CHAPTER – 2
LITERATURE REVIEW

2.1 GROWTH OF CRM AND CRM RESPONSES: AWARENESS, PERCEPTIONS AND PREFERENCES

2.2 CAUSE RELATED MARKETING INITIATIVES IN THE INDIAN CONTEXT

2.3 CRM PARTICIPATION AND THEORETICAL FRAMEWORK

2.4 ANTECEDENTS OF CRM PARTICIPATION

2.5 RESEARCH GAPS
This chapter deals with the review of literature. The process of literature review was done by thorough scanning of literature available on several platforms like EBSCO, JSTOR, Proquest, and Google scholar. The databases at Gujarat University’s Inflibnet and IIM Ahmedabad were utilized to include any literature available in journal articles, reports, books and thesis available for public perusal. The structure of the literature review is as follows:

**Figure 2.1: Structure followed for the Review of Literature**

1. **GROWTH OF CRM AND CRM RESPONSES**
   (CRM Awareness, Perception, Preferences of Customers)

2. **CRM IN THE INDIAN CONTEXT**
   (CRM in International context, CRM background in India)

3. **CRM PARTICIPATION AND THEORETICAL FRAMEWORK**
   (CRM Participation context and CRM Theories)

4. **ANTECEDENTS OF CRM PARTICIPATION**
   (Origin and Extent of CRM Participation)

### 2.1 Growth of CRM and CRM Responses: Awareness, Perceptions and Preferences

More and more organizations are adopting differentiation as a practice and are trying to look for innovative ways in which they could successfully differentiate in the competitive market (Sunder, 2007). CRM
is considered an effective medium to engage in a transaction based support or conditional donation and the announcement of organizations to contribute to a specific cause, each time the customer involves in purchase situation resulting in a revenue based transaction (Cui et al., 2003; Dean, 2003/2004). CRM is considered as a phenomenon of social consciousness, where the engagement or involvement with the customer becomes significant (Broderick et al., 2003). CRM helps the organization to look significant to the consumer leading to optimistic brand attitude and higher purchase intention (Tsai, 2009).

There are several areas related to CRM that has been examined in the literature such as awareness, perception, preference, involvement, persuasion, attitudes, scepticism and as to how consumers view a company or commitment to a cause as well as how this influence's consumers response to CRM (Ross et al., 1992; Barone et al., 2000; Roy and Graeff, 2003; Forehand and Grier, 2003; Dean, 2003/2004).

There are many researchers who have done investigation of the consumer response to CRM (Lafferty and Goldsmith, 2005; Brink et al., 2006; Gupta and Pirsch, 2006 (a)). Yechiam et al. (2002) have evaluated consumer responses towards CRM by assessing the effect on the product choice. CRM although has expanded worldwide, there are only few countries especially developing countries, who have acquired substantial research data (Endacott, 2004). The responses from CRM varies across different countries and is directly related to the consumer exposure to the activity. This is proved in literature through research where countries like USA or UK, the scepticism is less (Webb and Mohr, 1998) compared to Malaysia (Marhana and Osman, 2012). Organizations attempt to pursue CRM activities to have a long term response (Berger et al., 2004) and that is the reason why CRM consumer responses are recorded to a greater extent in the literature.

CRM has grown over the years and the reason for the CRM growth is dependent on the growing consumer awareness of social issues (Dupree,
and this makes it essential to comprehend CRM from the consumer’s perspective. Bhattacharya and Sen (2004) assert that there is significant dissimilarities when we take CRM awareness into consideration and also awareness in terms of CRM partnerships. Kim and Mauborgne (2005) affirm that the lesser involved or less aware customers would be targeted by the business organizations or charity institutions since they would meet the potential in terms of realizing the objectives. There are also authors who have evaluated CRM consumer involvement and CRM awareness (Broderick et al., 2003). Berglind and Nakata (2005) examine CRM activities by organizations serving dual purpose where they lead to increase in consumer awareness as well as influence consumer perception being a part of socially recognized organizations. CRM activities by the organization would accrue the benefits only if those CRM activities are known to the consumers (Westberg, 2005). The lack of awareness has been found to be the major cause which would influence consumer responsiveness to CSR (Mohr and Webb, 2001).

There are authors who have investigated CRM and recommended that it develops consumer’s perceptions towards organizations and creates brand differentiation (Webb and Mohr, 1999; Barone et al., 2000). Bronn and Vrioni (2001) emphasize on the point that any CRM campaign’s effectiveness depends a lot upon customer perceptions. Antonides and VanRaaij (1996) describe that perception at an individual level is subjective and people differ in their perception of reality depending upon their experiences, life histories and personal situations. CRM perceptions have also been discussed from the perspective of corporate charitable donations and the intention of the business organization undertaking the activity (Dean, 2003/2004). CRM fosters consumer’s perception of sponsoring organisations and differentiates the brand by improving the intentions to purchase (Webb and Mohr, 1998; Barone et al., 2000). Perception is summarized as the process by which an individual selects, organizes and interprets stimuli into a meaningful and rational picture of
the world (Schiffman and Kanuk, 2007). Kotler and Lee (2005) propose that the perception process for consumer goes through four steps:

- **First step**: Receipt of the information
- **Second step**: Selection of the information
- **Third step**: Organizing the information
- **Fourth step**: Interpret the information

Perception deals with various senses and each sense delivers information to the brain where it is processed (Blythe, 2008) and since perception deals with various sensory inputs, it becomes complex to evaluate the process. Blythe (2008) have identified four factors which affect the process of perception mapping which are as follows:

- **Subjectivity**: It deals with the individual viewpoint of the world which is exclusive to that individual.
- **Selectivity**: It deals with the selection of the task for an individual and the individual’s concentration in the subject matter.
- **Expectations**: It deals with individual’s way to interpret information in a particular manner.
- **Past experience**: It deals with the response based on individuals past experience.

Szykman (2004) found the effects of CRM perceptions across industries by looking at the effect it has on the image of the company. Perception process is explored by Ace (2001) who asserts that “Noticing is different with seeing, which means that we actually give the message to our selective attention, selecting it from all the other stimuli around us at the time” and accordingly the perception stage includes awareness, comprehension along with attention or noticing.
Cui et al., (2003) also assert that the companies can better influence the consumer perception by involving themselves in CRM activities. The consumer perceptions with reference to intrinsic motivation would lead to consumers having positive response towards company and brand (Till and Nowak 2000; Cui et al., 2003; McWilliams et al., 2006; Roy and Jones, 2010). Cheron et al., (2012) assert that the brand association with a designated cause helps to build brand salience. The outcome of CRM in organization would be dependent on consumer's perception about the organization (Szykman, 2004; Moosmayer and Fuljahn, 2010; Green and Peloza, 2011). Barwise and Ehrenberg (1985) have identified the consumer perceptions to improve, due to CRM initiatives undertaken and subsequently it impact’s the brand user.

Powell and Guerin (1997) investigate into the exchange relationship between customer, company and charity because of which the consumer perceives a purchase decision to be philanthropic. The customer perception of charity is dependent on the characteristics of organizations related to philanthropy which motivates to support charity and the psychological involvement with specific causes (Broderick, 2003). The customer perception is better for firms which involve themselves with specific causes under the consumption philanthropy (Farache et al., 2008). This study also found the cause type which was most relevant as per the research conducted, were related to children, health and developing countries. Lafferty (1996) examined the customer response and established that response to those causes which were significant to customer were finally more positive when compared otherwise. There are studies which examine the corporate credibility and find it influenced by several variables (Lafferty, 2007). There are studies which have determined the CRM effect on customer’s intention towards brand and the company (Ross et al., 1992). There are several studies which have evaluated the customer perception and found fit between company, brand and cause (Pracejus and Olsen, 2004; Becker-Olsen et al., 2006; Barone et al. 2007).
Sen and Bhattacharya (2001) examine the corporate social responsibility from the consumer perspective and assert that consumer perception of the social initiatives is the reflection of his or her self or the reflection of the organization. This is proved when consumer self-concept matches the organizational values due to which consumer involve themselves in CRM activities undertaken by the organization (Lichenstein et al., 2004). The consumer response is positive when the efforts exhibited by the organization is on a higher level (Ellen et al., 2000). Sen and Bhattacharya (2001) state that the customers would respond positively to an organization who involve themselves with CRM activity. Lafferty and Goldsmith (2005) evaluated the benefits derived by the companies in getting involved into the CRM activities. CRM is required to be adopted by the marketers and companies to improve the consumer attitude and consumer intentions to purchase (Dean, 1999; Meenaghan and O’Sullivan, 2001; Hoeffler and Keller, 2002; Nan and Heo, 2007). The companies involved in charities are required to work very tough to acquire attention from the customers (Warneke, 2005). There are studies which have proposed the benefits of the partnerships of non-profits and for-profit organizations as well as on the basis of brands of the company matching with the cause (Andreason, 1996).

There are studies which have demonstrated the effect of preference on CRM activities (Ross et al., 1992; Brown and Dacin, 1997; Barone et al., 2000). There have been studies which have determined that preference is influenced to a greater extent by the attention value of stimuli (Hut, 1975). Druckman and Lupia (2000) define preference to “serve as a cognitive marker that reminds people how to interact with various aspects of their environment”. A preference is defined as a latent construct which is based on a person’s subjective evaluation of a stimulus on the dimension of valence (Zajonc, 1980). Belk (1988) had proposed the concept of extended self where one of the assumption was that the consumers project their own identities with the things they possess. The individuals prefer and support initiatives as well as companies that are
in line with their own identities (Mael and Ashforth, 1992). Levy (1959) proposed that consumers prefer and select the products or brands which characterize their own internal goals, feelings and self-definitions. CRM is supposed to break through the clutter of advertising and eventually create publicity and improve consumer preference towards the brand (Brown and Dacin, 1997; Barone et al., 2000). There is further research on CRM which considers it a serious business and it requires a lot of information on the consumer response which could be evaluated to connect the association with the cause that consumers deeply prefer (Endacott, 2004). The associative learning theory which is explained in the next section is a motive behind this phenomenon and based on the underlying theory. Till and Nowak (2000) suggest that organization should connect with causes to link with their target market and state that “From an associative learning perspective, attitude toward the company and/or the company’s brands can be positively enhanced via pairing with positive causes, even though specific beliefs about the company and/or brand may not have changed”. The charity organizations which are well known are better associated in consumers mind (Meech, 2001).

There are several studies who have evaluated the customer demographics in regards to CRM initiatives. There are areas like age, gender, education and income which have been evaluated in CRM phenomenon carried out by the organizations. Tustin and Pienaar (2005) noted that research remains sparse in most areas with nothing basically available when investigating socio-demographic variables on different dimensions. There are several authors who have identified that female consumers respond positively when compared to the male consumers in a CRM activity (Ross et al., 1992; Cui et al., 2003; Trimble and Rifon, 2006). On the other hand, there are research studies which examine gender differences and found that gender does not have effect on CRM activities (Pope et al., 2004; Youn and Kim, 2008). Berger et al. (1999) in their CRM research study, found women to be more positive compared to men.
The survey done by American Marketing Association (2007) shows that women are more prone to purchase products linked with CRM. Cui et al. (2003) ascertained that students who were female were more positive towards CRM while they were being compared to male students. There are authors who have examined the consumer response and established that consumer support those companies which they assume are higher on social responsibilities (Swaen and Vanhamme, 2004).

The literature into gender issues provides us insights that women are more caring, nurturing and empathetic than males (Hoffman, 1977; Bern, 1993; Buck, 1994; Bass et al., 1998). The research studies into these areas also establish that women emphasize more on relationships and attending concerns whereas men emphasize more on aggression and self-orientation (Spence and Helmreich, 1980; Gilligan, 1982; Bern, 1993). There are other studies undertaken which propose that all men and women are not alike and feminine as well as masculine characteristics might differ respectively (Grunig et al., 2000). There are similarities and dissimilarities that exist because of being born as a woman or a man (Lorber, 1997). There have been research which has found that women are more nurturing than men (Levy, 1998).

Gender influences has been significant area of analysis when it comes to investigation of consumer responses (Pham, 1992; Burnett et al., 1993). The studies do show that woman have favourable attitudes towards company and cause when compared to men (Ross et al., 1992; Cui et al., 2003). Gender research is more preferable because it is identifiable, accessible and measurable (Darley and Smith, 1995). There are areas where studies have found that CRM activities are supported by women and there is significant level of gender differences (Business wire, 1997). “Since women make 80% of the household purchasing decisions, companies are aligning with relevant causes as an effective way to build brand relevance and garner customer support” (Cone, 2005). However, there also research which prove that men have started involving more in the household chores and in shopping situations (Teather, 1995; Hupfer,
Cui et al. (2003) assert that awareness of respondents based on demographic variables would be valuable information for the marketer for CRM decision making. The significance of the CRM activities is discussed from the retailer perspective where consumer response evaluation becomes imperative for the retailer (Ellen et al., 2000). CRM motivations shared with the company would have an effect on the CRM response which would define the success of the initiative (Cui et al., 2003). Endacott (2004) assumes that research on the customer responses helps towards positioning, brand awareness and building loyalty. There are strategic communication campaigns which have focused on female audiences with an assumption that their basic role is about taking care of the families (Bartos, 1982). Ross et al. (1992) have done research on gender awareness and CRM effects where women would involve more with brands which support CRM activities compared to men. Women and men do differ in processing a message (Meyers-Levy, 1989). Tustin and Pienaar (2005) recognized in his research that children from generation X and Y are keen on charitable activities compared to their parents. Darley and Smith (1995) states that, women and men adopt different strategies to process communication messages.

When it comes to CRM research on income, it has been found through research studies that CRM evaluations are based on family income (Cui et al., 2003). On the other hand there are studies which have found that income does not have a significant effect on the CRM response (Youn and Kim, 2008). Till and Nowak (2000) focus on the significance of pairing product type, demographics and geographic location with target consumer segments. Furthermore, they state that the prominence of social and environmental issues differs with each target market and only through careful investigation will a good match of customer, brand and cause could be acquired. Youn and Kim (2008) examined the effect of education on CRM and found that the education level does not affect the CRM response. Cui et al. (2003) found that respondent's level of
education and level of income are positive while studying gender differences.

Henceforth, the literature review reflects that substantial research has been conducted on CRM perception, preferences and various demographic variables from the international perspective, which needs to be investigated from the Indian perspective.

2.2 **Cause related marketing initiatives in the Indian Context**

There are very few academic studies found to be exploring Indian CRM practices and consumer response towards CRM (Kureshi and Thomas, 2014). In this part, the CRM in the Indian context would be discussed but before that a glimpse into CRM in the International context could be undertaken. There are studies carried out in United States which have evaluated the influence of CRM on consumer buying and consumer attitude with regard to professional athletes and teams being cause marketers in sports (Roy and Graeff, 2003). The study undertaken in New Zealand has investigated the outcome of cause related marketing on consumer attitudes and consumer behaviour (Chaney and Dolli, 2001). The studies conducted in Australia point towards the fact that companies have been adopting cause related marketing activity to support the cause and to enhance corporate reputation (Cavill and Company, 1999). In Table 2.1, it has represented the international responses towards CRM which is as follows: -
Table 2.1: International responses towards CRM

<table>
<thead>
<tr>
<th>Date</th>
<th>Country</th>
<th>Responses</th>
<th>Researchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Australia</td>
<td>More favourable opinion of companies that support a good cause.</td>
<td>Worthington Di Marzio commissioned by Civil and Co.</td>
</tr>
<tr>
<td>2001</td>
<td>USA</td>
<td>CRM involvement important in weighing up with stocks to buy</td>
<td>Opinion Research Corporation</td>
</tr>
<tr>
<td>2002</td>
<td>USA</td>
<td>CRM Involvement</td>
<td>Commissioned by Cone/Roper</td>
</tr>
<tr>
<td>2000</td>
<td>New Zealand</td>
<td>Think more highly of companies that support charity</td>
<td>AC Neilsen commissioned by Stillwater</td>
</tr>
<tr>
<td>1999</td>
<td>Mexico</td>
<td>Consider it important to purchase products that support social causes</td>
<td>Promoting public causes Inc</td>
</tr>
<tr>
<td>2002</td>
<td>Germany</td>
<td>Prefer to purchase a product associated with a good cause where price and quality are similar</td>
<td>Europaische Sponsoring-Borse commissioned by Ipsos</td>
</tr>
</tbody>
</table>


Thornton (2008) in his International Business Report has conducted interviews in primarily 34 economies with respect to the attitude towards the concept of corporate social responsibility along with cause related marketing and discovered a lot of advantages like valuable employees, brand acceleration, efficiency, environment protection, protecting planet and better relations with investors/government. Moreover, organizations adopting CRM endorsed social causes and enhance their image in the market. Accordingly, there is a paradigm change in today's world in organization shifting from profit-maximization to profit-optimization, leading to the rise of managers in organization who predominantly lay emphasis on – (a) Planet (b) People and (c) Profit (Srivastava and Venkateswaran, 2000).
Indian organizations have started adopting CRM by linking it to marketing and sales objectives to a specific cause or a charity (Kureshi and Thomas, 2014). These Indian organizations adopting CRM in India range from small businesses to multinational players like Tata, Citibank, HLL and P&G. Sundar (2007) has presented few Indian examples to investigate the classification of CRM activities into tactical focus versus strategic focus. Ferlea et al. (2011) have undertaken a comparative study of consumer attitude of North American consumers and Indian consumers towards CRM. Webb and Mohr (1998) have studied consumer awareness of CRM in the unique context of developed economies.

Ferlea et al. (2011) studied the CRM consumer attitude of North American consumers and Indian consumers and this study evaluated CRM campaigns in two nations. This research study looked into different perspectives of consumer involvement and found Indian consumers with higher level of novelty and altruistic motives compared to the US consumers. The Indian consumers were found to be more positive when campaigns were undertaken by Indian organization versus multinational organizations.

Kureshi and Thomas (2014) have conducted study about the extent and nature of CRM practices in the Indian context and these authors have done content analysis by recording and classifying CRM initiatives for a period of 14 years. The details of this study has been represented as follows:
Table 2.2: Cause related Marketing Practices

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Organization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multinational</td>
<td>58</td>
<td>40.8</td>
</tr>
<tr>
<td>National</td>
<td>66</td>
<td>46.5</td>
</tr>
<tr>
<td>Regional</td>
<td>9</td>
<td>6.3</td>
</tr>
<tr>
<td>Local</td>
<td>9</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Type of Partner</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>6</td>
<td>4.2</td>
</tr>
<tr>
<td>Non-Government</td>
<td>106</td>
<td>74.6</td>
</tr>
<tr>
<td>Government and Non-Government</td>
<td>8</td>
<td>5.6</td>
</tr>
<tr>
<td>None Specified</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td><strong>Type of Product Category</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-durable Essential</td>
<td>53</td>
<td>37.3</td>
</tr>
<tr>
<td>Non-durable Lifestyle</td>
<td>37</td>
<td>26.1</td>
</tr>
<tr>
<td>Durable</td>
<td>12</td>
<td>8.5</td>
</tr>
<tr>
<td>Service</td>
<td>32</td>
<td>22.5</td>
</tr>
</tbody>
</table>


The above study found that in total 142 organizations had involved them into purchase triggered donations towards CRM initiatives in India from the period of 1999 to the year 2012. In this study, out of total 142 organizations, 66 were national and 58 were multinationals whereas the rest were regional and local companies. The focus of CRM is evident with national and multinational organizations whereas regional and local organizations are found to be less involved with CRM initiatives. The average duration of the CRM activities came to three months, 129 CRM activities were found to be associated with one cause and 13 CRM activities were found to be associated with multiple causes. Child Rights
and You (CRY) were associated with a record 66 CRM activities as an
associate partner.

2.3 CRM Participation and Theoretical Framework

While there have been a lot of research on CRM which has been related to
CRM awareness, perceptions and preference, there has been substantial
research into quality of CRM partnership (Till and Nowak, 2000; Pracejus
and Olsen, 2002; Kalligeros, 2005; Lafferty et al., 2004; Lafferty and
Goldsmith, 2005; Thomas et al., 2011). There have been several domains
that have been discussed in the literature pertaining to organizational
involvement in CRM (Varadarajan and Menon, 1988; Drumwright, 1996;
general objectives for organizations partnering into a CRM relationship:

- Increasing sales
- Enhancing Corporate stature
- Thwarting negative publicity
- Customer pacification
- Facilitating market entry
- Increasing the level of trade merchandising activities for the brand(s)
  promoted.

The first objective of the partnership is to increase sales through the
association due to CRM. The second objective of the partnership is to
enhance the corporate stature by associating with the designated cause.
The third objective of the partnership is thwarting negative publicity for
those organizations who wish to reverse negative publicity by exhibiting
social concerns. The fourth objective of the partnership is customer
pacification through displaying societal concerns of the organizations to
customers. The fifth objective of the partnership is to enter those markets
which are new by associating with a specific cause. The sixth objective is
related to the increase in channel activities and merchandising activities due to CRM initiatives. There are authors (Drumwright, 1996) who have identified distinct objectives of CRM partnerships which are as follows:

- Economic objective
- Non-economic objective
- Mixed objective

The economic objectives are related to the fulfilment of the marketing objectives such as enhancing sales or brand awareness. The non-economic objectives are social objectives related to company image, publicity or customer support which are not monetary benefits. The mixed objectives are related to both marketing and social objectives of the firm where the company are planning to enter new territories.

File and Prince (1998) have identified CRM objectives into two major areas

- Corporate objectives
- Product-related objectives

Corporate objectives are related to enhancing the corporate image, build publicity, improve stakeholder relations whereas product objectives are related to persuading consumers and effective target marketing.

Till and Nowak (2000) have investigated the CRM partnership to help understand the relationship between the organization and the cause contributing to the success of CRM initiative undertaken by the organization. There are many studies where CRM partnerships are investigated regarding the congruence of the business and the social activity which companies are attached with, where higher level of congruence is examined (Brown and Dacin, 1997; Sen and Bhattacharya, 2001). Kalligeros (2005) affirms that, “CRM is both art and science. The art is in the relationship, while the science is the research that focuses
your choices on the right issue and non-profits in alignment with your needs”. The alignment of the company and cause is both art and science and to strike a relationship it requires greater effort. Strahilevitz and Meyers (1998) assert that the congruence of the company and the cause would have an influence on the CRM initiatives undertaken.

Pracejus and Olsen (2004) have researched the partnership existing between company, cause and brand. These authors here have attempted to establish partnership by linking brand and the charitable cause while measuring the success of the CRM initiative undertaken.

Webb and Mohr (1998) have researched CRM participation and based on the same have divided the consumers into four categories:

- Balancers
- Attribution-Oriented
- Socially Concerned
- Skeptics.

Under this research study, it would be crucial to understand and evaluate few of the selected theories alongside associative learning theory, to better understand the overall CRM theoretical framework. These theories would be as follows:

- Attribution and Contrast theory
- Utility and Signal theory
- Information integration theory
- Attitude accessibility theory
- Pro-social behaviour theory
- Information processing theory
Means-end theory

Associative learning theory

### 2.3.1 Attribution and Contrast Theory:

There are studies which have utilized attribution theory to comprehend the consumer perceptions towards CRM (Drumwright and Murphy, 2001) where consumer attribution of firms intention towards CRM is investigated (Forehand and Grier, 2003). There are studies which have compared CRM to corporate philanthropy by using the attribution theory to understand consumer perceptions (Dean, 2003/2004). The attribution theory states that the attributions made by consumer towards a product would be dependent on perceptions towards industry, brand and the company. Some studies assert that consumer attributions are positive towards organizations involved in CRM activities (Ross et al., 1992) and others assert that CRM activities are considered by the customers to be sceptical (Webb and Mohr, 1998). The consumers here in the study were having positive attribution to a specific cause compared to general cause objectives.

Dean (2003/2004) further used the contrast theories to compare CRM and one-time corporate donations. This theory states that at the first stage of attitude formation an individual would have an attitude which would serve as a platform for further evaluation. It would serve as a starting point for future source of information. While one gets the receipt of new information and it differs from the initial attitude formation, the contrast effect originates. This contrast effect leads to further correction and creates a biased viewpoint. According to the contrast effect theory, irresponsible organizations benefit more than the responsible organizations out of one time lump sum donations or corporate philanthropy. The author by using contrast theory here has postulated that CRM
activities would have negative attribution attached to them compared to one time lump sum charitable donations.

2.3.2 Utility and Signalling Theory:

Yechiam et al. (2002) employed the signalling theory to indicate that organizations involved in CRM activities signal customers the inclination towards society and thereby increase goodwill and reputation. The signalling theory which is closely related to Association learning and classical conditioning theory states that there are various ways through which the quality of the product could be determined through signals. There are several factors which could give the signals like high price or warranty which could signal the customer about the product quality to be superior. Moreover, to further validate their inferences, they also employed the utility theory which states that subjective utility of the product plays a significant role in the process of customer judging the product quality. Consequently, the CRM activity would signal a better utility because of their association with a designated cause when compared with those products or brands not involved with CRM activity. Brands or products associated with a cause would be providing better utility because of self-fulfilling expectation (Eden, 1993) and altruistic motivation (Schwartz, 1977). Here when the consumer is involved in the CRM activity and prefers a product which is helping and supporting a cause, it gives the customer higher utility because it fulfils the expectation of the customer at a higher level compared to other products which do not involve with CRM. Likewise, the utility theory reflects on the understanding of CRM phenomenon where a benefit attached with the product increases the likelihood of purchase due to the increased utility engrossed by the consumer whereas signal theory reflects on the understanding the CRM phenomena where the linkage to the cause provides signal to the customers that the organization is more
responsible as well as products offered by the organization are of better quality.

2.3.3 Information integration theory:

This theory has been used in the literature to examine how customer's behaviour changes over a period of time. Lafferty and Goldsmith (2005) states that “The critical component of this model is the effect the prior attitude has in predicting the polarization that occurs when information of equal value is cumulated. Information integration theory predicts that the attitude will become more extreme as recipients are exposed to more messages”. The theory asserts that individuals firstly develop attitudes while as they receive more information these attitudes transform. (Anderson, 1981; Lafferty and Goldsmith, 2005). Lafferty and Goldsmith (2005) have applied this information integration theory and related it with CRM to examine whether brands and causes with positive attitudes should align well and improve your attitude towards the brand and cause. Similarly the negative attitudes would not align well with the brands and cause in the CRM activity. The information integration theory would lead to the information to be examined, formation of attitudes, acceptance of new information, the new attitude formation and finally the integration. The integration of information would happen on a positive end if the new information processed is also positive and accordingly the negative attitudes would lead to further cumulative formation of negative attitude towards the brand and cause.

2.3.4 Attitude accessibility theory:

This theory has been utilized to understand the attitude formation and the accessibility. The theory states that the stronger attitude formation would allow its easier accessibility from the memory of the customer. There are authors who have related the formation of
attitude and the familiarity aspect (Fazio et al., 1989; Lafferty and Goldsmith, 2005). There are studies which have examined the attitude formation for CRM and whether it has matched the direct or indirect experience; while giving more importance to direct experience (Fazio and Zanna, 1981; Alba and Hutchison, 1987; Bettman and Sujan, 1987; Lafferty and Goldsmith, 2005). While comparing the direct experience and indirect experience, it has been evaluated that direct experience would be stronger to bond compared to indirect experience (Lafferty and Goldsmith, 2005). These authors have supported the argument by utilizing the anchoring and adjustment theory to support the attitude accessibility theory in examining the brand and cause alliances. As per the anchoring and adjustment theory, when the customer develops an attitude with a familiar and unfamiliar subject, it is a tendency of the customer to anchor the familiar subject and adjust later to the unfamiliar subject. Again it is the tendency for the subjects to give importance to the familiar subject and later the transfer of attitude from familiar to unfamiliar subject (Tyersky and Kahneman, 1973). Lafferty and Goldsmith (2005) conclude their research with asserting that familiar causes will attain lesser degree of attitude transfer from a familiar brand than compared to an unfamiliar cause.

2.3.5 Pro-social behaviour theory:

There are authors who have used pro-social behaviour theory to study CRM consumer persuasion (Berger et al., 1999; Yechiam et al., 2002). The pro-social behaviour theory is applied to analyse gender effects towards CRM in the above studies. Pro-social behaviour theory could be defined as “helping, sharing, and other seemingly intentional and voluntary positive behaviour for which the motive is unspecified, unknown, or not altruistic” (Burnett and Wood, 1988; Berger et al., 1999). The donations given are regarded as a pro-social act (Burnett and Wood, 1988) and CRM
which is a combination of company, customer and charity through donations is related to the pro-social behaviour theory. Eagly (1987) considers males and females both engaging themselves in pro-social behaviour but they differ when it comes to the nature of pro-social behaviour. Here the nature differs with males preferring heroic activities and females preferring care activities. Similarly, Berger et al. (1999) emphasize that males are less positive than females when it is evaluated with response to CRM with females mostly preferring nurturing intentions.

### 2.3.6 Information processing theory:

There are other theories on similar lines like Berger et al. (1999) who have utilized the information processing theory which investigates the mediating effect towards consumer perceptions and involvement while implementing CRM activities. There are three dimensions on which information processing theory is examined:

- Elaboration likelihood model
- Heuristic systematic model
- Motivation, opportunity and ability model

MacInnis and Park (1991) state that elaboration likelihood model and heuristic systematic model are simple and proved that the level of involvement in terms of information processing is dynamic.

All the three above mentioned dimensions were used by Berger et al. (1999) to suggest that CRM low product involvement lead to heuristic cues where the cause leads to higher involvement ultimately stimulating the information processing. The elaboration likelihood model emphasizes that high involvement of the product leads to concentration on the product attribute and ignores other
heuristics. The heuristics are visible when there is low involvement with the product. The heuristic systematic model states that associations are based on heuristics or cues (Eagly, 1987). The motivation, opportunity and ability model in comparison to elaboration likelihood model and heuristic systematic model asserts that “both peripheral and central processing of both high and low involved consumers” (Berger et al., 1999).

2.3.7 Means-end theory:

This theory has been mostly used for understanding the motives behind the customer involvement into CRM activities and to understand the cognitive structure formation behind the CRM customer involvement (Ellwood, 2002). The means-end theory is based on certain assumption that customers have some motive behind their actions and these actions could be associated with the motives (Gutman, 1984). Walker and Olson (1991) link this theory to the association between customers knowledge about the product and customers self-knowledge. The means end theory has been examined from the value perspective (Bech-Larsen, 2001), product development, brand assessment (Vriens and Hofstede, 2000) and consumer segmentation (Reynolds and Gutman, 1988). The means-end theory provides a platform for evaluating self-values and brand values which makes it very important to understand the consumption behaviour. Here there are researchers who have linked soft laddering and hard laddering techniques to means-end theory and associated it with interviewing situations (Grunert and Grunet, 1995). Although the minds of the consumer possess structures and these structures could be retrieved in the minds of the consumers, but still it depends upon lot of factors. There are authors who have emphasized about the role of the researcher while investigating the cognitive framework. Grunert and Grunert (1995) assert that
the data utilized should be more dependent on the respondent’s cognitive structures.

Correspondingly, the literature reflects various theories to comprehend CRM from various perspectives. The framework of CRM partnership could be better comprehended with the help of Associative learning theory. Moreover, for investigating into CRM partnerships, the literature gives insight as to why Associative learning theory is the most suitable compared to the other theories used for CRM. Now we could look into the associative learning theory which fits well into this research study and we would also instigate into the motive for which this theory has been adopted for this study.

2.3.8 Associative Learning theory:

This associative learning theory is closely related to the classical conditioning theory which was proposed by Pavlov and vastly used in consumer behaviour studies. The classical conditioning theory reflects how conditioning plays a significant role in understanding how one stimulus impacts another stimulus (McSweeney and Bierley, 1984). The two theories of classical conditioning and associative learning together help in improved understanding cause, brand and company association. The associative learning theory and classical conditioning theory has been used together and basically the associative learning theory has been adopted from the classical conditioning theory. The associative learning phenomenon is mostly referred as the manner in which customers associate the relationships among events in the environment around them (Shimp et al., 1991). Aaker (1991) proposes that the brand could acquire stronger equity if the association with the entities are better and positive while negative associations lead to weaker brand equity. There are several authors who have used this theory to understand the CRM
partnerships and CRM relationships between variables under investigation in the study (Till and Nowak, 2000; Thomas et al., 2011). The authors have studied associative learning and classical conditioning theory for the investigation. There are authors who have investigated CRM alliances (Lafferty and Goldsmith, 2005; Till and Nowak, 2000). The associative learning theory becomes the most appropriate theory to be adopted out of the above selected theories for studying CRM partnerships. Moreover, it would be examined why this theory is adopted as the underlying theory for this present research study.

The associative learning theory takes into consideration the fit between the linked objects which lead to better CRM relationships or alliances (Lee Thomas et al., 2011). The theory explores into the CRM relationship and associative links between the organization and the charity or cause and what role it plays to create a mutually beneficially relationship through the link (Till and Nowak, 2000).

Martindale (1991) states that the associative learning theory is based on the strong foundation that long term memory consists of nodes linked by associative connection. Aaker and Keller (1993) discuss about memory consisting of nodes which are storage centre of information linked by connections which vary in strength and it varies because the node is activated when external information interferes or during retrieval of internal information. The long term memory activation spreads gradually from this node to other associated nodes.

The nodes are considered to be the knowledge base and consists of information which possibly consists of database like information about the company, brand and charity (Till and Nowak, 2000). Murdock (1985) considers this as associative links which connect with relationship information with different entities in the environment. The CRM partnerships develops an associative link
which leads to customer associating and deriving inferences about the brand or cause based on this associative link (Till and Nowak, 2000).

The associative learning theory under the classical conditioning theory improves the knowledge on how a stimulus could take advantage from associative links generated between brand as well as cause and thus helps in building the link more effective. The classical conditioning theory has been used by several authors who have attempted to understand how the association link would help in understanding the stimulus change (McSweeney and Bierley, 1984; Shimp et al., 1991). The conditioning aspect has been applied for various purposes by several authors from investigating on brand attitudes (Stuart et al., 1987; Shimp, 1991) to brand belief transformation (Kim et al., 1996; Kim et al, 1998).

There are studies which have examined the corporate social responsibility associations which have an impact on the overall assessment of the organization and thereby affecting the overall consumer evaluation of the products offered by the organization (Brown and Dacin, 1997). These consumer evaluation are known as thoughts or feelings towards brands generated due to associative learning (Shimp et al., 1991). The associative network view of memory includes nodes, activities, linkage patterns of connectivity which transform based on the customer experiences (Rumelhart et al., 1986). Based on the same information, the organizations and its offerings aim to restructure the associative networks of the entities involved and ultimately helping in linking the organization and the chosen cause. Likewise, the application of associative learning principles and using it on various dimensions, companies could get the maximum output with respect to the CRM activities undertaken by them (Thomas et al., 2011).
The investigation into conditioning studies gives us insight into various areas where research has been undertaken especially conditioning effects proved to be existing over a period of time and having long term effects (Grossman and Till, 1998). There have been studies which have been discussing the associative learning principles or the conditioning principles predominantly in areas of co-branding relationships ad celebrity endorsements (Grossman, 1997; Till, 1998). The deeper investigation into studies based on conditioning would lead to the research on conditioning effects into broad areas which are as follows:

- Affect transfer
- Inferential belief formation
- Overshadowing
- Blocking
- Repetition
- Belongingness

**Affect transfer:** There are several research studies which have identified the significant role of conditioning or pairing a certain stimulus with positive stimulus that would lead to the positive association of the stimulus in the environment finally affecting the brand attitude or brand image (Gorn, 1982; Stuart et al., 1987; Shimp et al., 1991). Similarly, this is the basic idea of pairing a cause and a product where organization could leverage the affect transfer of goodwill generation towards brand/company created from the target segment.

**Inferential belief formation:** The next level is inferential belief formation where under associative learning, an individual who possesses knowledge about a brand/product has transformed due
to the association it has with another brand and stimulus. Due to inferential belief formation it also becomes significant to choose the cause as well as partners, the association learning principles transform cognitive structures of consumers for the brand or product.

**Overshadowing:** The next level is about overshadowing. It happens unintentionally when the stimulus is not able to associate with a favourable stimulus and works in favour of a competing stimulus (Martindale, 1991). Due to this it becomes important to note that brand and cause associate with each other or partner with each other so that overshadowing does not happen.

**Blocking:** The next level is about blocking and it pertains to the difficulty to set an associative link with stimulus beyond a point because the additional associations are difficult to add as blocking as a phenomena exists. Due to this phenomena it is better to have associations with brand and cause but only limited to smaller association sets which would benefit more for association.

**Repetition:** The repetition is another level which is discussed with respect to association which is improved through repetition. This repetition would lead to reinforcement between the concept relationships and provides the impetus from one concept to the other concept (Rescorla, 1988). Moreover, the association between the concepts or stimulus can be understood through one time pairing (Stuart et al., 1987) and the significance of repetition has been discussed by authors in this case (Martindale, 1991).

**Belongingness:** The next level is about belongingness which pertains to the belongingness one stimuli has to the other and the focus here is the relationship or association one stimuli has to another (McSweeney and Bierley, 1984). The environment includes many competing stimuli and if the manager concentrates on those stimuli which are alike, then there are better chances to
link together (Einhorn and Hogarth, 1986). The fit between the brand and the cause would be the dependent factor for better association. It would be likely that customers would prefer the brand and cause partnership if the degree of fit is more appropriate.

It could be summarized as when organizations would attempt to increase affect transfer and inferential belief formation; overshadowing and blocking would be an obstacle; to which repetition and belongingness would provide a solution to an extent. Henceforth, the knowledge gained from above associative principles: affect transfer, inferential belief formation, repetition, overshadowing, blocking and belongingness which allows us to comprehend and look into the CRM partnership between two stimuli from the customer perspective. The implication would extend to the area where care should be taken while the partnerships in CRM takes place beyond simple affect transfer (Till and Nowak, 2000). This would in turn lead to managing better CRM relationship which would create strong associative links (Thomas et al., 2011). Furthermore, to understand the antecedents of CRM participation, the association learning theory has been applied as an underlying theory to better understand the links about how customers learn about ideas and events while attempting to establish the relationship among these ideas and events in the environment (Murdock, 1985). Till and Nowak (2000) have applied the associative links between the brand/cause and the inferences made by the consumers, to establish CRM partnerships. They used the theoretical foundation of the associative learning theory and employed a framework to support organizations to develop strong relationship with the designated cause as well as to realise the CRM marketing goals. Moreover, associative learning theory provide valuable insights into the crucial areas which lead to more effective CRM partnerships.
Henceforth, out of all the above theories that have been used with the CRM phenomena, the associative learning theory provides us better insights into the current research study undertaken. The associative learning theory has been adopted in this research study to understand the CRM participation in an effective manner. There are several authors who have advocated the associative learning theory to be the best suitable theory for understanding the phenomena of CRM (Till and Nowak, 2000; Thomas, 2007).

2.4 Antecedents of CRM Participation

In literature, CRM has been reviewed applying several underlying theoretical foundations and in the above section of the chapter, these theoretical foundations were reviewed before culminating on the final CRM framework selection i.e. associative learning theory. Now, here in this section the literature studies which have investigated into the antecedents of CRM participation have been reviewed which would help comprehend the background of the literature surrounding the area of the antecedents to customer's participation in CRM initiatives.

2.4.1 Nature of Donation

The nature of donation is a significant area of investigation in a CRM activity undertaken by the organizations. Fellman (1999) proposes that CRM activities have been on a rise because of the organizations becoming more strategic in their outcomes and they build their strategies by linking ‘charitable giving’s’ with the overall strategic marketing objectives of the organization.

Lichenstein et al. (2004) demonstrate that customers who self-identify in a strong sense with the business organization have higher chances of providing donations to the non-profit organizations partnering with the business organization. On the other hand, Olsen et al. (2003) have scrutinized in their research study, the magnitude of donation and highlighted the lack of clarity
created in the CRM activities undertaken especially in the definition of donation terms used like ‘portion’ which differ in their meaning conveyed to CRM customers.

Vilela (2006) basically specifies three major forms of donation in which individuals could engage (a) Money/ possessions which are under Volunteering (b) labour/time under charity and (c) blood donation. It is represented in the figure below as follows:

**Figure 2.2: Donations and CRM**

![Diagram showing donations and CRM]

The organizations keeping in mind the nature of donations promote the same through certain initiatives. These initiatives are mostly undertaken to exhibit the corporate social responsibility. Within the CRM initiatives undertaken there are various ways in which the donation is encompassed. Within the transaction based initiatives, there are various types through which the donation is included or performed in the activity initiated by the business organization. Fogel (2005) advocates corporate giving or charity donations as the highest adopted and common social approach.

There are research studies which concentrate on the nature of donation and found that smaller size of the donation lead to greater selection of products (Strahilevitz, 1999). The cause scope also has been described as donation proximity in the literature and it is defined as the distance between the donation activity and the customer. However, it has been categorized under the broad heads of national, regional and local causes (Varadarajan and Menon, 1988).

There are several studies that have determined that a vast majority of customers basically prefer an organization to donate a portion of the price to a cause over an equal price reduction, depending on the amount of the donation (Strahilevitz and Meyers, 1998; Strahilevitz, 1999). Broderick et al. (2003) found that the consumers who regard charitable donations as significant, would also be better persuaded to engage in the CRM activity supported by the business organization.

Cui et al. (2003) explored Gen Y consumer’s and found that CRM initiatives were shaped by the frequency of their prior involvement into the charitable giving or their involvement with the charitable organisations. It becomes imperative to comprehend the nature of donation and expectations from the
consumer perspective and besides Olsen et al. (2003) reflect that the transactional programs often require customers to be clarified on the amount of contribution made for the designated cause, otherwise it increases confusion.

Olsen et al. (2003) found in their CRM response study that there is no difference in the customer response towards the donation amount, when it is stated to them in terms of either ‘percentage of profit’ or ‘percentage of price’. Additionally they also found that higher percentage values generated higher level of intentions to purchase and positive attitude towards the company. Therefore, they discovered in the research that customers are more favourable with higher donation percentages, irrespective of the amount of the donation as a percentage of price or profit.

2.4.2 Selection of Cause

A lot of scholarly attention is provided in the literature with regard to the various variables like cause type and cause scope which would influence the consumer response and participation in CRM activities. There are several studies in which researchers have affirmed that customer’s view most causes positively and support the organization which involve themselves with the cause. Bennett and Gabriel (2000) examined the consumers underlying motivations as well as cause involvement with a nominated charity in the CRM activity undertaken by the organization and found that consumers with a very high level of emotions plus individual involvement exhibit greater level of perception, awareness levels and response level of CRM initiatives. The customers considered the business organizations carrying out the CRM activities and engross into CRM relationships more positive compared to those business organizations who partnered more improperly (Bennett, and Gabriel, 2000). On the contrary, there are researchers who have advocated that causes does not have impact on the purchase
decision (Gupta and Pirch, 2006(a)). Laferty (2007) examine the
origins of formation of a partnership and consider it very difficult
to choose because out of many choices of causes and a deserving
cause to be chosen becomes challenging for the business. Similarly,
the choice of the cause also becomes difficult because it might be
possible that all causes appear deserving for the activity.

Endacott (2004) suggests that majority would pay more and prefer
a product associated with a cause if it is an issue they cared for in
the CRM activity. A social cause that is relevant to customers leads
to better image in a CRM activity (Ellen et al., 2000). Tustin and
Pienaar (2005) assert that it is crucial for organizations to closely
align the business objectives with CRM and due to which it would
be crucial for the CRM cause to be consistent with the image of the
brand projected by the organization (Till and Nowak, 2000). The
cause involvement is not dependent on affinity of the customer to
the cause and basically the customer would support an
organization and the cause (Gupta and Pirsch, 2006(a)). Charity
organizations often struggle to get support and it becomes very
tough to find support from individuals (Bendapudi et al., 1996).
There are many non-profit organizations who explore new ways of
support from individuals and corporations (File and Prince, 1998).
Endacott (2004) have mentioned about studies conducted in 2002,
which have established top causes in the country of South Africa
which are as follows:

(a) Crime,
(b) Poverty,
(c) AIDS,
(d) Unemployment and
(e) Economy.
There has been research which establishes that there are several dimensions on which the engagement in social causes could be defined. Studies have identified individual's pro-social behaviours like charitable contributions and support for CRM has positive relationship (Youn and Kim, 2008). There are further studies which have given customer preference of local causes importance compared to others (Smith and Alcorn, 1991). The cause preference which marketers should embrace based on their appeal to the customers is not available (Maignan and Ferrell, 2004). This preference is supported in research through pro-social behaviour phenomenon where it is assumed that if the customer is physically closer to the potential donor, then there are more likely chance to render help (Bar-Tal, 1976). Bhattacharya and Sen (2003) have indicated that the organizations are aiming at developing long term relationship with the customers with an objective to remain meaningful. One of ways of meeting this objective is associating with a social cause. However, one of the challenges with this association is that it is not possible for every cause association to likely succeed out of the pool of causes available to the marketers (Polonsky and Macdonald, 2000; Lafferty et al., 2004).

There have been studies which have examined the choice of customer and established that individuals choose organizations and cause based on their self-identity. The congruency aspect is explored here to establish the link between the organizational activities and the customer itself (Mael and Ashforth, 1992). There are authors who have researched the influence of consumer attitudes and found the brand and the cause fit to be very significant aspect of the overall activities undertaken by the companies (Lafferty et al., 2004; Gupta and Pirsch, 2006(a); Trimble and Rifon, 2006; Barone et al., 2007; Lafferty and Goldsmith, 2007). There are studies which also contradict this finding (Lafferty, 2007; Nan and Heo, 2007). Till and Nowak
(2000) have explored the association and partnerships of cause with brand and found that the customers would have positive associations when they assume that the cause and brand have high level of fit. Moreover, this study establishes that cause and brand partnerships are the integral way of building positive associations and for this reason, cause selection and cause scope has a major effect on the other elements from an organizational perspective.

There have been research studies which investigate the cause scope to extent where it is local, regional and national (Ross et al., 1992; Grau and Folse, 2007). These studies suggest that the customer response towards impact of cause scope which is local, regional and national is uncertain (Grau and Folse, 2007). The research studies also suggest that customers would prefer to support a local cause rather than national cause (Ross et al., 1992). There is also research which examines the CRM customer evaluation from the perspective of cause scope (Cui et al., 2003). It was examined in this study that there is no difference in consumer evaluation of CRM offer by cause scope or by local versus national. There are research studies which have recognised that local causes have positive effect in a CRM campaign than national causes (Grau and Folse, 2007). There were several research studies which do prove that cause type and scope have the effect on the consumer response to the CRM initiative. Cui et al. (2003) found that customers evaluate a CRM offer that is immediate rather than an ongoing cause. The cause scope is emphasized in several researches like Cone (2000) which states that customer during research preferred local causes, national causes and global causes respectively in the same order. Ross et al. (1990-91; 1992) conducted the research on customer response to CRM. In this study they found that almost 50% of the participants preferred products which supported a cause. Moreover, in this study the local causes were preferred much more than the national causes.
when it came to preference of cause type. Additionally, the gender differences were found which indicated that women were stronger on attitudes than men towards CRM initiatives. Welsh (1999) evaluated the cause scope and found that the customers prefer local causes over the national causes.

The cause which is associated with a credible organization has got higher level of interest and involvement from the consumer perspective (Berger et al., 1996). Broderick et al. (2003) propose that cause involvement may influence an awareness of individual and CRM response to campaigns. Grau and Folse (2007) found that cause involvement on a personal level in a cause influenced CRM participation towards the CRM activities. The success of the CRM activity is dependent on the association between the cause and the company objectives (Dupree, 2000). Bloom et al. (1995) state that the linkage between the company and the cause is suitable, however it is the linkage between the company and sales which leads to successful CRM initiative (Roy and Graeff, 2003). Lafferty and Edmondson (2014) surveyed and found that the consumer importance of category of the cause is one of essential criteria which would have a positive effect on the CRM activity. Likewise, the customers are willing to switch the brand if there is a cause associated to the same under the condition that price and quality are the equal (Gupta and Pirsch, 2006(a)).

The literature does not reveal any information about the compatibility of the cause with the customer (Till and Nowak, 2000; Endacott, 2004; Kotler and Lee, 2005). Kotler and Lee (2005) additionally assert that causes with high visibility are highly preferred by customers. Gupta and Pirsch (2006(a)) have emphasized on cause preference by affirming that
“…consumers now more than ever value a company’s willingness to support relevant causes, rewarding those companies that follow this path, and punishing those that do not”.

Smith and Alcorn (1991) found that customers would purchase products due to the reason that they support charitable causes. Mohr et al. (2001) have emphasized on the fact that customers would involve themselves if the companies behave socially. Barnes (1992) describe that CRM activities have significantly risen since 1980s and the portrayal of the products in the market are affixed to a mission. More and more organizations are involving themselves with such activities (Kelley, 1991). Barnes (1992) in her research study found that television, in-store promotion and newspaper advertisement to be the most preferred media for CRM promotions by these organizations. Endacott (2004) assert that organizations adopting corporate social responsibility would likely adopt a CRM activity to earn greater support. CRM has been adopted by corporation to assist worthwhile causes eventually signalling their corporate social responsibility commitments (Brown and Dacin, 1997). Kotler and Lee (2005) state that the individual’s self-involvement with the cause has got a high influence on the intentions to purchase. Furthermore, the individual tend to feel more about self-contribution in a CRM activity (Broderick et al., 2003).

There have been several studies which have examined the popular causes and found it being different across countries (Endacott, 2004; Tustin and Pienaar, 2005). Endacott (2004) discuss various causes adopted across the borders like health, poverty, homelessness, environment, children and education. In addition to that, they observed various cause type preferences, the most popular of them being ‘unemployment’ in South Africa whereas ‘homeless’, ‘care of aged’ and ‘health’ being most popular in United States, Australia and Mexico. Ellen et al. (2000) scrutinized the
cause type preference and found that customers favour disaster type cause compared to ongoing causes. Adkins (2000) advocate CRM to be a phenomenon that is equally accessible to the cause as well as to the business and streamline causes by asserting that “Causes include good causes, charities and other not for profit organisations. Together they cover a whole wealth of issues encompassing anything from health, homelessness, diversity through to animal welfare, the arts and education with every good cause in between”.

There are several dimensions on which the cause involvement is defined and Broderick et al. (2003) state personal experience, cause importance and emotional involvement as major dimension to involvement in causes. The selection of cause becomes an important task for the marketer to concentrate during a CRM activity. Likewise, charity organizations or causes surrounded by controversies will lead to resistance and hinder the realization of organizational objectives (Webb and Mohr, 1998; Kotler and Lee, 2005). CRM efforts become worth their objective if they are able to engage the customer with a specific or meaningful cause (Broderick et al., 2003) and the customer response is influenced by the worthiness of the cause (Stipp and Schiavone, 1996). The provision of charitable donation or the cause selection does impact the CRM participation of the customer (Broderick et al., 2003).

Duncan and Moriarty (1997) established from the research that customer response are at a very high level when the causes chosen are worthy and they view the cause they could relate to themselves. There are studies in the similar area which have been regarding the cause involvement, charity usage and magnitude of donations by keeping the variables constant across the study conditions (Strahilevitz and Myers, 1998) and this has shown to some extent the motivational factors to participate in the CRM
activities of the organization. However, they did not particularly investigate and evaluate to a greater extent into the cause involvement intentions.

Henceforth, there has been substantial research done in the above domains from the international perspective. However, it becomes very important to investigate the same from the Indian perspective through this research study and to acquire knowledge particularly regarding the antecedents of the CRM participation and better understand the context of CRM participation from the Indian context.

2.5 Research Gaps

The literature review reveals that the awareness of CRM, preferences towards cause type, preference towards nature of donation, preference towards cause scope and perception towards CRM play a significant role in understanding the Cause related marketing phenomenon. This phenomenon has been extensively reviewed in the international context as seen in this chapter. A huge gap has been found in the Indian context as there is hardly any literature available on all the above aspects in the public domain from the Indian perspective.

Moreover, the literature review also reveals that the investigation into the antecedents of the CRM participation would allow better understanding of CRM participation. The literature review also provides evidence of associative theory to be the best suitable theory for exploring CRM participation. The associative learning theory has been adopted in this research study to improve the understanding of the CRM phenomenon.

Henceforth, this study attempts to better understand the awareness, preferences and perception towards cause related marketing along with the antecedents of CRM participation. The focus of this research study is to explore the above aspects in the context of Indian market, which is hardly available in the public domain.
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