and other business must donate in non profit cause related to community (Davidson, 1994). With the consideration of Indian markets, social responsibility comes into picture here and there. Modern marketing identifies the emotional perspective of consumers and they are making strategies based on the cause related marketing (Trimble, C. S., & Rifon, N. J. (2006).

Corporate houses and companies are doing the cause related marketing to create a positive image in the mind of consumers (Cornwell, & Maignan, I. 1998). With the help of the cause related marketing companies also targets to increase their product & brand awareness, credibility, customer re-purchase and loyalty, increase sales and getting mileage in press coverage (Barone ,M.J., Miyazaki, A.D., and Taylor, K.A, 2000). In the case of the cause related marketing products or brands, customers attitude are very positive (Lafferty, 2007).

Currently, India has vast amount of young population with median age of 25 years (Ernst & Young, 2010) also India is one of the fastest growing economies in the world. According to the reports of Deloitte India and lobby group Retailers Association of India, India is leading in Generation Y (millennial). Millennials accounted for 27% of the total world’s (7.4 billion) populations and in India they are 34% of the country’s total populations. While most of the monthly income of the Millennials is spent on essentials, followed by education and utilities, the incremental income is primarily spent on entertainment and eating out (32.7%), apparel and accessories (21.4%) and electronics (11.2%).

This leads the researcher to carry out the research on college students and how the various factors of cause related marketing affects the purchase intention of college students.

1.2 Literature Review:

As per the literature, the cause related marketing is defined as the various initiatives taken by corporates, companies and businesses to provide charities from the profit/revenue generated with the consumer purchases which satisfies customer and company objectives (Varadarajan & Menon, 1988). Today’s young generation demands a high level corporate social responsibility from various corporates, companies and businesses (Ross, 1992). The cause related marketing creates a highly favourable consumer attitude towards product, brand and companies (Berger, 1996). Customers’ also consider the attributes and environmental consequences of product into companies’ background and behaviour (Manakkalathil & Rudolf, 1995).
Majority of the customers will switch over to products or brands which are associated with the various the cause when price and qualities are equal (Cone Inc., 1999). The success of any cause related marketing program is directly related to the marketing offers availed to customers (Ellen, 2000).

Attribution theory describes how people make causal inferences about the behaviour of others. According to attribution theory, people seek information clues to explain why certain events occur. Depending on various dimensions of what they come to perceive as the “cause” of an event, people then experience different emotional reactions and develop different expectations and behavioural tendencies (Folkes, 1984 and Schiff & Bento, 2000). In various business applications, this theory was applicable. Consumers only responded positively to any cause related marketing when they found enough elements in offers which justify their belief that the company is rejecting their profit or they are making sacrifice (Ellen, 2000). Different elements in the offers of the cause related marketing have effect on consumer evaluation, processing and purchase intentions (Webb, 1999). The characteristics of consumer also play a vital role in how consumer perceive and evaluate a cause related marketing offer (Schiff & Bento, 2000).

Gender plays a vital role in deciding the success of the cause related marketing. Compare to men, women have different values, attitudes, behaviour and consumption patterns and slo women have more empathetic feelings and willingness to contribute to society. Thus women reacts more positively towards the cause related marketing products (Brown, T.J., and Dacin, P.A. (1997). Social cause directly affects the people’s behaviour towards the cause related marketing products (Zbar, Jeffrey D. 1993). The cause related marketing campaigns; corporate image directly predicts the consumer purchase intentions (Rebollo, 2009). In the cause related marketing campaigns, brand reliability directly relates with the credibility, trustworthiness, and ability to identify the specific cause (Sanchez Garcia, 2009).

Majority of the companies use the cause related marketing campaigns to give booster to their other marketing efforts, to charge higher price, enhanced market share and increase the interest of the stakeholders. Sometimes, customers understood the logic behind the cause related marketing and this went negative for some of the campaigns.
1.3 Research Objective:

For the present study the research objective is to determine impact of cause related marketing on purchase intention of college students.

1.4 Research Methodology:

The researcher has used quantitative descriptive single cross sectional study for the present research. The primary research was carried out 150 college students of Gandhinagar city of Gujarat with the help of structured questionnaire. The collected data was analyzed with the help of descriptive statistics and regression analysis.

1.5 Data Interpretation and Analysis:

From the above charts, it is seen that out of 150 respondents, 90 respondents are male and 60 respondents are female. Out of 150 respondents, 72 respondents are B com students, 35 students are studying in BBA, 33 respondents are studying in B Sc and only 10 respondents are studying in BA degree course.

1.5.1 Regression Analysis:

Regression analysis was performed to identify impact of cause related marketing on purchase intention of students. For the present study, gender, type of course, brand reliability and social cause are considered as independent variables while purchase intenion is considered as
dependent variable. The overall regression model fit summary with F value, t statistics and p value is summarized in table 1. The hypothesis for the present study is mentioned as below:

H₁: There is significant effect of gender on student’s purchase intention towards cause related marketing products.

H₂: There is significant effect of type of course on student’s purchase intention towards cause related marketing products.

H₃: There is significant effect of brand reliability on student’s purchase intention towards cause related marketing products.

H₄: There is significant effect of social cause on student’s purchase intention towards cause related marketing products.

Table 1: Regression Analysis between gender, brand reliability and social cause on purchase intention

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Unstandardized coefficients beta</th>
<th>t – value</th>
<th>p – value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>0.674</td>
<td>4.504</td>
<td>0.000</td>
</tr>
<tr>
<td>Type of course</td>
<td>0.540</td>
<td>3.405</td>
<td>0.210</td>
</tr>
<tr>
<td>Brand Reliability</td>
<td>0.525</td>
<td>2.108</td>
<td>0.000</td>
</tr>
<tr>
<td>Social cause</td>
<td>0.207</td>
<td>2.702</td>
<td>0.001</td>
</tr>
</tbody>
</table>

The overall regression model is summarized in above table. The regression equation accounted for 78.30 percent of the variance of the dependent variable (F = 306.207, p < 0.005). Gender, brand reliability and social cause have statistically significant and positive relationships with purchase intention of cause related marketing campaign, while type of course did not have any significant effect on purchase intention of cause related marketing campaign. As from the above regression analysis, gender is the most important predictor of purchase intention.
1.6 Conclusion:

The aim of the present study is to identify impact of the cause related marketing campaigns on students’ purchase intention. Three variables namely gender, brand reliability and social causes have been used to identify effect on purchase intention. Regression analysis was done to identify the impact of these variables on purchase intention of college students of the cause related marketing campaigns. The regression output shows that all these factors have significant effect on purchase intention towards cause related marketing campaigns.

1.7 Managerial Implications:

With the help of regression results, whenever marketers design or planned any cause related marketing program for college students. They must consider the social cause based on the gender. This will help the marketers to connect with the students and it will help to create the brand and corporate philanthropy among their customers.

1.8 Scope for further research:

The present study is limited to the students of Gandhinagar cities only. The further research can be done in various cities of Gujarat and states of India. Comparative studies between various cities of Gujarat and states can also be considered for the further research. It will give the broader area and more conclusive perspective to the marketers.

References:

• Zbar, Jeffrey D. (1993), "Wildlife Takes Center Stage as Cause-Related Marketing Becomes a $250 Million Show for Companies," Advertising Age, 64 (27), ss1-ss6.