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Denise Steckstor

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With a foreword by Prof. Dr. Florian von Wangenheim

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Foreword

The communications of companies' corporate social responsibility (CSR) commitment and consumers' growing ethical buying behavior have become major managerial topics. Consequently, companies have steadily increased their CSR activities and embedded them into their marketing strategy. This trend is reflected in a growing number of cause-related marketing campaigns related increased spending on these programs. The programs aim at creating additional awareness for supported charity projects and at generating additional donations for NPO partners. Moreover, given that cause-related marketing measures are funded from the firms' marketing budgets, their design and evaluation is of central interest from both practical and theoretical perspectives.

This thesis addresses the key questions of how cause-related marketing programs are managed and how they impact key marketing assets. From a theoretical standpoint Denise Steckstor contributes to the field by developing and testing a comprehensive model of cause-related marketing determinants and customer response theoretically founded on the Elaboration Likelihood Model, providing a substantiated basis for explaining customers' attitudinal and behavioral response to cause-related marketing measures. She addresses the repeated calls by marketing scholars for the usage of real market place data by testing her hypotheses on the basis of a field study in an online-retailing setting. Moreover, it is the first research that investigates effects of cause-related marketing on customer relationship length and breadth. This singular data quality together with a quasi-experimental research design allows achieving a high level of internal validity while attaining strong external validity and transferability of the findings for marketing practice.

Above and beyond, Denise Steckstor's thesis has special appeal for marketing practitioners. Cause-related marketing as demonstrated can be a valuable strategy to achieve social responsibility goals while impacting key dependent variables of customer response. Important recommendations for marketing practitioners on how to design cause-related marketing programs and under which aspects companies should choose their charity partners are derived.

At the same time, her results caution practitioners to apply cause-related marketing as a tactical sales promotion measure and encourage a strategic, transparent and sustainable deployment of such programs as part of an overall corporate social responsibility strategy.

In sum, the work by Denise Steckstor greatly expands the theoretical understanding of cause-related marketing and derives valuable implications to guide marketing practice. This book is therefore recommendable for any academic and practitioner interested in cause-related marketing and its effective management.

Florian v. Wangenheim

Preface

The idea of "doing well by doing good" initially fascinated me, when I recognized the first German cause-related marketing (CM) campaign by the brewery Krombacher in 2002. Strategically deployed CM co-operations between firms and not-for-profit organizations can benefit both partners. However, it is an essential prerequisite that CM partnerships are collaborations at eye level with fair contracts and transparent communication of the programs details. At the same time, marketing investments into CM programs, which are embedded in an overall corporate social responsibility strategy, have the potential to benefit both society and the firm. The results of this thesis urge marketers to wholeheartedly use CM and to refrain from tactically utilizing it with the main objective of short-term sales increases at minimal expenses for donations.

The publication of this research allows me to thank the people who contributed to its successful completion. First and foremost, I would like to thank my supervisors Professor Dr. Florian v. Wangenheim and Professor Dr. Tomás Bayón. I want to thank Florian for not only giving me the opportunity to complete my dissertation at Technische Universität München, but also for his support and guidance. I thank Tomás for being my supervisor during my time as a research associate at German Graduate School of Management and Law. He gave me the freedom to explore my own ideas and at the same time the guidance and encouragement I needed throughout the dissertation process.

My gratitude also goes to my colleagues and friends for their academic and personal support. In this context, I thank Dr. Jochen Becker for his help and advice during this research project. My special thanks go to Dr. Regina Viola Frey who accompanied me since the very beginning of my time at GGS and who has become a close friend. She has always greatly supported and encouraged me, especially during the more difficult times of the dissertation process. I also thank her for the many valuable comments and the proofreading of my thesis.

My further thanks go to a great team at GGS. In this context, I would like to especially mention Kristina Ettrich-Schmitt, Melanie Dubiec, Jennifer Milinovic, Caroline Hunzinger, André Schäfferling, Thorsten Dum, Myroslava Antonova, Denis Winkelbeiner and Dr. Markus Schwarzer. I also thank the whole team at the chair of service and technology marketing at Technische Universität München for many valuable discussions especially during the research meetings.

This thesis would not have been possible without my family. My parents Annette and Bernd and my brother Sebastian have always unconditionally and fully supported me. I wish to thank them for their loving encouragement and for letting me know that I can always rely on them. For giving me the time and emotional support necessary for this research, as well as his patience especially in the last months, I sincerely thank Thomas.

Denise Steckstor

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1 Introduction

1.1 Motivation and Purpose

> *"The growing popularity of CRM [cause-related marketing] is indicative of an emerging trend – a trend acknowledging not only that business success is compatible with the public good, but that both can be achieved in unison." (Varadarajan and Menon 1988, p.72)*

More and more firms integrate their social responsibility initiatives into their marketing strategy by initiating cause-related marketing (CM) programs, where a donation to a designated cause of partnering charity organization is made by the firm for every CM-labeled product or service purchased (e.g. Barone et al. 2007). CM combines a firm's social responsibility and marketing strategy aiming at achieving both, economic and social goals. The fact that CM is one of the most rapidly growing marketing strategies (Chang 2008) reflects the current relevance and potential that marketing managers ascribe this strategy. CM and corporate social responsibility (CSR) topics receive sustained senior management attention and CM is subject to an on-going discussion in the popular press (e.g. Henderson and Arora 2010; Porter and Kramer 2006).

In Europe, the number of these charitable programs has rapidly increased since 2002 (Oloko 2008). For example, the largest European perfumery chain supports DKMS LIFE, a sister organization of the American "Look Good…Feel Better" program that helps cancer patients with cosmetic make-over workshops to improve their self esteem after undergoing chemotherapies. In Germany, the perfumery donated between 0.50 and 3.00 Euros per product purchased from a labeled part of their assortment to DKMS LIFE and continued the program in 2010 (DKMS-LIFE 2009; Douglas 2009).

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This increased attention on CM measures is also driven by a growing ethical buying behavior, which exerts pressure on firms to augment their social responsibility activities and to communicate these to their customers. International CEOs anticipate that expectations around social responsibility are increasingly relevant for their customers' purchasing decisions (IBM-Institute-for-Business-Value 2008). At the same time, CM is primarily a marketing strategy, for which resources are funded by marketing budgets. Consequently, evaluating the success of a CM program will not be limited to its fulfillment of social responsibility goals, such as generated donation amounts or increased awareness for a social issue.

Like all other marketing activities, CM programs will be evaluated against the background of increased marketing accountability, where marketing expenditures are considered as investments (e.g. Rust et al. 2004a), needing to demonstrate their performance relevance. Therefore, it is of central interest how and why CM measures impact attitudinal and behavioral customer response, thereby enhancing key marketing assets and consequently overall firm market position (e.g. Bolton et al. 2004). Hence, it is of central academic and managerial interest how they impact key attitudinal and behavioral variables of individual customer response, as well as how CM programs are effectively managed and communicated. These focal questions will therefore guide this thesis.

It is a prevalent notion in both marketing practice and research, that CM programs effectuate positive customer response (e.g. Drumwright 1996). However, empirical research investigating effects of CM measures on customers' attitudes and behavioral intentions or choice does not show a completely consistent picture. Several studies could not find positive effects regarding central attitudinal and behavioral variables, such as product quality perceptions, purchase intentions or brand choice, (e.g. Hamlin and Wilson 2004; Hoek and Gendall 2008; Strahilevitz and Myers 1998). However, a considerable body of research suggests that CM programs can be an effective strategy to positively impact customer response (e.g. Arora and Henderson 2007; Barone et al. 2000; Bloom et al. 2006; Hajjat 2003; Henderson and Arora 2010; Krishna and Rajan

2009; Lafferty and Goldsmith 2005; Menon and Kahn 2003; Nan and Heo 2007). The equivocality of extant empirical findings points out that previous research on CM effectiveness suffers from several limitations, which might be accountable for the differing results.

The body of CM literature, which mainly comprises experimental studies, is characterized by homogenous student samples, laboratory settings with artificial decision situations and a strong focus in low involvement FMCG purchase decisions. Thus, limited external validity and transferability into managerial practice are central shortcomings of the extant CM literature (e.g. Arora and Henderson 2007). Moreover, social desirability due to experimental awareness is likely to have been a problem in the laboratory research (e.g. Barone et al. 2000). These biases are likely to have been further amplified by the philanthropic element inherent in helping a worthy cause by purchasing a product from a CM program leading to overly optimistic results of CM impact.

The empirical contributions of CM effects on buying behavior are based on behavioral intentions and forced choice experiments and can thus only very limitedly inform marketing managers with regards to potential market impact of CM programs (e.g. Chang 2008). The cross-sectional designs of previous studies also condition that knowledge on persistence of possible effects is still a gap in CM literature. In addition, a more detailed understanding of behavioral effects, e.g. on customer relationship depth or breadth, is lacking. Moreover, tested models of CM effectiveness so far have covered very limited variable sets of customer attitudes and buying behavior. In addition, studies have seldom integrated both, attitudinal constructs and behavioral variables. However, in order understand the impact of CM for a firm's market position in a more holistic way, it is necessary to include both, attitudinal and behavioral variables that drive marketing assets into a model of CM effectiveness.

In the light of these shortcomings, this thesis aims at advancing the theoretical and managerial understanding of the causal relationships of key CM determinants and attitudinal as well as behavioral customer response. It contributes to improving the generalizability of previous findings and expands the body of literature beyond antecedents of buying behavior. Moreover, this study seeks to investigate the persistence of possible effects on customers buying behavior. In addition, generating managerial implications for effectively leveraging CM programs is a further goal of this thesis. It provides a comprehensive model of causal relationships between determining CM variables, customers' attitudes and buying behavior, which is validated by a large-scale field study in a retailing context. The methodological design of a quasi-experiment with control group and pretest and posttest measurements aims at achieving both high internal an external validity. This methodological approach allows to observe a main effect of CM and combines customer-individual transactional and survey data for hypotheses testing.

1.2 Scope and Organization

In order to give an overview of the scope of this thesis, I explain the overall structure, as shown in Figure 1.1. In Chapter 1.1, I introduced the topic of CM and reasoned its current practical and theoretical relevance. Furthermore, I outlined the research questions of whether a causal relationship between CM and customers' attitudes and buying behavior exists, and which the determining factors of a possible effect are.

Introduction	1. Motivation and purpose, scope and organization of the research
Theoretical Foundations	2. Conceptual basis and literature review: Concept of CM, review of the empirical literature on attitudinal and behavioral effects of CM 3. Theoretical basis and development of the research model and hypotheses
Empirical Analysis	4. Validation of the CM model: Methodological approach, construct measurements, hypotheses tests of driving factors and main effects on customer attitudes and behavior, result discussion, managerial implications
Conclusion	5. Discussion of results, theoretical and managerial implications, contribution of the thesis, limitations and potential for future research

Figure 1.1: Overview of Thesis Structure and Chapter Contents

Chapter 2 lays the conceptual basis for this research. The relevance of CM for marketing practice, as well as the managerial dimensions and objectives are outlined. A definition of CM is derived and is differentiated from related concepts which comprise links between brands and charitable organizations. Furthermore, I discuss the extant literature on the effects of CM on customers' attitudes and behavior. Finally, I identify the current research gaps regarding customer response to CM measures, leading to the research questions of this thesis.

Chapter 3 provides the theoretical basis for this thesis. The underlying theories of attribution theory and the Elaboration Likelihood Model (ELM) are explained. Moreover, I develop the research model of the relationships between possible driving factors of CM programs as well as customer attitudes and behavior and derive the corresponding hypotheses. Identifying three key CM variables, I hypothesize positive effects for the constructs of customers' perceived logical fit between the firm or brand and the cause, the conjectured motivation of the firm behind the program, and the customer's personal involvement with the supported cause and NPO-partner, as well as a main effect for the presence of CM on customers' attitudes and behavior.

Chapter 4 comprises the methodological approach for the testing of the CM model. I describe the quasi-experimental research design and provide details on construct operationalization, reliability and validity aspects, as well as the implementation of the field-study within an online retailing context. The main effects of CM on customers' attitudes and behavior are tested by comparing a control and a treatment group. Structural equation modeling is used to analyze the effects of the three CM factors.

I complete the thesis in *Chapter 5* by discussing the results and deriving theoretical and managerial implications. Moreover, the theoretical contribution is pointed out. Finally, based on the inherent limitations of the study, directions for future research are suggested.

2 Conceptual Basis and Literature Review

2.1 The Concept of Cause-Related Marketing

The following sections will define the concept of CM with its twofold nature as a marketing strategy on the one hand and as a philanthropic measure on the other hand providing an overview of its marketing managerial dimensions. Criticism as well as potential risks for the firm and partnering charity organizations will be outlined. Finally, the measurement of CM effectiveness will be discussed.

2.1.1 Relevance, Definition and Managerial Dimensions

The number of CM campaigns has steadily increased since the first large campaign in the USA by American Express in 1983, which coined the term cause-related marketing (Krishna and Rajan 2009). According to the CSR consultancy Cone Inc., 99 percent of American consumers want to be informed about companies' charitable activities, while only 58 percent believe that companies provide enough information concerning their CSR initiatives (Cone 2008). 58 percent of European consumers agree that firms do not pay enough attention to their social responsibilities (CSR-Europe 2000).

CM is seen as one way to make a firm's social or environmental commitment visible to its customers and to simultaneously enhance brand equity and sales by differentiating a brand on the basis of a social element (Chang 2008; Krishna and Rajan 2009). The accomplishment of both, CSR and marketing objectives with one instrument is one main reason for the constantly increasing investments of firms into CM programs. For 2011, the expenditures of American firms for CM programs are, after continuous yearly growth, estimated to exceed 1.7 billion US dollars (CauseMarketingForum 2011). With an increase of 6.7 percent in 2010, CM was the fastest growing category that the IEG Sponsorship Report tracks (CauseMarketingForum 2011).

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Findings of several public opinion studies and examples of successful campaigns further encourage marketing managers to invest into CM campaigns. For example, in a 2008 poll conducted by the CSR communications consultancy Cone Inc., 59 percent of the American respondents stated that they would be more likely to buy a product when it is associated with a cause partnership (Cone 2008). Seven out of ten participants of a similar research conducted in the UK reported a positive impact on their behavior or perceptions when they purchased products or services from a CM program (Research-International 2004). Earlier public opinion studies indicate similar customer acceptance in other countries, as shown in Table 2.1.

Table 2.1: International Public Opinion Studies on Customer Response to CM

Would switch brands	***Would switch retailers***	***Country***	***Public Opinion Study***
54 %	56 %	Australia	Cavil & Co/Worthington Di Marzio (2001)
54 %	53 %	USA	Cone Inc. (2002)
66 %	57 %	UK	Business in the Community (Adkins 1999)
74 %	71 %	New Zealand	AC Nielson/Stillwater (2000)
76 %	74 %	Mexico	Promoting Public Causes Inc (1999)

Source: Endacott, William J. (2004), "Consumer and CRM: A national and global perspective," The Journal of Consumer Marketing, 21 (3), 183-89, p.185.

The importance of CM campaigns has also has been rising continuously in Europe. For example, the number of new programs in Germany has increased considerably since the first large CM campaign that was launched by the brewery Krombacher in 2002 (Oloko 2008). Successful campaigns have become a central part for some brand's marketing strategy and been successively adopted for other markets. One example is Danone Group's mineral water brand Volvic, the current market leader in the segment of still mineral water in Germany (DanoneWaters 2010). In 2004, after a rapid growth of the discount segment, Danone decided to develop a CM program for Volvic as a strategy to encounter the strong pricing pressure, loss of market share and customer loyalty (Blumberg and Conrad 2006).

In 2005, the CM program "Drink 1, give 10" in cooperation with UNICEF was launched. With every purchased bottle of water, Danone supported a UNICEF drinking water project in Ethiopia. Until 2009, 122 wells were set up with the donations generated from the program in Germany, equaling 4 billion liters of safe drinking water (DanoneWaters 2010). According to the consultancy Goodbrand & Co, as a result of the program, Danone could regain countries share and customer loyalty as well as additionally enhance customers' attitudes toward the brand Volvic (Blumberg and Conrad 2006). Consequently, the CM program "Drink 1, give 10" was adopted for six other markets including France, UK, USA and Canada and will be continued in 2011 (Blumberg and Conrad 2006; DanoneWaters 2011).

Defining cause-related marketing

Parallel to the increase in corporations' attention to CM, academic research on the topic has evolved. Since the appearance of a seminal conceptual article by Vararadarajan and Menon on CM in 1988, the number of published contributions has risen continuously (see Chapter 2.2 for an overview). However, there does not exist a consistent definition or terminology for CM. In addtion, various terms are used synonymously.

These include “company advertising with a social dimension”, “corporate issue promotion”, “corporate social marketing”, “embedded premium promotion” and “passion branding” (Adkins 1999; Andreasen 1996; Arora and Henderson 2007; Drumwright 1996; Varadarajan and Menon 1988). In this thesis, I will only employ the term cause-related marketing (CM), as it is the term, which is most commonly used.

Moreover, a stronger confinement of the concept of CM is necessary because there exist several related marketing activities that comprise links between brands and charitable organizations, such as social marketing or sponsorship of charity events. The central criterion for differentiating CM from other charitable programs is the purchase-contingency of the donation. In comparison to mere corporate philanthropy measures where the support of charitable causes is uncoupled from customer behavior, CM directly links the purchase of a product or service and the donation to a partnering not-for-profit-organization (NPO) for a specified charitable project. A campaign that includes an optional donation through e.g. the mailing of a coupon or a voluntary carbon offset would correspondingly not be classified as CM. Because of this transactional focus, I adopt the definition proposed by Varadarajan and Menon (1988):

> *Cause-Related Marketing (CM) is “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 the customers engage in revenue-providing exchanges that satisfy organizational and individual objectives.” (Varadarajan and Menon 1988, p.60)*

In the context of CM, a cause is a NPO, which has the purpose of providing social services in contrast to generating profits, and that reinvests any surplus funds in social activities (Abdy and Barclay 2001). CM can be understood as the manifestation of the alignment of a firm’s Corporate Social Responsibility (CSR), i.e. a company's status and activities in response to its perceived societal obligations and marketing (Brown and Dacin 1997; Chang 2008; Sen and Bhattacharya 2001). Varadarajan and Menon further emphasize the conjunction of both, organizational and CSR objectives, in that

CM "is a marketing activity – a way for a company to do well by doing good – distinct from sales promotion, corporate philanthropy, corporate sponsorship, corporate good Samaritan acts, and public relations, though it is often an amalgam of such activities" (1988, p.60). The classification of CM as a marketing strategy is further emphasized by the fact that the resources for the CM activities come in the majority of cases from the firms' marketing budgets (Andreasen 1996; Wagner and Thompson 1994).

Program objectives

Thus, a firm's marketing and CSR objectives and the goals of the partnering charity organization mainly drive CM programs. The NPO partner's interest is mostly the generation of additional funding and the creation of awareness for the supported issue. This is also reflected by managerial research conducted by Drumwright (1996), where the majority of marketing managers indicated that CM campaigns they had conducted had both, economic and social objectives. Pursued marketing objectives of CM programs include enhancing customer buying behavior/brand switching, improving brand or firm image, differentiating a brand from competitors, correcting corporate/brand reputation, advancing brand awareness, increasing word-of-mouth referrals, improving product quality perceptions, countering negative publicity as well as the pacification of offended customer segments (Arora and Henderson 2007; Barone et al. 2000; Bloom et al. 2006; Brown and Dacin 1997; Chang 2008; Strahilevitz 2003; Varadarajan and Menon 1988).

Price and donation framing

The key characteristic of CM is the purchase-contingent donation to the NPO partner that is linked to every purchase of the product or service that is part of the program. The framing of the donation amount is both of managerial and theoretical interest. Considerations of optimal donation magnitude include considerations of cost and potential return on higher donation amounts. Extant research on the effect of donation magnitude is indeed equivocal. In their experimental research, Arora and Henderson (2007), for example, could not find significant differences in participants' attitudes towards mineral water brands, when they varied the amount of the donation between

$0.15, $0.30 and $0.45 per purchased bottle. However, in an experimental study conducted by Strahilevitz (1999), subjects preferred a discount of the same amount, when the relative magnitude of the discount or donation was high versus low (1 compared to 25 percent, and 5 compared to 50 percent of the total price).

In many CM programs, the donation is not communicated in monetary terms, such as a percentage of the profits or the price or an absolute amount per purchase. Instead, it is often framed non-monetarily. One example is Procter & Gamble's "1 pack = 1 vaccine" program. For each pack of specially marked Pampers diapers and wipes bought during the promotional period, Pampers (i.e. Procter & Gamble) donates the cost of one tetanus vaccine to UNICEF (Procter&Gamble 2010).

A CM program can also be associated with a price increase. For example, in 2008, the American clothing and accessories retailer The Gap offered a T-shirt as part of the multi-company-multi-brand CM program PRODUCT RED, that was initiated by the rock star Bono. For certain specially labeled pieces of their T-shirt collection, The Gap donated 50 per cent of their profits to the "Global Fund" for projects helping women and children affected by AIDS in Africa (TheGap 2011). However, the T-Shirts of the RED program were priced at $28.00, while most other T-shirts were priced at $16.50. At the same time, a T-shirt from the CM campaign was the best selling product from the entire collection (Krishna and Rajan 2009). Results from laboratory experiments conducted by Krishna and Rajan (2009) also suggest that customers are willing to pay higher prices for cause-related products and that firms are able to achieve price increases and to elevate profits through CM.

Level of association

The level of cause association is another managerial question. Cause alliances can be formed at the organizational, the brand, or product/category level and may involve single or multiple organizations (or brands) and single or multiple causes (Varadarajan and Menon 1988). Multi-brand CM can moreover be differentiated into intra-company

and inter-company programs. CM measures at the organizational level will focus the corporate name in their CM communication and will, in many cases, include all of their products in a program. For example, the German producer of organic refreshment drinks BIONADE permanently donates for every sold bottle of their complete assortment to a German NPO supporting sports projects for children (Bionade 2011). Firms might likewise decide to associate a certain brand with an NPO partner. Such brand-level programs are very common and emphasize the alliance between a certain brand and a cause. Procter & Gamble's "1 pack = 1 vaccine" and Danone's "Drink 1, give 10" programs are representative of CM with brand-level association.

An example of a product category level CM program is the German paint and lacquer producer Alpina's campaign "paint 1 square meter with Alpinaweiß, protect 100 square meters Alps" in alliance with WWF. In 2009, with every package of their indoor paint category, Alpina supported projects to protect the environment of the Alps (WWF 2009). Recent research suggests that category-level associations might have the advantage of possible carryover effects to other, not CM associated categories (Henderson and Arora 2010).

The probably most prominent inter-company multi-brand program is PRODUCT RED. Participating brands include American Express, Apple, Emporio Armani, Nike, Starbucks and The Gap, as already mentioned. Every partner of the program donates up to 50 per cent of the profits of specially "RED-branded" parts of their product or services portfolios to the "Global Fund" to support HIV and AIDS programs in Africa (The-Persuaders-LLC 2011). In some cases, CM programs involve more than one charity partner. Since different customer segments might vary in their affinity for certain causes, the alliance with multiple charitable partners might potentially increase CM effectiveness (Arora and Henderson 2007).

Some customers might for example rate environmental issues more important than social topics, or local projects more relevant than international ones. Arora and Henderson (2007) additionally suggest that firms might be able to enhance customer response to CM by offering alternative causes. The customers could then select themselves which project they want to support with their purchase. Such a customization strategy would especially be useful for online shopping environments.

Strategy level of CM

CM can be applied as both, a strategic or a tactical marketing tool. CM programs that are of strategic importance are often characterized by senior management involvement and a long-term focus (Varadarajan and Menon 1988). They are embedded in the company's mission and part of an overall corporate responsibility strategy. This is additionnally reflected in the results of qualitative research conducted by Drumwright (1996). With regards to strategic CM programs, interviewed managers confirmed their increased attention to these initiatives. Senior managers reported that they were more intensively and actively involved than in standard campaigns and were often personally committed, or the CM program was part of the company's efforts to implement and communicate the corporate mission (Drumwright 1996). Quasi-strategic CM programs are most commonly deployed. These programs are not part of an overall CSR strategy, but play a central role in the overall promotion strategy of a brand or family of brands. Marketing objectives play a major role for the design of these CM programs and the promotional mix (Varadarajan and Menon 1988). Quasi-strategic CM programs are mid- or long-term oriented and of strategic importance for the positioning of a brand (Lafferty and Goldsmith 2005).

Tactical use of CM can be described as sales promotion tools and often focus on short-run increases in sales (Varadarajan and Menon 1988). Drumwright (1996) found that tactical campaigns with a clear focus on economic objectives were often initiated by the firm's advertising agency.

The creation of "breakthrough advertising tended to the dominant objective" (Drumwright 1996, p.77). Senior management is less likely to be involved. Tactical campaigns tend to be short-term oriented and have time commitments of less than a year.

Potential risks and critical considerations

Especially the tactical use of CM can be viewed critically and might bear some risks. As discussed above, firms might partly or completely pass on the donations to their customers and increase prices. This is one of the reasons why certain customer segments, partly the popular press, and also several marketing scholars view CM programs critically (Krishna and Rajan 2009). Some researchers caution practitioners against possible damages to brand equity, if customers perceive social claims as not credible or disproportionate (e.g. Osterhus 1997). The potential for negative customer response with regards CM measures is also mirrored in the results of a qualitative study conducted by Ellen et al. (2006). Study participants listed their thoughts about why a firm would engage in CM offers. In sum, more economic, corporate centered motives were attributed (414 mentions, e.g "get more customers or sales") than noneconomic, cause-centered motives (232 mentions, e.g. "want to care or help"). Nonetheless, the majority of respondents presumed mixed motives. Concerns of skeptical or cynical customer and press reactions exists among practitioners, and are one major reason, why some companies intentionally keep a low CSR profile and do not actively communicate their philanthropic activities within marketing (e.g. Washington and Miller 2010).

More critique is raised from a philanthropic perspective suspecting that an increase in CM programs might infer negative consequences for NPOs. One major concern, which is repeatedly raised, is that CM programs might lead to reductions of individual donations to not-for-profits, as customers might feel they have already indirectly given enough through the purchase of products that are part of a CM program (Andreasen 1996; Gurin 1987; Varadarajan and Menon 1988). Research by Ross et al. (1992), however, mitigates this critique by suggesting that CM might have the opposite effect.

In their study, participants were more likely to donate in a traditional way to an allied cause than before the CM campaign (Ross et al. 1992). Customers might view CM as adding value to the product or service purchased and not as an alternative way to make a donation (Baylin et al. 1994; Cunningham and Taylor 1994).

Further concerns have been expressed regarding possible damages to the partnering NPO's image though negative behaviors of the partnering firm and the concentration of support on a small number of popular, high visibility causes (Andreasen 1996; Gurin 1987). Less visible NPOs would be less attractive for marketers, since cause affinity among customers would be too low.

In the light of the potential risks of reputational and brand equity damages, and the critique discussed above, academics as well as CSR strategy consultants advise firms to force the use of CM as a strategic marketing tool, as part of an overall CSR strategy and reflected against ethical considerations (e.g. van den Ven 2008). Varadarajan and Menon caution that firms must recognize "that though the concept […] is laudable, its misuse can lead to disastrous results" (Varadarajan and Menon 1988, p.72). Nevertheless, they conclude that CM has the potential for marketing to make a major contribution to society, as long as it is not employed in a cause-exploitative way.

2.1.2 Corporate Philanthropy or Marketing? The Evaluation of CM Programs

CM needs to account for its twofold nature of being a marketing strategy with a philanthropic linkage: Firstly, CM has to contribute to the fulfillment of the social goals. These consist of the firm's CSR objectives in fulfillment of its societal commitment, and the accounting for the interests of the partnering charity organization. Secondly, as it is primarily a marketing strategy, it will be evaluated against the same metrics as other marketing measures. So far, research has focused the impact of CM on overall firm evaluations, such as company credibility (Trimble and Rifon 2006) or attitude towards the firm (e.g. Basil and Herr 2006) and possible effects on purchase intentions (e.g Ellen Scholder et al. 2006) or conjoint based brand choice

(e.g. Hoeffler and Keller 2002). However, these studies inform marketing managers only very broadly on how CM can potentially contribute to the achievement of firm objectives.

In an era of increased marketing accountability (Rust et al. 2004a), CM needs to be linked to a chain of marketing productivity, as depicted in Figure 2.1, and will also be evaluated by firms on this basis. Therefore, it is of focal interest how CM impacts key marketing assets, such as brand equity and customer equity and a firm's market position, thereby affecting financial firm performance and value (Bolton et al. 2004; Gupta et al. 2004).

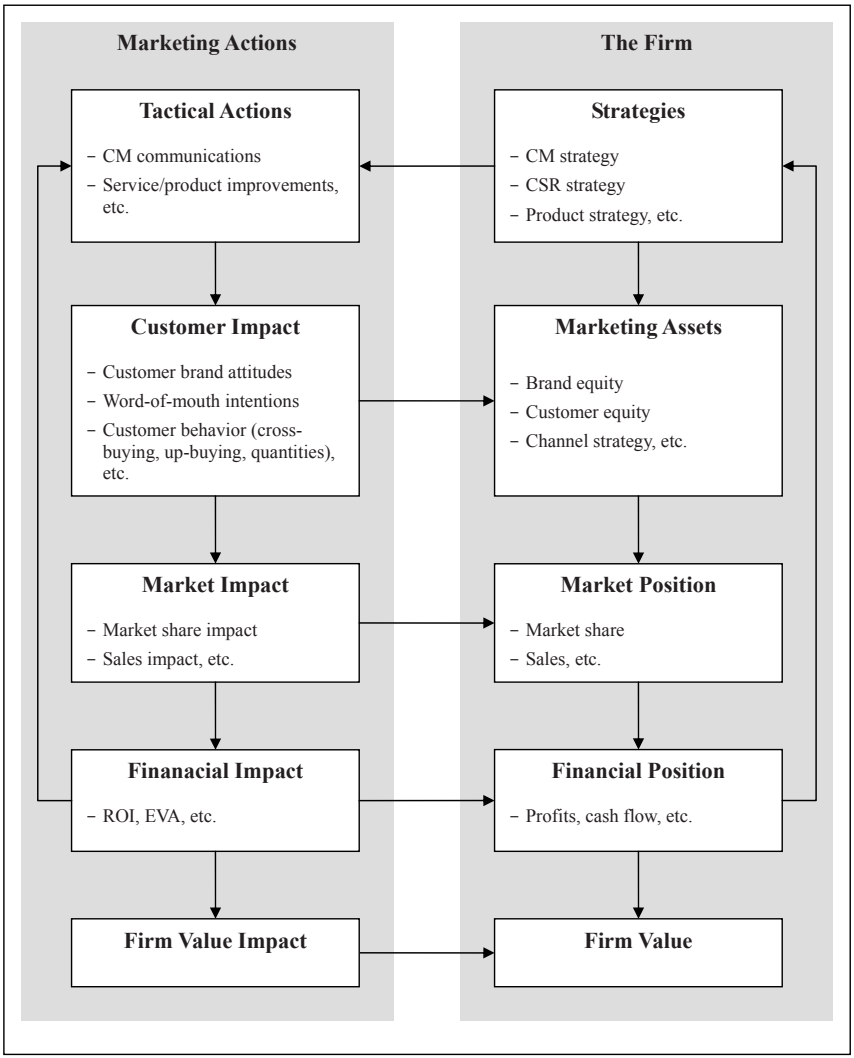

Figure 2.1: Chain of Marketing Productivity

Source: Own Illustration, adapted from Rust et al. (2004a)

The two concepts of brand equity and customer equity and their linkage has received increased attention by marketing scholars (e.g. Bolton et al. 2004; Leone et al. 2006; Rust et al. 2004a; Villanueva and Hanssens 2007), since they are two central measures for the intangible assets of a firm. Customer equity can be defined as the sum of discounted revenues generated by current and future customers of a firm over the individual customer lifetime (Berger et al. 2006; Villanueva and Hanssens 2007). Several definitions and dimensions have been suggested for the well-established concept of brand equity. Since research focuses the role of brand equity as an element of a chain of marketing productivity (and not on the estimation of brand value), I follow a customer-based definition given by Keller (1993). Brand equity can thus be defined as the preferential effect of brand knowledge on customer response to the marketing of the brand, due to favorable, unique and strong brand associations (Keller 1993).

Individual customer attitudes, customer buying behavior, and positive word-of mouth referrals affect the marketing assets of brand equity and customer equity at the aggregate level (e.g. Rust et al. 2004b). Enhanced brand equity is one of the key drivers of customer equity due its positive impact on individual buying behavior (e.g. Keller 1993; Leone et al. 2006; Villanueva and Hanssens 2007). In the literature, several sources for marketing assets improvement have been identified. At the attitudinal customer mind-set level, they include brand attitudes (Keller 1993), price perceptions of fairness (e.g. Bolton et al. 2000) and overall judgments, e.g. customer-individual brand equity (e.g Aaker 1991), which then enhance customer response at the behavioral level by increasing e.g. purchased volumes or up-buying and cross-buying behavior. Additionally to the fulfillment of its society-beneficial role, CM programs need to demonstrate their accountability for marketing productivity like any other marketing measure. Thus, the effective management and the assessing of the impact of CM programs on individual customer attitudes and perceptions regarding the brand, as well as customer buying behavior is of eminent interest from both, a practitioner's as well as from an academic viewpoint, and will be therefore be focus of this thesis.

2.2 A Status Quo: Attitudinal and Behavioral Effects of Cause-Related Marketing

As outlined in Chapter 2.1, since Varadarajan and Menon's seminal article on CM in 1988, both practitioners' and researchers' interests in CM as a strategic and tactical marketing tool have continuously increased. Marketing managers have been advised by academics to use CM as a strategy for achieving positive firm and societal outcomes (Brown and Dacin 1997). Spending on CM campaigns have risen steadily, accompanied by a growing number of empirical studies, as depicted in Table 2.2, aiming at investigating consumer responses to CM. In total, I identified 27 relevant studies that analyzed firm or brand related attitudinal or behavioral effects of CM. Here, the research stream exploring the impact of CM partnerships from the partnering NGO's perspective is excluded from this overview, since it is not part of the research scope of this thesis.

While CM studies were very rare in the 1990s, they have gained more and more interest, especially in the last five years. Between 2006 and 2010 twice as many empirical studies on CM have been published than between 2001 and 2005. In the 1990s, only four articles on CM effectiveness were published.

2.2.1 Empirical Evidence on the Impact of Cause-Related Marketing on Customer Attitudes and Behavior

As can be seen from Table 2.2, researchers have investigated the effects of CM on several attitudinal and behavioral measures that are relevant for marketing asset enhancement. All 27 studies are based on the underlying assumption of a positive main effect of CM on customers' attitudes or behavior, reflecting a prevalent notion (e.g. Drumwright 1996; Zdravkovic et al. 2010). This is also supported by the continuously increasing implementation of CM collaborations by firms, especially in a retailing context (e.g. Barone et al. 2007).

However, only 14 studies have actually compared a CM campaign to a control condition or promotional activities, such as price discounts. This is especially surprising as the findings from the research explicitly measuring a main effect of the presence of CM do not show a completely consistent picture. For example, Hamlin and Wilson (2004) could not support their hypothesis of positive customer reactions to CM. In their experimental study conducted in 2000 with customers of a local supermarket, they could not find significant differences for customers in the treatment condition with regard to brand image, product quality perceptions or purchase intentions, compared to the control condition.

Nan and Heo (2007) who conducted experimental research with student subjects from a large Midwestern American university, did not confirm the supposed positive impact of CM advertising on brand attitudes and general attitude toward the CM campaign either. Nevertheless, they found that CM enhanced firm attitudes. As opposed to measuring purchase intentions, Hoek and Gendall (2008) aimed at creating a realistic decision making situation by asking customers of a shopping mall to participate in a discrete choice task. Subjects ranked the different attribution sets, consisting of five different coffee brands that were paired with a CM element, a price discount or a control condition. They found that the pairing of the brands with a charity did not enhance consumer choice behavior compared to the control condition and the price discount.

Table 2.2: Relevant Empirical Studies on Cause-Related Marketing Effectiveness

Author(s) (Year)	*Methodological setting*	*Subjects*	*Dependent variables of customer attitudes**	*Dependent variables of customer behavior and behavioral intentions**	*Control condition*	*Behavioral field data*
Ross et al. (1992)	cross-sectional survey (mall intercept)	consumers	attitude toward the firm	purchase intention	no	no
Strahilevitz, Myers (1998)	experimental design, comparison to price discount	students		product/brand choice relative to discount	yes	yes
Strahilevitz (1999)	experimental design, comparison to price promotion	students		product/store choice	yes	no
Barone, et al. (2000)	experimental design, control group	students	relative attitude toward the firm	relative purchase intention	yes	no
Hajjat (2003)	experimental design, comparison to unspecific CSR cue	students	attitude toward CM activity, attitude towards the brand	purchase intention	yes	no
Menon, Kahn (2003)	experimental design, comparison to advocacy advertising, control group	students	perceived level of firm CSR compared to advocacy advertising		yes	no

* Only those variables are included that relate to the firm, brand or the CM activity itself.

Author(s) (Year)	*Methodological setting*	*Subjects*	*Dependent variables of customer attitudes**	*Dependent variables of customer behavior and behavioral intentions**	*Control condition*	*Beha-vioral field data*
Strahilevitz (2003)	experimental design	students	ethical firm image		no	no
Hamlin, Wilson (2004)	experimental design with control group	customers	brand image, product quality	purchase intention	yes	no
Lafferty et al. (2004)	experimental design	students	attitude toward the cause, attitude toward the brand		no	no
Pracejus, Olson (2004)	conjoint design design	students		product choice	no	no
Lafferty, Goldsmith (2005)	experimental design (pretest/posttest)	Students			Yes	no
Basil, Herr (2006)	experimental design	students	attitude towards CM activity, attitude change towards the firm		no	no

* Only those variables are included that relate to the firm, brand or the CM activity itself.

Author(s) (Year)	*Methodological setting*	*Subjects*	*Dependent variables of customer attitudes**	*Dependent variables of customer behavior and behavioral intentions**	*Control condition*	*Beha-vioral field data*
Bloom (2006)	conjoint design, comparison to sponsoring	students	trustworthiness	product choice	yes	no
Ellen Sholder et al. (2006)	qualitative, experimental design	students, university employees	perceived motivation for engaging in CM	purchase intention	yes	no
Trimble, Rifon (2006)	experimental design	students	attitude towards the firm, firm credibility		no	no
Arora, Henderson (2007)	experimental design, comparison to price promotion, control group	consumers	product quality perceptions, attitude toward the brand, price sensitivity	purchase intention	yes	no
Barone et al. (2007)	experimental design	students consumer panel	attitude toward CM activity, attitude toward retailer, WOM intention	purchase intention	no	no

* Only those variables are included that relate to the firm, brand or the CM activity itself.

Author(s) (Year)	*Methodological setting*	*Subjects*	*Dependent variables of customer attitudes**	*Dependent variables of customer behavior and behavioral intentions**	*Control condition*	*Beha-vioral field data*
Lafferty (2007)	experimental design	students	attitude toward the brand, attitude towards the firm	purchase intentions	no	no
Landreth Grau, Garretson Folse (2007)	experimental design	students	attitude towards CM activity	purchase intentions	no	no
Nan, Heo (2007)	experimental design, control group	students	attitude toward the brand, attitude toward the firm, attitude toward CM activity		yes	no
Chang (2008)	experimental design	students	WOM intention, product attitude	purchase intention	no	no
Hoek, Gendall (2008)	conjoint design, (mall intercept), comparison to price discount	consumers		product choice	yes	no
Huber et al. (2008)	cross-sectional design	consumers	attitude toward the brand		no	no

* Only those variables are included that relate to the firm, brand or the CM activity itself.

Author(s) (Year)	*Methodological setting*	*Subjects*	*Dependent variables of customer attitudes**	*Dependent variables of customer behavior and behavioral intentions**	*Control condition*	*Behavioral field data*
Youn, Kim (2008)	cross-sectional design	consumer panel		purchase intention	no	no
Krishna, Rajan (2009)	experimental, control group, price promotion	students		brand choice	yes	no
Henderson, Arora (2010)	conjoint design, control group, price promotion	consumer panel		brand choice probability	yes	no
Zdravkovic et al. (2010)	qualitative study, experimental	students	attitude towards the CM activity, attitude towards the brand		no	no

* Only those variables are included that relate to the firm, brand or the CM activity itself.

To my knowledge, only one field experiment with real behavioral data on CM effectiveness has been conducted so far. This research, accomplished by Strahilevitz and Myers (1998), revealed similar effects for CM relative to monetary incentives. In this between-subjects experiment with student participants, the redemption rates of coupons worth 0.50 $ for either a discount or a donation at two local stores (i.e. office supplies and candy) were compared. The analysis demonstrated that the monetary incentive generated significantly more converted coupons (Strahilevitz and Myers 1998) than the CM donation further confining the assumption of CM effectiveness regarding purchase behavior. Yet, Strahilevitz and Myers (1998) note, that the effect could also have been biased by the limited budgets of students in general, as well as the relatively high rebate/donation amount (starting at 50% of the total price) as well as the specific charity used.

Nevertheless, a considerable body of research suggests that CM can be an effective instrument for achieving a positive impact on various attitudinal measures (Arora and Henderson 2007; Barone et al. 2000; Bloom et al. 2006; Hajjat 2003; Lafferty and Goldsmith 2005; Menon and Kahn 2003; Nan and Heo 2007) and behavior or behavioral intentions (Arora and Henderson 2007; Bloom et al. 2006; Hajjat 2003; Henderson and Arora 2010; Krishna and Rajan 2009). Conducting four scenario-based laboratory experiments with student subjects, Barone et al. (2000) found a positive effect on attitudes toward the firm. In combination with the findings of Nan and Heo (2007), they provide strong support for the capacity of CM to positively impact customer attitudes.

As an antecedent of customers' attitudes toward the firm or brand, Hajjat (2003) measured the effect of CM compared to a not further specified CSR cue on student subjects' general attitude towards the presented advertising. Their findings do not completely concur to those of Nan and Heo (2007). Subjects in the treatment group demonstrated significantly more positive evaluations than in the control group. Nevertheless, this effect was only present for relatively high donation magnitudes and personal involvement with the supported cause.

In contrast to the results of Hamlin and Wilson (2004) and Nan and Heo (2007) regarding possible effects on brand attitudes, other recent experimental research is supportive of a positive relationship of CM measures and the central construct of customers' attitude toward the brand (e.g. Arora and Henderson 2007; Hajjat 2003; Lafferty and Goldsmith 2005). In Arora and Henderson's first of three experiments, students from a large American university completed a conjoint task and where they evaluated different mineral water brands engaging in charity support compared to a control condition without donations. Individuals in the treatment condition rated the brands significantly more positively than those in a control condition. In a second study, fielded online by an American consumer panel, they additionally compared a CM stimulus to an equivalent rebate and a discount of the otherwise donated amount in a between-subjects design. The results reconfirmed the positive effect of CM also relative to the price promotions on brand attitudes. Findings from Lafferty and Goldsmith (2005), who conducted a pretest/posttest experiment with student subjects, provide additional support for the presence of a main effect of CM on brand attitudes. Mean attitudes toward the brand were significantly higher after the exposure to the CM stimulus.

In an experimental between-subjects setting Hajjat (2003) found significantly higher brand attitudes for advertisements with CM donations in contrast to advertising with a general CSR cue. Other experimental research suggests that CM can enhance customer perceptions of a firm's trustworthiness (Bloom et al. 2006), and can translate into generally improved corporate responsibility assessments of a firm (Menon and Kahn 2003). Arora and Henderson (2007) found that CM can improve product quality perceptions and reduce price sensitivity.

The work of Arora and Henderson (2007) additionally provides partial support for the assumption that CM is capable of influencing product choice. Results of two of their three experimental studies with both student subjects and consumers demonstrated positive relationships between the presence of CM and stated purchase intentions as well as brand choice, compared to a control and a discount group. Yet, in a third study

where they used a within subjects design and respondents had to directly compare a CM offer to a discount of the same percentage, consumers preferred a cash-back option over a donation of the same amount. As mentioned above, Hoek and Gendall (2008) who conducted a very similar experiment with students, provide additional support for the assumption that price discounts might be more effective to influence product choice than CM.

Yet, eight other studies suggest that CM is capable of driving purchasing behavior. Bloom et al. (2006) compared CM to traditional sponsorship and found that CM was more effective at enhancing product choice. In their research, MBA students completed conjoint exercises on various American and Mexican beer brands that were either coupled with a CM donation, a sponsoring cue, or a control. The CM affiliations resulted in more positive values compared to sponsoring of the same charities and the control condition. Pracejus and Olson (2004), who also applied a conjoint method, conducted two experiments with students. They found that the CM element in an offer for amusement park tickets or luxury hotels provided additional utility to the subjects. Participants were willing to make trade-offs for the CM donation regarding other product or service attributes. Nevertheless, these results only hold for a comparison with a control condition. A discount of the donation amount resulted in higher utility coefficients (Pracejus and Olsen 2004).

Research conducted by Strahilevitz (1999) sheds some light on these differential findings concerning CM effectiveness compared to price promotions. In their between-subjects experiment, they found that CM indeed can have a greater impact on product or store choice. Yet, this effect might depend on the magnitude of the donation or discount. Higher relative amounts seem to reduce the effectiveness of the CM offer (Strahilevitz 1999). Experimental research by Hajjat (2003) found positive effects of CM advertisements on purchase intentions. This further amplifies presumptions of positive effects of CM on customers' purchasing behavior.

Henderson and Arora (2010) recently found that the presence of CM enhanced brand choice probabilities within a product category. Their results additionally indicate that CM can have spillover effects to other product categories. Choice probabilities for a brand were significantly higher, when subjects had previously seen the brand with a CM association in a different product category (Henderson and Arora 2010). Experimental research by Krishna and Rajan (2009) also supports the assumption that customers derive additional utility from the CM element which can generate carryover effects to other products of the same brand that are not part of a CM program. In their experimental study, 66.7 percent of their student subjects were willing to pay a higher price and chose the product with a CM element. Henderson and Arora (2010) found similar carryover effects. The alignment of one product with a charity donation increased choice probabilities for a brand, even when the CM element was absent (Henderson and Arora 2010).

2.2.2 Limitations of Extant Research

As shown in Chapter 2.2.1, research on CM effectiveness is equivocal. While positive main effects were confirmed in most of the studies discussed, three articles could not support the hypothesis of an impact on customer attitudes or behavior, and four provided only partial support. The differential results clarify that the research on CM needs to be considered in the light of several limitations which might explain some of the variance in subjects' responsiveness to CM.

Limited external validity

15 of the 20 studies investigating effects on customers' attitudes solely relied on student samples in laboratory settings, mainly using hypothetical brands and charities as stimuli. This artificial exposure environment combined with the homogeneity of student samples provides a basis for strong internal validity (Shadish et al. 2002). Yet, these findings are especially limited with regards to external validity (e.g. McGrath and Brinberg 1983; Zdravkovic et al. 2010) and transferability into practical implications. University students generally have a different socio-demographic profile

(level of education, income, age etc.) than the general public and do not represent the majority consumers. Demonstrated effects might not hold for older, less educated subjects and the extrapolation of results to other populations might therefore be limited, as Lafferty and Goldsmith (2005) constrain their own results.

Furthermore, the possible heterogeneity of consumer perceptions of CM, which might also be accountable for the inconsistent results (Arora and Henderson 2007), cannot be incorporated by such homogeneous samples. Findings of positive CM impact on firm attitudes, attitude towards CM activity, and perceived trustworthiness so far solely rely on student samples.

In addition, the findings that support positive effects on brand attitudes, perceived product quality, price sensitivity, product choice and purchase intentions also primarily draw on student subjects, with the exception of the research conducted by Arora and Henderson (2007; 2010) that conducted online surveys with American consumer panels.

Another shortcoming of the extant literature is the use of limited and artificial advertising cues in most of the studies. Due to the laboratory nature of the studies, single advertising cues, mainly manipulated printed advertisements (e.g. Arora and Henderson 2007) or textual descriptions (e.g. Barone et al. 2000; Bloom et al. 2006; Lafferty and Goldsmith 2005) were employed as stimuli. A typical communications mix, however, consists of numerous cues using different media channels, which is not represented by any of the extant studies. To that effect, generalizability of the extant findings is in need of further improvement (see also Zdravkovic et al. 2010).

Previous literature findings also have to be considered in the light of limited extrapolation to other purchasing situations than low involvement FCMG. For the measurement of a main effect of CM on customers' attitudes and purchasing intentions or product choice, used brands so far primarily include convenience goods like milk

(Hamlin and Wilson 2004), mineral water (Arora and Henderson 2007; Krishna and Rajan 2009; Lafferty and Goldsmith 2005), beer, cigarettes (Bloom et al. 2006), fruit juice (Hajjat 2003), breakfast cereals, skincare, toiletries (Menon and Kahn 2003), orange juice (Nan and Heo 2007), and coffee (Hoek and Gendall 2008). The only exception is the study by Barone and Miyazaki (2000) who used product descriptions of televisions. A service marketing perspective has also been mainly neglected so far. The sole research that included service offers has been conducted by Arora and Henderson (2007) who used credit cards as experimental stimuli in one of their three experiments and Pracejus and Olson (2004) with descriptions of amusement parks and luxury hotels.

Possible social desirability distortions

The direct exposure of stimuli prior to the measurement of constructs, as it was the case in nearly all studies, combined with the unnatural study environment might have lead to increased experimental awareness of participants and therefore social desirability problems (e.g. Barone et al. 2000). The perceived artificiality of the purchase situations is likely to have been further amplified by the deployment of written scenarios (e.g. Lafferty and Goldsmith 2005) instead of real advertisements. Especially with regards to the effects on purchase intentions and forced choice results, it should as well be considered that choices in favor of a CM offer did not entail real monetary consequences for the participants and therefore might limit the validity of results (see also Chang 2008).

This gap in CM literature is also reflected by the ongoing calls of marketing scholars for transactional field data (e.g. Henderson and Arora 2010; Ross et al. 1992; Zdravkovic et al. 2010). Additionally, none of the studies investigating effects on customer attitudes has been conducted in a real purchasing environment. Table 2.3 summarizes the limitations of extant research on CM effectiveness.

Table 2.3: Summary of Limitations of CM Research on Attitudinal and Behavioral Effects

Limitation	*Problem*
Findings are equivocal	▪ Positive main effects supported in 8 of 14 studies ▪ Positive main effects partly supported in 4 of 14 studies ▪ Positive main effects rejected in 2 of 14 studies
External validity	▪ Results mainly rely on homogeneous student samples ▪ Focus on FMCG with low involvement purchase decisions ▪ Artificial decision situations in forced choice experiments ▪ Artificial and limited advertising cues
Social desirability distortions	▪ High levels of experimental awareness due to laboratory situations ▪ Immediate exposure to stimuli prior to measurements ▪ Stated choices and intentions without actual monetary consequences
Static design	▪ Only cross-sectional designs

Limitation	*Problem*
Narrow operationalization of customer attitudes and purchase behavior	▪ Very small sets of dependent variables ▪ Only 6 studies, measuring main effects, included both attitudinal and behavioral variables ▪ Buying behavior limited to purchase intentions and dichotomous variables (i.e. product/store choice, coupon redemption yes-no)
No research on actual buying behavior	▪ Mainly antecedents, such as purchase intentions, or data from forced choice laboratory experiments

2.2.3 Necessity of further research

Considering the continuing growth of CM programs in practice (Lafferty et al. 2004) with estimated expenditures of 1.7 billion US dollars by American firms in 2011 (CauseMarketingForum 2011) and the limitations of existing literature described above, it becomes clear that more research on how CM impacts relevant marketing variables is needed. From a managerial perspective, the question of performance relevance of CM strategies is of crucial importance, since marketing expenditures are increasingly considered as investments and thus linked to financial performance metrics (e.g. Rust et al. 2004a). Like every other marketing strategy, CM needs to be evaluated against the background of its customer and market impact contributing to the enhancement of the firm's marketing assets and market position. Given the addressed limitations and marketers' need for information on how to allocate their resources, several avenues for continuative research can be identified:

1. Improvement of generalizability

The field of CM research could be developed further through the addressing external validity limitations of previous empirical work. There are two questions that beg answers: Firstly, do extant findings of CM effectiveness hold for field settings as well (e.g. Arora and Henderson 2007; Chang 2008)? The investigation of CM effects in an experimental field design would allow to research whether findings of CM impact on attitudes and behavior are transferrable from student subjects to real customers, which would be of crucial importance with regards to managerial implications. Results from a field study, where the purpose of a survey would be less salient than in a laboratory setting, would be less prone to social desirability distortions (Shadish et al. 2002). A retailing environment would also allow integrating CM offers into a more comprehensive communications program (Hoek and Gendall 2008) and make CM cues "naturally" available to customers during their purchase decision and thus reducing experimental awareness problems (Barone et al. 2000). Secondly, future investigation could improve generalizability issues by analyzing purchase decisions, which differ from the widely studied low involvement FMCG context. Thus, extending of stimuli to services and high involvement situations would further expand knowledge on CM effectiveness.

2. Mid- and long-term persistence of CM effects

Research has shown that price promotions bare the risk of post-promotion dips and negative long-term effects (e.g. Blattberg et al. 1995). Also, marketing has increasingly concentrated on ongoing customer relationships, rather than quick profits (Rust et al. 2004b; Storbacka 1994). In many cases, firms associate their brands with a strategic charity partner launching CM programs on a recurring basis. An example of such a strategy is the ready-to-assemble furniture and home accessories retailer IKEA. Every year since 2003, IKEA stores across Europe launch the CM campaign "One euro is a fortune" and contribute €1 to UNICEF and "Save the Children" from each soft toy sold (UNICEF 2010).

Investigating possible mid- and long-term effects after a CM program had been removed, would be of interest. Do CM initiatives suffer from similar weaknesses like price promotions, or do positive effects last over a longer period of time? These questions of whether attitudinal and especially behavioral impacts persist are of strategic importance for marketing managers.

3. Effects of CM on actual purchase behavior

As discussed in section 2.2.1, research is needed to understand the effects of CM on customer purchase behavior. Notwithstanding the influencing of customer attitudes and intentions is necessary since "achieving improved sales and market share is essential to any marketing effort" (Rust et al. 2004a, p.82). Extant CM research which is based on behavioral intentions and artificial forced choice experiments can only restrictedly serve as a basis for marketing practitioners' decisions due to its limited external validity (Chang 2008). Hence, future studies should draw on transactional field data at the individual customer level to investigate CM effectiveness (Hoek and Gendall 2008; Ross et al. 1992; Sen and Bhattacharya 2001). Hereby, more detailed questions concerning customer relationship depth or breadth, i.e. possible cross-buying or up-buying effects (Bolton et al. 2004) could be illuminated. Future research should conduct experiments that require actual product purchases, comparing regular purchases to those with CM (Ross et al. 1992).

4. Development and testing of a holistic model

An extension of the dependent variable set can lead to a more comprehensive understanding of CM on behaviors and attitudes and a possible behavior-attitude link. This could be expanded to constructs such as brand preference, price-perceptions and cross-buying or add-on-buying measures. Such an extended model would allow illuminating the role that CM can possibly play in the chain of marketing productivity as discussed in Chapter 2.1.2 with regards to brand equity and customer equity.

Against the background of restricted financial resources, marketers need to know whether CM can be an effective marketing strategy and which are the determining variables to successfully implement CM strategies. Thus, it is necessary to understand from an academic perspective how and why customers respond to CM measures (e.g. Sen and Bhattacharya 2001) contributing to answer practitioners' questions of how to successfully design CM programs (i.e. which charity partner to choose, which communicational cues can be essential). Therefore, future studies should "investigate a model of consumer behavior that allows for interaction of attitudes and perceptions toward the product, the firm and the cause" (Ross et al. 1992, p.97).

I aim at addressing these voids in the existing literature, which are of theoretical as well as of managerial interest by:

(1) Developing a model of the causal relationships between CM variables, customer attitudes and buying behavior, covering a broad set of key dependent variables,

(2) expanding the body of research beyond antecedents of purchasing behavior and

(3) improving generalizability of extant findings trough the validation of the model on a large-scale field study basis.

A quasi-experimental pretest-posttest between-subjects design with an untreated control group allows:

(4) To measure a main effect of CM, to observe

(5) the persistence of effects through the analysis of longitudinal transaction data at the individual customer level, and

(6) to account for both high internal and external validity levels (Rack and Christophersen 2007; Shadish et al. 2002).

Summarized, I investigate the following research questions:

> *Can a causal relationship between CM measures and customers' attitudes and behavior be observed? If yes, which are the determining variables?*

In the following section of this thesis, I develop a model of CM relationships by identifying possible determinants of CM effectiveness, drawing on attribution theory and elaboration likelihood theory and derive the corresponding research hypotheses.

3 Theoretical Foundation and Model Development: The Relationship of CM Determinants, Customer Attitudes and Buying Behavior

In the following Chapter, I develop the research model of this thesis and derive the corresponding hypotheses. I commence with a short recapitulation of the role that CM programs need to demonstrate playing in order to impact overall firm performance (Chapter 3.1). As a foundation for the development of the research framework, I explicate the underlying basic theories (Chapter 3.2). In Chapter 3.3 and 3.4, I discuss direct and mediating relationships of CM effectiveness as well as the roles of possible driving factors for a CM effect on behavioral and attitudinal customer response. Based on the relevant literature as well as attribution and elaboration likelihood theory, I derive the research hypotheses, which are summarized in the model of CM relationships. Relevant control variables and are presented as well in Chapter 3.5.

3.1 Attitudinal and Behavioral Determinants of Marketing Productivity

As marketing accountability increases (Rust et al. 2004a), the role of CM for achieving positive outcomes for the firm becomes a focus for marketing managers and researchers (Arora and Henderson 2007). As discussed in Chapter 2.2, the investigation of CM effectiveness in the extant empirical literature so far included only very limited variable sets of customer attitudinal and behavioral impact. In addition, studies have seldom included both, perceptional and behavioral measures. However, in order to understand the relevance of CM for marketing productivity in a more comprehensive manner is necessary to include customer and brand equity as relevant constructs of possible CM impact into a model of CM effectiveness. Researchers have identified several driving variables of marketing assets, e.g. attitudes toward the brand, price perceptions or customer-based brand equity, which are presented in the following sections.

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3.1.1 Attitudinal Variables Influencing Marketing Assets

At the attitudinal customer level, these central constructs influencing marketing assets include *price perceptions, customer-based brand equity,* and *brand attitudes* (e.g Aaker 1991; Bolton et al. 2004; Homburg et al. 2005; Keller 1993; Zeithaml 1984).

Individual *price perceptions* are considered to be one central determinant of customers' buying behavior (e.g. Han et al. 2001; Zeithaml 1984) and consequently influence firm sales. Post-purchase price perceptions can be conceptualized as the customers' translation of the objective price for a product or service into cognitions that are relevant and meaningful to customers (Voss et al. 1998; Zeithaml 1984) and refers to the experienced fairness of the financial aspect of a purchase based on the perceived sacrificed cost (i.e. monetary price, time, effort, search etc.) relative to perceived value (Zeithaml 1984). Positive price perceptions have been shown to increase customers' satisfaction with their purchases (Voss et al. 1998) and to enhance purchasing behavior (Han et al. 2001).

Customer-based brand equity can be defined as the preferential effect of brand knowledge on customer response to the marketing of the brand, due to memorized favorable, unique and strong brand associations (Keller 1993). A customer who holds a high level of customer-based brand equity toward a brand will prefer that brand in comparison to a fictitious version of the same product or service because of his or her positive brand knowledge. Brand knowledge consists of the two dimensions of brand image and brand awareness. Brand image refers to favorability, strength and uniqueness of linked associations of brand-related attitudes, benefits, and attributes, which are stored in the customer's memory (Keller 1993). Brand awareness relates to the ease and likelihood that a brand comes to a customer's mind (Rossiter and Percy 1987). Positive customer based brand equity is supposed to have a positive effect on the likelihood that the brand will be part of the consideration set for a product or service category (Baker et al. 1986; Nedungadi 1990), and may be sufficient to trigger a purchase decision under low involvement (Bettman and Park 1980; Hoyer and Brown 1990; Park and Lessig 1981; Petty and Cacioppo 1984). In general, high levels

of customer-based brand equity are expected to increase brand choice, enhance customer loyalty and decrease the responsiveness to competitive marketing actions and reduce price sensitivity (Barwise 1993; Farquhar et al. 1991; Simon and Sullivan 1993).

Attitude toward the brand is defined as "consumers' overall evaluations of a brand" (Keller 1993, p.4) and often constitutes the basis of brand choice. Fishbein and Ajzen (1980; 1975) propose in their expectancy-value model that brand attitudes are a multiplicative function of first, the accessible beliefs that a consumer has a about certain attributes or benefits of a brand, and secondly the evaluative judgment of these beliefs. Positive brand attitudes are conceptualized as one element of customer-based brand equity (Aaker 1991; Keller 1993) and are thus indirectly reflected by the construct of individual brand equity. However, due to its high predictive power of customers' attitudes toward the brand for customer behavior (e.g. Keller 1993) and the central role the construct has played in past CM research, it will nonetheless be included in the model as a separate variable.

Additional to the buying behavior of customers, positive *word-of-mouth* behavior has been argued to indirectly impact customer equity (e.g. Rust et al. 2004b; v. Wangenheim 2003; v. Wangenheim and Bayón 2007) through influencing customers' attitudes, including firm and brand image, and its effects on purchasing decisions, customer satisfaction and service provider switching (e.g. Anderson 1998; Arndt 1967; Bone 1995; v. Wangenheim and Bayón 2004).

According to Anderson (1998) in line with previous authors (Dichter 1966; Singh 1988), word-of-mouth refers to informal communications between consumers concerning evaluations of products or services. Positive word-of-mouth includes recommendations to others and sharing actively pleasant and vivid experiences. A customer's *positive word-of-mouth intention* is defined as the individual attitude towards giving favorable word-of-mouth referrals to others (Anderson 1998).

The above outlined constructs can be understood as different types of customer attitudes related to the brand or firm, since an attitude is a psychological tendency that manifests itself by evaluating a particular object with some degree of favor or disfavor (e.g. Eagly and Chaiken 1993; Fazio 1995). The term evaluation refers to an individual's response in a cognitive or behavioral way, e.g. a purchase decision (Eagly and Chaiken 1993). In the following chapters of this thesis I will therefore subsume the perceptional driving constructs of marketing assets under the term of customer attitudes. The term "customer attitudes" thus implies the four constructs of *price perception*, *attitude toward the brand*, *customer-based brand equity* and *positive word-of-mouth intention*.

3.1.2 Behavioral Variables Influencing Marketing Assets

At the behavioral dimension of customer impact, both customer equity and brand equity focus customer retention (e.g. Leone et al. 2006). This is also reflected by firms' vast investments into customer relationship management by implementing loyalty programs and direct marketing campaigns (Reinartz and Kumar 2002; Verhoef 2003; Winer 2001). Researchers have argued that retained customers are expected to generate more revenues than newly acquired ones (Reichheld 1993; Reinartz and Kumar 2002; Villanueva and Hanssens 2007). Blattberg et al. (2001) identified the selling of additional products or services to existing customers (add-on selling) as one of the key drivers of customer equity. Customers' *add-on buying behavior*, i.e. the response to add-on selling offers, can be divided into (1) buying of *higher quantities* of the main product or service category, (2) *up-buying* and (3) *cross-buying* (Blattberg et al. 2001). Up-buying is understood as the purchasing of offered service up-grades or more expensive versions of a product. Cross-buying can be defined as the "number of different product categories that a customer has purchased from a firm from the time of first purchase" (Kumar et al. 2008, p.16).

In order to assess the impact of a CM program on marketing productivity from a more comprehensive view, the above discussed attitudinal and behavioral dimensions of customer impact should be included in a model of CM effectiveness. Figure 3.1 summarizes the dimensions and illustrates their coherence with marketing assets and the firm's market and financial position.

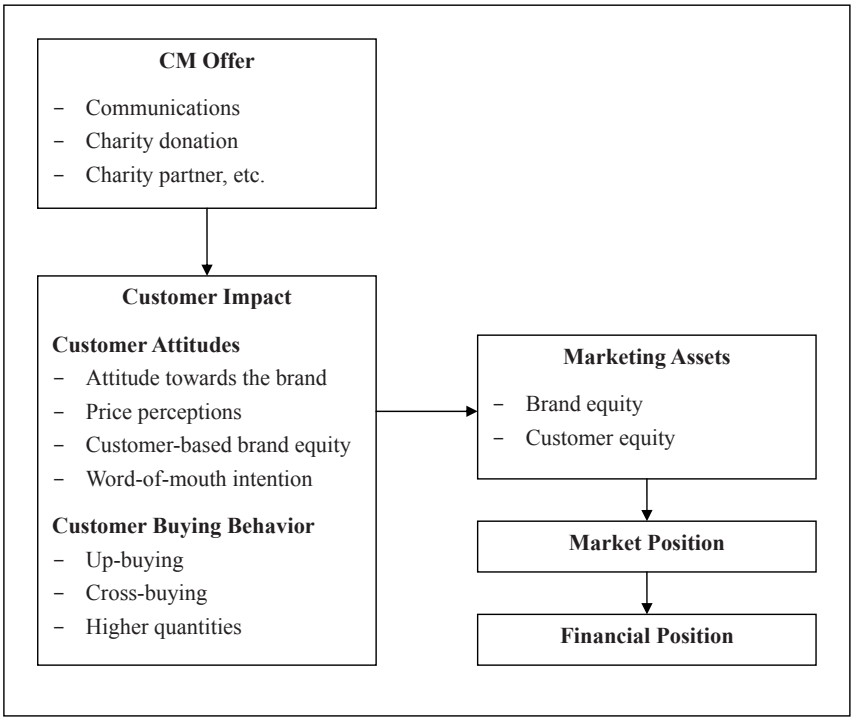

Figure 3.1: Behavioral and Attitudinal Drivers of Marketing Productivity

Source: Own Illustration, on the basis of Rust et al. (2004a, p.77)

3.2 Underlying Theories

Before developing the research framework for CM effects on customer attitudes and buying behavior and deriving hypotheses, I will shortly outline the underlying theories. In the two following Chapters 3.2.1 and 3.2.2, attribution theory and the Elaboration Likelihood Model, as a theory of attitude formation and change, are explained and their relevance for the relationships of CM with attitudinal and behavioral customer response will be demonstrated.

3.2.1 Attribution Theory

Attribution theory describes how a person makes causal inferences about the behavior of others, based on their observations and experiences (Rust et al. 2004a) and has been applied to various marketing contexts in the past (Heider 1958).

It is a theory that explains how individuals infer the reasons for the behavior of third others that they encounter or observe (Heider 1958; Kelley 1973). Thus, attribution theory indicates that customers will make causal attributions to explicate why a firm engages in a CM activity. Heider (1958) states that an individual will respond to behaviors based on his or her attribution of the underlying motive for the other to perform that behavior. He proposes two sources for this motivational inference. An individual will either attribute an intrinsic motive, based in the personality and internal beliefs, or an extrinsic motive impaired by situational factors and external pressures. Behavior guided from intrinsic motives can be conceived as arising from social norms, i.e. altruism. External motives are seen as goal-oriented, e.g. monetarily motivated (Rifon et al. 2004; Sparkman Jr 1982). Which motive is attributed depends on the information that is available in the environment and established attitudes (Heider 1958). Transferred to a CM context, customers would either infer extrinsic, monetary motives or intrinsic, more altruistic motives for supporting a charity organization (Ellen Scholder et al. 2000) influenced by communicational cues and past experience with a product or brand.

3.2.2 Theory of Attitude Formation and Change: Elaboration Likelihood Model

In order to explain CM effectiveness, it is necessary to understand how customers process CM communication and how attitude change occurs. Petty and Cacioppo (1981; 1986) developed the Elaboration Likelihood Model (ELM), a dual-route model of persuasive communication processing and the resulting differential effects on attitude formation and change, and subsequent behavior. It can be applied to understanding how external variables, e.g. CM communication cues, have an impact on evaluative judgments of objects or issues, such as a brand, which are predictive of behavior (Petty and Wegener 1999). It is one of the central models in persuasion research (Mayerl 2008) and has been applied to a CM context before (Ellen Scholder et al. 2000). The model combines two main research streams on persuasion and attitude change that emerged in social and consumer psychology, characterized as the (1) *central* and the (2) *peripheral* route to attitude change (Petty and Cacioppo 1981). The two routes are distinguished by different levels of elaborative information-processing activity leading to a change of attitudes and subsequent behavior. Figure 3.2 illustrated the two routes of persuasion of the ELM and their differing impact on attitude and behavior change.

On the central route, attitude change results from a person's elaborate consideration of information. This includes accessing relevant associations and experiences from memory, and scrutinizing message arguments provided (Petty and Cacioppo 1986). If these arguments, e.g. communicated via an advertisement, are evaluated as being "cogent and compelling, favorable thoughts will be elicited that will result in attitude change in the direction of the advocacy" (Petty and Cacioppo 1984, p.70), i.e. the firm or brand. New positive cognitive structures are adopted and stored in memory.

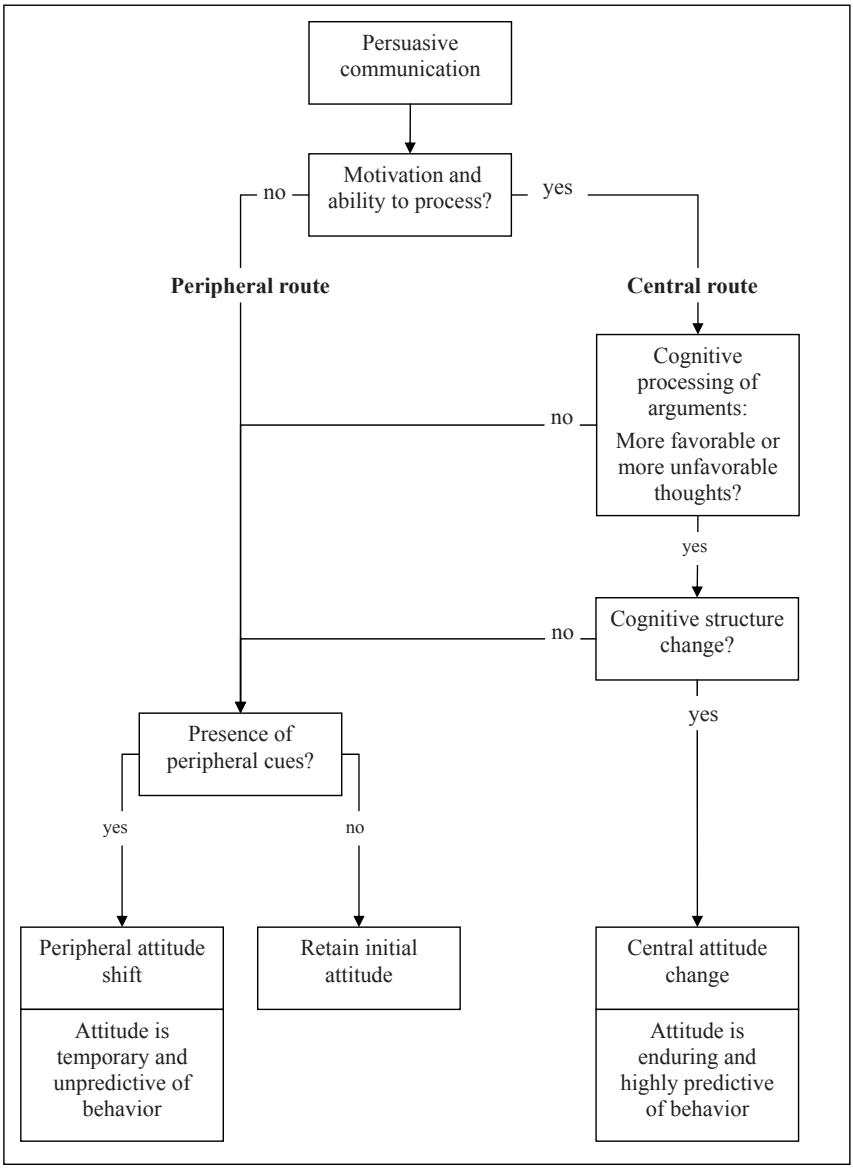

Figure 3.2: The Elaboration Likelihood Model of Persuasion (ELM)

Source: Own Illustration, based on Petty, Cacioppo (1986, p.126), Petty, Wegener (1999, p.43) and Mayerl (2008, p.101)

On the other hand, if the argument quality is perceived weak, a resistance to the message or even a boomerang effect with a negative impact on customer attitudes may occur (Petty and Cacioppo 1984). Attitude changes that are generated via the central route are supposed to be enduring and highly predictive of subsequent behavior (e.g. Mosler et al. 1998; Petty et al. 1983; Petty and Wegener 1999). Thus, a very high level of elaboration of for example an advertising stimulus that leads to favorable thoughts would induce a positive attitude change translating into positive buying behavior.

Persuasion processing on the *peripheral* route, on the contrary, involves less elaboration. The likelihood of a customer's information scrutinizing will be influenced by her or his ability and motivation to evaluate the communicated message. For example low perceived personal relevance or situational distraction might reduce cognitive processing. Less information will be considered and possible attitude changes are based on simple heuristics, situational aspects and so called peripheral cues (Petty and Cacioppo 1986). The latter could be for example a pleasant situation, an attractive endorser or the number of arguments. Customers would shift their attitudes based on such simple perceptions (Petty and Cacioppo 1984). Yet, this attitude shift is predicted to be temporary and rather unpredictive of purchasing behavior (Petty and Cacioppo 1986).

A further central assumption of the ELM model is that the two routes of persuasion are not seen as mutually exclusive. This means that they can co-exist and represent two end points of a continuum. This implies that the peripheral route is reduced in importance, the higher the level of elaboration. This trade-off between the two routes affects the impact of on customers' attitudes and subsequent behavior (Mayerl 2008; Petty and Wegener 1999). One factor that might increase the motivation for effortful thinking, and thus reinforce the central route of processing, is the pleasantness of a message. This is because thinking about positive things is hedonically rewarding and individuals in positive moods are particularly attentive to hedonic consequences of their actions (Bless et al. 1990; Petty and Wegener 1999; Wegener and Petty 1994; Wegener et al. 1995), such as a donation to a worthy cause. Research suggests that the

social dimension of a CM offer can increase a person's motivation to process a message (Drumwright 1996). It is thus likely that the possibility of making a donation to a good cause through a CM program creates a positive mood. Therefore, it can be supposed that communication with a CM element will induce higher levels of message argument elaboration and will rather be processed on the central route of persuasion than on the peripheral route.

3.3 Main Effects of CM on Customer Attitudes and Behavior

As discussed in Chapter 2.2.1, past research on CM effectiveness is equivocal. However, positive main effects could be confirmed in most of the studies (for an overview see Table 2.3). Overlooking findings from extant research, it is supposable that a main effect for the presence of CM measures on customer attitudes and buying behavior exists. Previous findings (e.g. Berger et al. 1999) suggest that customers derive additional utility from a CM offer und perceive the donation to a cause as an additional, positive brand attribute. Purchasing of a product or service with a CM element would elicit a "warm glow" of giving (Arora and Henderson 2007; Barone et al. 2000; Bloom et al. 2006), which would be perceived as a hedonically rewarding consequence of a purchase. Hence, donating to a good cause through buying a product or service causes positive emotions and thoughts.

Thus, according to Elaboration Likelihood Theory, customers would be more motivated to engage in cognitive processing on a central route to persuasion, which is likely to result in positive, enduring, attitude changes and would positively affect subsequent buying and word-of-mouth behavior (Andreoni 1990; Strahilevitz 1999). Research from Henderson and Arora (2010) suggests, that this positive effect spans beyond the product directly associated with the CM campaign and can positively affect other product categories within a house-of-brands. Positive emotions and thoughts elicited by the social cause marketing element would induce positively tagged brand schemas that will carryover to other categories of the same brand. Thus, CM presumably increases not only purchase quantities of the same product, but also generates cross-buying and up-buying effects.

Summarizing these attitudinal and behavioral effects, I hypothesize:

H1: The presence of CM will have a positive effect on customer attitudes.

H2: The presence of CM will have a positive effect on customer buying behavior.

Hypotheses H1 and H2 are explicated in further detail in Table 3.1:

Table 3.1: Hypotheses for the Main Effect of the CM Factors on Customer Attitudes and Buying Behavior

H1a: The presence of CM will have a positive effect on customer attitudes towards the brand.	**H1b:** The presence of CM will have a positive effect on customer price perceptions.
H1c: The presence of CM will have a positive effect on individual customer-based brand equity.	**H1d:** The presence of CM will have a positive effect on word-of-mouth intentions.
H2a: The presence of CM will have a positive effect on customer cross-buying behavior.	**H2b:** The presence of CM will have a positive effect on customer up-buying behavior.
H2c: The presence of CM will have a positive effect on customer purchase quantities of the main product category.	

3.4 Driving Factors

In the following chapter I outline the three constructs of charity-brand fit, the perceived motivation behind a firm's alliance with the charity partner, and the customer's personal involvement with the charity partner, which are supposed to be accountable for some of the inconsistencies of past findings regarding effects of CM on customers' attitudinal and behavioral responses. The understanding of the differrential roles that these three variables play for the effectiveness of a CM program are of main managerial interest. They have central implications on how to design and communicate a CM program. The subsequent sections provide a review of the existing literature concerning these main CM factors. On the basis of attribution theory and elaboration likelihood theory, I derive the research hypotheses and propose a model of CM relationships.

3.4.1 The Role of Charity-Brand Fit

A central aspect of CM is the decision, which charity partner and project a brand should be aligned with. Prior academic work in the area of CM (Henderson and Arora 2010; Murphy 1988; Smith et al. 1988), as well as practitioners (e.g. Basil and Herr 2006) suggest by the majority that a certain fit, i.e. the logical match between a brand and a charitable cause, is an important determining factor for effectuating positive reactions by customers to CM measures. It is therefore often suggested that the congruence between the brand's characteristics and the charity partner should be one main criterion for selection (e.g. Cone et al. 2003). However, there are also other voices that caution marketers to partner with causes that are too closely connected to their core business strategy.

For example Drumwright (1996) who interviewed marketing practitioners points out that some managers were concerned that consumers might respond cynically, if the relationship between the cause and the product or firm is perceived as being too close. They were afraid of negative customer reactions due to skepticism. This equivocality is also reflected in practice, where firms not always support charitable causes that appear to be related to their core strategy (e.g. Cone et al. 2003).

Defining the construct of charity-brand fit

The construct of fit, first being conceptualized in brand extensions literature (Barone et al. 2007), has also been transferred to the context of CM from corporate event sponsorship (Aaker and Keller 1990; Grohs et al. 2004), co-branding (Simonin and Ruth 1998; Zdravkovic et al. 2010), and endorsement research (Basil and Herr 2003; Kamins and Gupta 1994) as a pivotal factor for triggering positive consumer reactions (Basil and Herr 2003). Although the construct of charity-brand fit has been investigated in several studies, there exists no consistent definition and terminology. Congruence (e.g. Aaker and Keller 1990), relationship proximity (Ellen Scholder et al. 2000), compatibility (Varadarajan and Menon 1988) are used interchangeably by the different authors. The most important definitions of the tem of charity-brand fit are summarized in Table 3.2.

Table 3.2: Overview of Definitions of Charity-Brand Fit

Definition	*Source*
"The fit of the cause's mission with the company's core business"	Ellen Sholder et al. (2006, p.150)
"congruence may result from common associations that the brand shares with the philanthropy, arising from [...] product dimensions [...], affinity with specific target segments [...], corporate image dimensions [...]" or "personal involvement of the company or brand a social domain [...]".	Menon, and Kahn (2003, p.318f)
"Fit is defined in a social marketing context as the perceived link between a cause and the firm's product line, brand image, positioning, and target market"	(Becker-Olsen et al. 2006 p.4) based on Varadarajan and Menon (1988)
"the perceived link between the cause's needs and its constituents and the company's product line, brand image, brand positioning, or target market"	Ellen Sholder et al. (2000, p.397) based on Varadarajan and Menon (1988)
"…those initiatives in which the logic behind the brand's affiliation can be easily recognized by most consumers"	Bloom et al. (2006, p.52)

For the context of this research which focuses on the role of fit for subjective customer perceptions of a CM offer, I adopt the definition from Ellen (2000):

> *Charity-brand fit is defined as "the perceived link between the cause's needs and its constituents and the company's product line, brand image, brand positioning, or target market" (Ellen Scholder et al. 2000, p.397).*

"A perceived link" means that customers will generate similar attributions for the brand and the supported cause (Lafferty et al. 2004). The source of these attributions can vary, depending on the level of association with the cause, on the product category or the core business of the firm, the firm or brand image and positioning or a shared target group. Congruence between cause and brand can be created based on similarities of the target group, the cause's nature and the product's or service's key characteristics.

Relevant empirical literature

Although theory as well as practitioners mostly emphasize the relevance of charity-brand fit for generating positive customer responses to CM (e.g. Barone et al. 2007), empirical research is equivocal. The role of fit is therefore still an issue for some debate. Almost the same number of studies backing a positive impact of fit exists as there is also research unsupportive of a role of fit for CM acceptance and effectiveness. Table 3.3 provides an overview of this research.

However, studies investigating fit as a determinant of a positive attitude toward the CM alliance itself generated more consistent results. Only Nan and Heo (2007) could not find significant effects, whereas experimental results from Basil and Herr (2006), Barone et al. (2007), and Zdravkovic et al. (2010) confirmed a positive impact of a perceived high congruence between a brand and a cause on an individual's attitude towards the cooperation. Support for the relevance of fit for a positive attitude change regarding the brand or the firm is less definite. The research of Barone et al. (2007),

Zdravkovic et al. (2010) and Lafferty and Goldsmith (2004) confirms the positive role of fit. However, Nan and Heo (2007) and Lafferty (2007) could not find significant relationships with either attitude toward the brand or the firm.

Empirical evidence for the impact of congruence of the cause-brand relationship on behavioral customer response is likewise not completely consistent. The studies of Bloom et al. (2006), Hoek and Gendall (2008) and Lafferty (2007) are unsupportive for a determining role of fit for respondents' behavioral intentions. Yet, the majority of studies suggests that fit is a critical factor influencing behavioral customer response to CM measures. Results of two discrete choice experiments conducted by Pracejus and Olson (2004) confirmed a positive effect on product choice probability. It is further notable that their findings suggest that a high charity-brand fit can reduce the individual perceived utilities of other product attributes relevant to the purchasing decision. Barone et al. (2007) showed in three experiments in a retailing context that fit can impact customers' word-of-mouth intentions and purchase intention. The research conducted by Ellen Sholder et al. (2006) also confirmed the importance of fit for effectuating positive behavioral responses to CM.

Table 3.3: Studies Investigating the Role of Perceived Charity-Brand Fit for CM Effectiveness

Author(s)	*Relationship*	*Results*
Barone et al. (2007)	They hypothesized a positive impact of retailer-charity fit on attitude towards the CM activity, purchase intention, attitude towards the retailer, and WOM intention, moderated by individual cause affinity and perceived retailer motivation.	A main effect for fit on the three dependent variables could be confirmed, as could the interaction with cause affinity and the inferred retailer motive.
Basil and Herr (2006)	A high fit will positively affect experimental subjects' overall attitude toward the CM activity, which will be mediated by the perceived strength of the cause-brand relationship.	Charity brand fit had a positive effect on attitude toward CM activity. This relationship was partly mediated by perceived relationship strength between the cause and the brand.
Bloom et al. (2006)	The role of fit between a sponsor and a cause for enhancing product choice in a commercial sponsorship and CM.	Their conjoint task revealed that a low-fit pairing resulted in higher part-worths than the high-fit condition. Yet, these differences were not significant. Their findings suggest that fit has no impact on choice.

Author(s)	*Relationship*	*Results*
Ellen Sholder et al. (2000)	Fit conceptualized as congruency with the core business. High Fit would negatively impact the evaluation of the CM offer. [1]	Less congruent CM offers were evaluated marginally more positive than highly fitting alliances.
Ellen Sholder et al. (2006)	The role of fit for the attribution of firm motives for engaging in a CM alliance, and subsequent purchase intent.	High fit alliance condition caused more positive attributions in that subjects inferred helping intentions as the reason for the firm's engagement CM, resulting in higher purchase intentions.
Hoek and Gendall (2008)	The role of fit for enhancing product choice in a discrete choice setting.	They could not find an effect for fit for any of their six coffee brands when paired with a high fit or low fit cause.
Lafferty (2007)	The effect of fit on brand attitude, firm attitude and purchase intention. They further hypothesize that this relationship will be moderated by the firm's credibility.	Fit did not have significant effects on any of the attitudinal measures leading the author to the conclusion that fit should not play a role when selecting charity partner.
Lafferty et al. (2004)	The effect of two fit-constructs on attitude toward the alliance: (1) Fit derived from perceived image congruence of the cause and the brand; (2) Fit on the basis of the product category.	In their survey-based student experiment only the image-based fit construct had a significant positive effect brand attitude that was mediated via attitude toward the alliance.

[1] However, applying the definition of CM I adopted for this thesis, the association with a cause that was subject to their research is not classified as a CM program, since the donation was not tied to the purchase of a product.

Author(s)	*Relationship*	*Results*
Menon and Kahn (2003)	The role of fit for customer evaluations of a firm's overall CSR engagement, comparing advocacy advertising with CM.	The level of fit had no significant impact on CSR evaluations in the CM condition.
Nan and Heo (2007)	The effect of fit on brand attitude, firm attitude and attitude toward the advertisement. They further assumed an interaction of this effect with individual brand consciousness.	They not could find any significant relationship between fit and the dependent variables.
Pracejus and Olson (2004)	The effect of fit on product choice in two conjoint task based experiments.	High fit positively influenced choice by generating higher utilities than the low fit offer.
Zdravkovic et al. (2010)	Identified several sub-dimensions of fit which they subsume under two "macro-dimensions" prominence of fit and marketing strategy-fit.	Both fit-dimensions positively affected subject's brand attitude and attitude toward the cooperation.

Charity-brand fit, attribution theory and the Elaboration Likelihood Model

In summary, the level of perceived fit is likely to play a role for a customer's elaboration extant of communication of a CM offer. Research has shown that perceived inconsistencies can activate increased elaboration of the CM alliance (Becker-Olsen et al. 2006; Forehand and Grier 2003; Meyers-Levy et al. 1994; Meyers-Levy and Tybout 1989).

A lack of congruence between the CM partners would thus, in line with the Elaboration Likelihood Model, cause extensive cognitive processing of the message arguments (Petty and Cacioppo 1986), and activate a more central route to persuasion.

Furthermore, congruity theory predicts that individuals seek to establish consistency between two cognitive elements (Eagly and Chaiken 1993; Osgood and Tannenbaum 1955) such as a cause and a brand within a CM alliance. In comparison to other theories of cognitive consistency, e.g. Heider's balance theory (1958), Osgood and Tannenbaum posit that persuasive communication attempts will not only affect the issue, but also the message source (Eagly and Chaiken 1993). Following congruity theory, customers would, if they perceived the relationship between the charity and the cause as inconsistent, seek to establish attitudinal balance. This can be achieved via an attitude shift towards both, the brand as the message source and the CM alliance in general (Lafferty et al. 2004). A lack of fit regarding the product category, image, target market or positioning is likely to generate neutral or critical associations and might cause some suspicion (e.g. Ellen Scholder et al. 2006; Varadarajan and Menon 1988).

Results from Becker-Olson (2006) empirically support this assumption since they found that customers drew on their persuasion knowledge when evaluating a firm's low-fit CSR collaboration. Hence, it is supposable that the absence of fit between the CM partners will lead to more critical thoughts and a lower affinity for the CM program. Correspondingly, a high level of charity-brand congruence is likely to generate positive associations and a thus a positive attitudinal change toward the program. Customers would focus on the social dimension of the offer, and not on the conjecturing of marketing communicational persuasion tactics. The customer's attributions regarding the partnering charity and the positive social or environmental effects of the collaboration would dominate consumers' cognitive processing and result in a positive attitudinal change and behavior.

Since a generally high motivation for processing CM communication and thus a dominance of the central route can be supposed (Drumwright 1996), it is likely that attitudinal effects will be persistent and directly impact customers' buying behavior. It can therefore be assumed that the level of perceived charity brand-fit will affect customer attitudes and behavior. Thus, I propose the following hypotheses:

H3: High perceived charity-brand fit will have a positive effect on customer attitudes.

H4: High perceived charity-brand fit will have a positive effect on customer buying behavior.

The hypotheses are further detailed in Table 3.4.

Table 3.4: Hypotheses for the Effect of Perceived Charity-Brand Fit on Customer Attitudes and Behavior

H3a: High perceived charity-brand fit will have a positive effect on attitude towards the brand.	**H3b:** High perceived charity-brand fit will have a positive effect on price perceptions.
H3c: High perceived charity-brand fit will have a positive effect on individual customer-based brand equity.	**H3d:** High perceived charity-brand fit will have a positive effect on word-of-mouth intention.
H4a: High perceived charity-brand fit will have a positive effect on customers' cross-buying behavior.	**H4b:** High perceived charity-brand fit will have a positive effect on customers' up-buying behavior.
H4c: High perceived charity-brand fit will have a positive effect on customers' purchase quantities of the main product category.	

3.4.2 The Role of Perceived Motivation

The second central variable that could explain variance in customer response to CM measures is the customers' perceived underlying motivation of the firm or brand for the alliance with a charity partner. Consumers' perceptions of a firm's motivation behind the support of a certain cause, i.e. whether they assume charitable intentions to support an NPO or an exploitation of the relationship mainly driven by profit goals, may be a key factor for the acceptance and hence effectiveness of CM activities (Barone et al. 2000; Ellen Scholder et al. 2006). In addition, marketing managers ascribe a critical role for CM success to the conjectured underlying firm motivations and are highly concerned with negative customer reactions due to assumed cause exploitations (Drumwright 1996).

Likewise, researchers caution marketers that negative perceived motivation might bare the risk of damaging brand image, company reputation, and sales, thus evoking an opposite reaction by consumers than intended (Barone et al. 2007; Ellen Scholder et al. 2000; Osterhus 1997). Varadarajan and Menon (1988) regard the perception of a CM program as being cause-exploitative as one major source for criticism of CM. They state that "firms walk a fine line between reaping increased sales, goodwill, and positive publicity and charges of exploitation of causes" (1988, p.69).

The duality of attributions of firm motives is also reflected in the results of an explorative study on consumer response to CM conducted by Webb and Mohr (1998). In this qualitative research, 50 percent of the interviewed participants believed that the main reason for a firm to engage in CM is self-interest, such as increasing sales and profits or gaining positive publicity (Webb and Mohr 1998). The other half of the respondents inferred mixed motives as an "attempt to create a win-win situation for both the company and the NPO" (Webb and Mohr 1998, p.231).

Another qualitative study shows a similar continuum of motive attribution ranging from egoistically self-centered over a win-win view of the partnership to truly caring, other-centered suspected firm reasons for engaging in CSR or CM activities (Ellen Scholder et al. 2006). The most frequent statements are summarized in Figure 3.3. In sum, almost three quarter of the statements were classified by the researchers as attributions of mainly egoistic motivations. These results reconfirm the findings from Webb and Mohr (1998) that customers might question how genuine and sincere a company's reasons for the support a certain cause are.

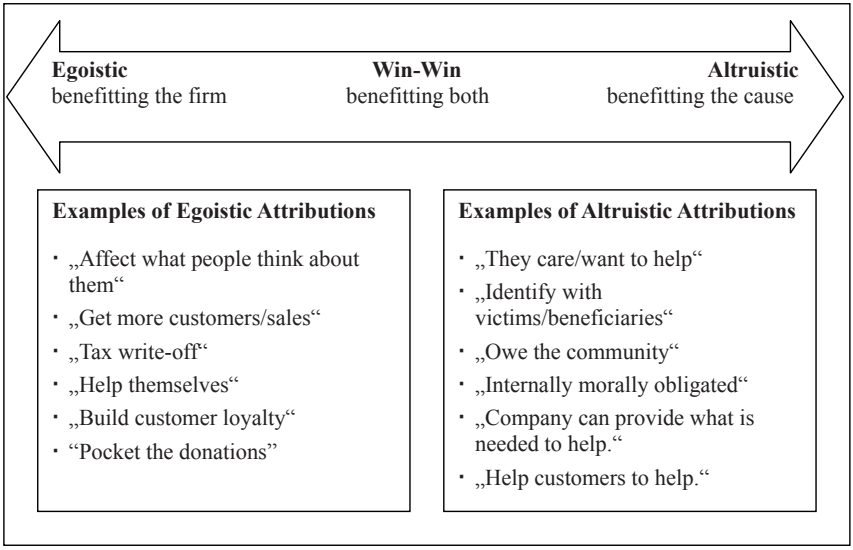

Figure 3.3: Attributions of Perceived Motivations for CM and CSR Engagement

Source: Own Illustration, based on Ellen et al. (2006, p.150)

Although both academics and practitioners view customers' inferences of firm motives as a critical determinant of CM effectiveness, empirical research on the effect of the construct of perceived motivation on customer attitudes and purchasing behavior is still limited to very few studies. All of them were laboratory experiments using student subjects or university employees. For example, Barone et al. (2007) found that

negative, cause-exploitative perceptions of a retailer's motive can bare the risk that positive effects of a high level of charity-brand fit on attitude towards the retailer and purchase intentions are reduced substantially. The results of an earlier article by Barone et al. (2000) suggest that a positive, i.e. cause-beneficial, perceived motivation could enhance customer product choice. Their findings further indicate that customers might even be willing to trade-in to a certain extent product features and price advantages for a CM offer where they conjecture honest efforts to help a cause (Barone et al. 2000.) Correspondingly, in the research conducted by Ellen et al. (2006) positive attributions of firm motive, such as caring about the social cause due to moral reasons increased purchase intentions, whereas negative attributions of motive such as taking advantage of the cause or responding to stakeholder expectations, negatively affected purchase intentions.

The statements made by consumers in the studies by Ellen et al. (2006) and Webb and Mohr (1998), and the empirical results are in line with attribution theory in that individuals attribute reasons why a firm decides to implement a CM program. As argued in Chapter 3.2.2, the social element of a CM program is likely to evoke positive emotions in customers (Petty and Wegener 1999). Furthermore, Hastie (1984) shows that especially when confronted with unexpected or new events causal attribution processes will be more intense. The combination of a product or brand with a charitable cause can be seen as an unexpected new event. Consequently, message arguments regarding the underlying firm motive for the CM collaboration would be predominantly processed on a central route of persuasion, involving intensive cognitive processing.

Customers' causal inferences whether they attribute altruistic (intrinsic) or monetary (extrinsic) motives for a firm's or brand's coupling with an NPO would thus be especially dependent on the message arguments that are communicated and the extent to which additional information on the CM strategy is available (Heider 1958). It is also influenced by their personal experiences with a company or brand and their personality characteristics (Hastie 1984). The causal reasoning would involve

information seeking to explain a certain behavior, taking into account both, the memory and the present environment and result in new associative connections for the involved event or person (Hastie 1984; Hastie 1980). Past negative PR could thus increase the probability of negative motivational attributions. Thus, based on existent attributions regarding the partnering brand and the present communicational cues (e.g. on the product or in an advertisement) concerning the motivation for the partnership, customers would form new brand associations, and attitudes are likely to be affected on a central route of persuasion. Inferred positive motives (i.e. intrinsic, altruistic motivations) would result in positive central attitude changes that would be persistent and translate into customer behavior. Hence, it can be argued that a perceived altruistic motivation behind the CM program will positively affect customer attitudes and behavior. Thus, I hypothesize:

H5: Customers' perceived positive firm motivation for engaging in CM will have a positive impact on customer attitudes.

H6: Customers' perceived positive firm motivation for engaging in CM will have a positive effect on customer buying behavior.

An overview of H5 and H6 is given in Table 3.5.

Table 3.5: Hypotheses for the Effect of Perceived Firm Motivation on Customer Attitudes and Behavior

H5a: Customers' perceived positive firm motivation for engaging in CM will have a positive effect on attitude towards the brand.	**H5b:** Customers' perceived positive firm motivation for engaging in CM will have a positive effect on price perceptions.
H5c: Customers' perceived positive firm motivation for engaging in CM will have a positive effect on individual customer-based brand equity.	**H5d:** Customers' perceived positive firm motivation for engaging in CM will have a positive effect on word-of-mouth intention.
H6a: Customers' perceived positive firm motivation for engaging in CM will have a positive effect on customers' cross-buying behavior.	**H6b:** Customers' perceived positive firm motivation for engaging in CM will have a positive effect on customers' up-buying behavior.
H6c: Customers' perceived positive firm motivation for engaging in CM will have a positive effect customers' purchase quantities of the main product category.	

3.4.3 The Role of Charity Involvement

The third construct that might be accountable for the inconsistencies of customer response to CM is the customers' individual involvement with the supported cause. High involvement can be described as personal relevance, intrinsic importance and emotional connection based on personal experience, values, needs and interests (Krugman 1965; Zaichkowsky 1985) and is likely to influence consumer response to a CM program. The same charity might not be perceived as equally important to every customer. Personal experiences and connections might play a role for whether

someone likes a specific charity project or finds it less important to help. For example, a younger customer segment without own children might find the support of a local charity project against violence at high schools less personally relevant than customers with sub-teenage children.

Research indicates as well, that personal relevance of the NPO partner and supported cause plays a role for customer response. Ellen et al. (2000), for example, showed in their experimental study that subjects evaluated a brand-cause alliance more favorably when the supported cause was a disaster, like a tornado that could have hit themselves, as opposed to an ongoing cause, like a humanitarian project helping homeless people. Ross et al. (1992) give further support to the relevance of personal charity involvement, when they found that CM programs supporting a local cause elicited more positive customer response than donations to an international cause. Subjects in the local cause condition had a significantly more positive attitude toward the firm than in the international cause condition.

In general, agreement exists on that the construct of involvement, i.e. the personal relevance of a product, an issue or a purchase decision (Greenwald and Leavitt 1984; Mitchell 1979; Petty et al. 1983; Zaichkowsky 1985) is an important determinant of consumer response to marketing communications (Krugman 1965; Petty et al. 1983; Zaichkowsky 1985).

In this thesis, I focus on the aspect of issue involvement, i.e. the charitable cause. Consistent with Zaichkowsky (1985), I conceptualize charity involvement:

> *Charity involvement is defined as a customer's perceived relevance of a charitable cause "based on inherent needs, values and interests" (1985, p.342)* .

Personal relevance refers to the level of personal importance of the cause and interest in the charitable issue that is evoked by the exposure to the CM stimulus. This is influenced by personal experiences with a certain issue or individual values and interests. A customer who has a family member who has had cancer could thus be expected to be highly involved with a charity project supporting cancer patients. Donations to, for example, a WWF project protecting the rainforests would be perceived as personally more relevant by customers who see themselves as environmentally friendly.

Empirical research on the role of individual charity involvement for CM effectiveness is scarce. Hajjat (2003) provides first empirical support for the assumption that high charity involvement can positively affect customer response. In his experimental study, he showed that highly involved student subjects had significantly more positive attitudes toward the advertisement, toward the brand and purchase intentions under the condition of a high relative donation magnitude (i.e. 5 percent of the product price) compared to an unspecified contribution to society the brand would make. Consumers were also found to perceive a cause-brand alliance as more congruent when they were more involved with the cause (Trimble and Rifon 2006). Research by Landreth Grau and Garretson Folse (2007) supports the assumption that charity involvement has a positive effect on customers' purchase intentions.

Involvement literature proposes that highly involved customers will engage in more information seeking, consider more message arguments and elaborate more than less involved individuals (Beatty and Smith 1987; Chaiken 1908). Research by Hajjat (2003) supports this view for charity involvement. In a thought-listing task, subjects in the high involvement condition recalled significantly more thoughts about the supported charity and more details of the associated product than participants in the low charity involvement condition.

These findings are also consistent with the Elaboration Likelihood Model. As the level of issue (charity) involvement increases customers will find it more important to form a reasoned opinion, thus will be more motivated to devote cognitive processing to persuasive communication attempts. Customers that find a charity personally important and feel connected to the issue that is supported are likely to be in a state of highly positive involvement after exposure to a CM stimulus with this charity and to generate favorable thoughts regarding the CM offer. This assumption is supported by Petty and Cacioppo (1983). They found that highly positively involved subjects exhibited significantly more positive attitudes toward the product and purchase intentions than less involved subjects. High involvement leads to the predominance of the central route of persuasion and is therefore highly predictive with regards to attitude change and purchase behavior (Petty and Wegener 1999).

I therefore propose:

H7: Higher levels of charity involvement will lead to more positive customer attitudes.

H8: Higher levels of charity involvement will lead to more positive customer buying behavior.

H7 and H8 are further detailed in Table 3.6.

Table 3.6: Hypotheses for the Effect of Charity Involvement on Customer Attitudes and Behavior

H7a: Higher levels of charity involvement will lead to more positive customer attitudes towards the brand.	**H7b:** Higher levels of charity involvement will lead to more positive customer price perceptions.
H7c: Higher levels of charity involvement will lead to higher individual customer-based brand equity.	**H7d:** Higher levels of charity involvement will lead to higher customer word-of-mouth intentions.
H8a: Higher levels of charity involvement will lead to more positive customer cross-buying behavior.	**H8b:** Higher levels of charity involvement will lead to more positive customer up-buying behavior.
H8c: Higher levels of charity involvement will lead to higher customer purchase quantities of the main product category.	

3.4.4 The Mediating Role of Customer Attitudes

Attitudes that are changed via the central route to persuasion are supposed to be highly predictive of customer behavior (Petty and Cacioppo 1986; Petty and Wegener 1999). Extant experimental research demonstrates higher attitude-behavior correlations when subjects elaborated more issue-relevant information, i.e. when attitude changes occurred on the central route to persuasion (Cialdini and Petty 1981; Pallak et al. 1983; Petty and Cacioppo 1986; Sandelands and Larson 1985). Furthermore, Petty and Cacioppo and Petty and Wegener (1981; 1999) posit that attitudes which are formed under a high level of cognitive processing will be persistent over time and will be less affected by counter arguments. In future purchase decisions, customers would retrieve

these highly accessible attitudes towards the product, firm or brand, which then exert influence on their behavior (Petty and Cacioppo 1986). Customers' behavior will *by trend* be positively influenced by those attitudes easily accessible in their mindet. Depending on situational factors (e.g. low or high motivation to engage in behavioral judgments), behavior will be guided by attitudes (Petty and Wegener 1999). This can happen without much cognitive effort, almost "automatically" (e.g. "I like the brand, therefore I buy the product"), or accessible attitudes can increase thinking and information seeking, consequently leading to more objective decisions (Fabrigar et al. 1998), or they bias the processing of available information (Fazio 1990), e.g. a highly present positive price perception of the brand makes an offer appearing more favorable, resulting in an up-buying decision.

In sum, this means that after the CM program has been discontinued in marketing communications, customers' positive attitudes (i.e. attitudes toward the brand, price perceptions, customer-based brand equity, and word-of-mouth intentions) will persist and tend to positively influence their future purchasing decisions. It can therefore be supposed that the hypothesized positive effects of the three CM factors of perceived firm motivation for launching the CM program, the individually perceived fit between the charity and the brand, and the personal involvement with the supported charity on customer attitudes will partly mediate positive effects on future buying behavior.

Consequently, I propose:

H9: Positive effects of the CM factors charity-brand fit, perceived motivation and charity involvement on customers' buying behavior will be partly mediated by customer attitudes.

H9 is explicated in greater detail in Table 3.7.

Table 3.7: Hypotheses for the Mediational Role of Customer Attitudes

H9a: Positive effects of the CM factors on customers' cross-buying behavior will be partly mediated by positive customer attitudes.	**H9b:** Positive effects of the CM factors on customers' up-buying behavior will be partly mediated by positive customer attitudes.
H9c: Positive effects of the CM factors on customers' purchase quantities of the main product category will be partly mediated by positive customer attitudes.	

3.5 Summary

Aiming at closing the identified research gaps in Chapter 2.2, I developed a model of CM effectiveness. It is lead by the central research questions of whether a causal relationship between CM measures and customer attitudes and behavior exists and which are the determining factors of that possible effect. Reviewing the relevant literature, I identified three determining constructs of CM effectiveness that are both theoretically relevant and as well as important to marketing managers to consider when designing CM programs. These are (1) the customers' perceived motivation of the firm or brand behind the CM engagement, (2) the perceived charity-brand fit, or congruence between the partnering charity and the brand, and (3) the customers' individual involvement with the charity partner.

Focusing the potentially influential role of CM in a chain of marketing productivity, I included a set of attitudinal and behavioral variables in the model that are drivers of a firm's marketing assets and will consequently impact overall firm performance. The attitudinal constructs are (1) attitude toward the brand, (2) price perceptions of fairness, (3) customer-based brand equity and positive (4) word-of-mouth intentions. The behavioral measures of CM effectiveness are (1) up-buying, (2) cross-buying behaviors, and (3) the purchasing of higher quantities of the same product or service. I further included a set of control variables that might also affect customer response to a CM offer. Extant research suggests, that (1) past donation behavior, i.e. whether a customer made a donation to the partnering charity organization in the past, and (2) charity awareness, and (3) demographic variables (age, gender, education and family status) might influence CM responsiveness of customers (Basil and Herr 2003; Ross et al. 1992; Sen and Bhattacharya 2001).

Drawing on attribution theory (Heider 1958) and the Elaboration Likelihood Model of attitude formation and change (Petty and Cacioppo 1981; Petty and Cacioppo 1984; Petty and Cacioppo 1986; Petty et al. 1983; Petty and Wegener 1999), I derived the

research hypotheses of the relationships of CM factors, customer attitudes and behavior. I hypothesized a main effect for the presence of CM on both attitudes and behavior, which is driven by the three CM factors. Here, positive effects of all three CM constructs on customer attitudes and behavior are supposed. Furthermore, I propose that the effect on behavioral measures will be partly mediated by the effect on customer attitudes. The research model of CM relationships is depicted in Figure 3.4.

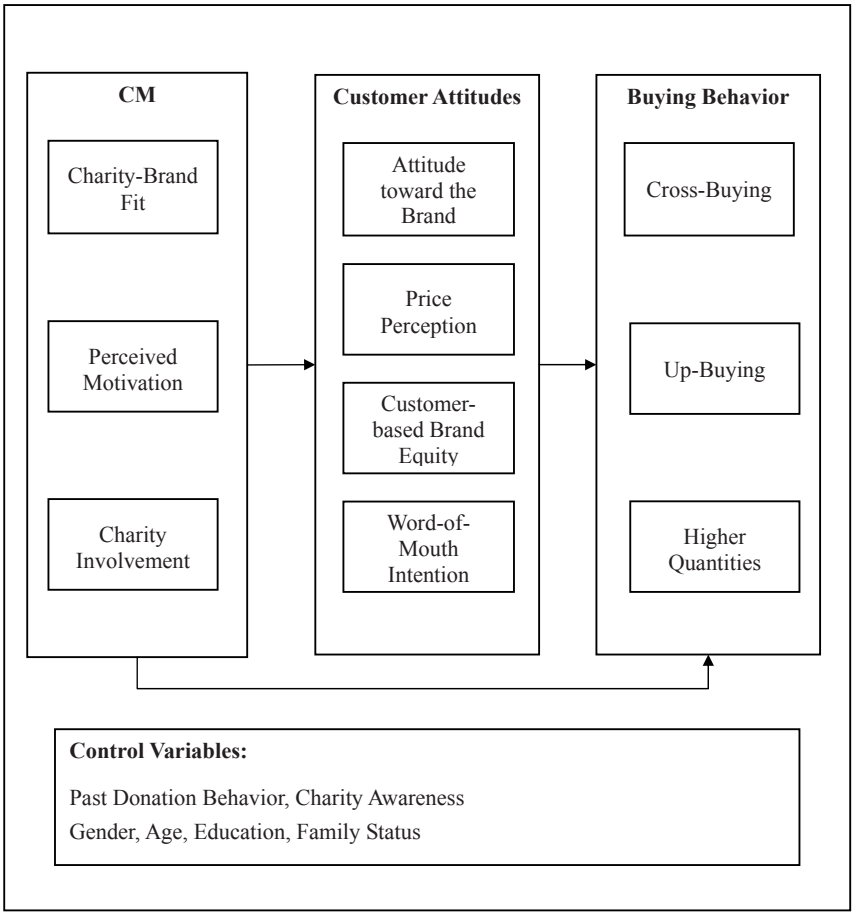

Figure 3.4: Research Model of Cause-Related Marketing Relationships

Source: Own Illustration

4 Hypotheses Testing

4.1 Methodology and Research Design

In this Chapter, I outline the chosen methodology for the testing the hypotheses, developed in Chapter 3. Furthermore, I explain the study context as well as the quasi-experimental research design, followed by general reliability and validity considerations. Finally, the applied method of structural equation modeling (SEM) is outlined.

4.1.1 Methodological Approach

The methodological design for the validation of hypotheses developed in Chapter 3 and the corresponding CM model needs to account for two main prerequisites determined by the research goals of this thesis. These are (1) the investigation of causal relationships between CM and customer attitudes and buying behavior, and (2) the achievement of strong external validity, as the improvement of generalizability of previous findings on CM relationships for the generation of managerial implications is one major objective of this research (see also Figure 4.1).

For testing of causal effects, an experimental design is most applicable (e.g. Aronson and Carlsmith 1990; Shadish et al. 2002). The investigation of CM effects within a large-scale field study furthermore allows high external validity levels and improves the generalizability of the findings (Rack and Christophersen 2007). The analysis of CM effects within a field study investigates whether previous findings of CM impact on customer attitudes and behavior are transferrable from student subjects to heterogeneous customers, which is of crucial importance for managerial implications. An additional reason for conducting a field study is that the purpose would be less salient than in a laboratory setting, and thus be less prone to social desirability distortions (Shadish et al. 2002). The field situation additionally allows making

D. Steckstor, *The Effects of Cause-Related Marketing on Customers' Attitudes and Buying Behavior*,
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available the CM cue within a natural purchasing situation, and thus further reduces experimental awareness. Consequently, it can be argued that an experimental field design is less prone to social desirability problems, which was one major limitation of previous research (Barone et al. 2000) as previously discussed in Chapter 2.2.2. In order to account for both, high internal and external validity requirements, the CM model is validated on quasi-experimental large-scale field data in a retailing context, accomplishing a pretest-posttest between subjects design with an untreated control group. The methodological approach is depicted in Figure 4.1.

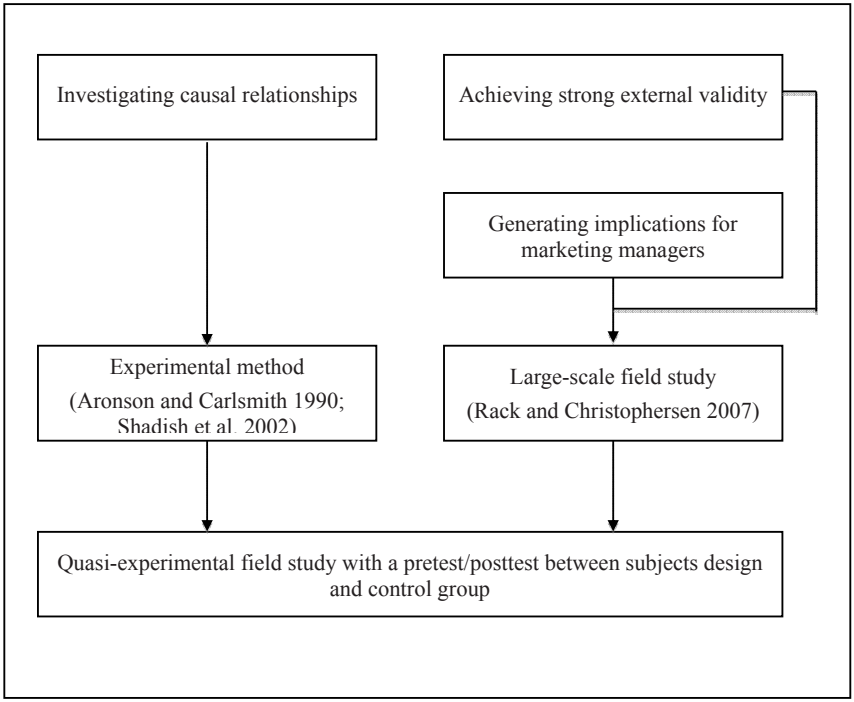

Figure 4.1: Methodological Approach

Source: Own Illustration

CM programs are increasingly deployed in the retail sector. In 2003, retail was, for example in the UK, for the third year in row the top fundraising sector contributing over £41million to the total amount generated through CM (Small 2004). Because of this advanced adoption of CM in the retailing sector (e.g. Barone et al. 2007), this research was realized by partnering with a large European gifts retailer that planned to launch a CM campaign in their online-shop for summer 2009. The experimental study was fielded within the online-shop of the retailer, where the attitudinal pretest and posttest data was collected by a questionnaire. For those customers who participated in the survey and who were registered in the customer database, transactional data was exported.

The latent attitudinal constructs (i.e. charity involvement, charity-brand fit, perceived CM motivation, attitude towards the brand, price perceptions, customer-based brand equity, and word-of mouth intentions) are measured by the online-questionnaire. The behavioral variables (i.e. up-buying, cross-buying, and quantities of the same category) are measured using the transactional purchasing data at the individual customer level over a period of twelve months. With this combination of attitudinal survey and objective behavioral data, I address the repeated calls in CM literature for real market data and testing a comprehensive model that accounts for interaction of customer behavior and attitudes and determinants of CM programs (Arora and Henderson 2007; Hoek and Gendall 2008; Ross et al. 1992; Sen and Bhattacharya 2001). The operationalization of the model variables as well as the data collection processes and the assessment of scale reliabilities for the latent constructs are presented in sections 4.2 and 4.3.

Testing the hypotheses is structured into two steps. In the first part of the empirical analysis, I investigate the attitudinal effects of CM. Initially, the hypothesized positive main effect for the presence of CM on customers' attitude toward the brand, customer-based brand equity, price perceptions and positive word-of-mouth intentions will be tested (H1a-d). For this purpose, I compare the data of the experimental treatment

group with the untreated control group. Based on the results of this initial analysis, I investigate the relative roles of the three CM factors of charity-brand fit, charity involvement and perceived motivation ´for determining supposed positive main effects for the presence of a CM program (H2a-d; H4a-d; H6a-d; H8a-d). For this part of the empirical analysis, I apply structural equation modeling, drawing on the posttest measurement of the treatment group. In a second step, I analyze the postulated positive behavioral effects of CM. Analogously to testing attitudinal main effects, I compare the treatment and control group for differences in customer behavior with regards to cross-buying and up-buying intensities, as well as purchase quantities of a main product category. The final part of the hypotheses testing process, combines survey and transactional data in order to analyze the relationships between the three CM factors and customer behavior (H3a-c, H5a-c, H7a-c). Finally, the mediating role of customer attitudes for these effects on customers' buying behavior is tested (H9a-c).

4.1.2 Quasi-Experimental Research

Experiments are widely accepted as the most suitable method to study causal relationships (e.g. Aronson and Carlsmith 1990; Birks and Malhotra 2003; Perdue and Summers 1986). An experiment is a "study in which an intervention is deliberately introduced to observe its effects" (Shadish et al. 2002, p.12). A causal effect is the difference between what is observed after subjects received a treatment, and what would have happened to the same subjects if they simultaneously had not received the treatment (Cook and Campbell 1976). An experimental method allows achieving a reasonable approximation of this counterfactual knowledge of what would have happened to experimental participants, if they had not received stimulus treatment (Shadish et al. 2002). Consequently, an experimental method is preferable with regards to answering the proposed research question, i.e. what causal effects a CM program exerts on customers' attitudes and buying behavior.

Three types of validity are central to the assessment of experiment quality: Internal validity, external validity and construct validity, while internal validity is a necessary condition for external validity (Cook and Campbell 1976; Koschate 2007).

In the following, the three types of validity are defined.

> *Internal validity is established if "observed covariation between A (the presumed treatment) and B (the presumed outcome) reflects a causal relationship from A to B as those variables were measured or manipulated" (Shadish et al. 2002, p.38).*

> *External validity is established if "the cause-effect relationship holds over variation in persons, settings, treatment variables, and measurement variables" (Shadish et al. 2002, p.38).*

> *Construct validity is established if the experimental manipulation or measurement of the treatment construct, manipulated or measured the actual construct that was intended to be manipulated or measured (Koschate 2007, p.111).*

However, practical research situations rarely allow the perfect fulfillment of all three validity types (Koschate 2007). Often, researchers need to trade-off internal against external validity (Shadish et al. 2002). Thus, substantiating causality in empirical studies is often an issue. Several confounding factors may limit the validity of experiments. An overview of the most important reasons why inferences of a causal relationship between two constructs may be incorrect is provided in Table 4.1.

Table 4.1: Important Threats to External and Internal Validity of Experiments

Validity threat	*Description*
1. Ambiguous temporal precedence	Lack of clarity about which variable occurred first may yield confusion about which variable is the cause and which is the effect.
2. Selection	Systematic differences over conditions in respondent characteristics that could also cause observed effects.
3. History	Events occurring concurrently with treatment could cause the observed effect.
4. Maturation	Naturally occurring changes over time could be confused with a treatment effect.
5. Regression	When units are selected for their extreme scores, they often have less extreme scores on other variable, an occurrence that can be confused with a treatment effect.
6. Attrition	Loss of respondents to treatment or measurement can produce artifactual effects if that loss is systematically correlated with conditions.

Validity threat	*Description*
7. Testing	Exposure to a test can affect scores on subsequent exposures to that test, an occurrence that can be confused with a treatment effect.
8. Instrumentation	A change in the nature of a measure over time or conditions in a way that could be confused with a treatment effect.
9. Sample effects	Treatment effects may be generalized from a sample to a population although the sample is not representative of that population.
10. Reactive effects of the experimental situation	The fact that subjects are aware of participating in an experiment may affect their behavior in a way that could be confused with a treatment effect.

Source: Based on Shadish et al. (2002, p.55) and Koschate (2007, p.110).

Experiments can generally be divided into the three general sub-types of (1) randomized experiments, (2) quasi-experiments, and (3) natural experiments which are described in Table 4.2. The most common experimental forms are the randomized experiment and the quasi-experiment. A nonrandom assignment of units to the experimental conditions is the only characteristic that differentiates the quasi-experiment from the randomized experiment. Randomized experiments are often associated with laboratory environments while quasi-experiments often feature field studies.

Table 4.2: Experimental Sub-Types

Experimental sub-types	*Characteristics*
Randomized experiment	An experiment in which the units are assigned to receive the treatment or an alternative condition by a random process such as the toss of a coin or a table of random numbers.
Quasi-experiment	An experiment in which units are not assigned to conditions randomly. Treatment probabilities are unknown. – Assignment to conditions is by self-selection, by which units choose the treatment for themselves, – or by means of administrator selection, where the researcher decides which unit gets which treatment.
Natural experiment	A study that contrasts a naturally occurring event such as an earthquake with a comparison condition.

Source: Shadish et al. (2002, p.12)

4.1.3 Experimental Study Design

In this research, the field environment does not allow to randomly assign customers to the experimental conditions. I therefore deploy a quasi-experimental design. Because of the nonrandom assignment (NR), the design elements of quasi-experiments need to be chosen thoughtfully in order to reduce validity threats of alternative explanations because of possible selection effects (Cook and Campbell 1976; Koschate 2007).

In the following section, I will outline the accomplished experimental research design. I further discuss how validity threats are addressed by the different construction elements of assignment, measurement, comparison group, and treatment. Figure 4.2 presents the research design.

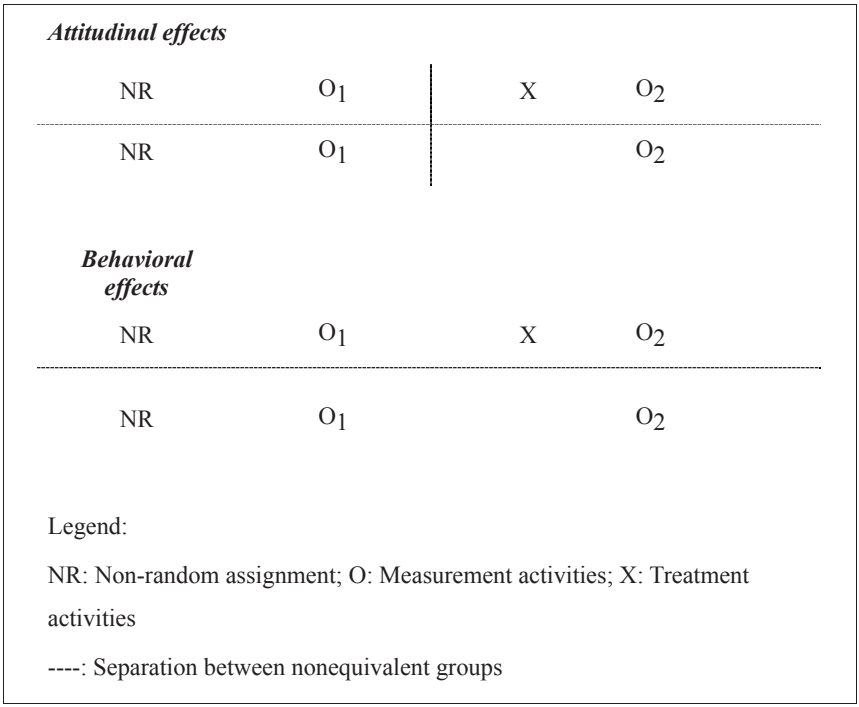

Figure 4.2: Quasi-Experimental Pretest-Posttest Designs of Attitudinal and Behavioral Effects

Source: Own illustration, based on Shadish et al.(2002, p.137)

In order to test the hypotheses, a between-subjects quasi-experiment with pretest and posttest measurements and control group, and independent pretest sample for the attitudinal effect measurements and a dependent pretest sample for behavioral effect measurements (Shadish et al. 2002) is accomplished. The experiment is conducted as a field study in an online retailing setting.

Attitudinal effects

First, a pretest measurement (O_1) of the dependent attitudinal variables of attitude toward the brand, price perceptions, customer-based brand equity, and word-of mouth intentions is accomplished using an online-questionnaire. Then, the CM stimulus is launched in the shop (X). The subsequent posttest measurement (O_2) includes identical measurement instruments of the dependent variables for the control group and the treatment group. For differentiation purposes between control and treatment group, customers are firstly asked whether they recognized the CM program or not. The posttest questionnaire of the treatment group additionally includes measures of the independent variables charity brand fit, charity involvement and perceived motivation. Since the field setting is conditioned on a specific CM campaign, it is not possible to manipulate the three CM factors. Comparing the control group and the treatment group allows measuring the main effect of the CM campaign on customer attitudes (H1a-d). The data of the treatment group serves for testing the relationships between the three CM factors and customer attitudes (H2a-d; H4a-d; H6a-d; H8a-d).

Behavioral effects

The posttest sample (O_2) builds the basis for testing the hypothesized effects of CM on cross-buying and up-buying intensities as well as purchase quantities of the main product category. The behavioral variables are drawn from the customer database covering periods before and after the treatment (in total twelve months). They are matched with the data from the questionnaire at the individual customer level, thus creating a dependent pretest sample for the behavioral data. Analogously to the

attitudinal effects, comparisons of treatment and control group data serve to measure the main behavioral effects. Combining survey data and transactional data of the treatment group serves for analyzing the relationships between the three CM factors and customer behavior (H3a-c, H5a-c, H7a-c) and the mediational role of customer attitudes for the effects on customers' buying behavior (H9a-c).

Assignment

The experiment is fielded in a natural online purchasing environment, where the CM campaign stimulus is perceived by only a part of the customers visiting the online shop. Therefore, it cannot be controlled which customers perceive the CM treatment and which do not. This lack of control over the group assignment bares the risk of selection bias. In order to control for possible confounding effects caused by systematic differences of the experimental subjects from the population that might cause the measured effects, I include a pretest measurement and a control group (Shadish et al. 2002). Moreover, sampling biases may be caused by the fact that customers self-select to participate in the study.

Some people might generally have a higher propensity to participate in surveys. Literature on subject motivation for survey participation consistently finds positive effects of incentives (Groves et al. 1992). Therefore, several prizes are given away in a drawing between participating customers, aiming at increasing motivation and thus response among all customers.

Measurement

The inclusion of both, pretest (O_1) and posttest (O_2) measurements aims at eliminating ambiguity about the temporal precedence of cause and effect, i.e. reversed causality (Shadish et al. 2002). The pretest measurement is completed before the CM stimulus is launched in the online shop. The pretest further enables controlling for selection biases. Together, the use of an independent pretest sample for the attitudinal data, the

between subjects design of control and treatment groups as well as the availability of transactional data for pretest and posttest periods, preclude participant reactivity (Koschate 2007; Smith 2000). Testing effects are thus not an issue. The dependent variables are measured by simultaneously deploying identical measurement instruments for control and treatment groups. This allows controlling for possible history, maturation and regression effects, because these would be expected to affect the control group measurement in the same way as the treatment group measurement. The fielding of identical scales for all outcome measures additionally avoids validity threats because of instrumentation modifications.

Comparison groups

The comparison groups (i.e. the control group, and in case of the attitudinal effects also the pretest group) provide the data for counterfactual inference. In order to reduce selection effects, comparison groups are internal groups, i.e. drawn from the same customer pool as the treatment group (Aiken et al. 1998; Bell 1995; Heinsman and Shadish 1996; Shadish and Ragsdale 1996). Herby, I aim at achieving high similarity between the experimental groups and to further increase generalizability of the results. Furthermore, socio-demographic variables serve as controls for the comparability of the different groups (Shadish et al. 2002), which can be used for a later matching of control and treatment group increasing similarity between groups for the attitudinal effects (Koschate 2007; Shadish et al. 2002).

The fact that the pretest and posttest samples for the behavioral data are dependent allows applying propensity score matching to control for selection biases (Holland 1986; Rosenbaum 1984; Rosenbaum 1995; Rubin 1991; Shadish et al. 2002).

Treatment

"The researcher's ability to control the application and the scheduling of treatment is a powerful tool for facilitating causal inference" (Shadish et al. 2002, p.160). The online setting of the experiment facilitates that the treatment is identical for all subjects. The given information, the layout and the positioning of the CM product in the online-shop is maintained identical for the period of posttest measurement, which reduces possible instrumentation effects with regards to the treatment manipulation. The independent variable reflecting whether customers received the treatment or not, is measured through the posttest questionnaire. This self-reporting of the treatment variable is not ideal, as it might not be completely accurate (e.g. Reis and Gable 2000). However, in this particular study, the surrounding conditions of the field environment and the industry partner do not allow for a completely objective measurement. Still, I expect a sufficiently accurate differentiation between control and treatment group, since it this variable is measured by a simple question, shortly after customers' were exposed to the CM program or not.

Even if biases occur through an imprecise measurement oft the treatment variable, these can be expected to rather mask causal effects than lead to incorrect causal inference: If customers report that they did not perceive the CM offer in the online-shop although they actually did, they are consequently incorrectly identified as control group subjects. If this is the case, it can still be expected that the hypothesized effects of CM should also be present in the control group measurement, thus attenuating differences between the experimental groups. Consequently, the main effect hypotheses are more likely to be rejected, although a causal effect might actually exist.

4.1.4 Structural Equation Modeling

For analyzing causal relationships between the hypothesized driving factors of CM, charity-brand fit, perceived motivation and charity involvement, and the dependent variables I employ SEM. Because of its ability to account for measurement errors, to manage multiple endogenous constructs, and the possibility to simultaneously estimate complex hypotheses structures, SEM has become a widely accepted and commonly used method for theory testing (Bollen 1989; Grewal et al. 2004; Homburg et al. 2008; Steenkamp and Baumgartner 2000).

4.1.4.1 Method

SEM follows a confirmatory approach and comprises multivariate statistic methods to investigate relational structures between manifest and (or) latent variables, i.e. unobservable theoretical constructs. Additionally, it allows estimating the corresponding path coefficients for these relationships (Weiber and Mühlhaus 2010). The method simultaneously estimates the coefficients of a linear equations system, consisting of a measurement and a structural model (Bollen 1989; Homburg et al. 2008). The covariance-based approach, as applied in this thesis, compares a predicted covariance matrix based on a theoretical model with the empirical covariance matrix of the measured indicators. The parameter estimation for the equation system aims at minimizing discrepancies between the theoretical and the empirical covariance matrix (Bollen 1989). The measurement model describes the relationships between the theoretical constructs (factors) that cannot be directly observed and their indicators, i.e. the observed variables reflecting the latent variables. The structural model comprises the hypothesized relationships between the latent variables. Following the notation of Jöreskog and Sörbom (1996), a structural model with latent variables is generally represented by the following equation:

$$\eta = \mathrm{B}\eta + \Gamma\xi + \zeta \tag{4.1}$$

The variable η denotes an endogenous (dependent) latent variable. The coefficient matrix B models effects between the latent endogenous variables. The coefficient matrix Γ represents the effects of exogenous (independent) latent variables (ξ) on the endogenous variable η. The vector ζ describes the residual errors (Homburg et al. 2008, p.554).

The measurement model includes the relationship equations between the latent constructs and their corresponding indicators. Equations representing latent endogenous constructs are written as follows:

$$y = \Lambda_y \eta + \varepsilon \tag{4.2}$$

Latent exogenous variables are expressed in the following equation:

$$x = \Lambda_x \xi + \delta \tag{4.3}$$

Vector y comprises the indicators of the endogenous latent variables, and x is the vector of the exogenous latent variables of the measurement model. Λ_y and Λ_x denote the matrices of the factor loadings, describing the relationships between the latent variable and its indicators. Measurement errors of the latent constructs are represented in the vectors ε for the exogenous constructs, and δ for the endogenous variables (Bagozzi 1980, p.71; Homburg et al. 2008, p.554). SEM analysis comprises the five steps of model specification, model identification, parameter estimation, and quality assessment of the model, followed by the interpretation of results (Homburg et al. 2008).

4.1.4.2 Reliability and Validity

The evaluation of the quality of a model includes assessing of validity and reliability of both the measurement models and the overall model. A multitude of criteria for this purpose exists (e.g. Bagozzi and Yi 1988; Homburg and Baumgartner 1995; Hu and Bentler 1999). The *validity* of a measurement refers to the extent to which "the differences in observed scores reflect true differences on the characteristic one is attempting to measure and nothing else" (Churchill Jr 1979, p.65), i.e. whether the indicators of a latent variable actually measure what is intended to measure. Validity thus relates to the conceptual correctness of the measurement model. *Reliability* refers to the accuracy of the measurement of a construct and "depends on how much of the variation in scores is attributable to random or chance errors" (Churchill Jr 1979, p.65). Thus, the establishment of reliability is necessary for validity, but not sufficient.

The validity assessment of a construct can further be differentiated into the four types of content validity, convergent validity, discriminant validity and nomological validity. *Content validity* of a construct is established when its indicators represent the content and semantic meaning of the construct (Weiber and Mühlhaus 2010, p.128). Content validity can be demonstrated through expert opinions and pretesting of the measurement scales (Cronbach and Meehl 1955; Nunnally 1967). *Convergent validity* is assessed by the degree to which two or more different measurements of the construct are consistent (Bagozzi et al. 1991, p.425). *Discriminant validity* is the extent to which the measurements of different constructs are distinct from each other. Indicators of the same construct should correlate more highly than indicators of different constructs (Bagozzi et al. 1991, p.425). Nomological validity is reflected in the degree to which the postulated causal relationships between constructs, based in theoretical structures, can be empirically confirmed (Campbell 1960, p. 547).

Reliability and validity assessment of the measurement model

The reliability and validity assessment of reflective measurement models can be separated into so-called first- and second-generation criteria. First-generation criteria have been developed between the 1950s and 1970s (e.g. Campbell 1960; Peter 1979) and are based on correlational and exploratory factor analysis. They include the assessment of the explained variance, factor loadings, Cronbach's α and item-to-total correlations. Exploratory factor analysis allows for verifying the unidimensionality of the constructs and to confirm the theoretically predicted relationship between indicator variables and a construct (Homburg and Giering 1996, p. 12f; Weiber and Mühlhaus 2010, p.106). A central criterion is the *explained variance* of the indicators through its factor that should be higher than 50 percent (Homburg and Hildebrandt 1998). *Factor loadings* of the constituent indicators should exceed .4 (Homburg and Giering 1996, p. 8).

Item-to-total correlation relates to the internal consistency of a construct. A commonly stated cut-off value is ≥ .5 (Bearden et al. 1989, p.475). *Cronbach's α* is recommended to be equal or greater than .7 (Nunnally and Bernstein 1994, p. 252).

First-generation criteria are, however, seen as sufficient for a reliability assessment of constructs (e.g. Homburg and Giering 1996). One major disadvantage is that measurement errors cannot be estimated (Hildebrandt 1984) and that a statistical validity assessment is not possible (Weiber and Mühlhaus 2010, p.116). Based on confirmatory factor analysis, the second-generation criteria, conceptualized by Fornell (1982), allow the assessment of construct validity and to consider measurement error. The second-generation criteria include the indicator reliability (or squared multiple correlation), factor reliability (or composite reliability), average variance extracted (AVE), and the Fornell-Larcker-criterion.

Indicator reliability (or squared multiple correlation) refers to the variance of an indictor that is explained by the construct and should exceed the threshold of .4 (Bagozzi and Baumgartner 1994, p.402). The criterion of *factor reliability* (composite reliability) corresponds with the indicator reliability at construct level (Weiber and Mühlhaus 2010, p.122) and should equal or be greater than .6 according to Bagozzi and Yi (1988, p.88). The reliability of a factor is further assessed by its *average variance extracted* (AVE). This criterion refers to the percentage of construct variance that is explained on average by its indicators and is recommended to be greater than .5 (Fornell and Larcker 1981, p.46). The Fornell-Larcker-criterion is widely accepted for the assessment of discriminant validity and is satisfied if the AVE is greater than every squared correlation of the respective factor with the other factors of the model (Fornell and Larcker 1981, p.46).

Evaluation of the overall model fit

A good overall model fit is achieved if the estimated variances and covariances match the empirical variances and covariances. Several goodness-of-fit criteria exist that can be differentiated into inferential statistic measures and descriptive fit-indices. The inferential statistic fit criteria include the χ^2-test (or likelihood-ratio-test) and the root-mean-square-error of approximation (RMSEA) and allow statistical testing of the model fit. In the *χ^2-test*, the following hypotheses are tested: H_0: $S = \Sigma$, i.e. the empirical and the theoretical covariance matrices are identical, and H_1: $S \neq \Sigma$, i.e. the empirical variance-covariance matrix accords any positive definite matrix A (Weiber and Mühlhaus 2010, p.160). However, several researchers view the use of the χ2-test critically (Browne and Mels 1992, p.78; Weiber and Mühlhaus 2010, p.161), especially because of its sensitivity to sample size. Models that are tested on the basis of a large sample size are often rejected because of the χ^2 –score (Bentler and Bonnet 1980, p.591). However, several researchers view the use of the χ^2-test critically. Therefore, it is recommended to substitute the χ^2-test by using the RMSEA (Weiber and Mühlhaus 2010, p.161) instead. The *RMSEA* evaluates how well the model approximates the empirical data and is less sensitive to sample size. It is calculated as

the root of the estimated minimum of the discrepancy function in the sample and also accounts for the complexity of a model. Browne and Cudeck (1992) recommend a cut-off value of ≤ .08, which can be interpreted as a reasonable model fit. Hu and Bentler, (1999, p.27) propose a threshold of ≤ .06 for a good fit. The descriptive fit-indices are "rules of thumb" and based on simulation studies and experience. They include the χ^2/df-ratio, as well as the goodness-of-fit indices CFI, GFI, AGFI and NFI. These descriptive measures evaluate an approximated model fit and are less sensitive to not-normally distributed data and independent of the size of the sample (Homburg and Baumgartner 1995, p.166; Weiber and Mühlhaus 2010, p.164).

The *χ^2/df-ratio* interprets the χ^2 in a descriptive way and relates the chi-square value to the model's degrees of freedom. Homburg and Giering (1996, p.13) recommend a ratio smaller than 3 as the cut-off value for an acceptable fit. However, the model fit is viewed the better, the smaller the χ^2/df-ratio. The often reported *goodness-of-fit-index* (GFI) and the *adjusted-goodness-of-fit-index* (AGFI), which intends to correct the GFI for model complexity, measure the relative empirical variance and covariance that is explained by the model and can be interpreted similar to the R^2 of a regression analysis (Jöreskog and Sörbom 1983; Weiber and Mühlhaus 2010, p.166). However, recent simulation studies question the informational value of GFI and AGFI (e.g. Sharma et al. 2005, p.42). For this thesis, I will therefore not include GFI or AGFI in the model evaluation. Moreover, the goodness of fit can be assessed through incremental fit indices that allow a baseline comparison of the model. These indices compare the default and the so-called independence model. The latter is the model which achieves the lowest fit for the data. The incremental fit indices reflect the percentage the default model exceeds the independence model with regard to the minimum value of the discrepancy function and the χ^2–value (Weiber and Mühlhaus 2010, p.169).

The literature provides several incremental fit measures, such as the normed fit index (NFI), the Tucker-Lewis-Index (TLI), the comparative fit index (CFI), the incremental fit index (IFI), and the relative noncentrality index (RNI). CFI and the TLI are most commonly used and well-established indices for comparing the default and the independence model. The *comparative fit index (CFI),* however, is less sensitive to violations of the χ^2-distribution assumption (Weiber and Mühlhaus 2010, p.171). Consequently, I will use the CFI for evaluation of incremental model fit. Homburg and Baumgartner (1995) recommend a threshold of .9 as an indicator for a good fit.

Table 4.3 provides an overview over the criteria for reliability and overall model fit used in this study. It furthermore states the threshold values applied and the corresponding references.

Table 4.3: Criteria for the Assessment of Reliability, Validity and Overall Model-Fit

Criterion	***Cutt-off Value***	***Reference***
First-generation criteria		
Item-to-total-correlation	≥ .5	Bearden et al. (1989, p.475)
Cronbach's α	≥ .7	Nunnally and Bernstein (1994, p. 252)
Factor loadings	≥ .4	Homburg and Giering (1996, p. 8)
Explained variance	≥ 50 %	Homburg and Hildebrandt (1998)

Criterion	*Cutt-off Value*	*Reference*
Second-generation criteria		
Indicator reliability (IR)	≥ .4	Bagozzi and Baumgartner (1994, p.402)
Factor reliability (FR)	≥ .6	Bagozzi and Yi (1988, p.88)
Average variance extracted (AVE)	≥ .5	Fornell and Larcker (1981, p.46)
Fornell-Larcker-criterion	AVE > squared correlations of the factor with other factors	Fornell and Larcker (1981, p.46)
RMSEA	≤ .06	Hu and Bentler (1999, p.27)
	≤ .05 - .08	Browne and Cudeck (1993)
χ^2/df-ratio	≤ 3	Homburg and Giering (1996, p.13)
CFI	≥ .9	Homburg and Baumgartner (1995)

4.2 Measurement of Latent Attitudinal Constructs: Customer Survey

The latent variables of the CM model, i.e. *charity-brand fit, perceived motivation, charity involvement, attitude towards the brand, customer-based brand equity, word-of-mouth intention, and price perceptions,* were measured by an online-customer survey. In the following sections, I will outline the operationalization of the latent constructs with their corresponding multi-item scales. Moreover, the data collection for the pretest and posttest measurement is described. I will further provide an overview of the demographical structures of the different sub-samples of the pretest and the posttest. Finally, reliability and validity of the data will be assessed on the basis of first- and second-generation reliability criteria as outlined in Chapter 4.1.2.2.

4.2.1 Operationalization

In order to reduce possible common method bias, several recommended techniques were applied to the questionnaire design (Podsakoff et al. 2003; Rindfleisch et al. 2008). Aiming at reducing response bias (see Chapter 4.1.1.2.) customers were given an incentive to participate in the survey. They could win different prizes, such as an Apple iPod. In order to increase trust and minimize social desirability bias, the first page of the questionnaire informed the participating customers that the survey was part of a research project and naming a contact person and the institution. They were further assured that all data gathered would be treated anonymously and explicitly instructed to answer spontaneously. Additionally, subjects were not forced to answer within Likert-scales. The answering option “don’t know/n.a.” was included for every item. Some items were also reverse coded. Validity threats due to common method bias are further reduced by measuring the dependent constructs in two different periods (pretest/posttest) and by including a control group (Rindfleisch et al. 2008).

All measurement instruments were derived from the literature and translated into German. In order to assure correct translations, the questionnaire was compared to a back-translated version. A second researcher accomplished this reverse translation and variations were resolved. A pilot test with a convenience sample (n=35) confirmed reported reliabilities of the original scales so that the questionnaire could be fielded in the pretest version. The items were deployed on seven-point Likert-scales, anchored at 1 = strongly disagree, and 7 = strongly agree. After completing their purchases, all customers were asked to participate in the survey.

The German and English versions of the measurement scales of the construct *charity-brand fit* are shown in Table 4.4. The items were adapted from brand extension (Aaker 1990) and brand alliances literature (Simonin and Ruth 1998). They were transferred to the context of CM at a brand level association with the cause. The items measure the customers' subjectively perceived link between the cause and the brand based on brand image and the product line. The scale quantifies to what extent customers perceive the cooperation as appropriate, complementary, meaningful and logical.

Table 4.4: Operationalization of Charity-Brand Fit

	Items measuring charity-brand fit	
Scale origin: Aaker and Keller (1990) and Simonin and Ruth (1998)		
Code		**Indicator**
FIT_1	German:	Ich finde die Zusammenarbeit zwischen Marke X und Charity Y im Rahmen des Projekts Z passend.
	English:	I find the cooperation between brand x and charity y for the project z appropriate.
FIT_2	German:	Ich denke, dass sich Marke X und Charity Y im Rahmen des Projekts Z gut ergänzen.
	English:	I think that brand x and charity y complement each other for the project z.
FIT_3	German:	Meiner Meinung nach ergibt die Kooperation zwischen Marke X und Charity Y im Rahmen des Projekts Z inhaltlich Sinn.
	English:	In my opinion, it makes sense that brand x and charity y cooperate for the project z.
FIT_4	German:	Ich finde die Kooperation zwischen Marke X und Charity Y im Rahmen des Projekts Z nachvollziehbar.
	English:	I find that the cooperation between brand x and charity y for project z is logical.

The operationalization of customers' personal *involvement* with the supported charity is based on a product-related involvement scale developed by Zaichkowski (1985) and has been applied for the measurement of cause involvement before (Trimble and Rifon 2006). From the original 20-item scale, four items were selected that were most applicable for the context of personal involvement with a charitable cause.

The applied scale measuring a customer's personal involvement with the charity partner and the supported project is shown in Table 4.5. The adjectives involving, important, interesting, and relevant were chosen as they reflect the emotional connection with the charity issue and differentially perceived relevance of a charity.

Table 4.5: Operationalization of Charity-Involvement

		Items measuring charity involvement
Scale origin: Zaichkowski (1985) and Trible and Rifon (2006)		
Code		**Indicator**
CHINV_1	German:	Charity Y und das Projekt Z berühren mich sehr.
	English:	I find charity y and the project z very involving.
CHINV_2	German:	Ich finde das Projekt Z und die Organisation Charity Y sehr wichtig.
	English:	I find the project z and charity y very important.
CHINV_3	German:	Das Projekt Z und die Organisation Charity Y interessieren mich sehr.
	English:	The project z and the charity y are very interesting to me.
CHINV_4	German:	Ich finde das Projekt Z und die Organisation Charity Y sehr relevant.
	English:	I find the project z and the charity y very relevant.

The third CM factor, customer's perceived underlying *motivation* of the firm for the support of the charity partner is measured by a two-item scale adopted from Barone et al. (2000) who developed the scale for a CM context. The two items, as listed in Table 4.6, reflect the continuum of brand motive attributions (Ellen Scholder et al. 2006) ranging from egoistic, i.e. mainly firm beneficial to altruistic, i.e. truly cause beneficial. The item MOTIV_1 is reverse coded.

Table 4.6: Operationalization of Perceived Motivation

Items measuring perceived motivation		
Scale origin: Barone et al. (2000)		
Code		**Indicator**
MOTIV_1	German:	Marke X profitiert mehr von der Charity-Aktion als Charity Y. (R)
	English:	Brand x profits more from the charity-cooperation than charity y. (R)
MOTIV_2	German:	Charity Y nützt die Zusammenarbeit mehr als Marke X.
	English:	Charity y benefits more from the cooperation than brand x.

The dependent variable of attitude towards the brand is measured by four items that were selected from an extensive list of items that had been deployed by several researchers in the past. Correspondingly to the construct's definition as a customer's overall evaluation of a brand (Keller 1993) items were chosen that reflect a general attitude towards a brand. The fully formulated scale is outlined in Table 4.7

Table 4.7: Operationalization of Attitude Towards the Brand

Items measuring attitude towards the brand		
Scale origin: Lafferty et al. (2004)		
Code		**Indicator**
BA_1	German:	Mir gefällt Marke X.
	English:	I like brand x.
BA_2	German:	Ich verbinde Positives mit Marke X.
	English:	I associate positive things with brand x.
BA_3	German:	Ich finde Marke X ansprechend.
	English:	I find brand x favorable.

Customers' post purchase price perceptions were measured by a scale that was adapted from Voss and colleagues (1998). Like in this thesis, they also conceptualize the construct based on Zeithaml's (1984) definition and developed the measurement items accordingly. They reflect the experienced fairness of the perceived sacrificed cost after a purchase relative to the perceived value. The complete scale is shown in Table 4.8. The third item is reverse scored.

Table 4.8: Operationalization of Price Perceptions

	Items measuring price perceptions	
Scale origin: Voss et al. (1998)		
Code		**Indicator**
PRICE_1	German:	Der Preis, den ich gezahlt habe, ist angemessen.
	English:	The price that I paid was reasonable.
PRICE_2	German:	Ich bin zufrieden mit dem Preis, den ich für Marke X bezahlt habe.
	English:	I am satisfied with the price I paid for brand x.
PRICE_3	German:	Der Preis, den ich für Marke X bezahlt habe ist nicht gerechtfertigt. (R)
	English:	The price that I paid for brand x was a rip-off. (R)

For the measurement of customers' *word-of-mouth intentions* with regard to giving positive referrals about the brand to others, a scale was adapted from Price and Arnould (1999). The wording was changed from a services setting (hairstylists) to a general brand context. The three items are presented in detail in Table 4.9.

Table 4.9: Operationalization of Word-of-Mouth Intentions

Items measuring word-of-mouth intentions		
Scale origin: Price and Arnould (1999)		
Code		**Indicator**
WOM_1	German:	Ich würde Marke X empfehlen, wenn mich jemand um Rat fragt.
	English:	I would recommend brand x to someone who seeks my advice.
WOM_2	German:	Ich äußere mich positiv über meine Erfahrungen mit Marke X gegenüber anderen.
	English:	I say positive things about brand x to other people.
WOM_3	German:	Ich würde Marke X generell weiterempfehlen.
	English:	I would generally recommend brand x to others.

The fourth dependent attitudinal variable *customer-based brand equity* is operationalized by deploying a scale developed by Yoo et al. (2000). Three of the originally four items were adapted for this research. These reflect the assumption that an individual holding favorable customer-based equity attitudes towards a brand will prefer that brand compared to identical other brands (Keller 1993). The fully formulated German and English item versions are listed in Table 4.10.

Table 4.10: Operationalization of Customer-Based Brand Equity

		Items measuring customer-based brand equity
Scale origin: Yoo et al. (2000)		
Code		**Indicator**
BE_1	German:	Auch wenn ein anderer Anbieter genauso gut ist wie Marke X, würde ich Marke X bevorzugen.
	English:	Even if another brand is as good as brand x, I would prefer to buy brand x.
BE_2	German:	Es ergibt mehr Sinn, bei Marke X zu bestellen, als bei einem anderen Anbieter, auch wenn beide vergleichbar sind.
	English:	It makes more sense to buy brand x than another brand, even if the two brand are comparable.
BE_3	German:	Auch wenn ein anderer Anbieter sich nicht von Marke X unterscheidet, halte ich es für geschickter, bei Marke X einzukaufen.
	English	Even if another brand is not different from X in any way, it seems smarter to purchase brand x.

Demographic data were gathered at the end of the questionnaire. The treatment group version furthermore comprised the control variables of *past donation behavior* and *charity awareness*. These dichotomous, single-item measures are listed in Table 4.11.

Table 4.11: Operationalization of Charity Awareness and Past Donation Behavior

Code		Indicator
CHAWA	German:	Die Organisation Charity Y ist mir bekannt.
	English:	I am aware of the charity y.
CHSUPP	German:	Ich habe die Organisation Charity Y bereits in der Vergangenheit aktiv unterstützt.
	English:	I have actively supported the charity y in the past.

4.2.2 Organization of the Study and Data Collection

The study was fielded in cooperation with a large European gifts retailer who planned to launch a CM campaign in their online-shop. The partner for the CM program was a well-known NPO supporting a humanitarian project in Africa. The donation was framed monetarily, stating that for every special CM product sold, 4.00 Euros of the total price would be donated to the charity project. It was further explained that the donation would be "shared" between the firm and the customer equally. That is, the product was 2.00 Euros more expensive than comparable products and hence customers donated 2.00 Euros and the firm donated an additional 2.00 Euros, summing up to 4.00 Euros for the whole donation.

During the study period of eight weeks, every customer who visited the online-shop and had just completed a purchase was asked to take part in the survey. In order to increase the response rate, participating customers could win several nonmonetary prizes, such as vouchers for Amazon or an Apple iPod. Before the CM program was launched, the pretest measurement was executed from 19.05.2009 to 31.05.2009 resulting in 515 completed questionnaires. The pretest survey comprised the dependent attitudinal constructs of *attitude towards the brand, customer-based brand equity, word-of-mouth intentions and price perceptions*, as well as the socio-demographic measures.

The invitation to participate in the survey was placed on the last dialog screen of the purchase process. Every customer who had just finalized an online purchase in the shop was asked to participate in the survey. The lottery cue was also included in the invitation. The first screen of the questionnaire informed respondents that the survey was part of a research project and assured participating customers that the data analysis would be processed anonymously. A contact person of the research team was also named in order to further increase trust. After starting the questionnaire, which comprised in total nine screens, the level of progress of the entire questionnaire was indicated visually. This transparency aimed at decreasing the number of dropouts. The last page of the questionnaire communicated the option to take part in the lottery. This data was stored separately from the anonymized questionnaire data.

After two weeks of pretest measurement, the CM program was launched in the shop in the form of a product with a CM donation. The posttest measurement was executed for a period of six weeks from 01.06.2009 to 13.07.2009 resulting in 1.504 completed questionnaires. No additional communication of the CM program was executed that could bias parts of the sample. After three months, the CM campaign was removed from the shop. The survey invitation was processed identically to the pretest measurement and linked to a very similar first page of the posttest questionnaire. Additional to the text of the pretest measurement, participating customers were informed that if they already participated in the first survey, they could increase their chances of winning one of the prizes by filling out the second questionnaire as well. It was mentioned that some questions might sound similar to those of the first questionnaire. The posttest survey commenced with the measurement of the treatment variable by asking customers whether they had recognized the CM program or not. Those respondents who had not perceived the CM stimulus received the control group version of the questionnaire, which was identical to the pretest measurement. 839 customers filled out the control group questionnaire.

The treatment group received a 14 pages questionnaire that contained in addition to the dependent attitudinal and the socio-demographic variables, the items of the three CM factors *charity-involvement, perceived motivation, and charity-brand fit*, and the control variables *charity awareness* and *past donation behavior*. The posttest measurement yielded a treatment group sample consisting of 665 completed questionnaires. In total, the pretest and posttest data collection lasting eight weeks resulted in a sample size of n = 2.019 for the measurement of the latent constructs. 97 percent of these customers participated in the lottery indicating that the incentives increased customers' motivation to participate in the survey as expected.

4.2.3 Sample Structure

Overall, the three sub-samples (as depicted in Tables 4.12 to 4.16) have equal demographical structures. Gender is the only variable where significant differences between the three groups exist ($\chi^2 = 28.12$, df = 2, $p < .01$). Thus, it can be reasoned that the groups are comparable and it is not necessary to control for selection biases through matching of the groups (see also Chapter 4.1.1.1) on the basis of the socio-demographic variables (Koschate 2007; Shadish et al. 2002).

Table 4.12: Sample Structure of Gender Across Experimental Groups and Measurements

		Gender		
Experimental group		**Male**	**Female**	**Total**
Posttest/treatment group	n	260	405	665
	%	39.1	60.9	100.0
Posttest/control group	n	431	408	839
	%	51.4	48.6	100.0
Pretest	n	206	309	515
	%	40.0	60.0	100.0
Complete sample	n	897	1122	2019
	%	44.4	55.6	100.0

Table 4.12 shows that with 55.6 percent, a narrow majority of the responding customers is female. The control group is structured similarly with almost equal percentages of male (51.4 %) and female (48.6 %) respondents. However, the treatment group and the pretest group consist of 60 percent female customers and only 40 percent males. Two thirds (68.4 %) of respondents are between the age of 26 and 45. About 10 percent are 25 and younger. Only 7 percent are older than 56, which is though not surprising as this age group can generally be expected to be underrepresented in online settings. No significant differences with regards to the age profile exist between the three experimental groups.

Table 4.13: Sample Structure of Age Across Experimental Groups and Measurements

		Age						
Experimental group		**≤25**	**26-35**	**36-45**	**46-55**	**56-65**	**>65**	**Total**
Posttest/treatment group	n	61	203	256	107	32	6	665
	%	9.2	30.5	38.5	16.1	4.8	0.9	100.0
Posttest/control group	n	74	260	311	127	46	21	839
	%	8.8	31.0	37.1	15.1	5.5	2.5	100.0
Pretest	n	50	173	178	81	22	11	515
	%	9.7	33.6	34.6	15.7	4.3	2.1	100.0
Complete sample	n	185	636	745	315	100	38	2019
	%	9.2	31.5	36.9	15.6	5.0	1.9	100.0

The educational structure of the sample, as shown in Table 4.14, is very similar to that of the overall population in Germany. However, individuals with a university degree or higher are slightly over-represented with a fraction of 40.8 percent. About one half of the participating customers have children (Table 4.15), which might be a relevant control variable, since the CM program supported a charity project providing children in Africa with fresh drinking water. Again, the Chi-square-test revealed that no significant differences with regards to age structure and family status between the pretest, control and treatment group exist.

Table 4.14: Sample Structure of Education Across Experimental Groups and Measurements

		Education						
Experimental group		**Grade 9**	**Grade 10**	**Second. school**	**Univer-sity**	**Ph.D.**	**Without graduat.**	**Total**
Posttest/treatment group	n	26	160	193	248	36	2	665
	%	3.9	24.1	29.0	37.3	5.4	0.3	100.0
Posttest/control group	n	42	186	261	305	40	5	839
	%	5.0	22.2	31.1	36.4	4.8	0.6	100.0
Pretest	n	25	130	144	180	35	1	515
	%	4.9	25.2	28.0	35.0	6.8	0.2	100.0
Complete sample	n	93	476	598	733	111	8	2019
	%	4.6	23.6	29.6	36.3	5.5	0.4	100.0

Table 4.15: Sample Structure of Family Status Across Experimental Groups and Measurements

	Family status - children			
Experimental group		**Children**	**No children**	**Total**
Posttest/treatment group	n	362	303	665
	%	54.4	45.6	100.0
Posttest/control group	n	444	395	839
	%	52.9	47.1	100.0
Pretest	n	260	254	514
	%	50.6	49.4	100.0
Complete sample	n	1066	952	2018
	%	52.8	47.2	100.0

As shown in Table 4.16, 54.3 percent of the treatment group subjects were aware of the NPO already before the CM program. Another 48 percent of the customers who had recognized the CM product had supported the charity partner in the past, e.g. through a donation or voluntary work.

Table 4.16: Posttest Sample Structure of Charity Awareness and Past Donation Behavior for the Treatment Group

		Charity awareness and past donation behavior		
Posttest/treatment group		**Yes**	**No**	**Total**
Are aware of the charity	n	332	279	611
	%	54.3	45.7	100.0
Have supported the charity in the past	n	308	333	641
	%	48.0	52.0	100.0

4.2.4 Assessment of Reliability and Validity

In the following sections, I will assess the measurement quality of the latent variables by applying the first- and second-generation reliability criteria. Furthermore, the overall-measurement model fit will be evaluated. Common method bias and internal validity threats of the quasi-experiment caused by potential selection biases will be assessed.

4.2.4.1 Reliability of the Measurement Model

In a first step, an exploratory factors analysis (EFA) including all indicators with a non-orthogonal PROMAX-rotation is performed to evaluate uni-dimensionality and verify the predicted theoretical relationships between the constructs and the indicator items (e.g. Homburg and Giering 1996).

The results of the EFA are shown in Table 4.16. The non-orthogonal PROMAX-rotation, as opposed to VARIMAX-rotation, accounts for correlations among the factors and is therefore recommended by the recent literature (Weiber and Mühlhaus 2010, p.118). The extraction yields the theoretically supposed seven factors in the factor matrix (Table 4.17) and explains 84.73 percent of the total variance.

All variable sets load highly on the corresponding factors, indicating uni-dimensionality and confirming the operationalization of the latent constructs. The communalities of the indicators are well above the threshold of 0.5 showing that the variances are well explained by the respective factors. The measures of sampling adequacy (MSA) indicate that all items of a factor "belong together" as all MSA values are above 0.5 (Weiber and Mühlhaus 2010, p.106f). Based on the EFA results, no indicators need to be excluded for the continuative analysis.

Table 4.18 summarizes the first- and second-generation reliability criteria for the latent constructs of the model. In order to account for the non-normality of the data, I chose the asymptotically distribution free (ADF) discrepancy function provided by Amos to estimate the confirmatory factor analysis. This estimator accounts for multivariate non-normality while inferential statistic measures can still be reported (Weiber and Mühlhaus 2010). This is a central advantage of the ADF function compared to other estimators that are also robust to non-normality.

Table 4.17: Results of Explorative Factor Analysis

	Comm.	*MSA*	*F1*	*F2*	*F3*	*F4*	*F5*	*F6*	*F7*
BA_1	.896	.912			.929				
BA_2	.914	.871			.979				
BA_3	.900	.907			.926				
CHINV_1	.848	,919		.898					
CHINV_2	.817	.912		.880	.113				
CHINV_3	.805	.925		.878					
CHINV_4	.803	.932		.863					
FIT_1	.805	.942	.746	.170					
FIT_2	.919	.923	.923						
FIT_3	.907	.895	.975						
FIT_4	.881	.914	.939						
MOTIV_1	.796	.766							.890
MOTIV_1	.815	.774							.899
PRICE_1	.915	.842					.943		
PRICE_2	.933	.835					.976		
PRICE_3	.521	.962					.673		
WOM_1	.847	.884						.889	
WOM_2	.726	.944						.789	
WOM_3	.928	.868						.996	
BE_1	.762	.930				.814			
BE_2	.899	.830				.946			
BE_3	.914	.817				.976			

Legend: BA: Attitude towards the brand, CHINV: Charity involvement, FIT: Charity-brand fit, MOTIV: Perceived motivation, PRICE: Price perceptions, WOM: Word-of-mouth intentions, BE: Customer-based brand equity, Comm.: Communalities, MSA: Measure sampling adequacy, F: Factor

The measurement quality for the construct of *charity involvement* is very good (Table 4.18). However, I had to exclude item 3 "*The project z and the charity y are very interesting to me.*" from the scale because the indicator reliability was too low. Excluding the item improved the reliability of the scale at construct level. The factors loadings are all above 0.8 and thus well exceeding the recommend threshold. All item-to-total correlations are greater than 0.8 and a Cronbach's α of 0.94 confirms internal scale consistency. All item-to-total correlations and indicator reliabilities well exceed the cut-off value of 0.5 and 0.4 respectively. 80.56 percent of the variance is explained by the factor. Thus, the threshold of 50 percent is greatly exceeded. The second-generation criteria at the construct level additionally confirm the good measurement quality for the charity involvement scale. The factor reliability of 0.92 is excellent. The average variance extracted (AVE) exceeds the required value of 0.5 thus confirming convergent validity. The Fornell-Larcker criterion is met as well. The AVE of 0.80 is greater than the highest squared correlation of the factor with the other factors (0.50) in the confirmatory factor analysis. It can thus be reasoned that discriminant validity is given.

Table 4.18: First- and Second-Generation Reliability Criteria for the Measurement Scales

Indicator/construct	*Mean*	*Loadings*	*EV (%)*	*Cr's α*	*Item-to-total*	*IR*	*FR*	*AVE*	*High. squ. corr.*
Charity Involvement									
CHINV_1 (involving)	4.91	.891			.874	.794			
CHINV_2 (important)	5.52	.894	80.56	.938	.844	.800	.921	.795	0.50
CHINV_4 (relevant)	5.16	.890			.861	.792			
Perceived motivation									
MOTIV_1 (brand profits)	4.75	.644	90.02	.894	.809	.414	.687	.526	.088
MOTIV_2 (charity benefits)	4.69	.778			.809	.605			
Charity-brand fit									
FIT_1 (appropriate)	5.33	.905			.860	.819			
FIT_2 (complementary)	4.98	.945	86.16	.960	.932	.892	.958	.852	.500
FIT_3 (makes sense)	4.79	.955			.918	.912			
FIT_4 (logical)	4.88	.886			.894	.784			
Attitude towards the brand									
BA_1 (like)	6.02	.933			.912	.871			
BA_2 (positive)	5.98	.966	82.88	.955	.914	.934	.963	.897	.243
BA_3 (favorable)	5.87	.942			.927	.887			

Legend: EV: Explained variance, Cr's α: Cronbach's α, IR: Indicator reliability, FR: Factor reliability, AVE: Average variance extracted, High. squ. corr.: Highest squared correlation of factor with other factors, BA: Attitude towards the brand, CHINV: Charity involvement, FIT: Charity-brand fit, MOTIV: Perceived motivation, PRICE: Price perceptions, BE: Customer-based brand equity, WOM: Word-of-mouth intention

Indicator/construct	*Mean*	*Loadings*	*EV (%)*	*Cr's α*	*Item-to-total*	*IR*	*FR*	*AVE*	*High. squ. corr.*
Price perceptions									
PRICE_1 (reasonable)	4.86	.969			.841	.940			
PRICE_2 (satisfied)	4.80	.960	77.21	.879	.842	.922	.909	.773	.243
PRICE_3 (rip-off)	5.08	.677			.654	.458			
Customer-based brand equity									
BE_1 (prefer)	4.89	.911			.851	.831			
BE_2 (more sense)	4.47	.959	85.25	.947	.909	.920	.941	.842	.635
BE_3 (smarter)	4.56	.880			.912	.775			
Word-of-mouth intention									
WOM_1 (give advice)	6.13	0.937			0.86	0.878			
WOM_2 (say positive things)	6.02	0.924	82.65	.937	0.864	0.854	0.959	0.890	0.635
WOM_3 (recommend)	6.10	0.937			0.886	0.937			

Legend: EV: Explained variance, Cr's α: Cronbach's α, IR: Indicator reliability, FR: Factor reliability, AVE: Average variance extracted, High. squ. corr.: Highest squared correlation of factor with other factors, BA: Attitude towards the brand, CHINV: Charity involvement, FIT: Charity-brand fit, MOTIV: Perceived motivation, PRICE: Price perceptions, BE: Customer-based brand equity, WOM: Word-of-mouth intention

The two-item scale of *perceived motivation* satisfies the reliability criteria. However, the indicator *MOTIV_1* is relatively weak compared to the variables of other scales. Still, the scale just fulfills the second-generation criteria at the construct level with a factor reliability of 0.69. Therefore, I will not exclude item 1.

The measurement quality of the construct *charity-brand fit* is excellent. All cut-off values for the first- and second-generation reliability criteria are by far exceeded confirming previously reported good reliability of this four-item scale. Convergent and discriminant validity can thus be also assumed for this construct.

Reliabilities of the four dependent latent constructs *attitude towards the brand, price perceptions, customer-based brand equity and word-of-mouth intention* are excellent as well. All thresholds of the scales reliabilities are well exceeded. All items can be included for the continuative analysis of the data.

The evaluation of the overall fit of the measurement model further confirms the theoretically proposed factor structure. All inferential and descriptive fit indices meet the required cut-off criteria: $\chi^2/df = 2.40$, RMSEA = .06, CFI = .90. The overall fit can thus be considered as good.

4.2.4.2 Common Method Variance

"Most researchers agree that common method variance (…) is a potential problem in behavioral research" (Podsakoff et al. 2003, p.879). The effect measurement for the CM driving factors (*charity involvement, charity-brand fit, perceived motivation*) on the dependent attitudinal variables was conducted within a single questionnaire, since the independent CM factors could not be manipulated due to the field setting. This cross-sectional design for testing of the effects of the driving factors is considered as prone to common method bias (Podsakoff et al. 2003). I addressed this problem of common method variance already a-priori (see Chapter 4.2.1) aiming at reducing potential biases. However, to further test posteriori whether common method variance

is a potential validity threat, I built a second measurement model, which was supplemented by a latent common method factor (Lentz 2007; Lindell and Whitney 2001; Schumann 2009) on which all indicators loaded additionally to their theoretically related factors. For the common method factor all factor loadings are defined to be equal, as it is supposed that the impact of a common method bias would be identical for all items (Lindell and Whitney 2001).

A comparison of the original measurement model with the second, expanded model reveals only marginal differences concerning the central fit indices:

- Measurement model *without* common method factor:
  $\chi^2/df = 2.40$, RMSEA = .06, CFI = .90
- Measurement model *with* common method factor:
  $\chi^2/df = 2.36$, RMSEA = .06, CFI = .91.

This comparison of the overall fit indices suggests that the measurement for the impact of the CM factors is not effectively biased by common method variance.

4.2.4.3 Internal Validity of the Quasi-Experiment

Quasi-experimental designs are more prone to internal validity threats than experiments with random subject assignment to the groups (Cook and Campbell 1976; Koschate 2007). However, the pretest and the control group samples allow controlling for certain validity threats. If there exist no significant differences between control and pretest group with regards to the dependent attitudinal variables, this would support the assumption of no prior discrepancies between the treatment and control group with regards to these attitudinal constructs, potentially leading to incorrect causal inferences. This is because selection, history, maturation or regression biases would be expected to affect the control group measurement in the same way as the treatment measurement (Shadish et al. 2002).

In order to account for the not normally distributed data, I applied a two-sample Mann-Whitney-U-rank sum test with a .95 confidence interval to test for differences concerning the dependent variables at construct level between the control group and the pretest sample. The results are summarized in Table 4.19.

Table 4.19: Mann-Whitney Test for Control and Pretest Group

	Attitude towards the brand	*Price perceptions*	*Word-of-mouth intentions*	*Customer-based brand equity*
Mann-Whitney U	208255.000	191682.500	190784.500	140842.000
p	.836	.630	.974	.750

The results confirm that there are no significant prior discrepancies ($p > .1$) for all variables) between the pretest and posttest samples concerning the dependent variables distorting the measured effects between the treatment and control group. Comparing the two groups at item level yields consistent results. None of the Mann-Whitney tests found significant differences between the groups ($p > .1$). It can therefore be concluded that possible differences between the treatment group and the control group are actually caused by the CM stimulus.

4.3 Measurement of Buying Behavior: Transactional Data

The developed CM model proposes that CM positively affects customers' buying behavior. In the next sections (4.3.1 and 4.3.2), I will explain in greater detail how the behavioral variables of customer response to CM were operationalized. I will also describe how the data were collected and give an overview on the sample structure. Prior discrepancies between the comparison groups will be addressed in section 4.3.2, in order to rule out further potential selection biases possibly limiting internal validity of the experiment.

4.3.1 Data Collection and Operationalization

Transactional data was available for the measurement of the behavioral CM variables. Anonymized purchasing data was used from those customers of the posttest sample who participated in the survey and were registered in the corporate partner's online-shop. The behavioral data was matched to the survey data at a customer individual level, creating a dependent pretest sample for the behavioral variables. A period of twelve months from 01.01.2009 to 31.12.2009 was covered. Thus, a pretest period of five months prior to the launch, and a period of seven months of posttest measurement form the basis for the analysis of CM effectiveness regarding customers' buying behavior. Purchasing data was available for 635 of the 1.504 posttest-cases from the survey sample. Of these, 346 were in the control condition and 289 in the treatment condition.

Based on the available data, a detailed operationalization of behavioral customer response was possible. *Average turnover* and *purchase intensity per period* serve as overall measures for customers' buying behavior. Purchase intensity per period refers to the total number of purchases. For this thesis, customers' buying behavior is defined following Blattberg's (2001) conceptualization of add-on selling to existing customers which is differentiated into up-buying behavior, cross-buying behavior, as well as purchasing of higher quantities of the main product category.

Customers' *up-buying behavior* is operationalized as the number of purchases in response to up-buying offers per measurement period. In the setting of this particular study, up-buying offers are defined as more expensive and larger versions of a product. After selecting a certain product within the online-shop, customers are additionally offered an up-buying option if available in product portfolio.

Cross-buying behavior refers to the number of purchases per measurement period in response to cross-selling offers. Cross-selling offers are products from a different category that are offered in the shop in addition to a particular already selected product.

The third dimension of customer buying behavior, *purchase quantity of the main category,* is measured as the number of purchases from the main product category of the partnering retailing firm. A summary of the behavioral variables can be found in Table 4.20.

Table 4.20: Operationalization of Customer Buying Behavior at the Individual Customer Level

	Operationalization
Overall buying behavior	
Average turnover	Average total turnover per period
Purchase intensity	Total number of purchases
Add-on buying behavior	
Up-buying behavior	Total number of purchases in response to up-selling offers
Cross-buying behavior	Total number of purchases in response to cross-selling offers
Main category purchase quantity	Total number of purchases from the main product category

4.3.2 Validity Assessment: Differences Between Treatment and Control Group

As discussed in Chapter 4.1.1.1, the effect measurement of the CM treatment could possibly be distorted by the non-random assignment of customers to the experimental groups caused by selection bias (e.g. Shadish et al. 2002). The method of propensity score matching, which was introduced by Rosenbaum and Rubin (1983), has been applied to yield unbiased estimates of treatment effects. Propensity score matching corrects for sample selection biases by pairing treatment and control group customers on the basis of observable pretreatment variables (Dehejia and Wahba 2002). The customer "twins" are chosen based on their similarity in the estimated probability, i.e. the propensity scores of being selected into the experimental groups (Smith and Todd 2001). Literature recommends including those control variables for the estimation of propensity scores that are relevant for the outcome variables. These should be drawn from the same data source for both groups (Heckman et al. 1998; Smith and Todd 2001). In a first step, a logistic regression with group membership (1 = treatment; 0 = control) as the dependent variable consolidates the subject's set of variables to a single propensity score. Then, customers are matched according to the estimated probability for belonging to the respective experimental group creating a corrected sample basis (Shadish et al. 2002). Several estimators for matching procedures are widely used. These include nearest neighbor matching, local linear matching, and difference-indifferences matching (e.g. Heckman et al. 1998)[2].

Customers' purchase behavior in the pretest period should exert a major impact on the behavioral outcome variables of the posttest measurement. Running a logistic regression with the behavioral pretest measures as the independent and the experimental group membership as the dependent variable should thus reveal prior differences between the comparison groups.

[2] An evaluation of the different estimators is provided in the review article by Heckman et al. Heckman, J. J., H. Ichimura, and P. Todd (1998), "Matching as an econometric evaluation estimator," *Review of Economic Studies*, 65 (2), 261-94.

Hence, the pretest measurements of average turnover, turnover per purchase, purchase intensity, up-buying behavior, cross-buying behavior, main category "A" purchase quantity and category "B" purchase quantity serve as the independent variables in the logistic regression. The obtained propensity scores can be used to adjust for selection bias. The results of the logistic regression are summarized in Table 4.21.

Table 4.21: Results of the Logistic Regression Analysis for Propensity Score Matching

Independent pretest variable	*β*	*S.E.*	*Wald*	*p*
Turnover	.012	.010	1.606	.205
Turnover per purchase	.001	.008	.014	.907
Number of purchases	-.434	.324	1.801	.180
Number of up-buys	-.080	.187	.181	.670
Main category "A"	.091	.351	.067	.795
Category "B"	-.314	.655	.230	.631
Number of cross-buys	.068	.426	.025	.873
Constant	.214	.103	4.349	.037
Log-likelihood 869.649				

The logistic regression analysis reveals that none of the variables measuring customers' buying behavior prior to the treatment predicts whether a customer belongs to either the treatment or the control group (with all $\beta > .1$). Moreover, Mann-Whitney U tests were applied to test whether differences concerning the dependent behavioral variables between the experimental groups existed for the pretest period. The results indicate no significant differences between the two groups ($p > .1$) for all dependent behavioral variables. Results of the tests are provided in Chapter 4.4.2 together with results of group comparisons for the posttest measurements.

These results in conjunction with the results from the logistic regression analysis strongly support the assumption that the control and the experimental group did not differ regarding their buying behavior before the CM stimulus was launched in the online-shop. Hence, it can further be reasoned that incorrect causal inference of a treatment effect can be excluded because of differing preliminary buying behaviors of the customers caused by selection bias. Consequently, a matching of the treatment and comparison group based on propensity scores is not required for the further data analysis.

4.4 Main Effects of CM on Customer Attitudes

Hypotheses H1a to H1d, postulating a main effect of CM on customers' attitudes, are tested in the following sections. For this purpose, the treatment and the control group measurements are compared. The analysis procedure is outlined and results of hypotheses testing are presented.

4.4.1 Comparison of Treatment and Control Group

After precluding discrepancies between pretest and control group samples, i.e. controlling for selection bias, the analysis can be advanced by testing main CM effects on customer attitudes. It is postulated in hypothesis H1 that the presence of a CM stimulus positively affects customers' attitudes toward the brand, price perceptions, individual brand equity attitude and positive word-of-mouth intentions. The control group provides the data for the counterfactual inference of customers' attitudes in the absence of the CM treatment (Shadish et al. 2002). Thus, comparing the treatment sample with the control group allows testing the causal effect of customers' perceptions of a CM treatment on customers' attitudes. Contrasting the two experimental groups yields an estimate of the CM effect (Cook and Campbell 1976).

The group differences were tested for significance using the Mann-Whitney U two-sample test with a .95 confidence interval, since it is robust to the not normally distributed data. The analysis of reliabilities in Chapter 4.2.4 confirmed high internal consistencies for the multi-items scales measuring the attitudinal constructs. All threshold values were exceeded by far (item-to-total correlations $\geq .5$, Cronbach's $\alpha \geq .7$ and factor reliability $\geq .6$). Therefore, scale means were calculated for each of the attitudinal constructs and used for analyzing group differences. Recall that all items were measured on seven-point Likert scales, with 1 = strongly disagree and 7 = strongly agree. The results for each attitudinal variable are discussed separately in the following section.

4.4.2 Results

Hypothesis H1a states that the presence of CM will have a positive effect on customers' *attitudes toward the brand*. Customers in the treatment group, who recognized the product with the CM donation in the online shop should thus have more favorable attitudes toward the brand than respondents in the control group. The results of the Mann-Whitey U test, as shown in Table 4.22, indicate that a significant difference between the experimental groups exists. The median attitude toward the brand was significantly higher in the treatment group than in the control group (Mdn_{tg} = 6.25, Mdn_{cg} = 6.00, $p < .05$), thus supporting H1a.

Table 4.22: Medians and Results of Mann-Whitney U Test for Attitude Towards the Brand

Comparison of treatment and control group					
	Median	**n**	**SD**	**Mann-Whitney U**	***p***
CM treatment group	6.25	652	1.31	246104.5	.021
Control group	6.00	811	1.33		

According to hypothesis H1b, CM will also have a positive main effect on customers' *price perceptions*. Respondents who received the treatment would perceive the donation as an additional value (Berger et al. 1999) offered for the same total price. Consequently customers in the treatment group would perceive lower sacrificed cost for their purchases and have more positive price perceptions than control group subjects. Table 4.23 exhibits the scale medians and the results of the group comparison, which revealed that the distributions in the two experimental groups differ significantly ($p < .10$). Customers who were exposed to the CM campaign have significantly more positive price perceptions. The median rating on the seven-point scales was 5.33 in the treatment group, compared to 5.00 in the control group, supporting Hypothesis H1b.

Table 4.23: Medians and Results of Mann-Whitney U Test for Price Perceptions

Comparison of treatment and control group					
	Median	**n**	**SD**	**Mann-Whitney U**	***p***
CM treatment group	5.33	629	1.37	224639.5	.003
Control group	5.00	787	1.29		

H1c predicts that CM presence leads to customer preference for the brand, positively influencing customers' individual *brand equity* attitude. However, as becoming evident from Table 4.24, testing the hypothesis indicates no significant differences between control and treatment group ($p > .10$). The median customer-based brand equity was equal in the two experimental groups ($Mdn_{tg,cg} = 5.00$). H1c could not be supported. A positive main effect for CM on customer-based brand equity was not confirmed.

Table 4.24: Medians and Results of Mann-Whitney U Test for Customer-Based Brand Equity

Comparison of treatment and control group					
	Median	**n**	**SD**	**Mann-Whitney U**	***p***
CM treatment group	5.00	538	1.76	174743.0	0.70
Control group	5.00	658	1.75		

Hypothesis H1d postulates that the presence of a CM program increases customers' positive *word-of-mouth intentions*. Results, as shown in Table 4.25, indicate that the intention to give positive referrals was higher in the treatment group ($Mdn_{tg} = 6.33$, $Mdn_{cg} = 6.00$). However, these differences between respondents were not significant ($p > .10$). As such, H1d was not supported.

Table 4.25: Medians and Results of Mann-Whitney U Test for Word-of-Mouth Intentions

Comparison of treatment and control group					
	Median	**n**	**SD**	**Mann-Whitney U**	***p***
CM treatment group	6.33	629	.99	236756.5	.536
Control group	6.00	767	1.06		

In sum, the hypotheses tests provide partial support for hypothesis H1, as summarized in Table 4.26. Significant positive effects for the presence of CM were confirmed with regards to customers' attitudes toward the brand (H1a) and price perceptions (H1b). No significant group differences were found for the dependent variables of customer-based brand equity (H1c) and word-of-mouth intentions (H1d).

Table 4.26: Summary of Testing Hypotheses H1

H1	***The presence of CM will have a positive effect on customer attitudes.***	
H1a:	The presence of CM will have a positive effect on customer attitudes towards the brand.	supported
H1b:	The presence of CM will have a positive effect on customer price perceptions.	supported
H1c:	The presence of CM will have a positive effect on individual customer-based brand equity.	not supported
H1d:	The presence of CM will have a positive effect on word-of-mouth intentions.	not supported

4.5 The Effects of Driving Factors of CM on Customer Attitudes

In a second step of analysis, the roles of charity-brand fit, perceived motivation and charity involvement for CM effectiveness are investigated. The main effect hypotheses of CM impact on customer-based brand equity (H1c) and word-of-mouth intentions (H1d) were not supported. Since the effect of CM and thus its determining factors was not confirmed, the constructs of customer-based brand equity and word-of-mouth intentions are not included in the further analysis of attitudinal CM impact. Testing the relationships between the three independent variables and customers' brand attitudes and price perceptions is based on the posttest measurement of the treatment group, since only treatment group subjects were exposed to the CM campaign.

In an initial step, possible effects of the control variables are investigated. Regression analyses revealed that none of the control variables significantly affects the dependent variables. For this purpose, scale means of the latent constructs were used, as internal scale consistencies were excellent (see Chapter 4.2.4.1). Regressing the endogenous construct of attitude toward the brand on the three CM factors and the control variables of charity awareness, past donation behavior, gender, family status, and education indicated that none of the control variables has a significant effect on the outcome variable ($p > .05$ for all control variable coefficients; Model $R^2 = .326$, Adjusted $R^2 = .309$; $F = 19.166$, df = 9). A second regression analysis with customers' price perceptions as the dependent variable indicated similar results. None of the control variable coefficients was significant ($p > .05$ for all control variable coefficients; Model $R^2 = .207$, Adjusted $R^2 = .187$; $F = 10.334$, df = 9,). The three determining CM variables, as expected, revealed significant effects on the dependent constructs. Based on the results of these analyses, the control variables will not be included for constructing the structural equation model in order to test the hypotheses.

The causal relationships between the exogenous latent constructs of charity-brand fit, perceived motivation and charity involvement and the endogenous latent constructs of price perceptions and attitudes toward the brand will be investigated by single-group SEM. The path diagram of the model, depicting the hypothesized relationships, is presented in Figure 4.3.

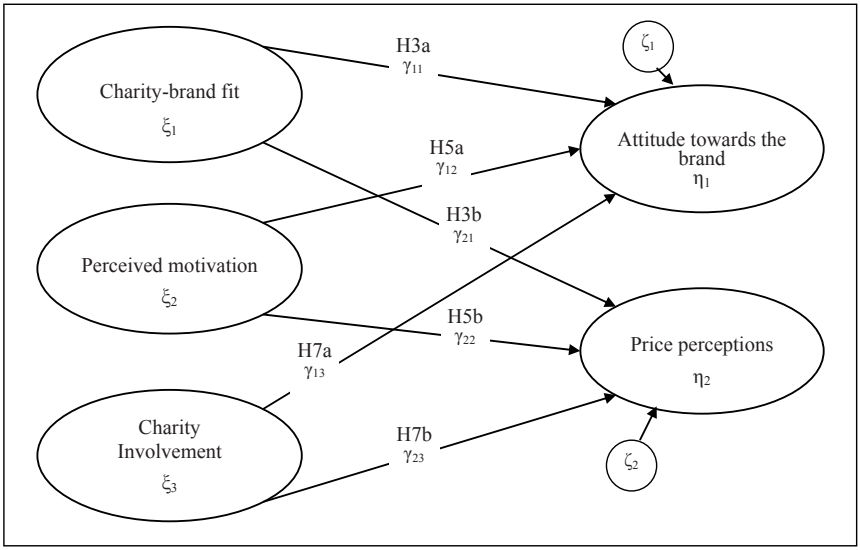

Figure 4.3: Path Diagram of CM Relationships

The specified model comprises the three latent exogenous variables *charity-brand fit* (ξ_1), *perceived motivation* (ξ_2) and *charity involvement* (ξ_3) and the two endogenous variables, *attitude towards the brand* (η_1) and *price perceptions* (η_2), which are measured by the indicators specified in Chapter 4.3.4.1. The path coefficients (γ_{11}, γ_{21}, γ_{12}, γ_{22}, γ_{13}, γ_{23}) reflect the hypothesized CM relationships between the CM factors and customers' attitudes (H3a, H3b H5a, H5b, H7a, H7b). ζ_2 and ζ_3 denominate the two error variances of the latent endogenous constructs. Analogously to the confirmatory factor analysis in Chapter 4.2.4.1, the asymptotically distribution free (ADF) estimator provided by Amos was chosen for estimating the model.

4.5.1 Evaluation of Model Fit

Applying the criteria for model fit, as defined in Chapter 4.1.2.2, to the statistical testing of the overall model fit indicates a good matching between estimated and empirical variances and covariances. The RMSEA of .055 is below the cut-off value of .6 (Hu and Bentler 1999) and the χ^2/df-ratio of 2.242 is well below the criterion of 3.0 (Homburg and Giering 1996). The CFI is fairly good with a value of .879, just below the recommended threshold of .9 (Homburg and Baumgartner 1995). In sum, it can be concluded that the theoretical model is consistent with the data. The discussed model fit indices are summarized in Table 4.27.

Table 4.27: Model Fit for Relationships of CM Factors and Customer Attitudes

Indices for overall model fit			
χ^2 (df)	213.028 (95)	RMSEA	.055
χ^2/df-ratio	2.242	CFI	.879
			n = 408

4.5.2 Results

All path coefficients are positive, confirming the postulated effect directions. As hypothesized, positive effects of the three CM factors on customers' price perceptions and attitude towards the brand were supported by the structural model and are significant at $p < .05$. The path diagram of the structural model with standardized coefficients is depicted in Figure 4.4.

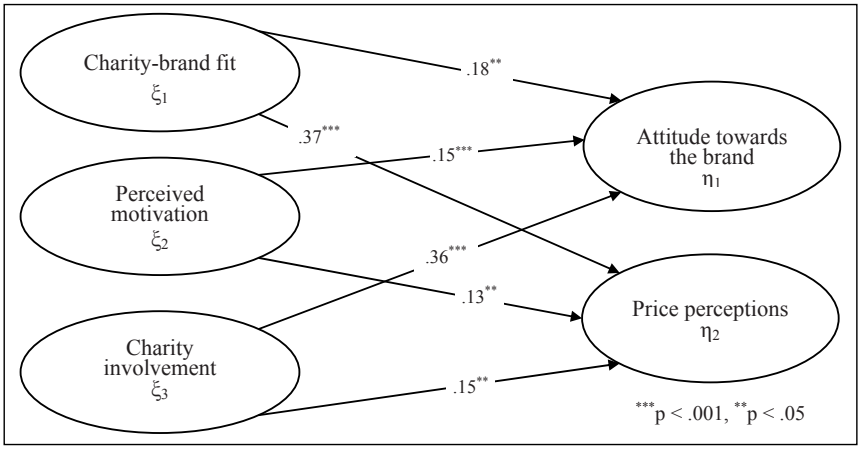

Figure 4.4: Path Diagram with Standardized Estimates

Unstandardized and standardized coefficients, standard errors of the regression weights and *p*-values of the model estimation are shown in Table 4.28.

Table 4.28: Results of Parameter Estimation

Relationship			*Coefficients*		*S.E.*	*p*
			unstdz.	*stdz.*		
Perceived motivation	→	Attitude towards the brand	.098	.149	.029	.000
Perceived motivation	→	Price perceptions	.102	.131	.034	.003
Charity-brand fit	→	Attitude towards the brand	.137	.182	.066	.038
Charity-brand fit	→	Price perceptions	.327	.369	.065	.000
Charity involvement	→	Price perceptions	.13	.147	.065	.046
Charity involvement	→	Attitude towards the brand	.27	.359	.062	.000

H3a, predicting that a higher *perceived fit* between the charity and the brand leads to more positive attitudes toward the brand, is confirmed with a relatively small effect size of $\gamma_{11} = .18$. This relationship is significant at $p < .05$. The effect of charity-brand fit on price perceptions is the strongest in the model and highly significant ($\gamma_{21} = .37$, $p < .001$), supporting hypothesis H3b. Customers' *perceived firm motivation* for engaging in CM is the weakest predictor of customers' attitudes with an effect of $\gamma_{12} = .15$ for attitudes toward the brand ($p < .001$) and $\gamma_{22} = .13$ on price perceptions ($p < .05$). Still, hypotheses H5a and H5b were empirically supported. The level of *charity involvement* is a relevant predictor of customers' attitudes towards the brand with a strong positive effect of $\gamma_{13} = .36$ ($p < .001$). A weaker relationship exists with regards to price perceptions. Charity involvement has a significant effect on price perceptions ($\gamma_{23} = .15$, $p < .05$). Hypotheses H7a and H7b predicting positive impact of charity involvement on customer attitudes could be confirmed. Together, the exogenous latent variables explain 30.4 percent of the variance of the construct attitudes toward the brand, and 30.2 percent of the construct of price perceptions. The results of hypotheses testing regarding attitudinal effects of the CM factors are summarized in Table 4.29.

Table 4.29: Summary of Testing Hypotheses H3, H5 and H7

H3	***High perceived charity-brand fit will have a positive effect on customer attitudes***	
H3a:	High perceived charity-brand fit will have a positive effect on attitude towards the brand.	supported
H3b:	High perceived charity-brand fit will have a positive effect on price perceptions.	supported
H5	***Customers' perceived positive firm motivation for engaging in CM will have a positive impact on customer attitudes.***	
H5a	Customers' perceived positive firm motivation for engaging in CM will have a positive effect on attitude towards the brand.	supported
H5b	Customers' perceived positive firm motivation for engaging in CM will have a positive effect on price perceptions.	supported
H7	***Higher levels of charity involvement will lead to more positive customer attitudes.***	
H7a	Higher levels of charity involvement will lead to more positive customer attitudes towards the brand.	supported
H7b	Higher levels of charity involvement will lead to more positive customer price perceptions.	supported

4.6 Effects of CM on Buying Behavior

The postulated behavioral effects of CM will be analyzed in the following sections. Main effects for the presence of a CM stimulus will be tested drawing on the transactional data (section 4.6.1). Finally, behavioral effects of the CM factors will be investigated, as well as mediated relationships between CM factors, customer attitudes and customers' buying behavior is analyzed (section 4.6.2). That is, hypotheses H2a - H2c, H4a - H4c, H6a - H6c, H8a - H8c and H9a - H9c will be tested.

4.6.1 Main Effects of CM on Buying Behavior

Comparing the post-exposure measurements of the treatment and control group, as proposed in the CM model, tests the main effects of CM on customers' buying behavior. The empirical analysis will be presented in the following two sections.

4.6.1.1 Comparison of Treatment and Control Group

Testing of pretest discrepancies regarding the behavioral variables, as demonstrated in Chapter 4.3.2, did not yield significant differences between the control group and the treatment group. It can therefore be concluded that customers' purchasing behavior did not differ between the experimental groups in der pre-exposure period. Thus, it is controlled for threats of incorrect causal inference entailed by selection bias. The results of the conducted Mann-Whitney U tests, which are in line with findings of the logistic regression analysis in Chapter 4.3.2, are reported per variable together with the posttest analysis in Tables 4.30 to 4.35.

Customers' exposure to the CM program should, according to the hypotheses postulated in Chapter 3.2, positively impact their purchasing behavior. Therefore, customers' cross-buying (H2a) and up-buying behavior (H2b), as well as the quantities bought from the main product category (H2c) should differ significantly between treatment and control group in the posttest measurement. Analogously to analyzing the

main effects of CM stimulus perception on customers' attitudes, the data of the control group sample serves as the counterfactual information of customers' behavior in the absence of a CM treatment (Shadish et al. 2002). Group differences are tested again with Mann-Whitney U tests, since also the transactional data was not normally distributed. The analysis was based on the purchasing data of 635 registered customers from the online-shop of the partnering retailer and covers seven months of posttest measurement (June to December 2009). The results are described in the following section.

4.6.1.2 Results

The model proposes that CM has a positive main effect on customers' general buying behavior. Customers in the treatment group are consequently expected to having purchased more than control group respondents after the CM product had been launched in the shop. A comparison of the *average turnover* per customer within the posttest period indicates support for H2. CM campaign perceptions significantly impact post-exposure turnover ($Mean_{tg}$ = 64.44, $Mean_{cg}$ = -69.05, $p < .05$) as shown in Table 4.30. The reported variable means are based on standardized data, thus indicating the deviation of a group mean from the mean of the complete sample.

Table 4.30: Means and Results of Mann-Whitney U Test for Average Turnover

Comparison of treatment and control group									
	Pretest period				**Posttest period**				**n**
	Mean*	SD	M-W U	*p*	Mean*	SD	M-W U	*p*	
Treatment group	2.10	.098	48764.0	.546	64.44	1.01	45928.5	.046	289
Control group	-30.38	.081			-69.05	0.93			346

M-W U: Mann-Whitney U, *standardized

Contrasting the *purchase intensities* of the experimental groups provides further support for a positive customer response to CM with regards to buying behavior. Customers of the treatment group purchased more often from the online shop than others ($Mean_{tg}$ = 74.14, $Mean_{cg}$ = -72.81, $p < .05$). The standardized means and results from the Mann-Whitney test are summarized in Table 4.31. The analyses thus indicate general support for hypothesis H2.

Table 4.31: Means and Results of Mann-Whitney U Test for Purchase Intensity

Comparison of treatment and control group									
	Pretest period				**Posttest period**				**n**
	Mean*	SD	M-W U	*p*	Mean*	SD	M-W U	*p*	
Treatment group	30.96	1.05	48321.0	.410	74.14	1.05	45950.5	.046	289
Control group	-48.77	0.81			-72.81	0.92			346

M-W U: Mann-Whitney U, *standardized

Testing H2a to H2c, hypothesizing an impact of CM on add-on buying behavior, aims at understanding the positive effects in more detail, i.e. to what extent CM programs impact relationship depth and breadth with a customer. Comparing customers' response to cross-buying offers reveals no significant differences in the distributions between the two experimental groups ($p > .1$, Table 4.32). The presence of a CM stimulus thus had no impact on customer relationship breadth.

Table 4.32: Means and Results of Mann-Whitney U Test for Cross-Buying Behavior

Comparison of treatment and control group									
	Pretest period				**Posttest period**				**n**
	Mean*	SD	M-W U	*p*	Mean*	SD	M-W U	*p*	
Treatment group	28.92	.99	48915.5	.323	-34.01	.89	49503.0	.571	289
Control group	-53.64	.82			2.45	.96			346

M-W U: Mann-Whitney U, *standardized

Comparing the two samples further reveals no significant effect of CM campaign perception on customers' response to *up-buying* offers (p >.1). The additional turnover per subject was thus not generated through up-selling measures. Customers in the treatment group did not buy more expensive and larger product variants than control group subjects. The data is thus unsupportive of hypothesis H1b. The results are summarized in Table 4.33.

Table 4.33: Means and Results of Mann-Whitney U Test for Up-Buying Behavior

Comparison of treatment and control group									
	Pretest period				**Posttest period**				**n**
	Mean*	SD	M-W U	*p*	Mean*	SD	M-W U	*p*	
Treatment group	-52.80	.99	49226.0	.585	-133.25	.90	4853.7	.214	289
Control group	41.37	1.01			123.75	1.01			346

M-W U: Mann-Whitney U, *standardized

Hypothesis H2c states that CM presence will lead to higher purchased *quantities from the main category*. Customers who perceived the product with the donation element are thus expected to have purchased more often products from the retailer' main category "A" than other customers in the posttest period. The results of the group comparison, as shown in Table 4.34, indicate significant higher purchase quantities in the treatment group than in the control group ($Mean_{tg}$ = 94.53, $Mean_{cg}$ = -84.90, p > 0.05). Thus, H2c is supported.

Table 4.34: Means and Results of Mann-Whitney U Test for Main Category "A" Purchase Quantity

	Comparison of treatment and control group								
	Pretest period				**Posttest period**				**n**
	Mean*	SD	M-W U	*p*	Mean*	SD	M-W U	*p*	
Treatment group	13.48	1.00	48844.5	.568	94.53	1.09	452.61.0	.018	289
Control group	-32.66	.88			-84.90	.91			346

M-W U: Mann-Whitney U, *standardized

As expected, an additional comparison of purchase quantities from category "B", which is no major product category of the retailer, reveals no significant differences indicating further support for H2c. The results of the Mann-Whitney U test as well as the standardized group means are summarized in Table 4.35.

Table 4.35: Means and Results of Mann-Whitney U Test for Category "B" Purchase Quantity

	Comparison of treatment and control group								
	Pretest period				**Posttest period**				**n**
	Mean*	SD	M-W U	*p*	Mean*	SD	M-W U	*p*	
Treatment group	34.66	1.11	49509.5	.369	-20.57	.91	49733.0	.663	289
Control group	-27.43	0.91			18.88	1.07			346

*standardized, M-W U: Mann-Whitney U

Combining the findings provides support for a positive effect of CM on customer buying behavior. Results of testing hypotheses H2a, H2b and H2c indicate that this effect can be ascribed to customers' increased purchases of products from the main product category. According to the analyses, CM did not increase responsiveness to cross- or up-buying offers.

4.6.2 Linking CM Factors, Attitudes and Behavior

In this chapter, the roles of the determining CM factors *charity-brand fit, perceived motivation* and *charity involvement* for behavioral customer response are explored. Hypotheses testing in the previous section confirmed a positive main effect for CM on the behavioral measures of *average turnover*, *purchase intensity* and *purchase quantities of the main product category*. Therefore, only these variables will be included for further analyses.

The developed research model proposes positive direct effects on customers' buying behavior and indirect effects, which are mediated by the attitudinal dependent constructs. Of the latter, only *attitude towards the brand* and *price perceptions* will be comprised in the analysis of the hypothesized relationships, since as already discussed, no effects on *word-of-mouth intention* and *customer-based brand equity* were found in the prior analysis (see Chapter 4.4.2). The test of direct and indirect relationships draws on customer-individual survey and transactional data based on the treatment group measurement.

4.6.2.1 Direct Effects of Driving Factors of CM Customer Buying Behavior

The developed model hypothesized that customers' higher perceived *fit between the brand and the cause* (H4a - H4c), more altruistic *perceived motivation* (H6a-H6c), as well as stronger *charity involvement* (H8a - H8c) positively impact subsequent buying behavior. Since no main effects on cross-buying and up-buying behavior were found in the previous analysis, the corresponding hypotheses H4a, H4b, H6a, H6b, H8a and H8b are not tested and the variables will thus not be further included.

Effects are analyzed by regressing the dependent behavioral variables on the three independent CM factors. Thus, regression analyses were performed for each of the dependent variables of *average turnover*, *purchase intensity* and *purchase quantities of the main category "A"*. For this purpose, scale means of the latent independent variables were used, as internal scale consistencies were proven to be excellent (see

Chapter 4.2.4.1). As the results (Table 4.36) reveal, no significant relationships between the independent variables and the respective dependent measures were found. All regression coefficients are not significant ($p > .1$). The model R^2-values further point out the low predictability of the independent variables for customers' buying behavior ($R^2 < .050$.). The CM determining constructs of charity-brand fit, perceived firm motivation and individual involvement with the partnering charity appear not to be playing a role for the behavioral customer response to a CM stimulus. Hypotheses H4, H6 and H8 are not supported by the data.

4.6.2.2 Indirect Relationships of CM Factors and Buying Behavior

It is hypothesized that attitudinal effects of CM are persistent as they are supposed to be changed by CM on a central route to persuasion (e.g. Petty and Cacioppo 1986). It is further predicted that customers' buying behavior is partly guided by these easily accessible attitudes (Petty and Wegener 1999). The confirmed positive effects of CM on customers' attitudes toward the brand and price perceptions (see Chapter 4.4.2) are thus supposed to be persistent and to positively influence customers' post-exposure purchasing decisions. Hypothesis H9 consequently states that the effects of the CM factors on customers' future buying behavior are partly mediated by the dependent attitudinal constructs. Again, only those variables are included in the analysis for which significant main effects were confirmed in the previous analysis steps. Thus, the measures for customer-based brand equity, word-of-mouth intentions, cross-buying behavior and up-buying behavior are disregarded and hypotheses H9a and H9b are not tested.

The mediational relationship is tested by applying a causal steps method following Baron and Kenny's approach (1986). Their analysis procedure is preferably applied for the context of this study as it accounts for partial mediation (Müller 2007). The analysis for mediation includes *charity involvement, charity-brand fit* and *perceived motivation* as the independent constructs, *attitude towards the brand* and *price perceptions* as the mediator variables, as well as *average turnover, purchase intensity* and *main category purchase quantities* as the dependent variables.

According to Baron and Kenny (1986, p.1177), to test mediation the following conditions must hold and are tested by conducting regression analyses:

1. The independent variables must affect the dependent variable.
2. The independent variables must affect the mediator variables.
3. The mediator variables must affect the dependent variables.

In order to test the first condition, the dependent variables average turnover, purchase intensity and main category purchase quantities are regressed on charity-brand fit, perceived motivation and charity involvement. As evident from Table 4., this first condition is not met for any of the three dependent behavioral variables. Additionally, the third condition of significant relationships between the mediator and dependent variables is not fulfilled either. It can thus be concluded that positive customer attitude change does not (partially) mediate a relationship between CM factors and buying behavior. Hypothesis 9 could not be supported. An overview the results of the tested behavioral effects of CM is provided in Table 4.37.

Table 4.36: Direct and Indirect Effects of the CM Factors on Buying Behavior

OLS regression results				
	ß	**SE**	***t***	***p***
Average Turnover				
Charity involvement	.031	4.399	.275	.784
Charity-brand fit	.101	4.795	.820	.413
Attitude towards the brand	-.134	3.599	-1.433	.154
Price perceptions	.087	3.768	.888	.376
Perceived motivation	-.142	3.535	-1.639	.103
R^2= .029, F= .985, df = 5				
Purchase intensity				
Charity involvement	.061	.159	.540	.590
Charity-brand fit	.072	.174	.585	.560
Attitude towards the brand	-.122	.130	-1.306	.193
Price perceptions	.104	.137	1.065	.289
Perceived motivation	-.137	.128	-1.581	.116
R^2 = .028, F = .937, df = 5				
Main category "A" purchase quantity				
Charity involvement	.034	.136	.303	.762
Charity-brand fit	.160	.149	1.291	.199
Attitude towards the brand	-.125	.112	-1.342	.182
Price perceptions	.026	.117	.263	.793
Perceived motivation	-.120	.110	-1.385	.168
R^2 = .030, F = 1.023, df = 5				

Table 4.37: Summary of Testing Hypotheses H2, H4, H6 and H9

H2	***The presence of CM will have a positive effect on customer buying behavior.***	
H2a	The presence of CM will have a positive effect on customer cross-buying behavior.	not supported
H2b	The presence of CM will have a positive effect on customer up-buying behavior.	not supported
H2c	The presence of CM will have a positive effect on customer purchase quantities of the main product category.	supported
H4	***High perceived charity-brand fit will have a positive effect on customer buying behavior.***	
H4c	High perceived charity-brand fit will have a positive effect on customers' purchase quantities of the main product category.	not supported
H6	***Customers' perceived positive firm motivation for engaging in CM will have a positive effect on customer buying behavior.***	
H6c	Customers' perceived positive firm motivation for engaging in CM will have a positive effect customers' purchase quantities of the main product category.	not supported
H8	***Higher levels of charity involvement will lead to more positive customer buying behavior.***	
H8c	Higher levels of charity involvement will lead to higher customer purchase quantities of the main product category.	not supported
H9	***Positive effects of the CM factors charity-brand fit, perceived motivation and charity involvement on customers' buying behavior will be partly mediated by customer attitudes.***	
H9c	Positive effects of the CM factors on customers' purchase quantities of the main product category will be partly mediated by positive customer attitudes.	not supported

5 Discussion of Results and Conclusions

This chapter discusses the results of the model validation and outlines the theoretical contributions. Furthermore, the findings are discussed from a marketing managerial perspective, seeking to provide guidance on how to design CM programs under effectiveness considerations. Finally, the limitations associated with this study are discussed and suggestions for future research are provided.

5.1 Theoretical and Managerial Implications

The results of the study indicate that a positive effect of CM on central constructs of attitudinal customer response to marketing communications exists. This research demonstrates that CM programs positively affect customers' attitudes towards a brand. Customers who recognized the CM program held significantly more positive brand associations than customers in the control condition. The results are thus supportive of prior findings of CM impact on customers' brand attitudes (Arora and Henderson 2007; Barone et al. 2007; Hajjat 2003; Lafferty et al. 2004) and counter studies concluding that no significant effects exist (Hamlin and Wilson 2004; Nan and Heo 2007). Accordingly, CM is shown to be a marketing strategy that can enhance a central constituent of brand equity. It can be concluded that CM programs are able to strengthen a brand and thus contribute to a chain of marketing productivity (e.g. Keller 1993; Leone et al. 2006; Rust et al. 2004b).

This study further demonstrates that CM positively affects customers' overall price perceptions. Respondents who were exposed to the CM stimulus exhibited significantly more positive price perceptions than other customers. Since customers' price perceptions are considered as being closely related to buying behavior and thus marketing assets (e.g. Han et al. 2001; Zeithaml 1984), this finding suggests that CM affects a firms' marketing assets in a second way at the attitudinal customer impact level.

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The results extend research from Arora and Henderson (2007) who found that the CM cue reduced participants price sensitivity for a product with the CM element in a conjoint task. This research additionally shows that this effect is not limited to particular products that are part of a CM promotion. In fact, it indicates that CM affects general price perceptions in relation to all products of a brand. This is especially interesting against the background that in this particular study the cause-related product was more expensive than a comparable product. This makes CM an interesting strategy for marketing managers acting on competitive markets. From a marketing managerial perspective, CM programs have a clear advantage compared to price promotion strategies. As opposed to risking increasing customers' price sensitivity through temporarily reduced prices (Arora and Henderson 2007; Blattberg et al. 1995), CM programs can be a strategy to increase sales, while positively affecting brand attitudes and improving price perceptions.

However, supposed CM effects on the other two dependent attitudinal constructs of customer-based brand equity and word-of-mouth intentions could not be supported. No significant differences between control and treatment group were found regarding these two variables. However, since an effect was found on customers' brand attitudes, which is a central element of customer-based brand equity (Aaker 1991; Keller 1993), it is conceivable that this effect translates into a general preferential effect for the respective brand only after some time, i.e. improving customer-based brand equity with a lag of time.

Additionally to attitudinal effects, this study empirically supports the postulated impact of CM on customers' buying behavior, supplementing the results of those extant studies, which found positive effects based on antecedents of buying behavior or forced choice measures (Bloom et al. 2006; Hajjat 2003; Henderson and Arora 2010; Krishna and Rajan 2009; Pracejus and Olsen 2004; Strahilevitz 1999). Analyzing the non-contractual transactional data covering seven months successional to the launch of the CM campaign revealed positive relationships between CM perception and customer-individual average turnover, purchase intensity and the

number of purchases from the main product category. It is, to the best of my knowledge, the first research to suggest that CM can be an effective strategy to deepen customer relationships. Customer relationship depth is positively related to customer equity, ultimately translating through the additionally generated revenues into an improved market position as well as enhanced financial performance (e.g. Bolton et al. 2004; Gupta et al. 2004; Kumar and Shah 2009; Rust et al. 2004b). Thus, CM programs additionally influence marketing assets at the behavioral level of customer impact.

The results imply, however, that CM does not affect relationship breadth. No differences between the experimental groups were found for the number of up-buys or cross-buys. These findings are in contrast to research from Henderson and Arora (2010), and Krishna and Rajan (2009). In both studies, spillover effects to other product categories were found. However, none of the two studies relied on market place data. Social desirability distortions due to experimental awareness might have played a role.

An important marketing managerial implication, especially with limited budgets in mind, is that effects on behavioral customer response are not bound to those products directly aligned with the charity. This research suggests that carryover effects within the same product category exist. However, this knowledge has also the potential for misuse of CM programs and cause exploitation. Firms could reduce the number of CM aligned products or services in their portfolio to a minimum, downsizing donation amounts in order to cut CM costs.

Testing of the relationships between key driving factors of CM effectiveness and the dependent attitudinal variables attitude towards the brand and price perceptions indicated support for the hypothesized positive effects. It was shown that all three determining constructs, i.e. charity-brand fit, perceived motivation, and charity involvement, predict attitudinal customer response to CM measures.

The perceived fit of the cause-brand alliance had the strongest effect on customers' price perceptions. The more logical the link between the two is perceived, the more positive are customers' price perceptions. Fit is moreover a significant determinant of attitudinal response with regards to enhanced attitudes toward the brand. These findings further sustain the prevalent notion in both theory and practice that congruence between the partners is important (e.g. Barone et al. 2007). Previous research on the impact of fit for customer brand attitude change is, however, inconsistent (e.g. Barone et al. 2007; Lafferty 2007; Lafferty and Goldsmith 2005; Nan and Heo 2007; Zdravkovic et al. 2010). This study extends CM literature by showing that higher levels of fit lead to improved price perceptions. This study thus contributes to a more comprehensive understanding of the role of charity-brand fit for CM effectiveness. Moreover, the results also have noteworthy implications for marketing practice. Brand managers should account for this finding and carefully choose the partnering charity organization when planning a new CM program. The congruence with the charity and the supported project from their customers' perspective should be a main criterion for choosing the charity-partner. Moreover, specifically communicating how the NPO and the project are related to e.g. the brand's core values and positioning or the nature of the products or services could enhance customer response to a CM program.

The construct of perceived motivation was found to affect both of the dependent attitudinal variables. Although path-coefficients were relatively small, both effects were significant indicating that customers' conjectured underlying motivation of why a firm supports a certain cause is important for CM effectiveness. Thus, customers' attributions a firm's motive for CM are a highly relevant determinant of attitudinal customer response. Accordingly, practitioners should be cautioned to deploy CM programs as purely tactical promotion tools. Apart from risking negative PR, cause-exploitative attributions could substantially outweigh positive CM effects (e.g. Barone et al. 2007).

Consequently, a strategic use of CM with transparent and credible communication of why the NPO partner and a certain project are supported and how the donations are spent can be expected to increase cause-beneficial, altruistic attributions of firm motive and should thus improve CM effectiveness.

The level of charity involvement was found to be a strong determinant of attitude towards the brand. The relationship with the construct of price perceptions is weaker, but still significant. It can therefore be concluded that higher personal involvement of customers with the partnering charity organization and project enhances attitudinal customer response. Thus, additionally to considering a good fit with the charity partner, target group relevance should be a criterion for charity partner choice. Customers' interests and values should relate to the supported issue in order to enhance attitudinal customer response to CM communications.

Interestingly, no significant relationships between the three CM factors and behavioral response were found. The empirical analysis could neither confirm direct effects on buying behavior, nor indirect effects mediated by customers' price perceptions and attitude towards the brand. The latter could possibly be explained by an attitude change on the peripheral route of the Elaboration Likelihood Model (e.g. Petty and Cacioppo 1986). It is conceivable that customers' attitudes toward the brand and price perceptions were not, as hypothesized, changed on the central route to persuasion, which is highly predictive of subsequent behavior. Instead, attitude change might have occurred on the peripheral route, which results in a temporary change in attitudes, unpredictive of behavioral CM response. The fact that CM presence exerted a significant effect on customer behavior, but the CM factors did not, implies that behavioral customer response is predicted by other variables than attitudinal customer response. This finding leaves room for continuative research. The results of the model validation are depicted in Figure 5.1

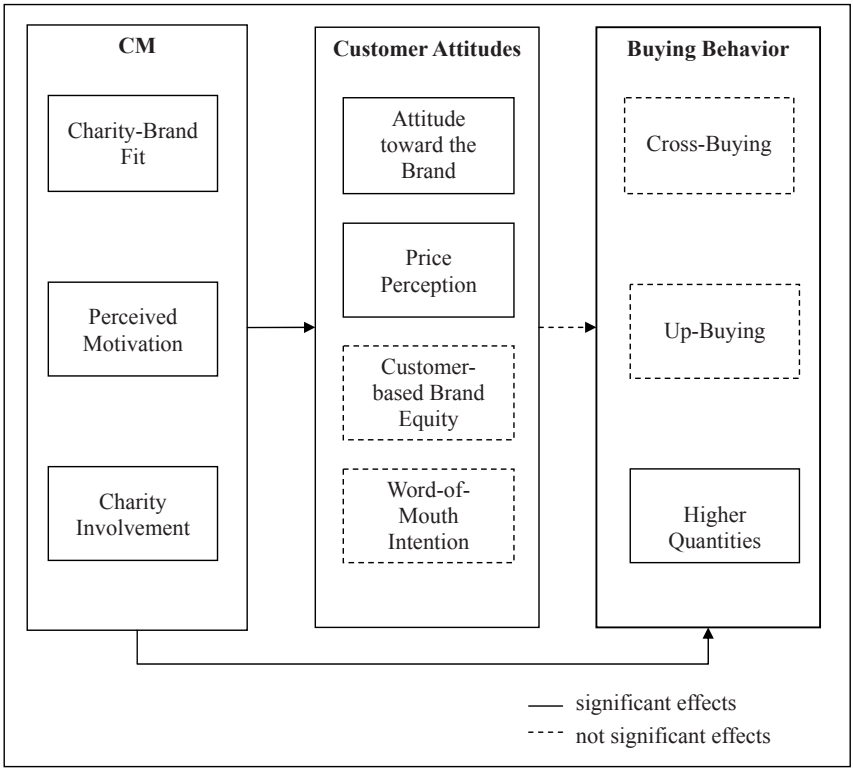

Figure 5.1: Research Model of Cause-Related Marketing with Significant Relationships

5.2 Contribution to CM Literature

Several limitations of previous research on CM effectiveness are addressed by this thesis. To my knowledge to date, it is the only study conducted in a natural purchasing environment with real customers. A particular strength of this research is that high external validity is achieved by the field setting in a retailing context, while at the same time high internal validity is achieved through the experimental design (Shadish et al. 2002). This research design has the advantage of being less prone to social desirability distortions than previous studies. Experimental awareness of respondents when giving their responses to the survey questions can be expected to have been a lot lower than in laboratory situations with exposure of an artificial stimulus directly prior to the measurement (e.g. Barone et al. 2000; Lafferty and Goldsmith 2005). As the stimulus was an actual CM campaign which customers perceived during their regular online-shopping, it is unlikely that participating respondents guessed the purpose of the survey.

Moreover, it is the first research that draws on transactional customer data, thus addressing repeated calls for market place data (e.g. Henderson and Arora 2010; Ross et al. 1992; Zdravkovic et al. 2010) and a major limitation of extant research. Analyzing real purchasing data precludes social desirability distortions also with regards to measuring behavioral subject response, which were problematic in many laboratory studies, where customers' choices did not entail real monetary consequences (e.g. Chang 2008). The field environment of this study increases the generalizability of extant findings of CM impact on both attitudinal and behavioral customer response, which were almost solely based on laboratory experiments with student subjects (Arora and Henderson 2007; Chang 2008).

Compared to previous work, this research allows a more comprehensive understanding of the relationships between CM and customer attitudes as well as behavior. It comprises key driving factors of CM programs as well as a broad set of dependent attitudinal and behavioral variables. It sheds light on previous equivocal findings

regarding effects on customers' attitudes and is the first study to include the constructs of word-of-mouth intentions, customer-based brand equity and price perceptions as dependent constructs. Therefore, a more detailed understanding of the effects of CM is possible with regards to how CM programs are designed efficiently to affect marketing assets and strategic marketing goals.

To date and to the best of my knowledge, it is the first research that draws on longitudinal data for measuring behavioral customer response to CM. Thus, this research is able to show CM effects on purchasing behavior are persistent from a mid-term perspective of seven months. Moreover, it is the first behavioral research giving insight into whether CM affects customer relationship depth and breadth on the basis of purchasing data. Previous findings relied solely on cross-sectional data, operationalizing behavioral customer response as purchase intentions and dichotomous measures, such as product choice.

In sum, this research contributes to the literature by developing and testing a comprehensive theoretical model of causal relationships between determining CM variables and a broad set of key variables of attitudinal and behavioral response. Moreover, the body of research is extended beyond antecedents of buying behavior, thus measuring effects on real customer behavior for the first time. The accomplished quasi-experimental field design furthermore facilitates the comparison to a control condition, thus measuring a main CM effect. It also permits high external and internal validity levels, extending previous studies which were mostly limited with regards to generalizability of findings. By analyzing longitudinal transaction data, it is furthermore firstly shown that behavioral effects can be persistent.

5.3 Limitations and Directions for Future Research

Although this research substantially contributes to understanding the impact and effectiveness of CM programs, there are also a number of limitations associated with this study, which are discussed below.

The quasi-experimental design did not allow to randomly assign customers to the experimental conditions, which might have caused selection biases threatening internal validity of the experiment (e.g. Koschate 2007; Shadish and Ragsdale 1996). Although this limitation was addressed by the research design (see Chapter 4.1.3 for a detailed discussion) as well as by statistical testing of prior group discrepancies (see Chapters 4.2.4.3 and 4.3.2 for results) selection biases potentially caused by variables that were not observed, cannot be completely precluded.

Moreover, gathering the data for testing the relationships between driving factors and customers' attitudes by a single questionnaire is prone to common method variance (e.g. Podsakoff et al. 2003). While this problem is accounted for a-priori, as well as statistically (see Chapters 4.2.1 and 4.2.4.2), it is possible that common method bias might have not been detected completely.

Another limitation to this study might be that the proposed model does not yet comprise all relevant relationships of CM effectiveness. For example, the SEM model achieved a good model fit, but still only 30.4 percent of the variance for the construct attitude toward the brand and 30.2 percent of the variance of the construct price perceptions were explained, indicating that there might exist additional relevant constructs. Moreover, hypotheses testing confirmed a main effect for CM presence on the behavioral variables of customer response. However, no significant relationships between the CM drivers and these dependent behavioral variables could be confirmed. This suggests that variables predicting behavioral customer response to CM are not included in the present model.

Especially the last limitation inherent in this thesis presents opportunities for future research. As previously discussed, this study demonstrates that CM positively affects customer purchase intensity, turnover and purchases from a firm's main product category. However, results also indicate that behavioral customer response is determined by other variables, not included in the model. Future research should thus include new constructs in order to explain these effects.

Moreover, it would be of both theoretical and managerial interest to investigate long-term effects of CM impact on customers' attitudes toward the brand and price perceptions. As discussed previously, this research could not confirm mediational relationships with customer buying behavior for these constructs, which might indicate that the attitude change occurred only temporarily and was therefore unpredictive of customer behavior. Thus, continuative research could conduct longitudinal studies on attitudinal customer response.

Furthermore, it would be of interest with regards to further CM impact on customer equity, to research whether CM programs affect customer relationship length. This is supposable due to this study's result of confirmed effects on customers' price perceptions. Findings from e.g. Bolton et al. (2000) are indicative of such a suggestion, since they found positive effects of the related construct of payment equity on customer relationship length.

Finally, variables relating to the design dimensions of CM programs could impact customer response. For example, these could include the question how monetary versus nonmonetary donation framing might affect customer response to CM measures. This has, to my knowledge, not yet been addressed in the literature. In practice both monetary and non-monetary framing variants can be found. It would be also interesting to compare ongoing CM programs to those, which are deployed on a recurring basis.

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