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Author(s): P. Rajan Varadarajan and Anil Menon

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P. Rajan Varadarajan & Anil Menon

Cause-Related Marketing: A Coalignment of Marketing Strategy and Corporate Philanthropy

Cause-related marketing represents the confluence of perspectives from several specialized areas of inquiry such as marketing for nonprofit organizations, the promotion mix, corporate philanthropy, corporate social responsibility, fund-raising management, and public relations. The authors outline the concept of cause-related marketing, its characteristics, and how organizations, both for-profit and not-for-profit, can benefit from effective use of this promising marketing tool.

BUSINESS literature has examined three rationales for corporate philanthropy: through-the-firm giving, corporate statesmanship, and profit-motivated giving (see Fry, Keim, and Meiners 1982). Cause-related marketing (CRM) has emerged in recent years as a new form of corporate philanthropy based on the rationale of profit-motivated giving.¹ We provide a review and synthesis of the emerging field of cause-related marketing. The purposes of our article are to (1) trace the evolution of corporate philanthropy and the emergence of CRM, (2) propose a definition of CRM and address some of the current misunderstanding of its nature and scope, (3) provide a detailed discussion on the managerial and social dimensions of CRM, and (4) propose directions for future research.

P. Rajan Varadarajan is Associate Professor of Marketing, Texas A&M University. Anil Menon is Assistant Professor of Marketing, Texas Tech University. The study was supported by a research grant to the first author from the Office of University Research, Texas A&M University.

¹The Travel-Related Services unit of American Express Company has copyrighted the term "cause-related marketing."

An Overview

The Evolution of Corporate Philanthropy

Corporate involvement in social well-being began as voluntary responses to social issues and problems, then evolved into a phase of mandated corporate involvement, and is now evolving into a phase in which social responsibility is viewed as an investment by corporations (Stroup and Neubert 1987). A brief description of these phases is warranted to trace the emergence of CRM.

Voluntarily doing good. Stroup and Neubert (1987) note that early philanthropy and social responsiveness were undertaken by public-spirited corporations voluntarily. Though such undertakings invariably reduced profit because they consumed corporate resources (Stroup and Neubert 1987), some authors contend that even these voluntary actions were not entirely altruistic. Keim (1978a,b), for instance, points out that corporate philanthropy encompasses a range of activities, some that may positively affect the profit of contributors and others based on purely altruistic considerations.² Morris and Biederman (1985) note that shrewd alignment of corporate and social needs marked the first 50 years of corporate philanthropy.

In fact, corporate giving was limited by law to donations that could be justified directly as being in the stockholders' interests. Hence, though the decision to donate or not to donate was voluntary, the recipient of the donation was limited legally to one that furthered corporate interests. This situation changed in 1954, when a New Jersey Supreme Court decision established the principle that publicly held companies can provide grants to nonprofit entities that do not directly produce profit to the companies' stockholders.

Mandated corporate social responsibility. This phase was marked by a recognition among firms that in a free society any business operates only as long as societal members continue to grant it that right. Also, stakeholders dissatisfied with corporate leaders' voluntary actions used a variety of pressures, including regulatory provisions, to force corporations into actions that did not necessarily contribute to their profit. As these pressures grew, to avoid charges of corporate hypocrisy, corporations tended to shy away from supporting causes that seemed to have potential to further their corporate interests (Morris and Biederman 1985).

Doing better by doing good. The recent trend seems to be to seek a middle ground between voluntary and mandated support. Corporate philanthropy seems to be driven by the concept of "enlightened self-interest." Stroup and Neubert (1987) note that corporations are beginning to realize that, for their survival and competitive advantage, they must evolve from doing good to doing better. Therefore, social responsibility is treated as an investment that improves the long-term performance of the organization. This trend is also identified in a recent review of literature on the objectives of corporate philanthropy (Grahn, Hannaford, and Laverty 1987). The authors broadly classify these objectives as (1) corporate philanthropic objectives that are also objectives of marketing strategy and (2) corporate philanthropic objectives that are not objectives of marketing strategy. Rosenthal's (1985) study on the motives underlying corporate involvement in national charity telethons provides additional insights into the overlap between the philanthropic and marketing objectives of firms. He reports that corporations use telethons both as a channel for charitable contributions and as a marketing tool.

The Emergence of Cause-Related Marketing

CRM can be viewed as a manifestation of the alignment of corporate philanthropy and enlightened busi-

²See Keim (1978a) for a discussion on the enlightened self-interest model and Keim (1978b) for a discussion on two contrasting viewpoints on managerial behavior in the context of corporate social responsibility—the "popular" view of the social responsibility of business and the "economist's" view.

ness interest. It is basically a marketing program that strives to achieve two objectives—improve corporate performance and help worthy causes—by linking fund raising for the benefit of a cause to the purchase of the firm's products and/or services. Indicative of the marketing thrust of CRM programs is the fact that, in most cases, contributions to charity stemming from a firm's CRM do *not* come from its regular philanthropic foundation budget. Rather, a portion of the marketing budget that normally would have been expended for advertising and/or sales promotion is instead earmarked for contribution to a cause on behalf of those customers who engage in revenue-producing transactions with the firm during a specified time period and comply with other terms of exchange (*Business Week* 1982; Wall 1984). Also indicative of the marketing thrust of CRM programs is the fact that the amounts expended by the firms in promoting the programs, and thereby stimulating demand for their brand(s), tend to be substantially higher than their promised maximum contribution to the cause. For example, during 1983, American Express Company launched a cause-related marketing program (CRMP) in support of the renovation of the Statue of Liberty. American Express promised to donate a penny to the renovation for each use of its charge card and a dollar for each new card issued in the U.S. during the fourth quarter of 1983. American Express had a 28% increase in card usage over the same period in 1982 and a sizable increase in the number of new cards issued. This \$6 million national promotion campaign resulted in a \$1.7 million contribution by American Express to the Statue of Liberty–Ellis Island Foundation (Wall 1984).³

Cause-Related Marketing Defined

There seems to be some confusion about the concept of CRM. It has been viewed as a form of horizontal cooperative sales promotion (Varadarajan 1986), as a tie-in between corporate philanthropy and sales pro-

³An extreme type of highly targeted CRM is "affinity group marketing." The term "affinity group marketing" is used generally in the context of strategies designed to capitalize on the goodwill people have for the groups to which they belong (Yang 1986). For example, the practice of banks forming alliances with universities to promote their Master Card and Visa charge cards to the university faculty, staff, and/or alumni has been growing in popularity. Such associations generally call for the bank to contribute to the not-for-profit partner a percentage of the dollar amount charged to the card (usually one quarter or one eighth of 1%) and/or a certain amount for each card issued to a member of the affinity group. Such partnerships constitute an additional source of income to the affinity group (universities, professional groups, special interest groups) and the bank benefits by developing a market base of select customers. The rationale underlying affinity group marketing seems to be that if there is little differentiation between competing brand offerings (e.g., bank credit cards), customers might be inclined to patronize a particular brand if such use entails no additional cost and benefits their affinity group.

motion (Grahn, Hannaford, and Laverty 1987), as synonymous with corporate sponsorship of charitable causes (e.g., Coca-Cola Company's sponsorship of a program to combat hunger and homelessness in America; see Williams 1986), and as the initiation and funding of deserving causes (e.g., Adolph Coors Company's setting up of a \$500,000 scholarship program for children of soldiers who died in the Vietnam war; see Rapp and Collins 1987, p. 174). Though the use of CRM in tandem with sales promotion tools such as cents-off coupons and refund offers is pervasive, the offering of an economic incentive to motivate consumers to engage in exchange relationships with the firm (the salient characteristic of most consumer sales promotion tools) is *not* the key characteristic of CRM. Rather, the distinctive feature of CRM is the firm's contribution to a designated cause being linked to customers' engaging in revenue-producing transactions with the firm (exchange of goods and services for money). Table 1 summarizes programs that are illustrative of (1) both CRM and sales promotion, (2) CRM and not sales promotion, (3) sales promotion and not CRM, and (4) corporate philanthropy but neither CRM nor sales promotion.

Firms have long attempted to enhance their corporate image, cultivate a favorable attitude in the minds of consumers, and/or realize incremental sales gains by prominently advertising their acts of philanthropy and sponsorship of worthy causes. Even when firms have refrained from using their sponsorship of events as a vehicle for promoting their products, the goodwill generated among consumers by such sponsorship has led to sales increases. For instance, since 1940 Texaco has sponsored radio broadcasts of the Metropolitan Opera. The company limits its corporate usage time to less than two minutes per broadcast and only briefly mentions its petroleum products. Nevertheless, research indicates that significant numbers of opera listeners make a special effort to buy Texaco products and that the company has two and a half times its normal market share among motorists who regularly listen to opera broadcasts (Hamaker 1984). The positive outcomes notwithstanding, such actions cannot be viewed as illustrative of CRM.

In summary, CRM is a marketing activity—a way for a company to do well by doing good—distinct from sales promotion, corporate philanthropy, corporate sponsorship, corporate good samaritan acts, and public relations, though it is often an amalgam of such activities. In the absence of a formal definition of CRM in the marketing literature, the following definition is proposed.

Cause-related marketing is the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when cus-

tomers engage in revenue-providing exchanges that satisfy organizational and individual objectives.

Managerial Dimensions of Cause-Related Marketing

The use of CRM as an integral component of a firm's marketing strategy calls for decisions on the part of the firm about a broad range of dimensions. Some of the major dimensions of CRM are outlined in Table 2. The list is illustrative and not exhaustive. A brief discussion of these dimensions follows.

Corporate and Marketing Objectives

An examination of case histories reported in several articles on this topic suggests that CRM is a versatile tool that can be used to realize a broad range of corporate and marketing objectives,⁴ for example:

- gaining national visibility,
- enhancing corporate image,
- thwarting negative publicity,
- pacifying customer groups,
- generating incremental sales,
- promoting repeat purchases,
- promoting multiple unit purchases,
- promoting more varied usage,
- increasing brand awareness,
- increasing brand recognition,
- enhancing brand image,
- reinforcing brand image,
- broadening customer base,
- reaching new market segments and geographic markets, and
- increasing level of merchandising activity at the retail level for the brand.

Increasing sales. One of the most basic objectives firms strive to realize by participating in CRMPs is to increase the sales of their product/service offerings. Successful CRMPs are reported to have led to incremental sales (as evidenced by the higher redemption rates for cents-off coupons tying-in with charities) by increasing trial purchases, repeat purchases, and/or promoting multiple unit purchases. As a case in point, Kimberly-Clark Consumer Products Company (KC) initiated a CRMP in association with the American Heart Association (AHA) with the objective of realizing incremental sales through initial trial, repeat, and multiple-unit purchases (see *NCH Reporter* 1983).

⁴Higgins 1986; Josephson 1984; Maier 1985; *Marketing News* 1984; Mescon and Tilson 1987; *NCH Reporter* 1983; Rosenfeld 1985; Scott 1986; Tinsdall 1982; Wall 1984; Williams 1986.

TABLE 1
Cause-Related Marketing: What It Is and What It Is Not

Program Overview	Is Program an Example of Cause-Related Marketing?	Is Program an Example of Sales Promotion?	Remarks
<p>Company: The Coca-Cola Company (Foods Division)</p> <p>Program: Helping Beautify Texas For every proof-of-purchase seal from Maryland Club brand coffee mailed by consumers, Coca-Cola Company would donate 10 cents (up to a maximum of \$50,000) to the Texas Department of Highways and Public Transportation in support of its programs to help clean up the state highways and plant wildflowers and other native plants throughout the state. To stimulate purchases, the program also offered to consumers two 50-cents-off coupons redeemable toward purchase of Maryland Club brand coffee.</p>	<p>Yes. Firm's contribution to a cause is contingent upon a consumer engaging in a revenue-producing transaction with the firm.</p>	<p>Yes. In addition to the CRM angle, an economic incentive is offered <i>to the consumer</i> (in the form of cents-off coupons) to engage in an exchange relationship with the firm.</p>	<p>The program described, as well as numerous other examples in the text, are indicative of the fact that the use of cause-related marketing in tandem with sales promotion tools such as cents-off coupons and mail-in refund offers is pervasive. However, such a linkage is not a prerequisite for implementing CRM programs (e.g., see Heinz program).</p>
<p>Company: H. J. Heinz Co.</p> <p>Program: Heinz Baby Food Label Saving Program For each Heinz baby food label mailed by consumers, Heinz Baby Food and the H. J. Heinz Company Foundation would contribute 6 cents to a hospital in the area where the consumer resides. This is an ongoing program and labels are collected each year through December 31.</p>	<p>Yes. Firm's contribution to a cause is contingent upon the consumer engaging in a revenue-producing transaction with the firm.</p>	<p>No. Note that the program in itself offers no economic incentive <i>to the consumer</i> to engage in an exchange relationship with the firm.</p>	<p>The program described, as well as numerous other examples in the text (e.g., the New York City Meals on Wheels Program, the Scott Helping Hand line of paper products), attest to the feasibility of formulating CRM programs without a sales promotion linkage.</p>
<p>Company: RJR Nabisco</p> <p>Program: Mailing free packages of Almost Home brand cookies to designated members of the armed forces The program encouraged relatives of service persons on duty to mail three proofs of purchase clipped from packages of Almost Home brand cookies. In exchange, Nabisco would mail a free package of Almost Home brand cookies to the designated beneficiary (name and address of U.S. service person on duty provided by the consumer mailing the proofs of purchase) serving the U.S. in any part of the world.</p>	<p>No. The beneficiary is not a not-for-profit organizational entity, but an individual in the armed forces related to the consumer engaging in a revenue-producing transaction with the firm.</p>	<p>Yes. An economic incentive is offered <i>to the consumer</i> to engage in an exchange relationship with the firm (buy three—get one free). Additionally, the cost of mailing the free package to the designated beneficiary is borne by the firm.</p>	<p>Obviously, here the company is engaging in a corporate "do-gooder" activity. However, whether such programs are within the domain of cause-related marketing as stated in the article (Alsop 1985) is debatable. The comments of a company spokesperson cited in the article provide additional insights: "We wanted anything that would give us edge and encourage trial of our new product. The soldier angle makes people like us and remain loyal to our brand" (p. 21).</p>

TABLE 1 (continued)
Cause-Related Marketing: What It Is and What It Is Not

Company: Trailways Corporation

Program: Operation Home Free

Trailways Corporation, with the help of police nationwide, offered runaway minors a free ride home from anywhere in the U.S. with no strings attached. In the program's first seven months, Trailways awarded free rides to more than 2000 runaways, uniting them with their families. The company's chairman and CEO noted that the program will remain open as long as there is a need.

No. The offer of a free ride home to runaway minors from anywhere in the U.S. is *not* contingent upon a consumer engaging in a revenue-producing transaction with the firm.

No. The program offers no economic incentive *to the consumer* to engage in an exchange relationship with the firm.

Despite the fact that the Trailways Operation Home Free was selected as one of the best *promotions* for the year 1985 (Robinson 1986), and that the company clearly is engaged in a corporate "do-gooder" activity, the program is outside the domain of both cause-related marketing and sales promotion.

Enhancing corporate stature. Supporting popular and respected causes can help enhance the stature of a sponsoring firm as a result of association. It affords the firm an opportunity to gain national visibility, improve its corporate image, and convey social responsibility, public-mindedness, and patriotism (see Josephson 1984).

Thwarting negative publicity. CRM can also be very effective in countering negative publicity. For example, in 1981 American Express and its credit card services faced a boycott organized by the British Hotels, Restaurants and Caterers Association. American Express' response to this negative campaign was an offer to contribute to the Duke of Edinburgh Award (a charity for young people that was named for Prince Philip) each time its card was used to consummate a transaction. Advertising of this offer and the association with the award reportedly led gradually to the end of the boycott (Williams 1986).

Customer pacification. There are numerous reported cases of a firm's customers or specific customer groups being offended by its marketing practices, public statements, and other activities. Such controversies often evolve into a call for a boycott of the firm's products. In such situations, CRMPs can be used as part of a larger program to appease the offended public or specific customer groups. Though no cases attesting to the use of CRMPs to improve relations with customers have been reported, the following situation illustrates the feasibility of such programs.

Offended by the marketing practices of Nestlé in Third World countries, several consumer groups in the U.S.A., Canada, and Western European countries appealed for a public boycott of all Nestlé products. Responding to calls for boycott issued by consumer interest groups and concerns expressed by reputed health organizations, Nestlé substantially altered its infant formula marketing practices in Third World countries.

One can speculate that Nestlé could have speeded the pacification process by initiating CRMPs in association with relief institutions such as CARE and designating infants in Third World countries as prime beneficiaries.

Though CRMPs can be used to nullify negative publicity about the firm and its offerings, and/or to pacify customer groups offended by its past actions, such use of CRMPs could backfire if it were construed as opportunistic. Hence, firms must exercise caution. More importantly, not-for-profit organizations must guard against being criticized for allowing commercial exploitation in such contexts.

Facilitating market entry. Several case histories illustrate the use of CRM to facilitate market entry. The City of Houston is served by two airports, Inter Continental and Hobby. When Continental Airlines reinstated flights from Hobby airport, it initiated a fund-raising campaign to restore the city's first air terminal, located on Hobby airport's west side, as a sesquicentennial gift to the city. For every customer boarding a Continental flight from Hobby airport during the first seven months after the launch of the service, Continental promised to make a cash donation to the air terminal renovation project (Scott 1986).

Increasing the level of trade merchandising activity for the brand(s) promoted. Often, gaining leverage from the trade is an important consideration in CRM programs. For several programs, such as the Kimberly-Clark/American Heart Association program, this is an explicit major objective (see *NCH Reporter* 1983). Firms routinely analyze sell-throughs, reorders, and special merchandising efforts of the trade to evaluate the effectiveness of CRMPs from this vantage point.

Cause-Related Objectives

Generating funds for the cause by stimulating revenue-producing exchanges between the firm and its customers is the primary objective of CRMPs. Never-

TABLE 2
Managerial Dimensions of
Cause-Related Marketing

Firm-Related Objectives

- Enhance corporate and/or brand image
- Increase sales and/or profit

Cause-Related Objectives

- Generate funds for the cause by stimulating revenue-producing exchange transactions between the firm and its customers
- Promote direct contributions by the general public to the cause

Proximity

- Arms-length relationship between firm and cause
- Close interaction between firm and cause

Time Frame of Program

- Long term
- Medium term
- Short term

Number of Participating Entities

- Single brand, single cause
- Single brand, multiple causes
- Multiple brands (intracompany), single cause
- Multiple brands (intracompany), multiple causes
- Multiple brands (intercompany), single cause
- Multiple brands (intercompany), multiple causes

Level of Association Between Firm and Cause

- Organizational level
- Product line/divisional level
- Brand level

Characteristics of Cause Supported (see Figure 1)

- Consistent with image of product promoted
- Consistent with characteristics of product promoted
- Consistent with demographics of the target market served by firm

Geographic Scope of Program and Geographic Appeal of Cause (see Figure 2)

- Program national, regional, or local
- Cause national, regional, or local

Nature of Use (see Figure 3)

- Strategic tool
- Quasistrategic tool
- Tactical tool

Evaluation

- Preimplementation
 - Beneficiary/sponsor congruence
 - Proposed program
 - Postimplementation
 - Effectiveness of program
 - Efficient use of funds contributed by beneficiary
-

theless, CRMPs with a broader set of cause-related objectives, such as generating greater awareness of the cause, its mission, and activities and promoting direct contributions to the cause from individuals and retailers, have been reported. For instance, a distinctive feature of the Procter & Gamble/Special Olympics CRMP during certain years has been P&G's offer to match donations to Special Olympics by retailers and consumers, dollar for dollar up to a specified maximum amount (Maier 1985). Programs designed to encourage individuals to volunteer their services to the cause have been part of certain CRMPs.

Proximity of Relationship

In several instances, CRMPs have evolved into a close working relationship between the firm and the cause. The P&G CRMP designed to increase the sales of participating P&G brands and raise funds for the Special Olympics has been an annual feature since 1981. Joint initiatives are undertaken. For example, the P&G salesforce and Special Olympics volunteers work together to encourage retailers to build point-of-purchase displays designed to stimulate sales of P&G brands and promote direct personal contributions from the general public to the Special Olympics. During one of the years, a made-for-TV movie about the growth and accomplishments of a Special Olympics athlete sponsored by P&G was aired on one of the networks to mark the launch of the promotion program (see Maier 1985). In contrast, in certain cases there seems to be little semblance of relationship between the benefiting cause and the contributing firm.

Time Frame of the Program

Though CRMPs characterized by a short-term focus appear to be pervasive, the underlying characteristics of this evolving marketing tool suggest the desirability of a medium-term or long-term focus. Case histories of successful programs limited to a single day show that short-term CRMPs do have a place in a firm's marketing program. Grocery store promotions before Thanksgiving and Christmas promising to contribute a certain percentage of the profit or sales on a specified date to the local food bank for the hungry and the needy are very common. However, in view of the public relations potential, designing CRMPs for a longer term may be desirable. A program could be managed from its launch to the delivery of financial contributions to the cause and even beyond (e.g., activities planned to mark the opening of a new medical research center financed by funds raised through a CRMP). Some of the guidelines used by Mars of the U.K. for screening CRMPs attests to the desirability of a medium- to long-term focus. The guidelines include the prospect of realizing a tangible end product (e.g., a completely renovated historical landmark, a new park) as an outcome of the CRMP and an op-

portunity for public relations activity during the entire course of the promotion (Tinsdall 1982, p. 84).

Procter & Gamble's annual tie-in with Special Olympics for the past several years is illustrative of a long-term focus. An even longer term focus—a sense of permanence—is evident in Scott Paper Company's recent introduction of a new line of six household goods under the brand label Helping Hand. The major thrust of Scott's marketing program is its pledge to donate five cents to six charities (United Cerebral Palsy Associations, Cystic Fibrosis Foundation, National Easter Seal Society, Leukemia Society of America, March of Dimes Birth Defects Foundation, and National Association for Sickle Cell Disease) for each unit of any of the six product items sold. Scott's marketing program can be viewed as a major departure from most other CRMPs in that such programs generally are of limited duration, specifying up front the maximum amount the firm would contribute to the designated cause. Scott Paper Company, however, envisions Helping Hand and its charity ties as a permanent arrangement (Schwadel 1986). After six months in test in the western U.S., Helping Hand seemed to be on target. It had donated \$600,000 of its first-year goal of \$1 million (Alsop 1987).

Number of Participating Brands and Firms

An examination of numerous CRMPs reveals the following broad forms of associations to be prevalent at the brand and the firm level.

Brand-specific CRMPs. An illustration is General Foods' sponsorship of the Tang March Across America to mobilize funds for MADD (Mothers Against Drunk Drivers). General Foods pledged to contribute 10 cents for every Tang cents-off coupon redeemed during a specified period, up to a maximum of \$100,000. The redemption rate was well above the 4% average for coupons in general and a 13% positive movement of the brand was tracked. As there were no other concurrent promotions for the brand during the time period, the results were interpreted as a clear test of the marketing effectiveness of CRMPs (Higgins 1986).

Multibrand CRMPs. Multibrand CRMPs can be differentiated further in terms of intra- and intercompany programs. Intracompany CRMPs involve multiple brands marketed by the same firm linked to one or more causes. A case in point is Johnson and Johnson's tie-in with the American Red Cross for its line of first-aid products. Intercompany CRMPs involve the joint participation of two or more directly non-competing firms. Illustrative of such programs are CRMPs jointly initiated by Nestlé and Kimberly-Clark in support of the renovation of the Statue of Liberty and by Coca-Cola and Coleco Toys in support of the

March of Dimes Birth Defects Foundation (*Wall Street Journal* 1984).

Though most intercompany CRMPs involve sponsors at the same level in a marketing channel, there are numerous cases of cooperation between firms linked by the manufacturer–marketing intermediary relationship. During the last two months of 1985, PepsiCo Inc. and 10 participating retailers in Houston, Texas, jointly sponsored a program called "Giving Season" to support the Houston Food Bank.

The lengthy process of negotiating, coordinating, and implementing CRMPs inevitably imposes considerable demands on executive time. This problem is likely to be accentuated when the proposed program requires the participation of multiple for-profit organizations and/or multiple not-for-profit organizations. Also, when a CRMP entails the participation of multiple brands, differences of opinion are likely to arise among concerned executives about the merits and potential payoffs of pursuing brand-specific promotional programs without charity linkages versus a multibrand CRMP. These problems inherent in formulating and implementing CRMPs may necessitate designing appropriate organizational mechanisms to manage them effectively. In fact, the growing trend toward corporate sponsorship of events in the areas of charities, arts, education, and sports is reported to have led to the creation of special units within organizations to undertake the task of managing and coordinating such events. A recent *Business Week* (1987) article notes that as many as 400 U.S. corporations have event marketing departments with separate budgets, up from 10 in 1982.

Level of Association

Alliances with causes can be formed at the organizational level, the product line level, or the brand level.

Organizational level. In many cases, corporations have opted to involve all or a number of their brand offerings in a CRMP. The corporate name and/or flagship brand names are given prominence in such programs. General Foods' tie-in with the Muscular Dystrophy Association during the past several years involving most of its leading brands is a case in point.

Product line level. Alternatively, companies may choose to give prominence to a specific product line in CRMPs. Ralston Purina's association of its Purina line of pet foods with the National Humane Society for Animals was timed to coincide with National Pet Week.

Brand level. Finally, a corporation may choose to develop CRMPs involving specific brands in its portfolio. An example is the tie-in of Kimberly-Clark's Huggies brand of diapers with the Children's Miracle

Network Telethon for the benefit of hospitals for children across the U.S.A.

Choice of Cause(s)

A systematic approach to the choice of cause(s) to support would require that the firm study alternative causes and the constituencies to whom those causes appeal. Should there be a match between the firm's customer profile (or any of its multiple constituencies) and constituencies to which a cause appeals, the firm may choose to tie-in with the cause. For instance, the positive, upbeat, hopeful family image associated with Special Olympics was viewed as compatible with the image P&G preferred consumers to associate with its products (Maier 1985). Other factors that might influence a firm's choice of causes are (1) the characteristics of its product offerings, (2) brand image and positioning, and (3) the characteristics of its served market. Figure 1 provides additional insights into the influence of these factors on a firm's choice of causes.

Though numerous causes have benefited from independent or joint relationships established with several brands and firms, the causes with high visibility, such as the March of Dimes, Muscular Dystrophy Association, and Easter Seal Society, are the ones that have attracted the support of many companies. Such causes generally afford greater potential for media visibility and positive publicity than do causes that appeal only to specific constituencies. However, as the number of tie-ins with high visibility causes increases, to avoid being lost in the crowd, a firm should evaluate the merits of such alternatives as tying-in with less visible causes, forging alliances with causes on an exclusive basis, or initiating worthy causes on its own.

In addition to paying careful attention to the selection of causes, firms strive to enhance the effectiveness of their CRMPs by using a variety of creative approaches to differentiate their program from other CRMPs. An illustration is an intercompany CRMP involving Hasbro Inc., a toymaker, and Dow Chemicals Inc., manufacturer of Ziploc brand plastic bags (sandwich bags, storage bags, freezer bags). Contribution of Hasbro brand toys to the U.S. Marine Corps Reserve's Toys for Tots program on behalf of the consumer and a certificate suitable for framing acknowledging the customer's participation in the Toys for Tots program were among the distinguishing features of this program. A recent CRMP initiated by Master Card International in association with six charities enables cardholders to be involved in the allocation of funds among the charities through a balloting process (*Marketing News* 1987).

Cause Portfolio

A firm may choose to tie-in either with a particular cause or with a portfolio of causes. Illustrative of the

latter approach is the CRMP initiated by Master Card International to raise funds for institutions engaged in combating cancer, heart diseases, child abuse, drug abuse, muscular dystrophy, and drunk driving (*Marketing News* 1987). By simultaneously tying-in with multiple causes, a firm might be able to appeal to the intense commitment to one of these causes that small subsegments of the firm's constituencies may share. Similarly, a firm whose product offerings are targeted to multiple market segments might be in a position to achieve better results by associating with a portfolio of causes that appeal to those constituencies rather than a single cause. For instance, firms with multiple product lines can strive for a better fit between the characteristics of their offerings and the supported causes, as illustrated by the following product lines of Ralston-Purina, Inc.: Ralston line of breakfast cereals/American Heart Association, Purina line of pet foods/National Humane Society, Eveready line of torches and batteries/American Red Cross. Also, firms that participate in cause-related programs throughout the year can elect to support a portfolio of causes because several causes have a seasonal pattern of fund-raising efforts. For example, the annual fund-raising drive is in January for the Special Olympics, in March for the Easter Seal Society, in May for Children's Miracle Network Telethon, and in September for the Muscular Dystrophy Association.

Geographic Scope

The geographic scope of a CRMP can be national, regional, or local. When the cause has national visibility and the firm's served market also is national, the geographic scope of the CRMP can be national. Firms contemplating a CRMP of regional or local scope might be able to achieve superior results by tying-in with causes that particularly appeal to regional or local target groups. For instance, American Express recently supported a program called City Meals On Wheels for the Elderly and Homebound in New York City. American Express promised to contribute three cents to the cause each time its card was used at any of the New York City restaurants that accept its charge card (*Time* 1986).

A firm also can capitalize on the advantages of forging an alliance with a cause that has national or worldwide appeal, yet achieve some degree of geographic market focus. For example, the served market of the U.S. division of Richardson-Vicks is national in scope, as is the visibility of Boy Scouts of America and Girl Scouts of U.S.A. However, to appeal to individual segments (i.e., communities) of the total market, Vicks' CRMPs are characterized by an offer to contribute money to each community's chapter of the Boy and Girl Scouts. Figure 2 summarizes the possible avenues open to national, regional, and local

FIGURE 1
Cause-Related Marketing: Factors Influencing Choice of Causes

Salient Characteristics of Cause-Related Marketing Effort	Cause Appeal Potential	
	Causes that appeal to a broad cross-section of the population	Causes that have greater appeal to subgroups of the larger population
Cause supported consistent with image of product promoted	Johnson & Johnson line of first aid products (The First Name In First Aid)/American Red Cross	Post Natural Raisin Bran-National Park Foundation (enhancement of National Parks)
Cause supported consistent with characteristics of product promoted	Hasbro brand toys/Toys for Tots Program (during Christmas shopping season)	Purina brand pet foods/local humane societies nationwide (during National Pet Week)
Demographics of individuals largely supportive of the cause consistent with demographics of target market served by firm	Pepsi Cola brand soft drink/Houston Food Bank	American Express charge card/San Jose Symphony (American Express notes that the demographics of a large percentage of its cardholders mirror those of arts supporters)

FIGURE 2
Geographic Scope of Cause-Related Marketing: Feasible Alternatives

Brand Characteristic ^a	Geographic Scope of Cause-Related Marketing Program	Cause Appeal Potential		
		National ^b	Regional ^c	Local ^d
National brand	National	X	X ^e	X ^f
	Regional	X	X	X ^f
	Local	X	X	X
Regional brand	National	X ^g	X ^{e,g}	X ^{f,g}
	Regional	X	X	X ^f
	Local	X	X	X
Local brand	Regional	X ^h	X ^h	X ^{f,h}
	Local	X	X	X

^aGeographic scope of the served market.

^bFor example, American Cancer Society, Muscular Dystrophy Association.

^cFor example, renovation of the Texas Goddess of Liberty Statue.

^dFor example, New York City Meals on Wheels Program for the Elderly and Homebound.

^eSimultaneous or "cascaded" CRMPs in association with causes that have substantial regional appeal.

^fSimultaneous or "cascaded" CRMPs in association with causes that have substantial appeal in major local markets (e.g., New York Philharmonic, Boston Symphony, Atlanta Arts Alliance, San Francisco Arts Festival) or a national cause with the designated beneficiaries being local units (e.g., local chapters of the Boy Scouts of America, Girl Scouts of U.S.A., National Humane Society).

^gAs detailed in the text, cases have been reported of firms using cause-related marketing programs as part of their larger marketing strategy to enter new geographic markets or expand their served market from the regional to the national level.

^hAnalogous to footnote g. A local brand conceivably can use CRMPs as part of its larger marketing strategy in its attempts to expand the served market from the local to the regional level.

brands to implement CRMPs of national, regional, or local scope by establishing mutually beneficial relationships with causes with varying degrees of potential geographic appeal.

Strategic Versus Tactical Use of CRM

CRM can be used as a strategic as well as a tactical marketing tool. Indicators of a firm's use of CRM as a strategic tool include top managements' involvement in key decisions about the program, a long-term commitment to the program, and substantial investment of resources toward the development and implementation of the program. These and other action tendencies are evident in Scott Paper Company's introduction of the Helping Hand product line. The product line was launched with the intent of generating funds on an unlimited and continuing basis for the benefit of the six participating causes. The organizational unit instituted to manage and disburse the funds generated includes a board of directors, an executive director, regional and national health agency advisory committees, a reputed accounting firm to oversee the handling and movement of funds, and a bank to maintain the funds generated in an irrevocable escrow account until such time they are distributed to the benefiting causes (Scott Paper Company 1986).

A quasistrategic orientation toward the use of CRM is evident in several case histories. Programs in this class built around the CRM concept are characterized by a coordinated and integrated use of the advertising, personal selling, sales promotion, and publicity components of the promotion mix. They are illustrated in the P&G/Special Olympics CRMP (described in considerable detail by Maier 1985).

Use of CRM as a tactical tool is exemplified best by its use as a means for enhancing the effectiveness of a firm's sales promotion efforts. However, in organizations whose primary motive for fostering a charity tie-in is to increase the coupon redemption rate, CRM runs the risk of being relegated to the level of a mere leveraging mechanism. Top management involvement in such a scenario is likely to be limited and hence a strategic perspective may be lacking. Also, as more firms implement CRMPs tied-in with sales promotion tools, the effectiveness of such CRMPs might diminish. Figure 3 provides additional insights into these alternative perspectives.

Evaluation: Alternative Perspectives

One can argue that for CRMPs to be viewed as a legitimate marketing activity, they must be evaluated in terms of the relative effectiveness of the marketing efforts funneled into CRMPs versus alternative marketing tools that conceivably can be used to achieve the same end. For instance, Higgins (1986) notes that,

though American Express raised \$4 million through its Project Hometown America program for local social programs throughout the country, the increase in use of the American Express card and new cards issued was only marginal. Hence, the firm viewed the program as ineffective in marketing terms.

A different perspective is that evaluation of CRMPs should not be based solely on marketing considerations such as their effectiveness in realizing specific communication and sales outcomes. Proponents of this perspective would contend that the performance of CRMPs should be evaluated also on the basis of the social benefits of such programs. For instance, Farmer and Hogue (1985) note that the goal systems of most firms tend to cluster around the following four points along a continuum.

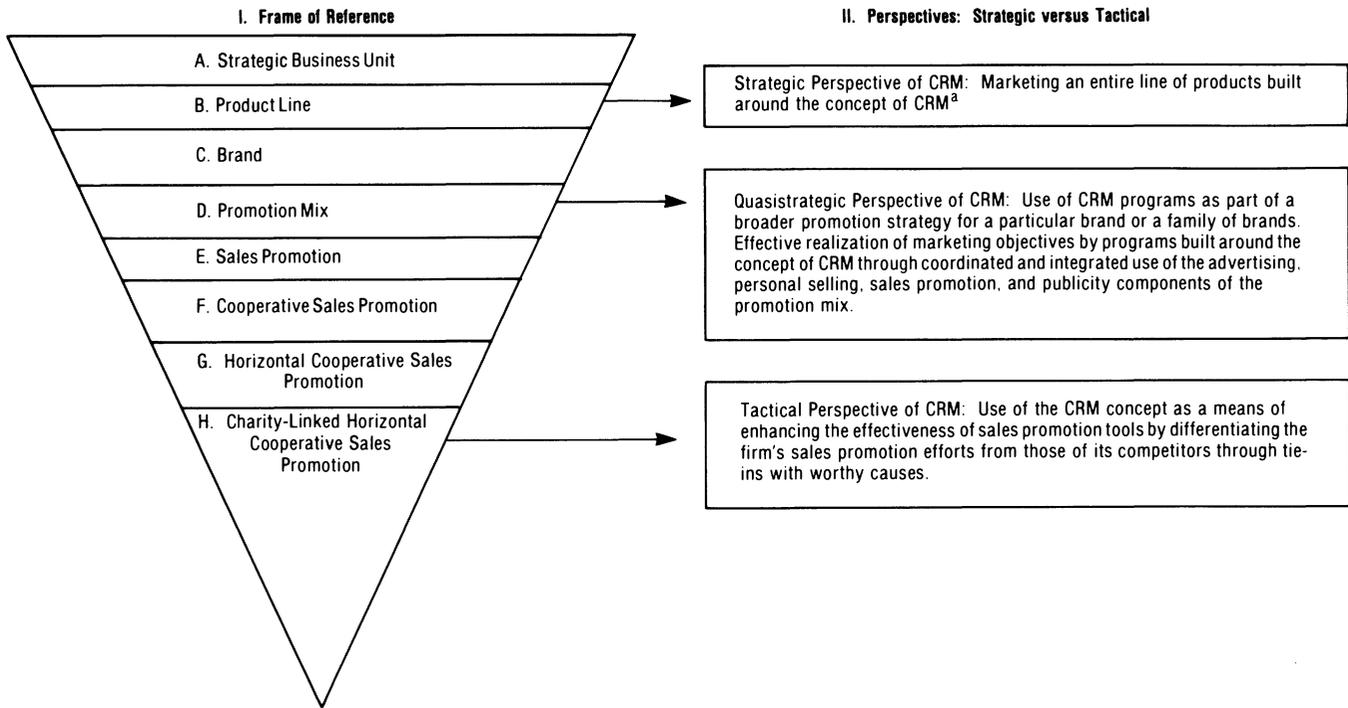
1. Profit maximization; social goals incidental.
2. Profit growth; social goals also important.
3. Social goals; break even on money.
4. Social goals; money losses acceptable.

The authors further note that the goals of most large American, Western European, and Japanese firms appear to be near the second cluster on the continuum. Steiner (1975) notes that, in their decision making, socially responsive managers assign substantial weight to social inputs along with economic and technical inputs and seek to provide social outputs for a wide variety of claimants.

The notion of managerial behavior guided by a philosophy that explicitly recognizes the corporation's obligations to society versus managerial behavior primarily guided by profit or earnings goals suggests that differences are likely across organizations in the criteria used to evaluate CRM programs. However, as noted before, there is a growing corporate movement toward professionalizing the contributions function and adopting a bottom-line approach to philanthropy. Mescon and Tilson (1987) observe that doing good is being measured by many businesses in terms of how much it contributes to a company's competitive edge. Stroup and Neubert (1987) characterize the emerging era as one of doing better by doing good, wherein corporate social responsibility is viewed as an investment. Given that CRM is basically a marketing program with a philanthropic linkage, and because of the current emphasis on obtaining a tangible return on philanthropic contributions, more corporations are likely to adopt a bottom-line orientation in evaluating their investments in CRM programs.

Regardless of the guiding philosophy, if CRM is to stand the rigors of evaluation and the test of time, firms will have to develop and use appropriate evaluative criteria. Cameron and Whetten (1983) suggest that the following seven critical questions should be

FIGURE 3
Alternative Perspectives of Cause-Related Marketing



³Contribution of a specified amount by the firm to a designated cause in exchange for the customer engaging in a revenue-producing transaction with the firm.

answered explicitly by all evaluators prior to all assessments of effectiveness.⁵

1. From whose perspective is effectiveness being assessed?
2. On what domain of activity is the assessment focused?
3. What level of analysis is being used?
4. What is the purpose for assessing effectiveness?
5. What time frame is being employed?
6. What type of data is being used for assessment?
7. What is the referent against which effectiveness is judged?

Some of the evaluative criteria that firms can use include the effects of CRMPs on profitability, unit and dollar sales volume, market share, average purchase quantity and purchase frequency, brand switching, trial and repeat purchase behavior, retail distribution intensity, and retail merchandising activity (see Strang 1980). Furthermore, in light of the public relations

component of CRMPs, measuring the extent of media coverage of events tied to the program and conducting pre- and postprogram awareness studies to assess the effect of CRMPs on corporate image, recognition, and other public relations objectives might be desirable (see Mihalik 1984; Paine 1987).

As is true of most marketing activities, however, evaluating the market's response to a specific CRMP is an inherently difficult and challenging task. The problematic aspects of marketing systems (e.g., marketing mix interaction, multiple goals, delayed response, competitive effects) that make it difficult to predict the market's response to various types and levels of effort are discussed by several scholars (see Lilien and Kotler 1983; Parsons and Schultz 1976). Moreover, not all of the returns of CRMPs are likely to be derived in the form of increased sales or market share, and measuring some of the *cumulative benefits* that might accrue to a firm extensively involved in CRMPs might be elusive. Viewed in isolation, Project Hometown America, which was just one of the numerous CRMPs initiated by American Express, might have been ineffective in realizing its marketing objectives (see Higgins 1986). However, the firm's extensive involvement in CRMPs is credited with creating con-

⁵See Cameron (1986) for a discussion on the paradoxical nature of effectiveness in organizations.

siderable goodwill for the company and leaving a public impression of American Express as a responsible, public-minded, and patriotic corporation (Josephson 1984).

Social Dimensions of Cause-Related Marketing

Cause-Related or Cause-Exploitative?

CRM has been embraced by corporations large and small and has benefited a broad range of charitable causes. In geographic scope, the programs have ranged from the national to the regional and local levels. The target markets for the programs have ranged from mainstream America at large to narrowly defined market segments. Though numerous worthy causes have benefited from these programs, the concept of CRM has been the source of considerable controversy (see Gottlieb 1985a,b, 1986; Gratz and Fettmann 1985a,b; Gurin 1987; Kinsley 1985; Kovach 1984; Neiman 1987; Robins 1986; Simpson 1987).

A major reason for CRM's vulnerability to criticism from a philanthropic perspective is its basic philosophy. It is a strategy for selling, not for making charitable contributions (Williams 1986). Some of the major concerns voiced by Gurin (1987) about the potential adverse effects of CRM on all of philanthropy are summarized in Table 3. Further indication of the need for circumspection is reflected in a recent article on CRM in *Fund Raising Management* (Hansler 1987, p. 109) that expresses concerns and confusion about the concept of CRM. The article ends with the following call for a better understanding of CRM:

Cause-related marketing programs, either initiated by a corporation and/or a non-profit, is [sic] here to stay. Since it will not go away, we cannot bury our heads in the sand so as not to deal with the issue. Fund raisers need to thoroughly understand cause-related marketing from a corporate point of view and corporate marketers need to understand philanthropy from our point of view.

The merits of CRM also have been questioned from a public policy perspective. Two characteristics of CRMPs are at the root of these criticisms. First, corporations often spend more money on advertising their contributions and their association with causes than on the actual contributions. Second, the contribution and the promotional expenditures are tax deductible. Kinsley (1985) views CRMPs as an avenue for corporations to get the government to subsidize their marketing programs.

Integrating Considerations of Social Responsibility and Ethics into CRM Decisions

Viewed in conjunction, the numerous favorable and unfavorable published commentaries on CRM suggest

that firms walk a fine line between reaping increased sales, goodwill, and positive publicity and incurring negative publicity and charges of exploitation of causes. For instance, CRMPs tied to the Statue of Liberty restoration have drawn charges of ". . . commercialization of the statue, the franchising of a national symbol to corporate interests. . . ." (Gratz and Fettmann 1985a, p. 465). These authors note that a grassroots drive involving a large number of Americans in the preservation effort would have been more dignified than corporate tie-ins being awarded to the highest bidders. Cognizant of the possibility of such negative outcomes, some firms seem to have taken steps to minimize the risk of consumer backlash and criticism by the media public. For example, Johnson & Johnson's charity tie-in with the American Red Cross was advertised with two disclaimers, which explicitly stated that (1) the use of the American Red Cross name and emblem was authorized but did not imply endorsement of Johnson & Johnson's products by the American Red Cross and (2) the Johnson & Johnson products bearing a Red Cross trademark had no connection with the symbol used by the American Red Cross.

The onus for discretion and public accountability in the use of CRM is not on just the corporate initiators of such a program. The cause or not-for-profit institution also should consider any negative influences of the proposed program. For example, when Chicago's Lincoln Park Zoo was approached by American Express to participate in a cause-related program, the Zoo's managers were concerned about such questions as: "Will it be misinterpreted by the public? Will the Zoo appear to have been used by a corporation for its own purposes?" Only after being convinced that the Zoo's goals could be achieved without being compromised did the authorities agree to participate in the CRMP (McIlquham 1985).

To create socially positive CRMPs, top management first must create and encourage a corporate culture that will internalize the true philosophy of CRM. Robin and Reidenbach (1987) provide a model to integrate considerations of social responsibility and ethics into the strategic marketing planning process. As they observe (p. 52):

Though profit and efficiency must remain central values within the culture, they must be balanced by other values that help define the limits of activities designed to achieve those objectives and by values describing other important ethical and socially responsible behaviors. Without the integration of concerns about ethics and social responsibility at the very beginning of the marketing planning process, as well as throughout the process, the organizational culture may not provide the checks and balances needed to develop ethical and socially responsible marketing programs.

Epstein (1987) addresses the issue of social responsibility and ethical concerns from a process ap-

TABLE 3
Concerns About the Potential Adverse Effects of Cause-Related Marketing^a

Effect on Corporate Philanthropy Decisions

- Company decisions on philanthropic giving could be based strictly on marketing potential. With no consideration accorded to the value of the cause, the traditional element of compassion in corporate philanthropy is lost.
- Cause-related marketing efforts generally target popular, risk-free, high visibility causes and overshadow less popular, high risk, low visibility groups that need equal if not greater financial support.
- As corporations examine philanthropic budgets and find comparatively modest returns, cause-related marketing could replace rather than add to traditional giving.
- Traditional fund raising and its proven long-term effectiveness could be affected negatively if the “nonprofit” motive for philanthropic giving (such as compassion, generosity, concern for the less fortunate, and a desire to share) is called into question.

Effect on the Mission and Conduct of Nonprofit Organizations

- Voluntary organizations, tempted by possible financial gain, might change their program objectives to meet the desires or demands of corporations.
- In cause-related marketing, a charitable organization must exploit its constituency and therefore compromise its integrity, because the corporation must be convinced that the donors and members can be converted into consumers of its product or service.

Effect on Public's Perception of and Attitudes Toward Causes

- Public understanding of philanthropy is not clear and cause-related marketing could further cloud the general perception.
- Commercialization of a charitable/voluntary organization could endanger the public approval that has been built over a number of years and thus erode its appeal for the traditional supporters.
- An organization could allow its cause to be identified so strongly with a corporation that it could be perceived by the public as being “owned” or having “sold out” to the company; it could also prejudice its case for support from other corporations.

Effect on Consumers' Charitable Giving Behavior

- Some consumers, unaware of the minor effect of their individual participation in a CRMP, might feel they have fulfilled their philanthropic obligations and others may be oblivious to the entire program.
 - Cause-related marketing promotes the notion of “painless giving.” However, the consumer, who is making a purchase, not a gift, is not a donor.
 - The public might begin to view philanthropy as “the business of business” and take the easy way out of financial obligations to charity, assuming the “let business do it” attitude.
 - Consumers participating in cause-related marketing programs have less need to examine the causes they believe are best administered and deserving of support.
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^aAdapted from Gurin (1987).

proach. He defines the corporate social policy process as the institutionalization within the corporation of processes facilitating value-based individual and organizational reflection, and choice about the moral significance of personal and corporate actions. This process is integrative and analytical, building on the concepts of business ethics, corporate social responsibility and its products, and corporate social responsiveness.

Though such frameworks and guidelines can help organizations determine the fine line between cause-related and cause-exploitative marketing, a very critical determinant of ethicalness is openness. As Cadbury (1987, p. 72) states, “. . . openness and ethics go together and . . . actions are unethical if they will not stand scrutiny.” He further notes that openness can disarm suspicion of companies' motives and actions. Though it may not be the most effective solution to the questions of ethics of CRM, the willingness of a corporation to disclose all information about the raising and disbursement of funds to causes can

reassure skeptical stakeholders and reduce any conflicts (Freeman 1987). For example, all financial transactions related to the Scott Paper Company's CRMP for its Helping Hand line of products are audited by one of the top accounting firms (Scott Paper Company 1986).

A company's social policy is potent only if top management is actively involved in its design. Robin and Reidenbach (1987, p. 45) note that organizational involvement with social responsibility at a strategic level is lacking in spite of recognition of the need for it and the seeming willingness of executives to incorporate it. They further suggest that social efforts by businesses in recent years have lacked a unified collective impact on public opinion because the objectives of such efforts are often inexplicit and not part of an overall plan. As more firms institutionalize CRMPs into their marketing plans, and as CRM is inculcated into the corporate culture, the resulting collective impact of CRM efforts on societal well-being is likely to be substantial.

Directions for Future Research

The articles in the business press reporting firms' participation in various CRMPs and the outcomes of such programs attest to the growing acceptance of this potent marketing tool by businesses as well as not-for-profit organizations. However, CRM as an area of inquiry is devoid of detailed research efforts. Research on the myriad nuances of CRM could be beneficial to firms that currently do not use CRMPs as part of their overall marketing strategies. Likewise, such research could benefit not-for-profit organizations in their efforts to raise funds by tying-in with firms. We therefore suggest an agenda for future research in the following three major areas.

Cause-Related Marketing Program Management

A survey of select firms that have used CRMPs extensively could afford insights into the analysis, planning, and implementation of CRMPs. Among the issues that warrant study in such a survey are:

- What are some of the major *corporate* and *marketing* objectives firms strive to realize by participating in CRMPs?
- What are executives' perceptions of the *strengths* and *limitations* of CRMPs?
- Do firms (particularly ones that have been more frequently involved in CRMPs) have well-laid-out *policies* at the corporate, marketing function, and marketing subfunction levels to guide executive decision making about cause-related marketing programs?
- Who within the organization *participates* in decisions pertaining to the major aspects of CRMPs such as program objectives, cause(s) the firm chooses to tie-in with, brand(s) chosen to tie-in with the cause, choice between intra- and intercompany CRMPs, duration and timing of the program, maximum promised contribution to the cause, program budget, program theme, and program specifics?
- What criteria do firms use to *identify* causes to tie-in with in a CRMP?
- How do firms *evaluate* and *select* from among alternative causes viewed as worthy of corporate support?
- What criteria do firms use to *screen* and *evaluate* proposed CRM program *concepts* and *themes*?
- What (postimplementation) *criteria* do firms use to evaluate the effectiveness of CRMPs?

- What *support programs* do firms use to enlist the cooperation of trade (marketing intermediaries) to enhance the effectiveness of their CRMPs and to generate publicity in the media for these programs?
- What are some of the *problems* firms have encountered in the planning and implementation of cause-related marketing programs?

The contextual relevance of environmental and organizational variables has been an underlying theme for theory-building and research in numerous studies in marketing (for a detailed review, see Zeithaml, Varadarajan, and Zeithaml 1988). This stream of research suggests that the relative effectiveness of CRMP versus alternative marketing programs that can be used to realize the same objectives is contingent on specific environmental and organizational variables. Important theoretical and practical contributions can be achieved through study of CRM from a contingency perspective.

Consumers' Behavioral and Affective Responses to CRMPs

In their attempts to evaluate the effectiveness of CRMPs, firms have relied mainly on consumers' behavioral response measures such as number of coupons redeemed and percentage increase in retail sales. Trade response to these promotions is evaluated in terms of such measures as percentage increase in sales to retailers, in-store displays, and other merchandising efforts. However, research on consumers' attitudes toward CRMPs is lacking. For instance, do consumers view such CRMP programs as cause-exploitative rather than cause-supportive? The need for such research is highlighted by the concerns voiced by Gurin (1987) about the likely adverse effects of CRM on consumers' perception of and attitude toward causes, as well as their charitable giving behavior (see Table 3).

Researchers have used models of mental events and feelings of decision makers to explain the actions of consumers in various behavioral contexts (e.g., donation of blood; see Bagozzi 1982). By building on this stream of research, the causal relations among cognitions, affects, intentions, and behavior in reference to cause-related marketing can be explored. The extensive body of literature pertaining to the donation behavior of individuals, reviewed by Burnett and Wood (1988), also provides valuable insights into the conceptual and theoretical bases that might be suited for

the study of consumers' behavioral and affective responses to CRM.⁶

Differences, if any, in consumers' responses to CRMPs designed to benefit different types of causes (e.g., civic and community related, culture and arts related, education related, health and human services related) warrant closer investigation. Along similar lines, contextual differences in consumers' affective and behavioral responses when the designated beneficiary is a local cause (New York City Meals on Wheels for the Elderly and Homebound), a regional cause (Texas Highways Beautification Program), a national cause (American Heart Association), or global cause (Red Cross) also should be investigated.

Ethics-Related Issues

In reference to ethical problems in business, Cadbury (1987, p. 70) notes, "Most business decisions involve some degree of ethical judgment; few can be taken solely on the basis of arithmetic." Freeman (1987) highlights the need for a standard code of ethics in fund raising because of the competing and often conflicting interests of causes and participants. He points out that the participants in fund-raising efforts—the volunteers, board of directors, paid staff, and independent consultants—are motivated by unequal amounts of self-interest, philanthropy, competitiveness, pride, and ego. These conflicts of interest can lead to destructive consequences if not kept in check. The dual orientation of CRM—achieving specific

⁶Burnett and Wood (1988) note that social exchange theory, symbolic interaction theory, equity theory, resource exchange theory, and prosocial behavior theory in conjunction with empirically based findings on donor characteristics and situational variables provide insights into the donation behavior of individuals. Social exchange theory provides a way of looking at exchange influenced by rewards, costs, self-interest, situational variables, actor characteristics, codes of conduct, and dynamism of relationships over time. Equity theory and its tenets are concerned with understanding the relationship between rewards, costs, sanctions, and distress in an exchange situation. Resource exchange theory provides a typology of resources (i.e., reward and costs) that are considered similar and are exchanged between parties. Finally, the study of prosocial behavior involves the investigation of helping, sharing, and other intentional and voluntary altruistic behavior.

corporate and marketing objectives and raising funds for worthy causes—highlights the need for research on both marketing ethics and fund-raising ethics. An exhaustive body of literature is available on marketing ethics in the contexts of marketing research, advertising, personal selling, pricing, and international marketing (see Laczniaik and Murphy 1985). In addition, alternative conceptual frameworks for the study of ethics in marketing have been proposed (see Ferrell and Gresham 1985; Laczniaik 1983). This knowledge base could serve as a foundation for the study of ethical issues in the context of CRM.

Conclusion

The evolution of CRM has been facilitated by the confluence of perspectives from several general and specialized areas of inquiry including marketing, marketing for not-for-profit organizations, corporate philanthropy, corporate social responsibility, fund raising management, and public relations. CRMPs have helped firms realize corporate and marketing objectives, while at the same time providing much-needed financial support and valuable management know-how to deserving causes. The growing popularity of CRM is indicative of an emerging trend—a trend acknowledging not only that business success is compatible with the public good, but that both can be achieved in unison (Scott Paper Company 1986).

CRM has the potential to evolve into a creditable answer to the oft-repeated call for corporations to become more involved in solving some of America's social and economic problems (O'Toole 1985; Steiner 1972; Tuleja 1985). However, it also carries the risk of drawing the wrath of concerned critics (Gurin 1987; Kinsley 1985). Corporations therefore must recognize that though the concept of CRM is laudable, its misuse can lead to disastrous results. Care and discretion should be exercised by the firms and causes in the design and implementation of CRMPs. If the majority of marketers can prevent CRM from degenerating into cause-exploitative marketing, it may very well be viewed as one of marketing's major contributions to society.

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