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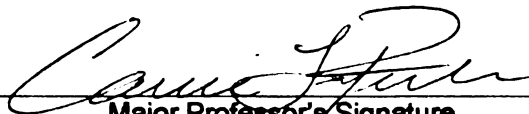
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**CROSS-COUNTRY COMPARISON OF CONSUMER ATTITUDES TOWARD  
CORPORATE CAUSE-RELATED MARKETING CAMPAIGNS**

By

Gayatri Vineet Kuber

**A THESIS**

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## **ABSTRACT**

### **CROSS-COUNTRY COMPARISON OF CONSUMER ATTITUDES TOWARD CORPORATE CAUSE-RELATED MARKETING CAMPAIGNS**

**By**

**Gayatri Vineet Kuber**

Through this research, the attitudes of American and Indian consumers toward corporate cause-related marketing campaigns (CRM) are compared. In light of variation in the two countries' economic development, their political and legal environments, and their cultures, a divergence in response to such programs by consumers in the two countries was expected. Using these variations as a framework, we predicted that the origin of the company sponsoring CRM (national or multinational) and the geographic scope of the cause supported through CRM (national or international) would have an influence on the evaluation of these campaigns by consumers in USA and India.

We employed an experiment to test the validity of our expectations in the two countries. Our results exhibit that Indian consumers, in general, responded more favorably to corporate CRM programs than the American consumers. Their evaluation of a national firm launching such campaigns was better than a multinational corporation engaging in such initiatives. However, the geographic scope of the cause did not have significant bearings on their response to CRM. Similarly, our study found that culture did not have any prominent influence on Indian consumers' attitudes and behavioral intentions in response to CRM.

Drawing on research and theory related to cause-related marketing and international advertising, the implications of these variations in responses of consumers in the two countries are discussed, and directions for future research are presented.

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## KEY TO SYMBOLS OR ABBREVIATIONS

| <b>SYMBOL/<br/>ABBREVIATION</b> | <b>DESCRIPTION</b>  |
|---------------------------------|---|
| $\alpha$                        | Cronbach's Alpha  |
| $\bar{x}$                       | Arithmetic Mean   |
| CRM                             | Cause-Related Marketing   |
| A_ad                            | Attitude toward the cause- related marketing advertisement                                  |
| A_offer                         | Attitude toward the cause-related marketing offer   |
| Co_image                        | Attitude toward the image of company engaging in cause-related marketing                    |
| PI                              | Purchase intention for the products of company sponsoring the cause-related marketing offer |
| Per_nov                         | Perception of novelty of the cause-related marketing offer                                  |
| A_skep                          | Skeptical attitudes toward corporate motives for engaging in cause-related marketing        |
| A_alt                           | Perception of altruistic motives for corporate engagement in cause-related marketing        |
| df                              | Degrees of freedom  |

## **PART 1**

### **INTRODUCTION**

The twenty-first century is distinguished by the interdependence of world economies through global trade. Leading businesses from developed countries continuously seek to create new markets for their products, as the stagnated domestic demand cannot live up to the enhanced productivity of these companies (Mueller 1996; Frith and Mueller 2004; Cateora 2005). This is experienced at a time when several developing nations have eased their protective trade policies, thus opening doors to foreign investments. The U.S. Department of Commerce estimates that these emerging markets will account for 75% of the world's total growth in the next decade and beyond (Cateora 2005). These facts serve not only as a motivation, but also as an obligation for aspiring companies to go global in order to survive and prosper.

Of the several developing markets, India represents a tremendous business opportunity for American multinational corporations (MNCs) (Sethi, Datta, Wise, and Naidu 1990). The market potential of its huge middle class population is estimated to be greater than that of several western European countries (Malik 2004). Since the 1990s, the Indian Government has taken a series of steps to liberalize its economy (Banks and Natarajan 1995). As a result, several leading MNCs such as Nike, McDonald's, and Pepsi have made successful inroads in India. In this new market, each brand seeks to gain a first mover advantage by offering innovative products and features that create a distinguished brand image in the minds of Indian consumers. However with intensifying competition, disparity between the various brands' functional attributes weakens. In this scenario,

marketers are required to devise novel communication strategies that help their brand stand ahead of the competition.

Cause-related marketing (CRM) programs have emerged as one such form of an effective communication strategy in the United States and some other developed countries. Since its introduction by American Express in 1983, several leading companies have adopted this tool to create a distinction in the market (Barnes and Fitzgibbon 1991). The past record of success in these markets is likely to entice American as well as Indian marketers to use similar programs in India. Apart from this, MNCs often face resistance from political, consumer, and social groups in developing countries (Frith and Mueller 2004). CRM campaigns could work as an effective tool that create a socially responsible image for the MNCs, and thus may help to assuage the defiance that they face in these markets.

However, it is frequently evidenced that the stage of economic development within a country or affluence of the market affects the entire marketing process, right from product attributes to the advertising message (Belch and Belch 1990). Similarly, variations in cultures and values of consumers from different countries engender different attitudes and behaviors in response to the same business strategy (de Mooij 1998). The United States of America and India vary strikingly not only in terms of economic development, but also on Hofstede's five cultural dimensions. Hence predicting similar outcomes of using the same communication strategies in the two countries without adequate substantiation could prove to be inappropriate and ultimately ineffective.

Contemporary research has developed valuable insights into various aspects of the CRM campaigns and consumers' responses to them. However existing research has

rarely crossed the boundaries of the US. And in fact cross-cultural or cross-country comparisons of consumer attitudes toward CRM campaigns could not be found. Therefore, the current research aims to compare the attitudes of Indians with American consumers toward CRM campaigns. The research further compared consumer attitudes toward national companies versus MNCs adopting CRM campaigns. Similarly, the study also measured consumer attitudes in response to campaigns that support a national cause versus those that support international causes. Finally, the study investigated if any relationship exists between the audience's attitudes in both the countries and different variables like economic development and cultural dimensions that would have a probable influence on the former.

The results of this study offer insights for companies operating in India (both national and multinational corporations) by exposing any cross-country differences that may exist between the audiences in the two countries. Such a comprehension would enable them to envision possible variations in the outcomes in terms of corporate image, sales, brand recall etc. of advertising with a social dimension in the two markets. Likewise, knowing the different factors influencing these variations in attitudes would also enable them to mold their communication strategy to appeal to the taste of the Indian consumers. Thus, this research proposes guidelines for the implementation of CRM campaigns that communicate brand and corporate values to the target audiences in India.

## **PART 2**

### **THE INDIAN MARKET**

India is the largest emerging market after China with a population of 1.06 billion (The World Factbook, CIA 2004). It is the world's second fastest growing economy (www.ers.usda.gov 2005) with the twelfth largest Gross Domestic Product of \$599 billion (www.worldbank.org 2005). The Indian middle class comprises of 250 million consumers, a number which is slightly lesser than the entire population of the United States (www.ers.usda.gov 2005). This middle class that earns approximately \$4000 annually in local purchasing power, is estimated to spend \$420 billion during the next four years (Malik 2004). In recent times, a gradual rise in the per capita income has made western style products affordable to many more middle class Indian consumers than a decade ago (Bullis 1997). For instance, according to the World Bank (2003), ownership of televisions in Indian households increased by almost 35% from 1995 to 2002. Similarly, the number of passenger cars per 1000 people doubled and that of telephone lines per 1000 people almost tripled around the same time (World Bank 2003). Similarly, consumer expenditure increased by 50% from 1998 to 2002 (International Marketing Data and Statistics 2004). The World Bank estimates that India could be the fourth largest economy in the world by 2020 (Budhwar 2004). As a result, leading companies from across the globe always consider India as a lucrative market for business expansion.

However until recently, MNCs experienced several hurdles while doing business in India, one of the strongest of which was the government's foreign policy. Restricted trade, controlled economies, closed markets, and aversion to foreign investment characterized the Indian policies (Cateora 2005). The cumulative effect of these

protective trade policies had an adverse bearing on the country's growth. However, since the 1990s the Indian Government has taken a sequence of steps to move the nation away from four decades of socialistic economic policies and a near obsessive focus on self-reliance in the consumer goods sector (Banks and Natarajan 1995). It signed an agreement with the United States to lift all quantitative restrictions on imports in 2001 (Cateora 2005). Privatization of state-owned companies as against merely selling shares in them, and reforms in various sectors like telecommunications, finance, and shipping are few of the many steps taken by the Indian Government in this direction (Budhwar 2001).

Similarly, in recent years there has been substantial development in the country's infrastructure facilities, which in the past have hampered effective business operations. Rapid development in infrastructure services is anticipated with a \$300 million loan from the Asian Development Bank to support private sector infrastructure projects (Budhwar 2001). Today, India has the world's largest railroad system with 63000 routes km, 3260 km of roads, 93 airports, and 11 major ports. These transportation avenues ensure a strong and reliable infrastructure for businesses (Budhwar 2001). Likewise the increase of satellite television channels, magazines for a variety of niche sectors, and the growth of FM Radio stations in India provide more quality media options for marketers than fifteen years ago (Anonymous 1998).

Last but not the least, the large well-educated and skilled workforce in India facilitates effective operation of businesses. For instance, after the United States and the former Soviet Union, India has the world's third largest pool of scientific, engineering and technological manpower (www.smenetwork.net 2004). Similarly, English is one of

the official languages and is understood by a good portion of the Indian middle class population (Budhwar 2001). These factors facilitate communication within as well as outside the organization.

Thus, the overall environment in India today is conducive for several leading companies to invest (Cateora 2005). According to Bhandari, Beena, Bhaumik, Gokarn and Tandon (2002), the United States was the largest investor in India from 1991 to May 2002, with investments totaling Rs. 570 billion (US \$13.05 billion). In a survey of U.S. manufacturers, 95% of the respondents having operations in India alleged that they plan on expanding, and none of them said that they would leave the country (The Economist 1997). Keeping pace with the increasing investment by consumer goods companies, leading advertising agencies like Grey, BBDO etc. have also joined hands with Indian partners (Lobo 1992). On account of these developments India reported an ad spend growth of 18.6% in 2003 (Lai and Gerald 2004).

The ultimate objective of advertisers, irrespective of their country of operation, is to communicate distinctive brand benefits to the target market (Kotler 2003). In a nascent market like India, where consumers have limited purchase options, brand differentiation on the basis of functional attributes has been common (The Economic Intelligence Unit Ltd. 1997). Conversely, affluent markets like the US are crowded with thousands of products and brands. Here, disparity in the functional attributes of competing brands is so slim, that marketers are required to devise novel strategies that connect brands to deeper values and motivations of the target market (de Mooij 1998). With the present pace of new investments, competition in India will soon start resembling that in developed countries. Consequently, this would oblige domestic as well as international marketers to

create 'distinctive' corporate and brand images to compete in the market. Cause-related marketing campaigns that have already been successful in developed markets, could serve as a means for creating a distinction in emerging markets as well.

Apart from augmenting competition, the entry of MNCs in India has been a reason of concern for several political, consumer, and social groups (Dubey 1992). Some of these groups dread any form of economic dependency on outsiders (Malik 2004). Besides this, the entry of MNCs in developing countries like India has been a subject for criticism on several fronts that will be discussed later in the literature review. In light of these negative attitudes, MNCs have to invest heavily in creating a good story about themselves through advertising and public relations. These facts in addition to augmenting competition make cause-related marketing a viable option for MNCs to communicate their corporate values and thus establish trust among Indian consumers.

The following discussion will facilitate a thorough comprehension of the concept of "Cause-Related Marketing" and research that has been conducted in this topic area.



## **PART 3**

### **CAUSE-RELATED MARKETING AND CONSUMER RESEARCH**

#### **1. EMERGENCE AND ADOPTION OF CAUSE-RELATED MARKETING**

In 1983, American Express advertised a unique sales promotion campaign in the United States, where it promised to donate a penny for each use of its charge card and a dollar for each new card issued in the US for renovation of the Statue of Liberty. This \$6 million national campaign enabled American Express to contribute \$1.7 million for the Statue of Liberty Ellis Island Foundation (Wall 1984). During the fourth quarter of 1983, American Express had a 28% increase in its card usage over the same quarter in 1982, and new cardholders rose more than 45% during the period of this campaign (Wall 1984). Success of this endeavor gave birth to 'Cause-Related Marketing' (CRM), a novel concept in the management literature at the time.

Since then, CRM has been adopted as a significant tool for differentiating a company from its competitors by building an emotional, even spiritual bond with the consumers (Meyer 1999). Following its introduction, the American market has witnessed several leading companies like Citibank, Proctor and Gamble, Pepsi, General Foods etc. that have reaped the benefits of CRM campaigns by earning larger sales, more national visibility, broader customer bases and enhanced corporate images (Barnes and Fitzgibbons 1991). It is estimated that in 1999, North American corporations spent about \$630 million on non-profits through direct contributions and sponsorship of activities [International Events Group (IEG) Sponsorship Report 1999], which represents a 504% increase since 1990 (Cone Communications Press Release 1999).

## **2. DEFINITION AND NATURE OF CAUSE RELATED MARKETING:**

Apart from the popularity among businesses and consumers, CRM has also opened a new area for researchers to explore. Different academicians have offered multiple definitions for Cause-Related Marketing, and its scope has broadened over time. Varadarajan and Menon (1988) propose one of the oldest and the most widely accepted definitions for CRM, which describes it 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 and satisfy organizational and individual objectives.” Likewise Cui, Trent, Sullivan, and Matiru (2003) in their research, referred to CRM as “a general alliance between businesses and non-profit causes that provide resources and funding to address social issues and business marketing objectives.” According to David W. Zuker (2002), the Director of Cause Works, “CRM is a long-term partnership between a non-profit group and a corporation that, unlike corporate philanthropy, is a part of a coordinated marketing program.”

These campaigns may be adopted at the corporate, divisional, or brand level, and their geographic scope may vary from regional, national to international (Varadarajan and Menon 1988). Similarly, such campaigns may be transaction-based wherein the organization requires consumers to purchase its products in order to make donations, or it may also be non-transaction based wherein the company simply advertises its association with an Non Profit Organization (NPO) (Cui et al. 2003). Likewise, CRM campaigns may be adopted to attain a wide array of corporate objectives, one of the most important of which is enhancement of corporate or brand images among the target audience. This

works as a long-term strategy, whereby companies by advertising their benevolence create distinguished corporate images from their competitors. In the short run, these campaigns may also help to boost sales or may serve as a tool to thwart negative publicity and to pacify consumer groups (Varadarajan and Menon 1988). Overall, CRM campaigns may be viewed as an amalgam of corporate image advertising, sales promotion, public relations, and corporate charity.

### **3. BENEFITS OF CAUSE- RELATED MARKETING CAMPAIGNS**

Several studies have exposed the benefits of companies' CRM campaigns. Research by Ross, Patterson and Stutts (1990-1992) supports the idea that the advertising of company's support to causes could engender favorable consumer attitudes toward the firm, its products and the non-profit cause. Similar outcomes were reported by the Cone/ Roper study (Carringer 1994). Sixty-four percent of the American adults interviewed in this study felt that CRM should be a part of companies' standard activities, 78% were willing to purchase products that support causes that they care about, and 84% felt that CRM creates a positive company image. Another study by Cone/ Roper (1994) revealed a positive relationship between companies' charitable activities, and employee morale. Eighty-seven percent of employees from companies supporting causes felt a sense of loyalty toward the firm, in comparison with two thirds of workers in companies without a cause-related association (Meyer 1999).

At the same time, CRM is a win-win deal for the parties involved like consumers, businesses and non-profit organizations (NPOs). It is evidenced that through participation in CRM programs, consumers accept a reduction in the real value of the product by deriving the satisfaction of being socially responsible without donating separately to

charities (Polonsky and Wood 2001). Similarly, transaction-based CRM initiatives enable businesses to generate huge funds that they do not afford from their regular budgets for donations to charities. Finally CRM programs raise financial resources for the non-profit organization, sometimes also source managerial support from the sponsoring company, create more awareness for the cause, gain publicity for the NPOs (Polonsky and Wood 2001; Deshpande and Hitchon 2002) and encourage direct contributions (Varadarajan and Menon 1988). Thus, some view CRM as marketing's greatest contribution to the society (Smith 1994).

#### **4. FACTORS AFFECTING THE SUCCESS OF CAUSE-RELATED MARKETING CAMPAIGNS**

However, the success of these campaigns is contingent upon several factors, the most significant of which is consumer perception of corporate motives for engaging in CRM. The study conducted by Barone, Miyazaki, and Taylor (2000) strongly supports this idea. In fact, several participants in their experiment were willing to accept lower performance or higher price of products in return for perceived corporate social responsibility. On the other hand, if consumers regard a CRM campaign as cause exploitative or as a "marketing gimmick" to further organizational objectives of increasing sales and profits, they are likely to have a less favorable attitude toward the same (Smith and Alcorn 1991).

Research has identified various factors that enhance consumers' perception of credibility toward CRM campaigns. First of all, a match must exist between the characteristics of products promoted, their positioning, the corporate image, and the demographics of the target market (Till and Novak 2000). This is important because an illogical fit may be regarded with suspicion (Gray 2000). Likewise Ross et al. (1990)

have found that people exhibit more positive attitudes toward campaigns supporting disaster relief causes rather than ongoing causes. In this regard, Ellen, Mohr and Webb (2000) explain that due to the external, uncontrollable nature of disasters, people are less skeptical about CRM campaigns that assist disaster relief causes. Similarly, consumers perceive less exploitation and more benefit to campaigns when corporate donations are large (Dahl and Lavack 1995). Another study demonstrated more consumer credibility toward non-transaction based CRM campaigns than transaction-based campaigns (Cui et al 2003). Lafferty's (1996) research uncovered that consumers respond more positively when the cause is important to them. From this finding we might expect a local company or cause versus an international company or cause to be more relevant to consumers and therefore potentially more important. Finally, an organization's commitment to social responsibility as measured by the length and frequency of support to charities engenders favorable consumer attitudes towards the company and its CRM campaign (Drumwright 1996).

Apart from credibility, nature of the products advertised, geographic scope of the campaigns, company reputations etc. also influence response to these advertising campaigns. Research has revealed that CRM campaigns are more effective when they are associated with luxury products than practical ones, as the donation to charity offsets the feeling of guilt associated with the purchase and consumption of frivolous products (Strahilevitz and Myers 1995). Likewise it is observed that consumers are more responsive to campaigns that support local causes than national ones (Ross et al. 1991).

Thus by employing several means, American corporations have used this communication strategy successfully in USA. There also have been instances of effective

implementation of CRM programs in other countries like the United Kingdom (Dockerty and Hibbert 2003) and New Zealand (Chaney and Dolli 2001). These success stories could entice Indian and American marketers to introduce similar strategies in the emerging markets as well.

## **PART 4**

### **STANDARDIZATION OR ADAPTATION**

However, due to the dynamic nature of the global business arena, it is difficult to predict whether CRM strategies from the United States would lead to similar outcomes in an emerging market like India. “Standardization” of advertising is one of the favorite topics for debate by practitioners and academicians in the field of international advertising. De Mooij (1998) has described the ultimate form of standardization as, “offering identical products worldwide at identical prices via identical distribution channels, supported by identical sales and promotion programs” (p. 25). This business strategy has its pros and cons that are discussed in the following section.

#### **1. ARGUMENTS FOR STANDARDIZATION**

Many professionals contend that in the present business scenario, an increasing number of people across the globe need and consume identical products and services. As a result, these identifiable groups of consumer segments have similar needs, interests, values, and frames of reference, which make standardized advertising viable (White 2000). This coupled with the growing prominence of international media like the internet, multinational publications, satellite television channels etc. permit standardization of advertising to consumers in different parts of the world (White 2000).

Levitt (1983) advocates that such standardization enables corporations to reap the benefits of economies of scale in logistics, production, and marketing, thus facilitating cost reduction. Similarly the world has become a smaller place with increasing global tourism. Standardization enables MNCs to build a uniform corporate image and identity worldwide, and thus avoids the imparting of inconsistent brand messages that would

damage the corporate image (Fatt 1967; Buzzell 1968; White 2000). In short, this school of thought regards standardization as the bottom line for attaining global marketing effectiveness.

Thus, the advocates of standardized advertising would argue that implementation of uniform cause-related marketing strategies would enable companies to gain identical corporate image and brand attitudes of consumers in different countries.

## **2. STANDARDIZATION; UNFEASIBLE AND INEFFECTIVE**

However, in spite of these advantages, standardization may not always be feasible and/ or effective. History has witnessed several companies that committed blunders by standardizing their advertising (Cateora 2005). In her book “Global Marketing and Advertising,” de Mooij (1998) has presented strong arguments against standardized marketing and communication. She asserts that ‘the main purpose of advertising is to develop strong and consistent associations for brands that fit the target market’s values and motivations’ (de Mooij 1998 p.34). However, she argues that these values and motivations to consume products are not universal, and several factors lead to such a divergence.

The level of development within a country is believed to be one of these factors (Jain 1989, Chung 2002). For instance, a ‘refrigerator’ is a necessity in developed countries, but a luxury item in developing markets. Likewise, economic development has bearings on several important aspects like the stage of a product’s life cycle, the degree of regulation on advertising, the level of competition, and availability of media alternatives, all of which lay foundation for advertising decisions (Mueller 2004; Cateora 2005). For instance, mature products in developed countries may be in the introduction or growth



stage in emerging markets, due to which an advertiser's task would be to educate consumers about the product benefits (Rutigliano 1986). Thus, advertising here will be informational rather than transformational.

Similarly, culture has a strong impact on the values and motivations for consumption (de Mooij 1998). Rokeach's value research across countries and cultures has revealed that certain relevant values from one country are inexistent in other cultures. Likewise, there also is a difference in the ranking of priorities of values across cultures (de Mooij 1998). Geertz Hofstede has proposed five dimensions on the basis of which cultures could be distinguished. These aspects, which he has named as individualism, power distance, uncertainty avoidance, masculinity, and long-term orientation, strongly affect people's attitudes, perceptions and behaviors (de Mooij 1998). For instance, culture explains why comparative advertising is effective in one country, and not in another (Choi and Miracle 2004). In addition to this, other aspects like product category, competitive environment, organizational experience and control, advertising infrastructure, government regulations, and advertising concepts and executions hinder standardization of the marketing and communication of the same product in different countries (Jain 1984; Harvey 1993; de Mooij 1998).

All these factors, together direct strategic advertising decisions like selecting the target audience, positioning of the brand, choosing advertising appeals, designing of creative materials, and message execution (de Mooij 1998). Thus, while designing marketing and advertising campaigns, it is advisable to know the differences in countries and cultures based on each of these aspects. This suggests that applying the CRM formula valid in the United States, UK and New Zealand to consumers in emerging

markets like India may not be appropriate. Firstly, the former countries are categorized as developed, with high per capita incomes, high per capita GDP, high living standards etc. (The World Factbook; CIA 2004). Secondly, these countries have free market economies as opposed to India, which has a mixed market economy (The World Factbook; CIA 2004). Last but not the least, these countries have significantly different scores than India on Hofstede's five cultural dimensions ([www.geert-hofstede.com](http://www.geert-hofstede.com) 2005). In light of these facts, it would be inappropriate to generalize the outcomes of CRM campaigns in these countries to the Indian market.

## **PART 5**

### **INDIA VS. USA**

Although the United States of America and India have long histories of advertising, the trends in contemporary advertising are significantly different from each other (Khairulla and Khairulla 2002). This is largely because India and the US vary prominently from each other, in terms of their political environments, economic development and the cultures of their consumers. The following discussion uncovers these differences and predicts probable disparities in consumers' attitudes and behaviors in response to companies' CRM campaigns.

#### **1. ECONOMIC DEVELOPMENT**

Economic development, in general, is referred to as “an increase in national production that results in an increase in the average per capita gross domestic product (GDP)” (Cateora 2005 pg. 245). Level of industrialization is a dominant factor on the basis of which United Nations classifies a country's stage of economic development. According to this, countries across the world could be grouped into the following three categories:

- **More Developed Countries:** These are industrially advanced economies that have high per capita incomes such as Germany, United Kingdom, Canada, France, and the United States of America.
- **Less Developed Countries:** These countries are undergoing the process of industrial development and have relatively low per capita income levels. Most of them have just started entering world trade. Parts of Asia and Latin America are examples of such countries.

- **Least Developed Countries:** These are subsistence economies that are industrially underdeveloped and agrarian. High percentage of rural populations, extremely low per capita income levels, and little world trade involvement characterize such countries. These are mostly found in Central Africa and some parts of Asia.

From this perspective, the United States of America is regarded as the world's largest and the most technologically powerful economy, with a per capita GDP of \$37,800 in the year 2003. In contrast to this, India is a developing country with a per capita GDP of \$2,900 during the same year (The World Factbook; CIA 2004). It is often argued that marketing activity in general and advertising in particular keeps pace with the country's stage in the economic growth (Frith and Mueller 2004; Cateora 2005). In the book "International Marketing," Cateora (2005) proposes the table in Appendix A, which demonstrates the interdependence of the two. Although it excludes some other factors like technological advances, political, social, and cultural variables, it provides a basic framework that helps derive logic about the interdependence of the marketing system and economic development. According to this, as the economy progresses, it demands greater variety of marketing functions. Likewise, the institutions also become more sophisticated and specialized to perform these marketing functions (Cateora 2005).

Another explanation for this could be derived from Abraham Maslow's Hierarchy of Needs Model, which proposes that people's needs could be arranged in a hierarchy that reflects their relative potency (Maslow 1964). According to this model, as people satisfy their basic or physiological needs, they strive to achieve the higher level needs like security, love, social and esteem needs, each in that order (See the figure in Appendix B). This theory assumes relevance, since advertising seeks to connect brands

with people's needs for consumption, and these needs that dominate a particular culture are closely tied to that country's level of development. Apparently as the market develops, consumers who satisfy their basic consumption needs, demand products that satisfy the higher level social and esteem needs (Mueller 1996). All these factors together direct advertising trends in a particular country and consumer responses to them.

#### **a. Economic and Political Influences on Advertising**

As mentioned before, India is a developing country and has been a protected market for almost four decades after its independence in 1947 from Great Britain. Since then, mostly state owned corporations, certain domestic companies, and a few MNCs offered limited product alternatives to meet the demands of the Indian consumer market (Bhandari et al. 2002). Likewise, there was only one government controlled television channel till 1991 (Pillai 1990; Rustogi, Hensel and Burgers 1991). In absence of a competitive business environment and lack of advertising media alternatives, the quantity as well as sophistication of marketing and advertising practices of companies in India has been very low (Bullis 1997; Srivastava and Schoenbachler 1999). Another major factor responsible for this was the socialistic political environment of the 1960s and 1980s during which advertising was not tax deductible, thereby offering little incentive for companies to advertise (Ciochetto 2004). As a result, it is observed that successful advertising campaigns before 1997 comprised of simple and straightforward messages that stressed product benefits (The Economic Intelligence Unit Ltd. 1997). It is only in recent times that campaigns are seen to be getting more aggressive and focused than earlier (Sehgal 2000).

In contrast to this, the US has been a dynamic economy for several decades, where consumption patterns have changed continuously. Likewise, because of being a free market economy, there has been intense competition in the consumer goods sector. Due to this, American marketers have consistently faced the challenge of satisfying the ever-changing market demand by detecting and providing for new levels of consumption (de Mooij 1998, Shimp 2003). In this competitive environment, advertising has played the pivotal role of communicating companies' competitive advantages to the target audiences (Rotzoll, Haefner and Hall 1996).

Thus, there is an enormous difference in the quality as well quantity of advertising in the two countries, which is evident from the figures of ad spending in each of the markets. For instance, the total ad spending in India was US\$ 1,860 million in 2002 (International Marketing Data and Statistics 2004). As opposed to this, USA is regarded as the “advertising capital of the world” and has the largest and the most influential advertising industry (Baudot 1989) with expenditures totaling US\$ 242,462 million in 2002 (International Marketing Data and Statistics 2004). Some recent statistics assert that the United States accounts for around 40% of the global advertising expenditure (ZenithOptimedia 2004). Likewise, an average American is exposed to 600 times more advertising messages than an average Indian (Kanwar 1993). In light of such disparities, US consumers are expected to be more sophisticated at evaluating marketing and advertising stimuli than their counterparts in India.

Similar experiential differences may be evidenced in the consumption behavior of consumers in both the countries. For instance, the per capita consumer expenditure in the US and India in 2002 was around \$26,213 and \$304 respectively (International

Marketing Data and Statistics 2004). In other words, an American consumer spent 86 times as much as an Indian consumer in purchasing goods and services. Apart from this, the myriad purchase alternatives available in the American marketplace enhance the ability of the US consumers of evaluating competing brands' attributes and advertising before making a rational purchase decision (Rotzoll et. al. 1996). In congruence to this, research has revealed that even though the perception of company image by US consumers changes when it advertises its association with a cause, the traditional purchase criteria like price, quality, or convenience continue to have a strong influence on their actual purchase behavior (Webb and Mohr 1998). Likewise, a substantial amount of criticism against the concept of CRM has been voiced in recent times (Garfield 1993; Smith and Higgins 2000). Because of consumer exposure to such literature coupled with enhanced advertising and purchasing experience, the mere inclusion of CRM in the brand's communication mix may not induce brand preference or purchase actions from American consumers.

However, the same might not necessarily be true for Indian consumers. As mentioned earlier, the Indian marketplace is characterized with low levels of competition and qualitative advertising activities. Such a business scenario hinders the smooth functioning of the market system economy, wherein competitive advertising enhances consumer knowledge of advertising variables and thus equips them with market information necessary for making rational consumption decisions (Rotzoll et. al. 1996). Research has consistently disclosed that an inadequate understanding of companies' marketing and advertising strategies often hinders rational evaluation and decision-making (Roedder 1999). As a result, it may occur that the relatively inexperienced and

unsophisticated Indian consumers are likely to be far more credulous and hence easily persuaded by corporate cause-related marketing campaigns. Thus we hypothesize:

**H1: Indian consumers will have more positive attitude than US consumers toward**

- A. Corporate cause-related marketing offers**
- B. CRM advertisements.**

Attitude has been described as the “organization of several beliefs focused on a specific object or situation” (de Mooij 1998, p. 97). Research on consumer behavior indicates that people’s attitudes are learned, are relatively enduring, and often influence their behavior (Shimp 2003). Research in the field of cause-related marketing has revealed that positive attitude toward a CRM campaign enhances consumer perception of the corporate image (Ross et. al. 1992). Consistent with this is the research in the field of advertising and consumer behavior, which has revealed that positive attitude toward a company’s advertisements lead to a favorable evaluation of a corporation and its brands, which in turn influence consumers’ purchase intentions (MacKenzie, Lutz, and Belch 1986, MacKenzie and Lutz 1989). On these grounds, and applying the research at the corporate level rather than a traditional “brand” or “product category” level, it is expected: -

**H2: Indian consumers will show more positive attitude than the American consumers toward:**

- A. Image of companies engaging in CRM campaigns**
- B. Purchase intentions for products of companies engaging in CRM campaigns**



## **b. Perceived Novelty of the Advertising Stimulus**

The elaboration likelihood model in consumer behavior has proposed an explanation for how advertising messages persuade action from their audience. According to this model, when consumers process information at enhanced levels, more enduring brand attitudes and memories are evoked (MacInnis and Jaworski 1989; Petty and Cacioppo 1986), which may further influence purchase actions (Sheppard, Hartwick and Warshaw 1988). The extent of elaboration on an advertising message depends largely on the audience's motivation, ability and opportunity to process the information presented therein. Motivation is typically defined as the extent to which consumers are interested in the information in an advertisement and their willingness to expend effort to process it, given its relevance to their personal goals. Ability concerns if a person is familiar with message claims and is capable of understanding them. Opportunity is referred to as the extent to which situational factors facilitate ad processing. Hence, increasing the audience's motivation, ability and opportunity to process information is often a major communication objective (MacInnis Mooreman and Jaworski 1991).

In this regard, MacInnis et. al. (1991) propose that there may be an inverse relationship between the motivation of attending to information in an advertisement and the ability to process the message. For instance, consumers who are highly knowledgeable about an advertising stimulus may lack the motivation to process information from the same. As opposed to this, consumers who lack prior knowledge may be prompted to learn more about the message details. Because of this phenomenon, advertising professionals use several cues in their messages that enhance the audience's motivation to elaborate on an advertisement. One of these tactics is using a novel

advertising stimulus. This implies that “the greater the use of novel executional cues, the greater the consumers’ motivation to attend to the ad” (MacInnis, et. al. 1991, pg. 35). While on the other hand, as a stimulus becomes more familiar, people become desensitized to it.

This theory assumes relevance in light of the fact that cause-related marketing programs are a relatively recent phenomenon in India. Until now, only a few companies like Proctor and Gamble (Pande 2004), and Citibank ([www.indiapartnershipforum](http://www.indiapartnershipforum) 2004) have included CRM as a part of their corporate communications programs in India. As opposed to this, CRM has existed in the United States since 1983 (Barnes and Fitzgibbons 1991) and innumerable companies have engaged in CRM programs over the last few decades (Gray 2000). Due to this frequency of exposure to the advertising stimulus, American consumers are likely to be less motivated to process information from ads for CRM campaigns. Likewise, as more and more corporations associate with causes, a clutter may occur which would make it harder for participating firms to stand out thereby causing an eventual decline in the contribution of such programs to a brand’s equity (Friedman and Kouns 1997). On account of this wear out effect, it may be expected that US consumers who have been exposed to CRM campaigns for more than two decades have become desensitized to them and hence will not be as motivated by such advertising as their Indian counterparts. On these grounds, we hypothesize:

H3: Indian consumers will perceive more novelty to CRM campaigns than will the US consumers.

H4: There will be a positive relationship between the perceived novelty of CRM campaigns and consumer attitudes toward:

- A. CRM offer,
- B. CRM advertisement,
- C. Purchase intention of the sponsoring company's products.
- D. Image of the sponsoring company

**c. Perception of Corporate Motives for engaging in CRM**

**i. Exposure to Criticism against Cause- Related Marketing**

Apart from the US consumers' familiarity with this communication strategy, the concept of cause-related marketing, especially transaction-based CRM has attracted substantial criticism in the US. Some critics have accused this practice as "marketing's most unabashed exploitation" (Garfield 1993). Smith and Higgins (2000) argue that CRM threatens the integrity of contemporary society by mixing charitable donations into strategic marketing exchanges, and might create a confusion of public perception of philanthropy. Critics dread the likelihood that transaction-based CRM would replace the traditional donations made by people, as consumers might conclude that they have fulfilled their social obligations by making an indirect and painless contribution (Smith and Higgins 2000). In fact, 5% of participants in a study conducted in the United Kingdom admitted that they reduced their donations to charity since they began purchasing cause-associated lottery tickets (Mintel Marketing Intelligence 1999). Similarly, several scholars have made a clear distinction between corporate philanthropy and cause-related marketing, whereby they argue that companies benefiting from their donations to causes may not be regarded as 'benevolent' (Bauman 1995).

In the same way, CRM has also been a questionable strategy from the public policy perspective. First of all, it is observed that corporations spend more money for advertising their charitable deeds than what they actually donate to causes. Secondly, corporations get an undue tax benefit for their marketing programs (Varadarajan and Menon 1988). Similarly, it has also been observed that corporations tie in with popular and risk-free causes, thus ignoring the less visible charities that perhaps need more public attention and financial assistance than the former. Likewise, non-profit organizations are likely to lose focus by altering their mission and activities to satisfy corporate and marketing objectives (Cornwell and Maignan 1998, Lichtenstein, Drumwright and Braig 2004). Finally, it is dreaded that CRM at times, can provide a promotional avenue for socially undesirable products (e.g. tobacco and alcohol) and behaviors (gambling) (Cornwell and Maignan 1998).

The expression of these concerns has revealed the downside of CRM to an average American consumer. Due to the exposure to such literature backed by the enhanced experience with various marketing stimuli, American consumers have already begun to approach such strategies with healthy skepticism, raising doubts about the offer's believability and credibility (Barone et al. 2001). For instance, Deshpande and Hitchon's (2002) research revealed that CRM ads lose their advantage when the corporation uses them as a tool to thwart negative publicity. Similarly, in a qualitative study of consumer reactions to CRM, Webb and Mohr (1998) identified a group of respondents who questioned the honesty of corporate motives for implementing CRM campaigns. Results from another study asserted that participants inferred altruistic motives to socially oriented messages when they were sponsored by a non-profit

organization, however more self-serving motives were inferred when the same advertisement was sponsored by a business corporation (Szykman, Bloom and Blazing 2004).

In contrast to this, since CRM is a recent phenomenon in the Indian marketplace, it has attracted less attention from its critics. As a result, Indian consumers may not be expected to have as critical of an attitude toward the motives of companies' CRM campaigns. Thus it is hypothesized:

H5: US consumers will have more skeptical attitudes toward the corporate motives for engaging in CRM campaigns than the Indian consumers.

ii. *Penetration of the Societal Concept of Marketing*

Apart from this, the societal concept of marketing has prevailed in the American marketplace since the early 1970s (Crane and Desmond 2002). This concept solicits marketers to incorporate social and ethical considerations into their marketing practices (Kotler 2003). Innumerable companies have embraced this new marketing concept and have started reporting their social and environmental achievements (Brown and Deegan 1998). Cause-related marketing may be regarded as a version of societal marketing, whereby companies get involved with issues that are important in communities where they do business. Due to the increased prominence of such activities, consumers in the US increasingly look for signs of good corporate citizenship that go beyond supplying rational and emotional benefits (Carringer 1994). Consequently, they may have begun to regard corporate support to causes as an obligation rather than benevolence. On account of this fact coupled with their skepticism toward corporate motives, the mere indulgence

in CRM campaigns may not have a significant influence on their evaluation of a company and its brands.

Conversely in the Indian marketplace the societal concept of marketing is relatively recent, since the market has newly witnessed a transition from the selling concept to the marketing concept due to an increase in competition (www.indiainfoline.com 2002). At the India Economic Summit 2001, it was argued that corporate social responsibility has not acquired the same importance from the Indian corporate sector as it has from businesses in the west, and is still a long way from becoming essential to its wealth maximization goals. As a result, in the Indian context, societal marketing is referred to by the business community as some form of tokenism that corporations make only after a rewarding year (Sampathkumar 2001). Due to this lack of knowledge of societal marketing, some form of corporate involvement in social causes will impress the Indian consumers leading them to ascribe altruistic motives to companies that engage in CRM campaigns. Research has revealed that positive perceptions of company motives have strong bearings on consumers' evaluation and response to a CRM campaign (Barone et. al. 2000), which translate into favorable attitudes toward the company (Ross et. al. 1992) and further lead to positive brand attitudes and purchase intentions (Webb and Mohr 1998; Cui et al. 2003). On the basis of this, it could be expected that:

H6: Indian consumers will ascribe more altruistic motives to companies that engage in CRM campaigns than will the US consumers.

**H7: There will be a positive relation between consumer perception of altruistic motives for CRM campaigns and their attitude toward:**

- A. The CRM offer**
- B. The image of companies engaging in CRM campaigns**
- C. Purchase intentions of the sponsoring companies' products**

## **2. POLITICAL ENVIRONMENT AND HOME COUNTRY PREFERENCES**

Apart from the levels of economic development in the two countries, there is an immense variation in their political environments as well. As mentioned earlier, it was only a decade ago that the Indian Government started adopting a liberalized economic policy. As a result, the concept of globalization has not been completely accepted by several political, consumer, and social groups in India (Dubey 1992). After being a British colony for a century and a half, some of these groups view the entry of MNCs as another form of colonization (Malik 2004). Besides this, the business practices of MNCs in developing countries like India has been criticized on several fronts. Some critics contend that MNCs, with their established brands, corporate images, and marketing strategies, make it impossible for the domestic businesses to compete in the same marketplace. Such an over-dependence on outsiders is seen as a threat for the nation's economy (Frith and Mueller 2004). Likewise, there is some rhetoric about the cultural aspects of globalization, which are undoubtedly linked to the apprehension that "Indian values" are being wiped out because of westernization (Malik 2004). Through standardized marketing and advertising programs, MNCs trivialize the indigenous culture (Frith and Mueller 2004).

Moreover, it is argued that MNCs promote consumerism in developing markets by creating artificial wants and needs for their products. The production, promotion, and consumption of these superfluous goods lead to a waste of scarce national resources (Frith and Mueller). Similar is the concern that advertising for these products causes increasing levels of frustration among population segments that cannot afford to purchase them (Frith and Mueller 2004). Last but not the least, is the concern that MNCs overexploit consumers in developing markets without giving much in return. Due to these negative attitudes, it may occur that when the Indian consumers witness both a national company and an MNC donating to charities on condition of a sale, they will be more receptive to the CRM campaign of the national company than that of an MNC. Thus it is hypothesized:

H8: Indian consumers will have

- A. More positive attitudes toward the CRM offer
- B. More positive attitude toward company image
- C. Higher purchase intention for the sponsoring company's products

when the CRM campaign is launched by a national company rather than a multinational corporation.

However, research in the field of CRM has revealed that CRM offers are more successful when companies are involved with causes that are perceived as important in that particular geographic area rather than the ones that have a broader geographic scope (Ross et. al 1991; Cui et. al 2003). Thus, if MNCs are involved in CRM campaigns that address important issues for the country, it could serve as an effective means to enhance



their corporate image in India and establish trust among the Indian consumers. Hence it is hypothesized:

**H9: Indian consumers will**

- A. Ascribe more altruistic motives**
- B. Have a more positive attitude toward the CRM offer**
- C. Have a more positive attitude toward company image**
- D. Have higher purchase intention of the company's products**

when MNCs support a national cause rather than an international cause.

### **3. CULTURE**

In addition to the variations is the economic and political environment; culture assumes importance while designing international advertising campaigns (Clark 1990, Takada and Jain 1991, de Mooij 1998). It is often argued that for establishing strong relationships between consumers and brands, advertising has to reflect people's values (de Mooij 1998), as they have a strong influence on their attitudes toward advertising appeals (Sherrel, Hair and Bush 1984). However consumers' personal values are products of their cultures, which cause differences in attitudes toward the same advertising appeals (Hofstede 1979, Roakeach 1979). India and the United States of America are two completely different cultures (Roland 1988). Hence, while analyzing consumer attitudes and behaviors in the two countries, the relevance of culture cannot be ignored.

Various academicians have proposed multiple definitions for culture. For the purpose of marketing, Rice defines it as "the values, attitudes, beliefs, artifacts and other meaningful symbols represented in the pattern of life adopted by people that help them interpret, evaluate and communicate as members of a society" (de Mooij 1998, pg. 42).

Hofstede explains culture as, “the collective mental programming of the people in an environment. Culture is not a characteristic of individuals, it encompasses a number of people who were conditioned by the same education and life experience” (de Mooij 1998, pg. 42).

However, the concept ‘culture’ is abstract rather than an independently existing entity (Biernatzki 991). In order to facilitate cross-cultural comparisons in business, one needs to identify specific aspects on the basis of which cultures could be compared. For this purpose, Hofstede’s five cultural dimensions model is the most widely accepted operationalization of culture (de Mooij 1998). He has called these dimensions: individualism, power distance, uncertainty avoidance, masculinity, and long-term orientation (Hofstede 1979). Each of these cultural dimensions has been found to have an impact on consumers’ attitudes and consequent behaviors across a variety of studies (e.g. Lackman, Hanson, and Lanasa 1997). India and the United States of America have significantly different scores on the individualism/ collectivism dimension and it is the most relevant for the purpose of this study (See Appendix C and Appendix D). The following section provides a detailed description of this dimension and its probable impact on consumer attitudes.

**a. Individualism/ Collectivism:** The individualism/ collectivism dimension of culture proposed by Hofstede (1979) describes the relation between an individual and his group. Individualism relates to societies, wherein people are expected to look after themselves and their immediate family only. On the contrary collectivistic societies are comprised of people belonging to in-groups that look after them in exchange for loyalty” (de Mooij

1998, p. 75). People from these cultures are we-conscious and harmony with the social environment is a significant value (de Mooij 1998).

According to the figures in Appendix C, the United States has a high individualism score of 91 and is counted among the most individualistic countries in the world (Hofstede 1979). India, on the other hand, has a relatively lower score of 48, and is regarded as more of a collectivistic society. Since the interests of the group prevail over individual interests for people in such societies, consumers in collectivistic countries may tend to have greater sympathy toward individuals in need in their own society, which may extend to favorable attitudes toward companies' CRM programs. As a result, Indian consumers may be more supportive of CRM campaigns that assist crucial causes in their community. However similar outcomes may not be expected from consumers in an individualistic culture. Thus we hypothesize:

H10: Indian consumers will be more collectivistic than American consumers.

H11: There will be a positive relationship between collectivism and attitudes toward nationally oriented CRM campaigns.

H12: Indian consumers will have more positive attitude toward CRM campaigns supporting a national cause, than the attitude of US consumers supporting a national cause.

## **PART 6**

### **RESEARCH METHODOLOGY**

#### **1. RESEARCH DESIGN:**

To achieve the goals of this study, a 2 (Nationality of the consumers) X 2 (Origin of the Company) X 2 (Geographic scope of the CRM offer) factorial design was used.

The following diagram demonstrates the design of the experiment.

#### **Research Design:**

|                                      | <b>Nationality (India/ USA)</b> |                      |
|--------------------------------------|---------------------------------|----------------------|
| <b>Origin of the Company</b>         | <b>National</b>                 | <b>Multinational</b> |
| <b>Geographic Scope of the Cause</b> |                                 |                      |
| National Cause                       |                                 |                      |
| International Cause                  |                                 |                      |

#### **2. SAMPLE:**

The respondents for this study were drawn using the matched sample technique (Vijver and Leung 1997). According to this, “samples of cultural groups are made as similar as possible in their demographic characteristics” (p.30). Cross country methodologists stress the significance of matched samples, as in absence of this it will be difficult to determine if the attitudinal and behavioral differences occur due to national and cultural differences or other demographic factors. A sample of students from different countries facilitates the manipulation of matched samples (e.g. Grunbaum 1997, Wafa 1989). Although such a treatment ignores the influence of environmental factors for the purpose of generalization, it is appropriate when internal validity of the study assumes precedence over the external validity (Lynch 1982). Likewise, the use of students facilitates and ensures a tight control over the procedure for collecting data (Adler 1983).

Thus, the data for this study was collected from undergraduate students at Michigan State University in the United States and at University of Pune in India.

The Central Limit Theorem proposes that when sample sizes are at least thirty, the distribution of the sample means closely approaches a normal distribution without regard to the distribution of the population from which the sample is drawn. Thus, 25-30 respondents were randomly assigned to each of the eight treatment conditions. In all 258 students (134 from USA and 124 from India) participated in the study. However, while analyzing the data, we excluded all the students who indicated that they were not comfortable doing the survey in English, and also those who could not identify the study's manipulations correctly. This way, a total of 220 questionnaires were found to be useable. The following diagram demonstrates the distribution of the student sample.

**Distribution of Student Sample:**

|                     | United States of America |                  | India                 |                  |
|---------------------|--------------------------|------------------|-----------------------|------------------|
|                     | Multinational Company    | National Company | Multinational Company | National Company |
| International Cause | 26                       | 31               | 27                    | 28               |
| National Cause      | 27                       | 30               | 26                    | 25               |

The demographic characteristics of participants from both the countries were also more or less comparable, in terms of their gender, occupation and age.

a. Gender: Research in the field of cause-related marketing has revealed that women are more responsive to CRM offers than men (Alrow 1999). In order to obtain a uniform response to a CRM campaign, it was important for the sample to be comprised of an equal number of men and women. Thus, 44.5% of the participants in this study were men, and 55.5% were women. Out of the respondents in the US, 44% were men and 56%

were women. On the other hand, 46% of the Indian sample was men, and 54% was women. The table in Appendix E shows the gender composition of participants in each of the eight groups tested in this study.

b. Age: All respondents of this study were between the age of 18 and 30 years. Out of these 39% were less than 20 years old and 61% were 21-30 years old. In the US, 38% of the respondents were less than 20 years old and 62% were in the 21-30 years age group. Similarly, in India 41% of the sample was younger than 20 years, whereas the remaining 59% was 21-30 years old.

c. Year in College: In the United States, 87% of the student participants were either pursuing Junior or Senior years of undergraduate studies. 9% of the students were either Freshmen or Sophomores, while the remaining 2% were comprised of graduate students. On the other hand, 63% of the student sample in India was pursuing either second or third year of their undergraduate studies. 33% were graduate students, and the remaining 4% were either first year students or did not indicate their level of education in college. The graduate students from India could be compared to the senior students from USA, as the Indian education system follows the 12+ 3 years pattern for granting a Bachelor's degree. In this system, high school graduates have to complete only three years of college in order to earn their Bachelor's degree. The diagram in Appendix F exhibits the detailed distribution of the student sample according to their year in college.

d. Major in College: 64% of the American participants were studying Advertising, Marketing, Public Relations, or Retail Management as their major subjects. 8.7% studied Communications, 4.4% and 5.3% were Journalism and Packaging majors respectively. The remaining 17.6% majored in other subjects like Engineering, Finance,

Telecommunications etc. In India, 64.2% of the sample studied Marketing as their major subject, 17% were English majors, 6.6% and 5.6% majored in Costing and in Banking-Finance respectively. The remaining 6.6% studied other subjects in college like Human Resource Management, Computer Science, Law etc. The diagrams in Appendix G demonstrate the distribution of students in each country, according to their major subjects in college.

### **3. RESEARCH STIMULUS:**

A number of factors assume significance while developing the stimulus to be used while testing consumer attitudes in a cross-country comparison. The following section describes the selection of each factor for the development of the CRM campaign and the basis for such selections.

#### **a. Selection of the Cause**

The study was conducted with a company supporting an ongoing cause through a CRM campaign. Disaster-relief causes were excluded, in order to overcome the possibility of variations in the subjects' level of involvement that may occur due to an unforeseen disaster. Besides this, the studies conducted by Lafferty (1996) and Webb and Mohr (1998) reveal that consumers respond more positively when the company supports a cause that is important to them. In general, people from different countries are observed to be concerned about the education of children in schools. Given the significance of technology in today's world, "supporting schools to purchase computers and other technological equipments for enhancing children's educational experience" was identified as a cause that could be relevant to the subjects in both countries. In the course of this study, 94% of the American respondents and 92% of the Indian respondents

agreed that children's education is an important cause to support. Similarly, 94% of the Americans participants and 93% of the Indians participants believed that new technology is important for children to learn in the world today.

#### **b. Selection of the Company**

Most of the previous studies in the field of 'cause-related marketing' have used a brand or product category for testing consumer responses toward an advertising stimulus (E.g. Strahilevitz and Myers 1998; Barone et al. 2000; Dean 2003). However, it is observed that consumers of the same demographic group that live in two countries that are in different stages of economic development do not purchase the same type of products. Similarly, the motivations for purchasing products are also not the same (de Mooij 1998). In order to avoid the complexity of choosing a product category relevant to the sample group in both the countries, the CRM campaign for this study was developed at the corporate level, rather than referring to a particular brand or a product category.

Likewise, the stimulus showed a CRM campaign launched by a fictitious company. Such a manipulation helped eliminate the possibility of deviation from the anticipated results that could have occurred due to respondents' bias about an existing corporation. This gains more significance in light of the findings by Dean and Strahilevitz (2003), which suggest that a company's reputation has a strong influence on consumer evaluation of a CRM campaign. Thus respondents were told that a fictitious company called "Voray Corporation," which was either a national or a multinational company (depending on the nature of manipulation), manufactures a wide array of personal care products like soaps, shampoos, deodorants, cosmetics etc. Since most of such personal care products have existed in both countries for several decades, the treatment helped



overcome the issue of differences in the stages of a products' life cycle in the two countries. Likewise, the number of factors influencing the purchase decision of Fast Moving Consumer Goods (FMCG) like soaps, shampoos etc. are less than the considerations for purchasing other products like consumer durables or services (Peter and Olson 2001). This helped enhance the likelihood of the CRM campaign influencing the consumer purchase decisions.

#### **c. Selection of the Non-Profit Organization**

Finally, it was revealed that the fictitious company was contributing 2% of its sales value over the period of five months (August 2005 to December 2005) to a fictitious non-profit organization (NPO) named the 'Kids Charitable Foundation.' Such a manipulation again helped eliminate the possibility of pre-existing consumer attitudes about an existent NPO influencing their response to the CRM campaign. Depending on the geographic scope of the CRM campaign for each of the eight treatment conditions, this NPO was projected as having a long history of undertaking initiatives for improving educational opportunities and facilities for children either in that particular country or across the globe.

#### **4. PROCEDURE:**

All the respondents for this study were asked to voluntarily fill out a questionnaire. In the beginning, they were told that on completion of the questionnaire, their names would be included in a lucky draw for winning one of the three gift vouchers/certificates worth \$25 from Amazon.com in the US and worth Rs. 1000 from Shoppers Stop in India. The respondents were randomly assigned to each of the eight treatment conditions. They were first given a brief description in writing of 'Voray Corp.' the

hypothetical company. After this, respondents received a short account of the 'Kids Charitable Foundation,' the fictitious non-profit organization, followed by the description of the company's promotional offer. Here, participants were told that Voray Corp. has promised to donate 2% of its sales over the period of five months (August 2005 to December 2005), to help schools purchase computers and other technological equipment for their students. Afterwards, the respondents were presented with a print advertisement of the promotional offer. For the administration of the manipulations, eight different advertisements were created using a uniform layout and design (See Appendix H for a sample of the advertisements).

After giving the participants a good idea of the promotional campaign, they were asked various questions to evaluate their attitudes and reactions toward the company's offer, its advertisement, the company image, their purchase intentions, their perception of novelty of this offer and their perception of corporate motives for supporting the charity. Following this, they were asked to answer a number of psychological questions, in order to determine their degree of individualism and collectivism. Finally, for ensuring the achievement of matched samples treatment, they were asked a set of demographic questions like their age, gender, year in college, major in college, living situation etc. Appendix H includes a sample questionnaire that was used for collecting the data of this study. The participants took an average of 15 to 20 minutes to complete the entire session.

## **5. MEASUREMENT VARIABLES:**

### **a. Independent Variables**

i. Nationality of Consumers: Nationality of consumers is one of the most significant independent variables for this study. As explained earlier, the manipulation of this variable was affected by conducting the study in USA and India with participants of similar demographic features.

ii. Origin of the Company (National or Multinational): The manipulation of this variable was affected by exposing half the respondents from each of the two countries to a CRM campaign launched by a national company and the remaining half to a campaign launched by a multinational company.

iii. Geographic scope of the CRM offer (National or International): This variable was manipulated by randomly assigning half the respondents from each of the two countries to respond to a CRM offer that supported a national cause and the other half to a CRM offer that supported an international cause.

### **b. Mediating Variables**

Unless otherwise noted, all the items below and for the dependent variables were measured using either a 5-point Likert-type scale or a 5-point semantic differential scale.

i. Perceived Novelty of the CRM offer: The Oxford Dictionary describes the term novelty, as ‘the quality of being new or different’ or a ‘previously unknown thing, situation or experience.’ This variable was operationalized on a six-item semantic differential scale developed by Anders and Smith (1996). This scale was anchored with adjectives like dull/ exciting, fresh/ routine, novel/ predictable, usual/ unusual, unique/ ordinary, and commonplace/ original, where the respondents indicated, the degree to

which they thought the campaign was novel when compared to the nature of prevailing advertising in each of their countries. This scale of items was found to be reliable (Cronbach's  $\alpha = 0.82$ ).

ii. Perception of Altruistic Motives for engaging in CRM: The Oxford Dictionary describes the term motive as 'something that causes somebody to act in a particular way; a reason.' Based on this explanation, this variable describes the degree to which consumers perceive that the company is involved in CRM initiatives because it genuinely cares about the cause. This variable was tested using seven items measured on a five-point Likert type scale. The scale developed by Dean (2002) was used for measuring this variable, with some minor alterations. Some examples of the items used for measuring this variable include, "it seems that Voray Corp's contribution to the charity is altruistic, generous, kind, unselfish, etc. This scale of items was also reliable (Cronbach's  $\alpha$  of 0.84).

iv. Collectivism: This variable describes the degree to which respondents in the study demonstrate the characteristics that are typically dominant in a collectivistic society. People in these societies are described as "belonging to in-groups that look after them in exchange for loyalty" (de Mooij 1998, p. 75). As discussed earlier, harmony with one's group, priority to relationship with people, and cooperative decision-making are few of the dominant values for members of these societies. This variable was operationalized using an eight-item Likert scale that was developed by Oyserman, Coon and Kimmelmeier (2002), on which respondents indicated the degree to which they agreed or disagreed with various statements measuring their level of collectivism. The statements used were as follows: a) to understand who I am, you must see me with

members of my group, b) to me pleasure is spending time with others, c) I would help within my means if a relative were in a financial difficulty, d) I make an effort to avoid disagreements with my group members, e) before making a decision, I always consult with others, f) how I behave depends on who I am with, where I am, or both, g) I have respect for the authority figures with whom I interact, and h) I would rather do a group paper than do one alone. The eight items together were found to be reliable (Cronbach's  $\alpha = 0.56$ ).

### **c. Dependent Variables**

i. *Attitude toward the CRM offer*: As described in the literature review, various definitions have been proposed for the concept of 'Cause-Related Marketing' and each of these interprets the concept differently. For the purpose of this study, we used the oldest definition that was proposed by Varadarajan and Menon (1988), which describes it 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 and satisfy organizational and individual objectives." Thus the attitudes of consumers are measured toward such an offer.

The term 'attitude' has been described as "a general and somewhat enduring positive or negative feeling toward, or evaluative judgment of, some person, object or issue" (Shimp 2003, p. 115). The variable "attitude toward a cause-related marketing offer" was operationalized using the scale developed by Lichtenstein and Bearden (1989), which consisted of eight items on a five-point semantic differential scale anchored with adjectives such as favorable/ unfavorable, bad/ good, harmful/ beneficial, attractive/

unattractive, poor/ excellent, disadvantageous/ advantageous, worthless/ valuable, and I liked the offer/ I didn't like the offer. This scale was also found to be reliable ( $\alpha = 0.83$ ).

ii. *Attitude toward the advertisement for CRM campaign*: This variable has been conceptually defined as "a predisposition to respond in a favorable or unfavorable manner to a particular advertising stimulus during a particular exposure situation" (Davis 1997 p. 259). The operationalization of this variable was affected on the line of scale used by Holbrook and Batra (1987) and Krishnamurty and Sujan (1999) with some minor modifications. Thus, this variable was tested on a five item semantic differential scale rated on a five-point response format with anchors such as bad/ good, convincing/ unconvincing, unappealing/ appealing, not likeable/ likeable, and favorable/ unfavorable. This scale of items was reliable with an  $\alpha$  of 0.78.

iii. *Attitude toward the Corporate Image*: The term 'corporate image' has been defined as "the total impression that the entity makes on the minds of individuals" (Dichter 1985, p. 75). This is a multifaceted concept, which suggests that it needs to be measured along multiple attributes to assess those images (Harris and de Chernatony 2001). The subjects' image of the company or organization featured in the CRM advertisement was assessed through a modified version of the corporate image scale used by Pope, Voges and Brown (2004) in their research. In addition to their original five items, two more questions were included, whereby participants indicated the extent to which they agreed or disagreed with statements that indicated their evaluation of the company. These descriptives were as follows: Voray Corp. has good products/services, it is a well managed company, it is involved in the community, it responds to consumer

needs, it is a good company to work for, it cares about the society, and it is a progressive company. The scale of items was found to be reliable ( $\alpha = 0.77$ ).

iv. Purchase Intentions: The theory of reasoned action states that an appropriate measure of behavioral intentions will predict the performance of any reasoned action (Fishbein and Ajzen 1977). Hence research in the field of advertising and consumer behavior often investigates this variable. Purchase intent may be described as “a person’s willingness to purchase a product.” The operationalization of this variable was based on the scale developed by Baker and Churchill (1977) with minor modifications. A three-item Likert scale was used, whereby the participants on a scale of five indicated the degree to which they would comply with the statements that measured their readiness of purchasing the company’s products. The questions asked were; would you like to try products from Voray, would you buy it’s products if you happen to see them in the store, and would you actively seek out for its products in the store. The three items together were reliable ( $\alpha = 0.76$ ).

v. Skeptical attitudes toward Corporate Motives for engaging in CRM: In contrast to the altruistic motives, skepticism toward the corporate motives may be described as consumers being distrustful and expressing doubt about company’s intentions to engage in CRM initiatives. This variable was measured on a five-item five-point Likert-type scale with some items used by Dean (2002) and inclusion of two more relevant questions. The items used for measuring this variable are, “it seems that Voray Corp.’s contribution to the charity is selfish, self-serving, egocentric, Voray cares about making a profit, and it wants to compete with companies that are making similar offers.” The items on this scale were reliable ( $\alpha = 0.71$ ).

## **PART 7**

### **RESULTS**

#### **1. Attitudinal and Behavioral Variations in Response to CRM offers**

The H1a and H1b of the study expected that Indian consumers would have a more positive attitude toward the CRM offer ( $A\_offer$ ) and its advertisement ( $A\_ad$ ). Two independent sample t-tests were conducted to verify the validity of these hypotheses. The results from the t-test carried out for H1a indicated that there was no significant difference between the American ( $\bar{x} = 3.87$ ) and the Indian sample ( $\bar{x} = 3.83$ ) on attitudes toward the CRM offer. Hence H1a was not supported. Through the independent sample t-test for H1b, the t-value obtained was 4.57 ( $p < 0.01$ ) at  $df = 218$ . Indians had a significantly more positive attitude toward the advertisement of the CRM offer ( $\bar{x} = 3.82$ ) than the Americans ( $\bar{x} = 3.38$ ). H1b was thus supported. See Appendix I for a comparison of the outcomes.

H2a and H2b predicted that Indian consumers would have a more positive attitude than American consumers toward the image of a company that engaged in CRM initiative ( $Co\_image$ ), and would also show higher purchase intentions ( $PI$ ) for the sponsoring company's products. To investigate H2a, an independent sample T-test was conducted. The results found that Indian consumers ( $\bar{x} = 3.74$ ) had a significantly more favorable attitude toward the company's image than the American consumers ( $\bar{x} = 3.53$ ,  $t_{(218)} = 2.62$ ,  $p < 0.01$ ).

The independent sample t-test for evaluating the validity of H2b resulted in a t-value of 4.28 ( $df = 218$ ,  $p < 0.01$ ). The Indian sample ( $\bar{x} = 3.23$ ) again showed



significantly higher *PI* than the American sample ( $\bar{x} = 2.73$ ) for the products of the company that launched a CRM campaign (See Appendix J).

## **2. Differences in Perception of Novelty of CRM offers**

Our third hypothesis (H3) expected that Indians would perceive the CRM offer to be more novel than the Americans. The results from the independent sample t-test ( $t_{(218)} = 9.48, p < 0.01$ ) for this hypothesis were consistent with our expectations. Indians ( $\bar{x} = 3.32$ ) perceived the offer to be significantly more novel than the Americans ( $\bar{x} = 2.40$ ). Thus strong support could be found for H3.

The next step of this was the fourth hypothesis (H4a, H4b, H4c, and H4d), which further investigated the nature of influence consumer perception of novelty to CRM (*Per\_nov*) would have on their *A\_offer*, *A\_ad*, *PI*, and *Co\_image*. Four different correlations were performed to study the relationship of *Per\_nov* with each of the four variables. The results from these tests indicated a positive relationship of *Per\_nov* with *A\_offer* (0.20), *A\_ad* (0.420), *PI* (0.34), and *Co\_image* (0.29). All the four relationships were statistically significant ( $p < 0.01$ ). Therefore, H4 was completely supported (See Appendix K for the outcomes from the correlations).

## **3. Perception of Corporate Motives for engaging in CRM**

H5 posited that American consumers would have more skeptical attitude toward corporate motives for engaging in CRM initiatives (*A\_skep*) than the Indian consumers. Consistent with this prediction, the independent sample t-test for this hypothesis resulted in a t-value of 5.55 ( $p < 0.01$ ) at  $df = 218$ , whereby American consumers exhibited higher *A\_skep* ( $\bar{x} = 3.03$ ) than the Indian consumers ( $\bar{x} = 2.47$ ). See Appendix L.

Similarly, H6 presumed that Indian consumers would attribute more altruistic motives for corporate engagement in CRM ( $A\_alt$ ) than the US consumers. A t-value of 2.82 ( $df = 218$ ) was obtained from the independent sample t-tests for this hypothesis, whereby Indian consumers demonstrated a higher  $A\_alt$  ( $\bar{x} = 3.95$ ) than the American consumers ( $\bar{x} = 3.67$ ). Thus, H6 was supported ( $p < 0.01$ ) at a statistically significant level. See Appendix L.

The three sub-parts of the seventh hypothesis (H7a, H7b, and H7c) predicted that  $A\_alt$  would have direct influence on the respondents'  $A\_offer$ ,  $Co\_image$ , and  $PI$ . The Pearson's correlation for each of these variables showed a positive relationship of  $A\_alt$  with each of the three variables mentioned above ( $A\_offer = 0.47$ ,  $Co\_image = 0.34$ , and  $PI = 0.31$ ) at statistically significant levels ( $p < 0.01$ ), thereby providing strong support to H7. See Appendix M. These results were consistent with the finding of Barone et. al. (2000) and Cui et. al. (2003).

#### **4. Influence of Company Origin on Consumer Attitudes**

The next part of the study attempted to study the influence that the origin of the company would have on the consumers' evaluations of the CRM offer. For this purpose, the three sections of H8 predicted that Indian consumers would have higher  $A\_offer$ ,  $Co\_image$ , and  $PI$  if a national company rather than a multinational corporation (MNC) launched the CRM campaign. For the analysis of this hypothesis, respondents in the eight treatment conditions were combined to form four groups that were based on the respondents' nationality and the origin of the company that was revealed to each of them. Through the independent sample t-tests it was evident that Indian respondents had a higher  $A\_offer$  when a national company ( $\bar{x} = 4.11$ ) rather than an MNC ( $\bar{x} = 3.55$ )

launched the CRM campaign. The difference was statistically significant ( $t_{(104)} = 4.69$ ,  $p < 0.01$ ). Thus, H8a was supported.

The outcomes were similar for the t-tests while testing the variable *Co\_image*, where the Indian sample's attitude toward national company engaging in CRM ( $\bar{x} = 3.94$ ) was higher than their attitude toward an MNC engaging in CRM ( $\bar{x} = 3.54$ ). This difference in means was statistically significant ( $t_{(104)} = 3.14$ ,  $p < 0.01$ ). As a result, support was found for H8b. The independent sample t-test for the validation of H8c showed that there is a difference in *PI* of Indian consumers for a national company engaging in CRM ( $\bar{x} = 3.44$ ) rather than an MNC involving in the same ( $\bar{x} = 3.03$ ). This difference in means was significant ( $t_{(104)} = 2.23$ ,  $p < 0.05$ ). Hence support could be found for H8c. See Appendix N for the results from the analysis of H8.

## **5. Influence of Geographic Scope of the Cause on Consumer Attitudes**

The ninth hypothesis of our study expected the geographic scope of the cause to have a significant influence on the variation in Indian consumers' evaluation of a CRM campaign that is launched by an MNC. H9a predicted that Indians would attribute more altruistic motives to the CRM offer if MNCs support a national cause rather than an international cause. The independent-sample t-test carried out for the validation of this hypothesis demonstrated that Indians had higher mean scores on *A\_alt* for an MNC supporting an international cause ( $\bar{x} = 3.78$ ) rather than that for an MNC supporting a national cause ( $\bar{x} = 3.68$ ). This was a deviation from the expected outcome, although it did not have much of statistical significance ( $p > 0.05$ ).

H9b anticipated that Indians would have a higher *A\_offer* when MNCs support a national rather than an international cause. The independent sample t-test carried out for

testing this hypothesis showed only a small difference in means for the two treatment conditions ( $\bar{x} = 3.60$  for a national cause and  $\bar{x} = 3.50$  for the international cause), which was not statistically significant ( $p > 0.05$ ). Similar were the outcomes from the independent sample t-test for H9c, which expected Indian consumers to have higher *Co\_image* for MNC supporting a national rather than an international cause. Indians had mean scores of 3.64 and 3.43 for MNCs supporting an international and a national cause respectively. In spite of this deviation from expectations, there was no statistical significance to these differences in means.

Finally H9d expected Indian consumers to demonstrate higher *PI* when MNC supported a national rather than an international cause. Here, there was again a minor difference in mean scores for the two treatment conditions ( $\bar{x} = 3.06$  for national cause and  $\bar{x} = 2.99$  for international cause) that was not statistically significant ( $p > 0.05$ ). Thus, no support could be found for any part of H9. See Appendix O.

## **6. Cultural Influences on Consumer Attitudes**

The final part of our research investigated the influence cultural variable-collectivism would have on the attitudes and behaviors of consumers in the two countries. The first step in this process involved identifying if cultural differences actually existed among the samples in the two countries. Through H10, it was expected that Indian consumers would have higher collectivistic attitudes than the American consumers. After running an independent sample t-test, a t-value of 2.20 ( $df = 218$ ) was obtained that was statistically significant ( $p < 0.05$ ). With a mean score of 3.63, Indian respondents were found to be more collectivistic than the American respondents ( $\bar{x} = 3.47$ ), thereby strongly supporting H10.

The eleventh hypothesis of our study (H11) envisioned that there would be a positive relationship between collectivism and a nationally oriented CRM campaign. On running a correlation for assessing the validity of this hypothesis for the Indian sample, it was revealed that the relationship between collectivism and Indian consumers' attitudes toward a nationally oriented CRM campaign (correlation = 0.19) was not statistically significant.

H12 of this study predicted that the attitudes of Indian consumers toward a CRM campaign supporting a national cause would be higher than that of Americans toward the same treatment. For the analysis of this hypothesis, the eight treatment conditions were put together to form four groups, based on the respondents' nationality and the geographic scope of the CRM campaign that they were exposed to. The independent sample t-test carried out for validating this hypothesis showed the opposite effects, with a difference in means that was not statistically significant ( $p > 0.05$ ). Here, American participants ( $\bar{x} = 3.92$ ) showed more positive attitude than the Indian participants ( $\bar{x} = 3.86$ ) toward the CRM offer when companies supported a national rather than an international cause ( $t_{(106)} = 0.51, p > 0.05$ ). Thus, no support could be found for H12.

## **CHAPTER 8**

### **DISCUSSION**

#### **1. Result Summary and Managerial Implications**

One of the main objectives of this study was to investigate if the evaluation of a CRM campaign would vary by consumers in two countries that were in different stages of economic development and that had divergent political environments as well as cultural differences. Overall, the results from testing of the hypotheses indicate that there is variation in attitudes with the less developed country having more positive attitudes toward the various outcome measures. The results demonstrated (H1b) that Indians had a more positive attitude toward the CRM advertisement. Similarly, their evaluation of the image of the company engaging in CRM and their intentions of purchasing the products of these companies were also notably higher than those of the Americans. However, the one finding where the two groups of consumers did not differ was on their attitudes toward the actual CRM offer of a 2% donation (H1a) to charity. In general, both consumer groups liked the CRM offer.

Findings from previous research may provide a possible explanation for this deviation from the expected outcomes. Through their study, Webb and Mohr (1998) had explained that although consumers in the United States have a positive evaluation of the CRM offer, the traditional purchase criteria and not CRM dominate their purchase decisions. Thus, although American consumers may have liked the CRM offer as much as their Indian counterparts, it did not have any notable influence on their evaluation of the company or their behavioral intentions.

These results have interesting insights for advertisers in both the countries. In the United States, it may occur that positive attitude toward CRM offers may not necessarily lead consumers to purchase the products marketed by the sponsoring companies. Likewise, results from H2b suggest that corporate involvement in CRM may not help American advertisers enhance their corporate images, as much as it may help their counterparts in India.

In contrast to this, advertisers in India are likely to have better success than the Americans through the implementation of CRM programs. It may occur that positive evaluation of the CRM offer by Indian consumers would translate further into higher regard for the sponsoring company's image, as well as better purchase intentions. Thus, Indian advertisers may find the use of cause-related marketing to be successful on short-term basis as a sales promotion tool, as well as on a long-term basis for enhancing corporate image.

The next section of our study aimed at exploring probable factors that may have an influence on these variations in consumer attitudes across the two countries. One of the factors identified was the perceived novelty of the CRM offer. Our data shows that Indian consumers perceived CRM campaigns to be more original as compared to the prevailing nature of advertising in India. This perception was considerably higher than that of the American consumers. Our results further confirm that consumers who perceived the CRM campaign to be novel had a better evaluation of the offer and its advertisement. Likewise, they also showed higher regard for the sponsoring company's image and were also more likely to purchase its products.

These results imply that advertisers would gain the most benefits, in terms of corporate image enhancement and increase in sales, by launching CRM campaigns when the strategy is in its “honeymoon” stage. This effect may apply not only to the Indian market, but also to other developing markets that have had lower interaction with the concept of CRM. On the other hand, once these consumers become more acquainted with the technique, diminishing marginal returns may occur. These results support the prediction made by Friedman and Kouns (1997) that as more and more corporations associate with causes, the resulting clutter would make it harder for participating firms to stand out. This would eventually cause a decline in the contribution that these programs make to brand equity.

In addition to this, the difference in perception of corporate motives for involving in CRM initiatives by consumers in the two countries was identified as a factor that would have probable influence on the variation in their attitudes. As expected, Americans expressed more skeptical attitudes for corporate engagement in CRM than the Indians. As opposed to this, Indians thought that corporate donations to charities through these programs had altruistic motives, a belief that was notably stronger than that of the Americans. Our investigation further concluded that consumers who perceived the underlying corporate motives as altruistic had a better evaluation of the CRM offer, the sponsoring company’s image and expressed higher intentions to purchase its products. These results remain consistent with the finding from previous research conducted by Webb and Mohr (1998) and Barone et. al. (2000).

This evidence implies that perceived corporate social responsibility plays a crucial role in the process of consumer evaluation of the CRM offers. In the United States,



advertisers are expected to be more careful while launching a CRM campaign by making the structural elements of the offer more acceptable and credible to their target audiences. As opposed to this, Indian advertisers in the present times may not be faced with such cynicism, mainly because of Indian consumers' lack of prior experience with cause marketing that inhibits negative attributions about the integrity of underlying corporate motives. However, this effect should remain only as long as the CRM strategy is fresh. Hence it is advisable for Indian advertisers to take care right from the beginning, by making the offer as credible as possible to its audience. In addition, establishment of industry self-regulatory groups in respective countries could help keep a check on the potential abuse of these campaigns and also ensure that the consumers and society gain the most out of their implementation.

Apart from this, our research aimed at studying the variation in attitudes of Indian consumers that would occur due to the origin of the company (national or multinational) participating in CRM. Results from the analyses indicate that Indian consumers have a better evaluation of the CRM offer, when a national company rather than an MNC launches it. This is also coupled by a better attitude toward the sponsoring company's image and willingness to purchase its products. From these findings, it may be implied that national advertisers in India would gain more benefits than multinational advertisers, in terms of corporate image enhancements and generating larger sales through involvement in CRM. In order to enhance consumer attitudes, MNCs may want to go into joint ventures with local Indian companies or at the very least they may have to undertake some basic research to understand consumer psychology and if necessary, make appropriate changes to the structural elements of their CRM offers.

Our study further investigated if variation in the geographic scope of the CRM offer would enhance Indian consumers' evaluation of a campaign launched by an MNC. Research conducted in the United States has revealed that consumers respond more favorably, when geographical scope of the cause is narrow rather than broad (Ross et. al. 1990-91, Smith and Alcorn 1991). We had expected similar outcomes in India as well. However, our data showed no such effect. Indian consumers' response to a CRM campaign that supported a national cause was not better than the one supporting an international cause. Hence MNCs as well as Indian companies may have to explore other areas within their offer to help win consumer preference.

The final part of our study investigated the influence that cultural differences (especially collectivistic attitudes among Indian and American consumers) had on their appraisal of the CRM offer. In this process, our first step involved identifying if any cultural differences actually existed between the Indian and American participants in our study. Consistent with previous research (Hofstede 1979), results from our study also showed that Indians demonstrate more collectivistic attitudes than Americans. However, contrary to our expectations, this factor did not lead them to evaluate a nationally oriented CRM offer better than the one having an international scope. Similarly, their attitudes were also not found to be more favorable than the attitudes of the American sample towards a CRM campaign having a national orientation. The small sample size of the two groups compared, may be a possible explanation for the failure of these hypotheses.

## **2. Limitations**

This study has a number of limitations to consider for future research. First of all, measuring respondent attitudes immediately after the presentation of the CRM offer is very impractical. A gap between stimulus presentation and attitude measurement might have yielded divergent results. Similarly, this study used a fictitious company, where subjects received relatively little and rather superficial information about the firm. Existent companies have real products, corporate images, and complex relationships with customers and public that cannot be easily replicated in a laboratory setting.

In addition to this, the study used a single social cause thereby ignoring several other significant structural elements of the CRM campaign, like the duration of the offer (long or short term), corporate commitment to the cause, nature of support (transaction based or non-transaction based), nature of cause (disaster relief or ongoing etc.). Similarly only one type of product class (personal care products) was used. A broader range of issues and product classes as well as ad set-ups could lead to different outcomes.

Moreover, use of student samples is always a consideration in evaluating the results of a study. Although such a treatment facilitated the achievement of matched samples, it limits the external validity of the study's findings. The average adult population in the two countries would exhibit divergent attitudes and behaviors in real life purchase situations.

Apart from this, the foundation of our study's hypotheses and its findings are very specific to the Indian market. Hence, the results might not serve as a guideline for advertisers in other developing countries, as these countries may have a completely different combination of economic, political, and cultural settings. Finally, the present

study just flirts with the concept of culture without undertaking a comprehensive investigation on this variable. Differences in other cultural elements in the two countries like power distance; masculinity/ femininity, high/ low context communication etc. may have intervened with our current findings.

### **3. Directions for Future Research**

The limitations of this study propose directions for future research in the fields of cause-related marketing, and of cross-country or cross-cultural consumer behavior. Future research in the area of cause-related marketing may undertake similar projects by drawing samples from the average adult population in the two countries. Similarly, research may also aim to understand the variations in response to CRM offers that are caused by differences in the respondents' demographic characteristics (especially age). Likewise, it will also be interesting to study consumer attitudes and behaviors in the two countries by altering other structural elements of the CRM offer like the length and nature of support, commitment to the cause etc.

Apart from this, similar cross-country investigations may be carried out in other countries that are in different stages of economic development, offer discrete political and legal environments, and have significantly dissimilar cultural backgrounds.

Likewise, other projects may focus solely on examination of the influence of cultures on the variations in responses of consumers in different countries. These studies may be based on the five cultural dimensions proposed by Hofstede (1979). For this purpose, countries having significantly different scores on each of the cultural dimensions may be chosen and the responses of consumers from each of these countries could be

correlated with the cultural variables to understand the influence that each of these dimensions would have on the ensuing consumer attitudes and behaviors.

#### **4. Conclusion**

In summary, findings from this research demonstrate notable differences in responses to cause-related marketing programs by consumers in India and the United States of America. All of the factors that were presumed to have an influence on such variations, like economic and political environments, and culture, lead to the expected outcomes on consumer behavior. Findings from our study set forth a new variable; 'consumer perceived novelty of the CRM offer' that has significant effects on consumer evaluations of such campaigns. Furthermore, our study reinforces the significance of the consumer perception of underlying corporate motives. These attributions were found to shape consumers' attitudes as well as their resultant behaviors.

Similarly, our results showed the origin of the company engaging in CRM to have a significant impact on Indian consumers' evaluation of the offer, with national companies getting an edge over the multinational corporations. However, unlike the previous findings in the United States (e.g. Ross et. al. 1991, Smith and Alcorn 1991), geographic scope of the cause supported through the CRM offer had minor effects on the Indian consumers' evaluations. Apart from this, cultural differences in terms of collectivistic attitudes were prominent in the two countries. However, these had only a limited relationship with actual CRM consumer attitudes and behaviors.

All in all, findings from our study signify that international advertisers may not evidence similar effects to their CRM campaigns in different countries. A deep understanding of the countries' economic, political, and cultural environments is

**mandatory in order to adapt the CRM strategy suitably. Thus, this study advocates the adaptation of marketing and advertising strategies in order to create the most effective outcomes in the global business arena.**

## APPENDICES

### **Appendix A: Interdependence of Economic Development and Marketing within a Country**

| <b>Stage</b>                          | <b>Sub stage</b>          | <b>Example</b>  | <b>Marketing Functions</b>  | <b>Marketing Institutions</b>  |
|---------------------------------------|---------------------------|---|---|--|
| <b>Agricultural and Raw Materials</b> | Self-sufficient           | Nomadic or Hunting tribes                               | None  | None   |
|                                       | Surplus commodity product | Agricultural economy product, such as coffee and banana | Exchange  | Small-scale merchants, traders, fairs, export-import                     |
| <b>Manufacturing</b>                  | Small scale               | Cottage industry  | Exchange<br>Physical distribution   | Merchants, wholesalers, export-import                                    |
|                                       | Mass production           | U.S. Economy 1885- 1914                                 | Demand creation<br>Physical distribution  | Merchants, wholesalers, traders, and specialized institutions            |
| <b>Marketing</b>                      | Commercial transition     | U.S. Economy 1915- 1929                                 | Demand creation<br>Physical distribution<br>Market information  | Large scale and chain retailers  |
|                                       | Mass distribution         | U.S. Economy 1950 to present                            | Demand creation<br>Physical distribution<br>Market information<br>Market and product planning and development | Integrated channels of distribution<br>Increase in specialized middlemen |

Source: “*International Marketing*” by Philip Cateora (2005) p. 255

## Appendix B: Maslow's Hierarchy of Needs Model



Source: <http://www.deepermind.com/20maslow.htm> 2005

## Appendix C: Scores of India and USA on Hofstede's Five Cultural Dimensions

| Country | Individualism/<br>Collectivism | Power<br>Distance | Masculinity<br>Femininity | Uncertainty<br>Avoidance | Long-term<br>Orientation |
|---------|--------------------------------|-------------------|---------------------------|--------------------------|--------------------------|
| India   | 48                             | 77                | 56                        | 40                       | 61                       |
| USA     | 91                             | 40                | 62                        | 46                       | 29                       |

Source: [www.geert-hofstede.com](http://www.geert-hofstede.com) (2003)

## Appendix D: Cultural Differences between the USA and India

| Cultural Dimensions             | USA                    | India                 |
|---------------------------------|------------------------|-----------------------|
| Individualism/<br>Collectivism  | Strong Individualism   | Moderate Collectivism |
| Power Distance                  | Medium Power Distance  | High Power Distance   |
| Masculinity                     | Medium Masculinity     | Medium Masculinity    |
| Uncertainty Avoidance           | Risk Taking            | Risk Taking           |
| Long/ Short-term<br>Orientation | Short-term Orientation | Long-term Orientation |

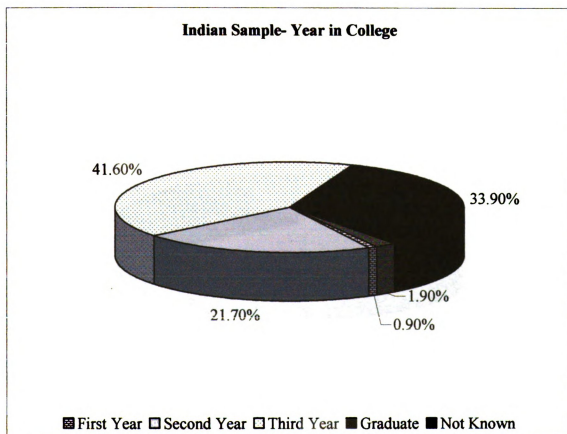
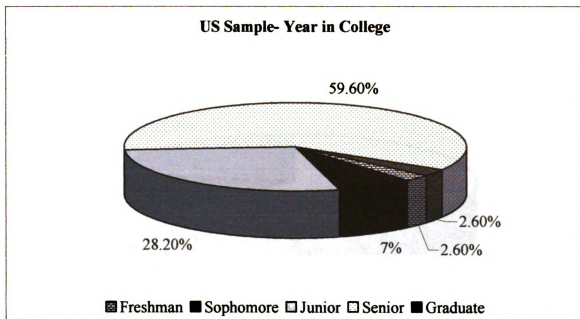
Source: [www.geert-hofstede.com](http://www.geert-hofstede.com) (2003)



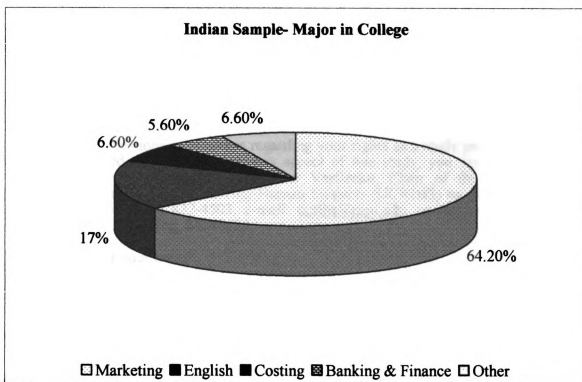
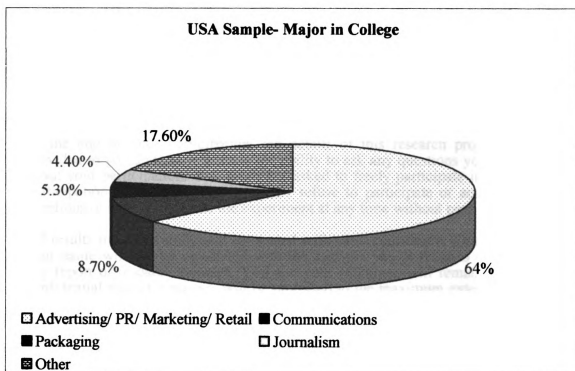
**Appendix E: Gender Composition of the eight ad-manipulation groups**

| <b>Manipulation</b>                      | <b>Gender</b> |               | <b>Total</b> |
|--|---------------|---------------|--------------|
|  | <b>Male</b>   | <b>Female</b> |              |
| <b>USA</b>                               |               |               |              |
| 1. MNC- International Cause              | 9             | 17            | 26           |
| 2. MNC- National Cause                   | 14            | 13            | 27           |
| 3. National Company- International Cause | 15            | 16            | 31           |
| 4. National Company- National Cause      | 12            | 18            | 30           |
| <b>India</b>                             |               |               |              |
| 5. MNC- International Cause              | 13            | 14            | 27           |
| 6. MNC- National Cause                   | 17            | 9             | 26           |
| 7. National Co.- International Cause     | 9             | 19            | 28           |
| 8. National Company- National Cause      | 9             | 16            | 25           |
|  | <b>98</b>     | <b>122</b>    | <b>220</b>   |

**Appendix F: Distribution of the student sample according to their year in College.**



**Appendix G: Distribution of the student sample according to their major in College.**



## **Appendix H: Sample Questionnaire**

### **Informed Consent Form**

You are being asked to voluntarily participate in a study looking at a company's communication efforts. Specifically, in this study you will be asked to examine a company's advertisement and you will be asked to answer a series of questions about the ad as well as your beliefs on some related issues. It will take you approximately 15 minutes to complete the whole session.

At the end of your participation, the details of this research project will be provided to you and you will have the ability to ask any questions you may have about your participation. You are being asked to freely participate in this study. Participation is voluntary, and you may refuse to participate or answer certain questions or may discontinue the experiment at any time without penalty.

All results from this study will be treated with strict confidence. This means that your name will not be associated with the answers you provide to questions in any report of research findings. You and your responses will remain absolutely confidential and your privacy will be protected to the maximum extent allowable by law. On request, and within these restrictions, results of the study may be made available to you.

**As an incentive for your participation, there will be five drawings for the chance to receive one of three online gift certificates worth \$25 from Amazon.com.** If you want to be considered for the drawing, please write your e-mail address below in the space provided. We will randomly select the three winners. The details about the drawing will be provided upon the completion of the survey. Each winner may only win once.

For further questions or concerns regarding this experiment, please contact Gayatri Kuber a Master's student in the Department of Advertising, Michigan State University, at 847-208-7285 or [kubergay@msu.edu](mailto:kubergay@msu.edu). You can also reach Dr. Carrie La Ferle, Associate Professor in the Department of Advertising at Michigan State University at 517-353-6378 or [laferlec@msu.edu](mailto:laferlec@msu.edu).

If you have questions or concerns regarding your rights as a study participant, or are dissatisfied at any time with any aspect of this study, you may contact - confidentially, if you wish - Dr. Peter Vasilenko, Chair of the University Committee on Research Involving Human Subjects (UCRIHS) by phone: (517) 355-2180, fax: (517) 432-4503, e-mail: [ucrihs@msu.edu](mailto:ucrihs@msu.edu), or regular mail: 202 Olds Hall, East Lansing, MI 48824.

Thank you for your time.

---

Your name written below indicates your voluntary agreement to participate in this study.

Name: \_\_\_\_\_

Date: \_\_\_\_\_ / \_\_\_\_\_ / 2005

**Signature:** \_\_\_\_\_

**If you would like your name entered in the drawing for a \$25 Amazon.com gift certificate, please provide your e-mail address below.**

**E-mail address:** \_\_\_\_\_

## **INSTRUCTIONS**

Please review the information below regarding a company that sells personal care products and a non-profit organization. You will then be presented with an advertisement and asked several questions about all three pieces of material as well as some other more general questions.

The questions that follow will ask you about your opinions about the company, its ad and some other issues. Please read the material carefully and answer the questions as honestly as you can.

There are no right or wrong answers, only your opinions are important to us.

Once you have answered questions in a section, please **continue to move forward in the survey** and **do not revisit earlier questions**. However, you are welcome to refer back to the information on the company, the non-profit cause and the ad as often as necessary in order to complete the questionnaire.

## **PART I**

### **Voray Corporation**

Voray Corp. is a Multinational Corporation with offices throughout the world. It is one of the fastest growing manufacturing companies of male and female personal care products. It has in its portfolio several brands such as “Melonie” body soaps and deodorants, “La Belle” cosmetics, “Super Shine” hair shampoos, and “Stylz” shaving creams and colognes. The company has carved a reputation for delivering high quality, value-added products to meet the needs of consumers around the globe.

On August 1, 2005, Voray Corporation will introduce its new promotional campaign. In this campaign, the company will announce that it will donate 2% of its sales to the *Kids Charitable Foundation* between August and December of 2005. The money will be used by the foundation to go towards helping schools across the United States to purchase computers and other new technology.

### **Kids Charitable Foundation**

*Kids Charitable Foundation*, a non-profit organization (NPO), was established in 1960 with the mission to *improve education opportunities and facilities for children* across the United States of America. It has taken several initiatives like promoting the importance of education, providing financial support for the establishment of schools, and assisting with educational material and infrastructure facilities for schools in throughout the US. Through its present initiative, *Kids* plans to raise funds for helping schools across the United States to purchase computers and new technological equipments that facilitate and enhance students’ learning experiences.

# Children are our Future Help us Help them!!!



Voray, an MNC, that cares for the world!



*Voray Corp...*

Between Aug and Dec  
2005, Voray Corp. will  
donate 2% of its sales to the  
"Kids Charitable  
Foundation"

a non-profit organization.  
This money will go toward  
helping schools around the  
globe to purchase computers  
and other new technology.

*For all your personal care needs!*



# Children are our Future Help us Help them!!!



Voray, an Indian Company that cares for  
its community!



*Voray Corp...*

Between Aug and Dec  
2005, Voray Corp. will  
donate 2% of its sales to the  
"Kids Charitable  
Foundation"

a non-profit organization.  
This money will go toward  
helping schools around India to  
purchase computers and other  
new technology.

*For all your personal care needs!*





## **PART II**

1. Thinking about the advertisement for Voray Corp. that you just saw, please circle the number on each of the items below that best represents the way you feel about the **Advertisement**:

|              |   |   |   |   |   |               |
|--------------|---|---|---|---|---|---------------|
| Bad          | 1 | 2 | 3 | 4 | 5 | Good          |
| Convincing   | 1 | 2 | 3 | 4 | 5 | Unconvincing  |
| Interesting  | 1 | 2 | 3 | 4 | 5 | Uninteresting |
| Unappealing  | 1 | 2 | 3 | 4 | 5 | Appealing     |
| Not likeable | 1 | 2 | 3 | 4 | 5 | Likeable      |
| Favorable    | 1 | 2 | 3 | 4 | 5 | Unfavorable   |

2. Thinking about Voray Corp. and its promotional campaign that you just saw, please circle the number on each of the items below that best represents the way **you** feel about **Voray's Offer**

|                   |   |   |   |   |   |                         |
|-------------------|---|---|---|---|---|-------------------------|
| Favorable         | 1 | 2 | 3 | 4 | 5 | Unfavorable             |
| Bad               | 1 | 2 | 3 | 4 | 5 | Good                    |
| Harmful           | 1 | 2 | 3 | 4 | 5 | Beneficial              |
| Attractive        | 1 | 2 | 3 | 4 | 5 | Unattractive            |
| Poor              | 1 | 2 | 3 | 4 | 5 | Excellent               |
| Disadvantageous   | 1 | 2 | 3 | 4 | 5 | Advantageous            |
| Worthless         | 1 | 2 | 3 | 4 | 5 | Valuable                |
| I liked the offer | 1 | 2 | 3 | 4 | 5 | I didn't like the offer |

3. Thinking about the nature of advertising that you see being used these days, the campaign launched by **Voray Corp.** is...

|              |   |   |   |   |   |                |
|--------------|---|---|---|---|---|----------------|
| Dull         | 1 | 2 | 3 | 4 | 5 | Exciting       |
| Fresh        | 1 | 2 | 3 | 4 | 5 | Routine        |
| Conventional | 1 | 2 | 3 | 4 | 5 | Unconventional |
| Novel        | 1 | 2 | 3 | 4 | 5 | Predictable    |
| Usual        | 1 | 2 | 3 | 4 | 5 | Unusual        |
| Unique       | 1 | 2 | 3 | 4 | 5 | Ordinary       |
| Commonplace  | 1 | 2 | 3 | 4 | 5 | Original       |

4. Now thinking about **Voray Corp.** and the products it offers such as hair care, soaps and shaving creams, please answer the following questions by circling the number that best represents the way you feel.

|   | No, Definitely Not |   |   | Yes, Definitely |   |  |
|---|--------------------|---|---|-----------------|---|--|
| a. Would you like to try products from the Voray Corp.?                                   | 1                  | 2 | 3 | 4               | 5 |  |
| b. Would you buy Voray Corp. products if you happen to see them in a store?               | 1                  | 2 | 3 | 4               | 5 |  |
| c. Would you actively seek out Voray Corp. products in a store in order to purchase them? | 1                  | 2 | 3 | 4               | 5 |  |
| d. Would you be interested to learn more about Voray Corp. products?                      | 1                  | 2 | 3 | 4               | 5 |  |

### **PART III**

5. From the description of the company and its advertising campaign it seems that Voray Corp.....: -

|                               | Strongly Disagree |   |   | Strongly Agree |   |  |
|-------------------------------|-------------------|---|---|----------------|---|--|
| has good products             | 1                 | 2 | 3 | 4              | 5 |  |
| is a well-managed company     | 1                 | 2 | 3 | 4              | 5 |  |
| is involved in the community  | 1                 | 2 | 3 | 4              | 5 |  |
| responds to consumer needs    | 1                 | 2 | 3 | 4              | 5 |  |
| is a good company to work for | 1                 | 2 | 3 | 4              | 5 |  |
| cares about society           | 1                 | 2 | 3 | 4              | 5 |  |
| is progressive                | 1                 | 2 | 3 | 4              | 5 |  |

6. Now, thinking about Voray's offer, it seems that the company's donation to *Kids Charitable Foundation* is...

|                     | Strongly Disagree |   |   | Strongly Agree |   |  |
|---------------------|-------------------|---|---|----------------|---|--|
| Altruistic (giving) | 1                 | 2 | 3 | 4              | 5 |  |
| Selfish             | 1                 | 2 | 3 | 4              | 5 |  |
| Generous            | 1                 | 2 | 3 | 4              | 5 |  |
| Self-serving        | 1                 | 2 | 3 | 4              | 5 |  |
| Kind                | 1                 | 2 | 3 | 4              | 5 |  |
| Unselfish           | 1                 | 2 | 3 | 4              | 5 |  |
| Egocentric          | 1                 | 2 | 3 | 4              | 5 |  |

7. I believe that Voray Corp.'s offer of giving 2% of its sales to education shows that it is a company that...

|   | <b>Strongly<br/>Disagree</b> |   |   |   | <b>Strongly<br/>Agree</b> |
|---|------------------------------|---|---|---|---------------------------|
| cares about the community   | 1                            | 2 | 3 | 4 | 5                         |
| is acting out of obligation   | 1                            | 2 | 3 | 4 | 5                         |
| cares about education   | 1                            | 2 | 3 | 4 | 5                         |
| cares about making a profit   | 1                            | 2 | 3 | 4 | 5                         |
| feels society depends<br>on its support                             | 1                            | 2 | 3 | 4 | 5                         |
| cares about the future<br>of children                               | 1                            | 2 | 3 | 4 | 5                         |
| wants to compete with<br>companies who are<br>making similar offers | 1                            | 2 | 3 | 4 | 5                         |
| thinks it has a duty to give<br>back to the society                 | 1                            | 2 | 3 | 4 | 5                         |

#### **PART IV**

8. You are almost finished. However, we would like to get your beliefs about the following points. There are no right or wrong answers. We just want you true and honest opinions. Please circle the number that best describes yourself:

|  | <b>Strongly<br/>Disagree</b> |   |   |   | <b>Strongly<br/>Agree</b> |
|--|------------------------------|---|---|---|---------------------------|
| I tend to do my own thing, and<br>others in my family do the same        | 1                            | 2 | 3 | 4 | 5                         |
| I tend to take pride in accomplishing<br>what no one else can accomplish | 1                            | 2 | 3 | 4 | 5                         |
| It is important to me that I perform<br>better than others on a task     | 1                            | 2 | 3 | 4 | 5                         |
| I am unique- different from<br>others in many respect                    | 1                            | 2 | 3 | 4 | 5                         |
| I like my privacy  | 1                            | 2 | 3 | 4 | 5                         |

|  | <b>Strongly<br/>Disagree</b> |   |   |   | <b>Strongly<br/>Agree</b> |
|--|------------------------------|---|---|---|---------------------------|
| I know my weaknesses<br>and strengths  | 1                            | 2 | 3 | 4 | 5                         |
| I always state my opinions<br>very clearly                                       | 1                            | 2 | 3 | 4 | 5                         |
| To understand who I am,<br>you must see me with<br>members of my group           | 1                            | 2 | 3 | 4 | 5                         |
| To me, pleasure is spending<br>time with others                                  | 1                            | 2 | 3 | 4 | 5                         |
| I would help within my means,<br>if a relative were in<br>a financial difficulty | 1                            | 2 | 3 | 4 | 5                         |
| I make an effort to avoid<br>disagreements with my<br>group members              | 1                            | 2 | 3 | 4 | 5                         |
| Before making a decision,<br>I always consult with others                        | 1                            | 2 | 3 | 4 | 5                         |
| How I behave depends on<br>who I am with, where I am, or both                    | 1                            | 2 | 3 | 4 | 5                         |
| I have respect for the authority<br>figures with whom I interact                 | 1                            | 2 | 3 | 4 | 5                         |
| I would rather do a group paper<br>than do one alone                             | 1                            | 2 | 3 | 4 | 5                         |

## **PART V**

The following questions are to gather your background information. Please mark with an "X" or fill in the blank, the answer that best describes you.

1. What is your gender? Male ☐ Female ☐
2. In which of the following age groups would you classify yourself?
 

|   |  |
|---|--|
| <input type="checkbox"/> 20 years old and under | <input type="checkbox"/> 41 to 50 years old    |
| <input type="checkbox"/> 21 to 30 years old     | <input type="checkbox"/> 51 years old and over |
| <input type="checkbox"/> 31 to 40 years old     | <input type="checkbox"/> 61 years old and over |

3. Are you a citizen of USA? Yes ☐ No ☐

4. What is your year in college?

☐ Freshman  
☐ Sophomore  
☐ Junior

☐ Senior  
☐ Graduate  
☐ Other (Please indicate) \_\_\_\_\_

5. What is your major? \_\_\_\_\_

6. How comfortable are you with each of the following?

|                                   | Not At All<br>Comfortable |   |   |   | Very<br>Comfortable |
|-----------------------------------|---------------------------|---|---|---|---------------------|
| Reading in the English language?  | 1                         | 2 | 3 | 4 | 5                   |
| Writing in the English language?  | 1                         | 2 | 3 | 4 | 5                   |
| Speaking in the English language? | 1                         | 2 | 3 | 4 | 5                   |
| Doing this survey in the English? | 1                         | 2 | 3 | 4 | 5                   |

What is your current living situation?

\_\_\_\_\_ Live with parents      \_\_\_\_\_ Live by myself  
\_\_\_\_\_ Live in a dorm      \_\_\_\_\_ Other, please specify \_\_\_\_\_  
\_\_\_\_\_ Live with friends (not in a dorm)

7. Do you own a cell phone? Yes \_\_\_\_\_ No \_\_\_\_\_

8. Do you own an MP3 player (plays music from a computer chip)  
Yes \_\_\_\_\_ No \_\_\_\_\_

9. Do you have access to a computer where you live? Yes \_\_\_\_\_ No \_\_\_\_\_

10. Do you have access to a computer where you go to school?  
Yes \_\_\_\_\_ No \_\_\_\_\_

11. Do you have regular Internet access where you live?  
Yes \_\_\_\_\_ No \_\_\_\_\_

12. Do you have access to the Internet where you go to school?  
Yes \_\_\_\_\_ No \_\_\_\_\_

13. How comfortable are you online?

| Very Uncomfortable |   |   |   |   |   | Very Comfortable |  |
|--------------------|---|---|---|---|---|------------------|--|
| 1                  | 2 | 3 | 4 | 5 | 6 | 7                | <input type="checkbox"/> Do not use Internet |

14. Have you purchased any products online in the past year?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, approximately how many products have you purchased?

\_\_\_\_\_ 0-3 product(s)          \_\_\_\_\_ 4-6 products          \_\_\_\_\_ 7-10 products  
\_\_\_\_\_ 11-15 products          \_\_\_\_\_ 16+ products

15. In general, when you think of Internet Advertising what do you consider to be an Internet Advertisement? (Check all that apply)

\_\_\_\_\_ Banner ads  
\_\_\_\_\_ A company's website  
\_\_\_\_\_ Company links in a navigational sidebar  
\_\_\_\_\_ Pop-up ads (interstitials)  
\_\_\_\_\_ A search engine link  
\_\_\_\_\_ Other, please specify \_\_\_\_\_  
\_\_\_\_\_ Not familiar with the different types of Internet Advertising

16. Please indicate the amount of time, *in hours and minutes* that you spend on **an average day** doing the following activities in your *free time*.

For example: -reading a book 1 hour 30 minutes *on an average day*.

-sewing/knitting 0 time *on an average day*

|   |                                   |
|---|-----------------------------------|
| (1) Watching TV _____                       | (7) Using email _____             |
| (2) Reading a magazine _____                | (8) Surfing Internet _____        |
| (3) Reading newspaper _____                 | (9) Talking with family _____     |
| (4) Listening to <u>radio</u> _____         | (10) Talking with friends _____   |
| (5) Listening to music _____                | (11) Playing video games _____    |
| (Not on a radio – i.e., an MP3 player/iPod) |                                   |
| (6) Text messaging _____                    | (12) Speaking on cell phone _____ |

For these last few questions, please think back to the ad you saw and the company information presented, and answer the following questions. There are no right or wrong answers, only your true opinions and beliefs.

Strongly Disagree

Strongly Agree

18. Voray Company was a Multinational company.

1          2          3          4          5

19. Voray was donating money to the *Kids Charitable Foundation* to help schools in USA to buy technology for children to use in their classrooms.

1          2          3          4          5

|   | Strongly Disagree |   |   | Strongly Agree |   |
|---|-------------------|---|---|----------------|---|
| 20. I believe children's education is an important cause to support.                | 1                 | 2 | 3 | 4              | 5 |
| 21. I believe new technology is important for children to learn in the world today. | 1                 | 2 | 3 | 4              | 5 |

**This is the end of the questionnaire. Thank you for your cooperation!**

By completing this page, your name will be entered in the drawings for one of the \$25 gift certificates. If you did not provide your email address in the beginning of the survey, but want to be entered in the drawing, please write your email here.

**Email address:** \_\_\_\_\_

# **Debriefing Statement**

## ***Cross-Country Comparison of Consumer Attitudes toward Corporate Cause-Related Marketing Campaigns***

When you were first approached, we asked you to read a brief overview of a company and a non-profit organization. We also asked you to review an advertisement for the company and to answer a series of questions related to the information provided as well as some background information.

However, the true purpose of this study was to examine how people in different countries feel about companies teaming up with non-profit organizations to provide mutually beneficial gains to both parties.

The company name, the non-profit organization and the advertisement were all created for this particular experiment and they do not exist in real life.

The goal of the project was to see how people respond to different marketing campaigns in different countries in order to help advertisers create the most effective campaigns. We also were interested in some other related information such as media use habits, which can often influence responses to different campaign strategies.

Gayatri Kuber is a Master's student in the Department of Advertising at Michigan State University. She can be reached at 847-208-7285 or [kubergay@msu.edu](mailto:kubergay@msu.edu). You can also reach Dr. Carrie La Ferle, Associate Professor in the Department of Advertising at Michigan State University at 517-353-6378 or [laferlec@msu.edu](mailto:laferlec@msu.edu).

If you have questions or concerns regarding your rights as a study participant, or are dissatisfied at any time with any aspect of this study, you may contact - confidentially, if you wish - Dr. Peter Vasilenko, Chair of the University Committee on Research Involving Human Subjects (UCRIHS) by phone: (517) 355-2180, fax: (517) 432-4503, e-mail: [ucrihs@msu.edu](mailto:ucrihs@msu.edu), or regular mail: 202 Olds Hall, East Lansing, MI 48824.

**Thank you very much for your time and cooperation.**



### Appendix I: T-Test Results- Hypotheses 1A and 1B

| Nationality | Attitude toward CRM Offer<br>(A_offer) |     |        | Attitude toward CRM ad<br>(A_ad) |     |                      |
|-------------|--|-----|--------|----------------------------------|-----|----------------------|
|             | Means                                  | n   | T-test | Means                            | n   | T-test               |
| India       | 3.829                                  | 106 |        | 3.820                            | 106 |                      |
| USA         | 3.871                                  | 114 | 0.476  | 3.375                            | 114 | 4.572 <sup>***</sup> |

Notes: <sup>\*\*\*</sup> Significant at  $p \leq 0.01$

### Appendix J: T-Test Results- Hypothesis 2A and 2B

| Nationality | Attitude toward Company<br>Image (Co_image) |     |                      | Attitude toward Purchase<br>Intention (PI) |     |                      |
|-------------|---|-----|----------------------|--|-----|----------------------|
|             | Means                                       | n   | T-test               | Means                                      | n   | T-test               |
| India       | 3.738                                       | 106 |                      | 3.232                                      | 106 |                      |
| USA         | 3.526                                       | 114 | 2.617 <sup>***</sup> | 2.725                                      | 114 | 4.284 <sup>***</sup> |

Notes: <sup>\*\*\*</sup> Significant at  $p \leq 0.01$

### Appendix K: Correlation Results- Hypothesis 4A, 4B, 4C, and 4D

|   | Perceived Novelty of CRM offer<br>(Per_nov) |                        |
|---|---|------------------------|
|   | n   | Pearson<br>Correlation |
| Attitude toward CRM Offer (A_offer)         | 220   | 0.198 <sup>***</sup>   |
| Attitude toward CRM ad (A_ad)               | 220   | 0.420 <sup>***</sup>   |
| Attitude toward Purchase Intentions (PI)    | 220   | 0.340 <sup>***</sup>   |
| Attitude toward Company Image<br>(Co_image) | 220   | 0.294 <sup>***</sup>   |

Notes: <sup>\*\*\*</sup> Correlation is significant at  $p \leq 0.01$  level (2-tailed)

### Appendix L: T-Test Results- Hypothesis 5 and 6

| Nationality | Skeptical Attitudes toward<br>Corporate Motives (A_skep) |     |                      | Perception of Altruistic<br>Motives (A_alt) |     |                      |
|-------------|--|-----|----------------------|---|-----|----------------------|
|             | Means  | n   | T-test               | Means                                       | n   | T-test               |
| India       | 2.472  | 104 |                      | 3.946                                       | 104 |                      |
| USA         | 3.033  | 116 | 5.553 <sup>***</sup> | 3.665                                       | 116 | 2.823 <sup>***</sup> |

Notes: <sup>\*\*\*</sup> Significant at  $p \leq 0.01$

### Appendix M: Correlation Results- Hypothesis 7A, 7B, and 7C

|   | Perceived Novelty of Altruism to Corporate Motives ( <i>A Alt</i> ) |                     |
|---|---|---------------------|
|   | n   | Pearson Correlation |
| Attitude toward CRM Offer ( <i>A offer</i> )      | 220   | 0.467**             |
| Attitude toward Purchase Intentions (PI)          | 220   | 0.337**             |
| Attitude toward Company Image ( <i>Co image</i> ) | 220   | 0.310**             |

Notes: \*\* Correlation is significant at  $p \leq 0.01$  (2-tailed)

### Appendix N: T-Test Results- Hypothesis 8A, 8B, and 8C

| Origin of the Company | Attitude toward the CRM Offer ( <i>A Offer</i> ) |    |        | Attitude toward Company Image ( <i>Co image</i> ) |    |        |
|-----------------------|--|----|--------|---|----|--------|
|                       | Means  | n  | T-test | Means   | n  | T-test |
| MNC (India)           | 3.55   | 53 |        | 3.54  | 53 |        |
| National Co. (India)  | 4.11   | 53 | 4.69** | 3.94  | 53 | 3.14** |

Notes: \*\* Significant at  $p \leq 0.01$

| Origin of the Company | Attitude toward Purchase Intention ( <i>PI</i> ) |    |        |
|-----------------------|--|----|--------|
|                       | Means  | n  | T-test |
| MNC (India)           | 3.03   | 53 |        |
| National Co. (India)  | 3.44   | 53 | 2.23*  |

Notes: \* Significant at  $p \leq 0.05$

### Appendix O: T-Test Results- Hypothesis 9A, 9B, 9C, and 9D

| Geographic scope of the Cause | Perception of Altruistic Motives ( <i>A alt</i> ) |    |        | Attitude toward the CRM Offer ( <i>A Offer</i> ) |    |        |
|-------------------------------|---|----|--------|--|----|--------|
|                               | Means   | n  | T-test | Means  | n  | T-test |
| International Cause (India)   | 3.78  | 27 |        | 3.50   | 27 |        |
| National Cause (India)        | 3.68  | 26 | 0.43   | 3.60   | 26 | 0.51   |

| Geographic scope of the Cause | Attitude toward Company Image<br>(Co_image) |    |        | Attitude toward Purchase Intention<br>(PI) |    |        |
|-------------------------------|---|----|--------|--|----|--------|
|                               | Means                                       | n  | T-test | Means                                      | n  | T-test |
| International Cause (India)   | 3.64  | 27 |        | 2.99                                       | 27 |        |
| National Cause (India)        | 3.43  | 26 | 1.19   | 3.06                                       | 26 | 0.27   |

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