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Impact of Consumer Social Responsibility and Brand Social Responsibility Image on Brand Loyalty

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Abstract

The present paper focus on ITC notebook and try to understand consumer social responsibility for cause related brand and how their preference level changes with different firm donations, and how this activity leads to brand loyalty in long run. An experimental design with 693 participants was used. The results shows that consumers like cause related marketing campaigns and ready to do extra effort for that brand, provided the donation amount invested by companies should be high as much high as company can provide for the cause. Elaborative offers and attitude toward the advertisement affect the social brand image of the company, and these two affects along with brand image produce positive results on brand loyalty among consumers for such low involvement products.

Keywords: Brand loyalty, Brand social responsibility image, Cause related marketing, Consumer social responsibility.

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Introduction

Developing countries like India represent a lucrative business opportunities for multinational companies (Sethi et al., 1990). In India the market size and potential is much greater than any European countries (Malik, 2004b). Every company tries to innovative its products and distinguishes it from other brands from the minds of the Indian consumers. As competition become tough, companies try to think something else than functional attributes. Consequently, companies try to develop communication programs like cause related marketing (CRM) to help brands to exist in market (Barnes and Fitzgibbons, 1991). In 2012, ad expenditure totaled Rs 28,851 crores (Chandaran, 2010). In the modern promotion tools CRM is considered as preferable tool for promotion. CRM preferred by companies for a cause in which customers are involved, because on every purchase they do a small proportion provided for charity (Varandarajan and Menon, 1988). Researches like Webb et al., (1998) found that businesses opt advertisements for such social causes and also predicted that most of the subjects surveyed were aware of the CRM, and nearly one third out of them had CRM effect on their purchases. Brand loyalty effect on a company's financial performance and allows companies to charge premium prices and to increase market share (Chaudhuri and Holbrook, 2001). Once consumers become loyal of the product they are ready to spend more on that product or service and they are the source of positive word of mouth of advertising (Aaker, 1996). The objective of the present paper is to understand the impact of cause related campaigns and help managers to understand the consumer perceptions related to such campaigns. The purpose of this research is, first, to advance our understanding of how consumer social responsibility orientation affects brand image inclination, which is mediated between CSR and BSRI, and attitude toward the advertisement. Secondly, how firm donations affect CSR and attitude toward the advertisement. Thirdly, how brand image affect elaborative offer and attitude toward the advertisement. Fourthly, how BSRI act as a moderator between BSRI and EO; and between BSRI and ATID and fifthly, how the combined effect of elaborative offer, attitude toward the advertisement, and BSRI affects brand loyalty.

Literature Review:

Cause-related marketing

Consider it as “a general alliance between businesses and non-profit causes that provide resources and funding to address social issues and business marketing objectives” (Cui et al. 2003). Sometimes, consumers had self-serving motives to involve in company campaign (Becker-Olsen et al., 2006).

Moderating variables also effect on consumer choice (Barone et al., 2000), consumer purchase decisions (Webb and Mohr, 1998), and consumer attitudes towards CRM itself (Barnes, 1992). Such moderating effect builds congruency between the company and the cause (Pracejus and Olsen, 2004). Cause-related marketing (CRM) campaigns arise our CSR-based corporate image advertising. Such campaigns, often considered as CSR activity (Ellen et al., 2006), but they are different from CSR, as they focused on firm's socially-linked sales promotion. CRM can induce favourable brand attitude (Berger et al., 2006 and Ross et al., 1992), favourable product evaluations (Berger et al., 2006), and favourable attitude toward the social partner (Ross et al., 1992). The preference among customers for campaign also depends on the amount of donation companies invest for such cause (Pracejus et al., 2003/4). CRM had a preferable option for sponsoring companies and such campaigns were preferable by women and by men (Ross et al., 1992). This positive impact increases when the campaign affect local cause, then national causes (Brown and Dacin, 1997). Researchers like Strahilevitz and Meyers (1998) predicted that customers check the unit contribution to a charity with a unit reduction in the price of the item. Some researchers also considered the impact of celebrity endorsers, and found that their impact was successful, and increased product fit results in a favourable product attitude (Kamins and Gupta, 1994).

Conceptual Background

As shown in figure 1, we expect consumer social responsibility orientation and firm donation will

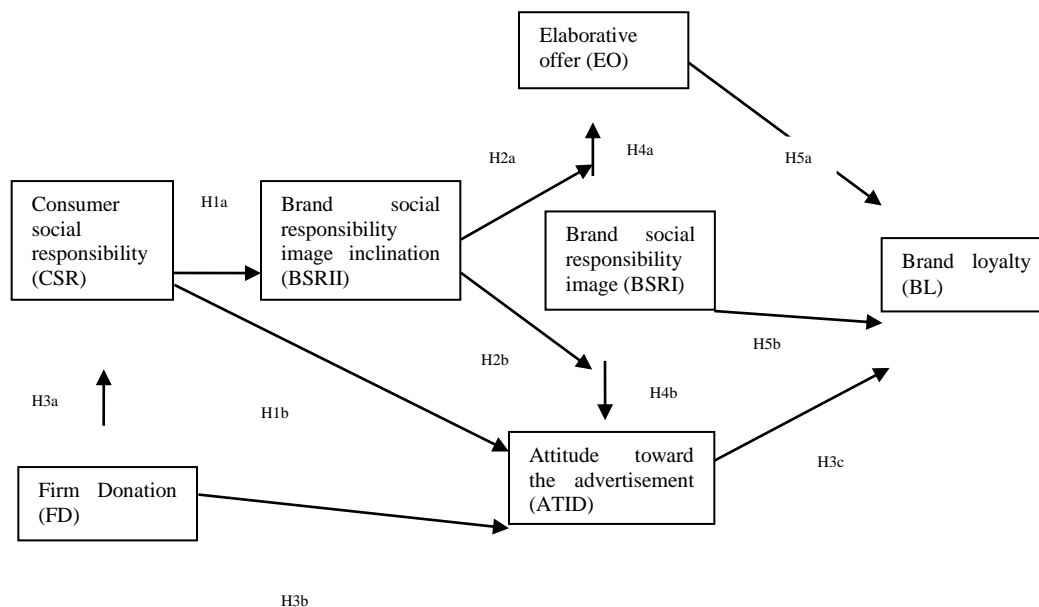


Figure 1: Influences of consumer social responsibility and brand social responsibility on consumer brand loyalty.

lead to brand social responsibility image (through the mediation of brand social responsibility image inclination) and consumer cognition (i.e. attitude toward the brand and elaborative offer) which are effected by brand social responsibility image and moderated by BSRII and BSRI, which in turn effect brand loyalty. We conceptualize consumer perceptions of corporate social responsibility, henceforward referred to as CSR (Brown and Dacin, 1997), to understand the charitable cause. To conceptualize, consumer perceptions of firm donation, referred price donations (Folse et al., 2010). To understand the rewarding inclination of consumers toward brand social behavior (BSRII) a recent work of Creyer and Ross (1997) was used. To learn the role of BSRI, how brand social image effect consumer perception, we consider the work of Brown and Dacin (1997). Further, to conceptualize the role of elaborative offer and attitude toward advertisement, the work of Laczniaak and Muehling (1993) and Holbrook and Batra (1987) was used. Previous research has shown that elaborative decision is typically shorter for intuitive emotional decisions and longer for complex cognitive decisions (Rubinstein, 2007). And lastly, to learn consumer perception of brand loyalty (BL), scale was adopted from Reynolds and Arnold (2000), Sudhahar et al., 2006 and Pritchard, Havitz and Howard (1999). The overall conceptual model is largely guide by Brown and Dacin (1997) and Folse et al., (2010) and persuasion models (Friedstad and Wright, 1994).

Consumer social responsibility

Several studies focused on consumers' attitudes toward the ethical behavior of firms (Creyer and Ross, 1997). CSR activities try to minimize negative externalities and maximize its positive externalities (Petkus and Woodruff, 1992). Various researchers cited the CSR conceptualization across its operating activities (Verschoor, 2008). Researchers (Orlitzky et al., 2003 and Oh and Durden, 2007) find the relation between CSR and financial performance, which also affects reputation and enlighten the interest of the consumers. CSR activities seem beneficial in luring customers in falling situations and creating halo effect in consumer perceptions (Ricks, 2005). Other benefits claimed because of CSR include brand differentiation (McWilliams and Siegel, 2001), brand equity (Hoeffler and Keller, 2002), competitive advantage (Porter and Kramer, 2002), customer loyalty (Bhattacharya and Sen, 2003) and customer satisfaction (Luo and Bhattacharya, 2006).

H₁: Consumer social responsibility has positive effect on (a) brand social responsibility image inclination and (b) ATID.

Brand Social Responsibility Image

Social responsibility and cognitive beliefs or value refers to a broad range of normative obligations (Enderle & Tavis, 1998). Researches like Brown and Dacin (1997) analyzed the impact of corporate social responsibility and corporate ability on consumer product responses (primarily, corporate evaluation and product evaluation), they also emphasized the differential effect of a company's reputation for producing quality products and its reputation for social responsibility directly on corporate evaluation and indirectly on product evaluation (through corporate evaluation). Such social responsibility activities have a positive influence on consumer behavior (Creyer & Ross, 1997).

H₂: Brand social responsibility image attraction moderates the relationship a) with brand social responsibility image and elaborative offer and matching dimensions of BSRI and BSR II (i.e. high/high or low/low) enhanced EO than mismatch conditions (i.e. high/low or low/high) , b) with brand social responsibility image and attitude toward the advertisement matching dimensions of BSRI and BSR II (i.e. high/high or low/low) enhanced ATID than mismatch conditions (i.e. high/low or low/high).

Firm donation

It is amount which companies get from each consumer transaction for charitable cause. Researchers like Holmes and Kilbane (1993) examined three donation levels and found interesting results that greater donation amount by firm need not necessarily increase the consumer purchase intentions. In their study, the manipulated firm donation amount range from (\$ 0-1). Consumers perception get affected by advertisers, magnitude of donation (Strahilevitz, 1999) and impact choice, but price and product performance remain constant (Barone, Miyazaki, and Taylor, 2000). In general they concluded from their study that CRM campaign didn't have a negative impact on consumer attitude toward the message, and also predicted that the type of product and amount of donation can make a difference. Other researchers like Folse et al., (2010) also worked on firm donation, they conducted three studies in study I they took four donation levels (\$.05, \$.20, \$.80, \$ 3.20), in study II they took three donation levels (\$.75, \$ 2.25, \$ 6.75) and in study III they took two donation levels (\$ 1.0, \$ 4.0). From the results of these three studies, it was predicted that higher firm donation amounts do definitely improve consumer participation intentions.

H₃. *The firm donation has positive effect on (a) CSR and on brand loyalty which is mediated by ATID, such that (a) firm donation positively ATID, (b) ATID positively effects brand loyalty.*

Corporate image advertising

Image advertising builds favourable image in consumer mind than its rivals (Rossiter and Bellman, 2005). Positive reputations built corporate image which further respond to trust and credibility (Smith, 2006). In addition, advertising message acceptance depends on many factors like situational factors, product type, claim substantiation, and prior knowledge (Obermiller and Spangenberg, 1998). Whereas, researchers like Lacznia and Muehling (1993) focused on the importance of offer elaboration by considering it as the amount of self-perceived cognitions about the deals. Researchers like Lafferty (2005) found that advertisements without any cause resulted in more positive attitudes and purchase intentions than CRM based advertisements.

H₄: Brand social responsibility image has a positive effect on (a) elaborative offer and (b) attitude toward the advertisement.

Brand loyalty:

It is considered as effective performance variable (Dick and Basu, 1994). Companies with commitment toward CRM campaign will lead to brand loyalty (Miller, 2002). While other researchers focused of the results that CRM effective increases with time (Till and Nowak, 2000). Brand loyalty leads to repeated purchasing from the consumers but the underlying factors of repeated purchasing were unknown (Quester and Lim, 2003). A consumer's attitude towards a brand relies on various components like affective, cognitive and conative (Oliver, 1997). The affective component is concerned with (positive/ negative) emotions that consumers have toward the brand. The cognitive component focuses on the particular knowledge about that brand; conative component embeds consumers' behavioural disposition or an intention to buy the brand. Other researchers considered brand loyalty as both behavioral and attitudinal. The behavioral dimension captures more patronage behavior than attitudinal loyalty on repeat purchasing of a certain brand by consumer over time (Bloemer and Kasper, 1995). Chaudhri and Holbrook (2001) measured purchase loyalty with items like "I will buy this brand the next time I buy Brand X" and "I intend to keep purchasing this brand" etc. they used semantic scale to measured items.

H₅: Brand loyalty gets positively effect by (a) elaborative offer and (b) Brand social responsibility image.

Research Methodology

Research design and measurement

The present study used descriptive study to test hypotheses. Consumers were shown story boards advertisements about ITC Classmate products and talked about the campaign “Let’s put India first” which told that ITC contributed Re 1 for every purchase of four notebooks of Classmate to rural development initiatives particularly primary education in villages. For experimental conditions consumers was given three price range of firm donation (i.e. Rs.1, Rs.2 and Rs3), to analyze the preference level of consumers with constant price of Rs.30 per unit. Based on story board advertisements, respondents filled in a questionnaire. In the questionnaire, respondent scored was measured on seven constructs. All constructs were measured using 7 point likert scale or 7 point semantic scale. Consumer social responsibility (CSR) (Brown and Dacin, 1997) and brand social responsibility image attraction (BSRII) were seven point semantic scales adapted from Creyer and Ross (1997) and with five items each, brand social responsibility image (BSRI) was adopted from Brown and Dacin (1997) and it was a seven point semantic scale (favorable and unfavorable), attitude toward the advertisement adopted (ATID) from Holbrook and Batra (1987) and Sujan and Krishnamurthy (1999) and it was a seven point semantic differential scale, elaborative offer (EO) adopted from Laczniak and Muehling (1993) and it was a seven point semantic scale (none/very much), behavior loyalty (BL) adopted from Reynolds and Arnold (2000), a seven point semantic scale and Sudhahar et al., 2006, a seven point semantic scale, and attitudinal brand loyalty adopted from Reynolds and Arnold (2000) and Pritchard, Havitz and Howard (1999), a seven point semantic scale, which is merged into brand loyalty, lastly firm donation which is non metric and have 3 items (Rs.1, Rs.2 and Rs.3) which is modified as Indian currency (Folse, et al., 2010). A 3 (no BSRI/low BSRI/high BSRI)* 3 (no BSRII/low BSRII/high BSRII) fractional, factorial design in a field study was employed to test the related hypotheses. The items of these two constructs were evaluating on 7 point likert scale.

Sample and procedures

This study’s sample consists of students from Ahmadabad. The study was conducted among students who were approachable inside the campus and it includes both male and female. An opportunity was given to respondents to win gifts from a random lottery system at the end of the survey. At the end of the survey 693 useful replies were collected. Out of which 349 were males and 344 were females. The study was conducted in three shifts over fourteen consecutive days at the chosen university. The three shifts were

morning shifts 10.15 a.m. to 12.30 p.m., early afternoon shifts from 12.45p.m. to 1.45 p.m., and late afternoon shifts from 2.15 p.m. to 5 p.m.

Pretesting of questionnaire and measures

A pilot survey was conducted on a sample of 50 respondents in the field. From the results of pretesting questionnaire it was found that attitudinal based loyalty show weak preference. So, it was merged with behavioral brand loyalty and the overall construct named as brand loyalty.

Results and Discussions

Measurement model

Using confirmatory factor analysis, the covariance matrix was fit to 35 items, fully correlated six factor correlated measurement model in order to test the convergent and discriminant validity of the measured factors. Based on a number of indices, the model fit appears to be adequate for this purpose ($\chi^2=576.01$; $p=.001$; TLI=.917, CFI=.922, RMSEA= .08). As shown in Table 1, the variance-extracted estimates were greater than the squared correlations between the constructs, which gives prediction of discriminant validity (Fornell and Larcker, 1981). The confidence intervals test was also used to get discriminant validity between all constructs (Anderson and Gerbing, 1988) as well as the chi square test at $p<.002$ (Bagozzi and Phillips, 1982). Further all factor loading scores were higher than .79 and significant at $p<.005$ which gives the evidence of convergent validity.

Table 1 Construct reliability, variance extracted, and correlation

Constructs	Items	Alpha (α)	variance extracted	Correlation				
				CSR	BSRII	BSRI	ATID	EO
CSR	5 item scale	0.85	0.84					
BSRII	5 item scale	0.87	0.78	0.67 (2.01)				
BSRI	5 item scale	0.87	0.75	0.53 (2.22)	0.74 (3.02)			
ATID	5 item scale	0.89	0.83	0.78 (2.34)	0.72 (2.62)	0.7 (2.25)		
EO	5 item scale	0.93	0.78	0.72 (2.89)	0.66 (3.41)	0.56 (2.36)	0.65 (2.38)	
BL	10 item scale	0.92	0.82	0.63 (2.11)	0.76 (2.84)	0.52 (2.54)	0.68 (2.17)	0.72 (3.26)

Note: Correlation t-values are provided in parantheses. All correlations are significant at $p<.05$. In all cases, the variance extracteed estimates are greater than the squared correlations providing evidence of discrminant validity.

The coefficient alpha for all multi item scales exceed .8, which is normally considered acceptable (Nunnally, 1978) as shown in Table 1.

Manipulation checks

To ensure the subjects perception levels differed between the nine experiments conditions, a two-factor ANAOVA was performed. As expected, the main effects for BSRII and BSRII were significant. The interaction effect was insignificant.

Table 2 Cell means for BSRI and BSRII Experimental condiiions

Experimental condition	No BSRII	Low BSRII	High BSSRII	Main Effect means
No BSRI	4.21	4.51	4.56	4.43
Low BSRI	4.27	4.79	5.21	4.76
High BSRI	4.97	4.85	5.45	5.03
Main effect means	4.83	4.72	5.07	4.74

Note: The two main effects are significant (BSRI: $F = 4.56$, $p < .05$; BSRI: $F = 5.67$, $p < .04$). The interaction effect was marginally insignificant.

The mean cells shown in Table 2 indicate that no BSRII and BSRI conditions were perceived as less. The planned contrasts between no BSRII and low BSRII was significant ($p = .05$) and the planned comparison between no BSRII and high BSRII was significant ($p < .02$). Similarly, the planned contrasts for the no BSRI and low/high BSRI are significant, $P < .03$ for both contrasts. These results suggest that the perception manipulation was successful.

Hypotheses testing

The cell means on our dependent variables as a function of the EO and ATID were shown in Table 3, and are plotted in figure 2. As expected, the BSRI main effect was significant for both EO ($F = 4.23$, $p < .05$) and ATID ($F = 4.15$, $p < .05$). For BSRII main effect was again significant for EO ($F = 4.03$, $p < .05$) and

ATID ($F= 4.7, p < .05$). The cell mean values for males had shown better results than females in both conditions i.e. match/mismatch or single stimuli. The cell means plotted in figure 2 shows that EO and ATID were influenced by the congruency between BSRI and BSRII in terms of their product preference levels. The match conditions elicited more positive responses than the mismatch conditions, according to what was advanced in H2. To test H2 directly, a 2×2 ANOVA is conducted, a series of $2(\text{high BSRI and Low BSRI}) \times 2(\text{high BSRII and low BSRII})$ ANOVA was used. The ANOVA results in Table 4 show that the brand social responsibility image inclination and brand social responsibility image interaction was significant for elaborative offer and attitude for the advertisement. Matching the preferences qualities of the two stimuli resulted in higher levels of EO and attitude toward the advertisement.

Table 3: Mean Cell values by dependent variables

Dependent variable	Match/ Mismatch Condition				Single stimulus condition				
	Match	Match	Mix	Mix	No BSRII	No BSRII	No BSRI	No BSRI	No BSRII
	High BSRII High BSRI	Low BSRII Low BSRI	High BSRII Low BSRI	Low BSRII High BSRI	No BSRII Low BSR	No BSRII High BSRI	No BSRI Low BSRII	No BSRI High BSRII	No BSRII condition
EO									
Male	5.46	3.1	4.23	5.26	5	5.12	4.63	4.8	4.55
Female	4.78	2.12	3.65	4.41	4.69	4.84	4.55	4.64	4.48
ATID									
Male	5.82	5.53	5.3	5.17	5.72	5.06	5.06	5.4	5.3
Female	4.38	5.21	2.67	4.14	5.11	3.62	3.44	2.78	4.45

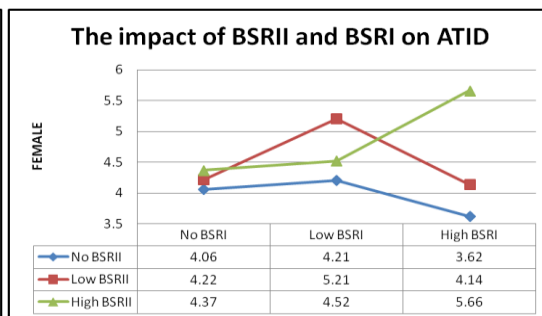
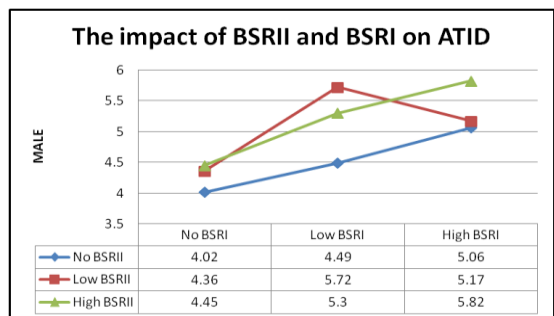
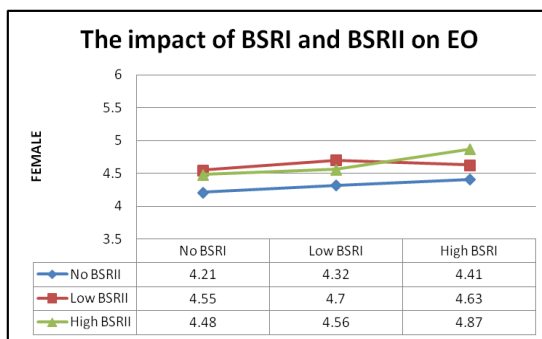
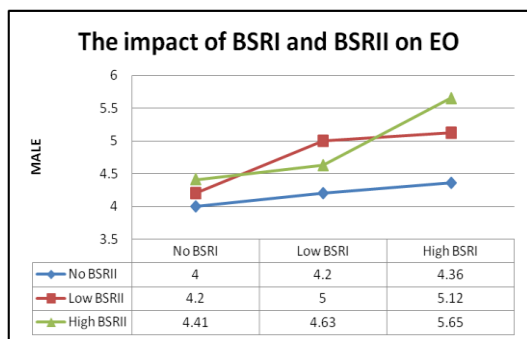


Figure 2. The combined impact of BSRI and BSRII

However as shown in Fig. 2, the pattern of the cell means is similar to those observed for EO and ATID. In conclusion, the results largely support for H2. Also it was noteworthy that the main effect for BSRI and BSRII was significant at .05 levels, but males have slightly good preference level than females. The two stimuli can be consider in isolation but the individually variance explain capability of the two stimuli are weak in comparison to their interaction effect.

Dependent variables	BSRII Main Effect (high or low) conditions			BSRI Main Effect (high or low) conditions			BSRII * BSRI intercation (match and mismatch)		
	F	Sig.	Eta Sq.	F	Sig.	Eta Sq.	F	Sig.	Eta Sq.
EO									
Male	4.12	0.04	0.23	4.15	0.03	0.11	5.45	0.04	0.45
Female	4.1	0.03	0.12	4.23	0.04	0.09	4.76	0.03	0.37
ATID									
Male	4.34	0.02	0.18	4.89	0.04	0.26	6.54	0.04	0.46
Female	4.04	0.05	0.1	4.35	0.02	0.17	5.23	0.05	0.31

MANOVA

The test was conducted to understand the effect of firm donation on consumer social responsibility and attitude toward the advertisement and to test H3. From Table 5 it was clear that customer expectation from firm donation amount was higher. The mean value of firm donation amount Rs. 3 was high as compared to other two levels. The results didn't show much difference between men and women in preference for firm donation amount. Same results were seen across CSR and ATID for male and female.

Dependent variable	Firm Donation	Mean	Std.Dev.	F	Sig.	η^2	obs. Power
CSR							
Male	Rs. 1	5.67	0.499	23	0.004	0.17	1.000
	Rs. 2	6.66	0.839	30	0.001	0.22	1.000
	Rs. 3	7.53	0.764	45	0.000	0.56	1.000
Female	Rs. 1	6.21	0.551	25	0.005	0.16	1.000
	Rs. 2	6.77	0.779	31	0.002	0.34	1.000
	Rs. 3	7.45	0.708	39	0.001	0.67	1.000
ATID							
Male	Rs. 1	5.12	0.714	12	0.002	0.15	1.000
	Rs. 2	6.14	0.835	36	0.000	0.23	1.000
	Rs. 3	7.23	0.846	51	0.000	0.44	1.000
Female	Rs. 1	5.45	0.551	18	0.003	0.08	1.000
	Rs. 2	6.95	0.792	23	0.000	0.14	1.000
	Rs. 3	7.68	0.726	56	0.005	0.48	1.000

Note: All the statistical test (Pillai'a criterion, wilks' Lambda and Hotelling's trace are significant ($p < .003$))

The dependent variables show significant results across all independent variable levels. The variance for donation amount was high for Rs. 3 (firm donation) across both dependent variables, which provided the evidence that Rs. 3 donation amount across constant price of notebook was highly preferable by both male and female respondents, who gave preference to CSR and had positive attitude toward the advertisement. In conclusion, the results support H3.

Regression model

To understand H1, H3c, H4 and H5 regression test was conducted. The decision to use regression was based on research by Brown and Dacin (1997). From the results it was seen that consumer social responsibility showed significant results across BSRII and ATID. So, the results support H1. The consumers with positive attitude toward the advertisement strongly support the brand and show loyalty toward it. So, the results support H3c. Consumers who think positive toward the ITC notebook cause had positive effect on the advertisement shown and the offers given by the brand. So, the results significantly support H4. Consumers with positive image toward brand social cause and had positive thought toward its offers, had strong positive effect on the loyalty toward the brand. So, the results significantly support H5 (Table 6).

Table 6: Regression model

Independent variable	b	R ²	F	T	Sig.	Hypotheses
CSR^a						H1a supported
Male	0.43	0.44	4.13	2.08	0.04	
Female	0.26	0.23	4.11	2.09	0.03	
CSR^c						H1b supported
Male	0.36	0.44	4.13	2.08	0.04	
Female	0.22	0.23	4.11	2.09	0.03	
ATID^d						H3c supported
Male	0.22	0.15	4.35	2.75	0.05	
Female	0.19	0.11	3.47	2.82	0.05	
BSRI^b						H4a supported
Male	0.35	0.41	5.31	2.37	0.05	
Female	0.31	0.37	5.22	2.64	0.02	
BSRI^c						H4b supported
Male	0.25	0.52	5.71	3.13	0.05	
Female	0.23	0.34	4.48	2.58	0.04	
EO^d						H5a supported
Male	0.42	0.19	4.15	3.34	0.04	
Female	0.38	0.11	5.02	2.89	0.03	
BSRI^d						H5b supported
Male	0.56	0.12	4.45	2.47	0.05	
Female	0.39	0.08	4.36	2.16	0.03	

Dependent variable: a: BSRII; b: EO, c:ATID, d: BL

General discussion

Research in consumer psychology to understand the customer preference for CRM campaigns postulate that customers like CRM campaigns and had high preference for these products. The first question in this study was to understand the effect of consumer social responsibility orientation. In answering this question, regression test was conducted, and the results indicate that customers (i.e. either male or female) who had high concern for CSR orientation, were highly impacted by the BSRI and ATID factors, which gave us an indication that, when customer gave preference to company's product, who were involved in CSR activities, they were ready to give reward to those companies by buying their product and checking out their advertisements very interestingly. Other researchers like Pritchard et al., (1999), predicted commitment toward a brand based on confidence in the product, cognitive consistency, and the complexity of the purchase decision. Here, consumer had cognitive consistency with companies' perception toward the wellbeing of the cause by the support of the consumers. The second question was focused on firm donation level, it indicated that as firm donation level increases customers (i.e. either male or female) considered the activities done by company very seriously and ready to participate in such social campaigns by buying their products and watching such advertisement very passionately. Previously, other researchers like Folse et al., (2010) also predicted that higher donation amounts were highly preferred by consumers and high participation results in such campaigns arise by high participant persuasion knowledge (Frieddstad and Wright, 1994). The third question focused on the influence of BSRI on EO and ATID, results predicted that customers who had high preference for cause related brand gave high preference for their offers and had positive attitude toward the content shown for the cause. Previous research also predicted that positive brand attitude leads to positive participation intentions (Niedrich and Swain, 2003). The fourth question was talked about the moderation effect of BSRI between BSRI and EO, and BSRI and ATID, in answering this question, we first find out the main effect and interaction effect for EO and then for ATID across male and female customers, which predicted that when customer reward brand social responsibility activities, they also produced positively strong preference along with image on the offers and on the advertisements made for such cause, customer consider such activities conducted by the company for the betterment of the society. Lastly, fifth question, emphasized on the combined effect of BSRI, EO and ATID on brand loyalty, the results predicted that when the image of the cause related brand increases in the mind of the customers they were more brand loyal as compared to EO and ATID, which lead us to predict that social emotional cognition heavily affected CRM activities than socio economic activities. Brink (2006) also predicted that consumer show brand loyalty when the firm has long term commitment toward the campaign and it is related to low involvement product.

Theoretical implications

Theoretically, this work offers five significant contributions. First, the empirical work shown that consumer orientation toward social responsible cause enhances reward giving capability of consumers much higher than their attitude toward the advertisement. Second, the firm donation causes a social exchange paradigm (Balu, 1964) effect on advertisement attitude and CSR orientation. Thirdly, it is shown that brand image influences elaborative offer and advertisement attitude. These effects can be explained within economic exchange paradigm (Folse et al., 2010). Fourthly, BSRI have a strong moderating effect on the relation between EO and BSRI, and ATID and BSRI. This paradigm is supported by Brown and Dacin (1997) and Creyer and Ross (1997). Fifthly, brand loyalty enhances when consumers have high brand image, and then less comparatively high on EO and ATID. The results are supported for advertisement by Chaudhuri (1999) and Davis (1994), for Elaboration offer by Teas and Grapentine (1996) and for brand image by Tidwell & Horgan (1992)

Managerial implications

Consumers who have orientation toward social responsibility and want to give their contribution to those firms who involved in cause related marketing, give more preference to these brands as compared to other consumers who have less interest in CRM campaigns. In our sample all the respondents show high interest in CRM campaigns as all of the respondents are doing master degrees and have high interest in CRM activities done by various firms especially those who are involved in low involvement products. The important thing which managers have to understand is to arouse the consumers' intentions toward the social responsibility of each citizen toward its people in the society, by linking such interest through their products by showing the consumer the donation amounts they donate for a particular cause. The amount of donation should be highlighted in the advertisement. So, social exchange mechanism enhances the participation intentions among consumers and motivates the consumers toward the company offer for such noble cause. But, at the same time marketers has to understand the limitation of donation amount per unit and have to develop the marketing strategy accordingly, because the consumer expectation toward cause increases as the donation amount increases. Such campaigns help to build good social brand image of the product in the consumer mind and consumer also get ready to reward such brands and it further leads to brand loyalty. These CRM programs feel consumer good and smart (Schindler, 1998).

Limitations and future directions

The study limitation can become interesting questions in future research. The study doesn't focus on the purchase quantity (Folse et al., 2010) and self-distinctiveness (Bhattacharya and Sen, 2003). The purchase quantity shows the economic exchange paradigm where consumers seek favorable financial transactions. The self-distinctiveness helps to identify how consumer from different segment behaves for differently for different degree of product involvements.

Conclusion

In digest, the present paper focused on the thought that consumers prefer to reward the company which focus on cause related marketing. In India cause related marketing is a new concept of marketing communication but the countries like USA it was existed since 1983 (Barnes and Fitzgibbons, 1991). For Indian consumer cause related brand building exercise is new and in most of the industries in India the concept is welcome by companies, and it was seen that no two or more companies of the same product do cause related marketing throughout the year. Most of those who are involved in CRM practices do it for single product or single product line only. Moreover, the cause which company pick should relate to the target segment, like ITC focused on education and relate it with youth in the advertisement. The education facility in the rural India is not good, and government also started mid-day meals to attract the attention of the below poverty line people to send their children to schools instead of taking along them to work. Such CRM initiatives taken by the companies not only help the companies in getting tax reliefs on CSR, but help to gain consumer loyalty toward the brand, which further help to build the brand loyalty and the purchasing preference of the consumer over other brands.

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