Abstract: The following conceptual paper presents an overview of the concept of Corporate Social Responsibility (CSR) and its relation to the Cause-related Marketing (CRM) strategy. This study addresses this gap and provides an original contribution through a rigorous analysis of conceptual researches. Therefore, this paper begins by presenting the origin of CRM strategy and the development of definitions over time. Next, the paper presents a theoretical review of the basic theories in CRM research. The main variables under CRM that creates positive pro-social behavior are illustrated and further discussed. Based on the conceptual and theoretical review, CSR has become an increasingly significant element in business practices. It has shifted from an obligation to a strategy. The review in this research illustrates the philosophical foundation regarding the engagement on CSR practices, shifting focus throughout the years from profit maximization being the main business objective to social and environmental practices being integrated within companies’ operations in order to be sanctioned in the market. The summary of prior studies and literature aid this study to provide more understanding of how this area of research is moving forward. The conclusions of this study serve interest to businesses and regulators developing guidelines to promote and implement CSR. Recommendations for future research are also addressed.

Keywords: Corporate Social Responsibility, Cause-related Marketing, Pro-social Behavior, Theoretical Review.

I. Introduction

Corporate social responsibility (CSR) nowadays has become an increasingly significant element in business practices. CSR has become one of the standard business practices to enhance the overall reputation and enhance consumer behavioral responses (Cadbury, 2006; Karem Kolkailah, Abou Aish, & El-Bassiouny, 2012). CSR is a broad concept that addresses various topics such as human rights, health, safety, environmental effects, working conditions, as well as economic development. This concept is with many definitions and practices; the way it is practiced and implemented differs from one company to another as well as from one country to another. Carroll (1991) introduced CSR in four main aspects: economic, legal, ethical, and philanthropic responsibilities. Philanthropy is a word introduced during 1980s, which is derived from the composite Greek words “Phillen” or "Love" and "Anthropos" or "Human" (Jamali, 2014). Philanthropic practice nowadays is a crucial component of a company’s competitiveness and overall continuity in the market. In developing nations philanthropic practice is important as ethical and legal practice as it helps development (Jamali, 2014). In third world countries, social responsibility and corporate philanthropy is necessary for the nations’ development process.

Cause-related marketing (CRM) is a marketing strategy applying CSR concepts in general and philanthropic practices in specific, which has been increasingly used by marketing practitioners (Deigh et al., 2016; Aggarwal & Singh, 2019). This marketing strategy is used to promote sales by supporting philanthropic causes in society trying to solve some of the social problems, aiming to achieve social equality and the development of nations. The purchase of a cause-related product is a combination of a purchase and some form of prosocial behavior, where what guides consumers’ behavior is their satisfaction for supporting society...
development, by this way consumers feel more psychologically satisfied from their purchase. By purchasing cause-related products consumers can help a specific cause and also fulfill their altruistic needs because part of the purchase goes to a specific cause (Hammad, El-bassiouny, Paul, & Mukhopadhyay, 2014).

This paper is important as it will provide the reader with insights into the conceptual framework CRM as a marketing strategy applying CSR concepts, aiding in the understanding of why CSR is a self-interest protecting mechanism for companies to benefit themselves (Carroll and Shabana, 2010). In addition, this paper also makes an important contribution by reviewing the literature on the historical development of the philosophy of CSR and CRM. The main objectives of this research is (RO1) to recognize the main CRM development and definitions; (RO2) to critically review prior studies to identify the main CRM theories that explain its impact on consumer behavior in the context; and (RO3) to critically review prior studies to identify the significant variables that impact CRM and consumer behavior.

II. Literature Review

In this section, the researchers seek to critically review prior studies regarding CRM development and definitions, the impact of CRM on businesses and individuals, the origin of CRM, CRM theories in consumer behavior, and the main CRM research variables investigated.

2.1 Cause-related Marketing Development and Definitions

Varadarajan & Menon (1988) stated that a CRM campaign aims at two objectives; to support a social cause and to improve marketing performance. CRM is one way to implement CSR. Varadarajan & Menon (1988) defined CRM as: “the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives”. This definition triggered much research to add to it. The next definition for CRM was developed by Mullen (1997), stating that CRM is: “The process of formulating and implementing marketing activities that are characterized by contributing a specific amount to a designated nonprofit effort that, in turn, causes consumers to engage in revenue providing exchanges”.

Later Adkins (1999) mentions that CRM is a three-party relationship having a win-win-win situation, a relationship between the company, NPO, and the customer and that it should be clearly stated in the definition. Accordingly, he defined CRM as a “commercial activity by which businesses and charities or causes form a partnership with each other to market an image, product or service for mutual benefit”. In the early millennium CRM was viewed as a positioning tool and thus was defined by Pringle and Thompson (2001) by “A strategic positioning and marketing tool which links a company or brand to a relevant social cause or issue, mutual benefit”. This definition was then modified to highlight that CRM is responsible for image formulation too. The research explained that CRM is: “The action through which a company, a nonprofit organization, or a similar entity markets an image, a product, a service, or a message for mutual benefit” (Marconi, 2002).

When it comes to defining CRM, literature emphasized the importance of mentioning NPOs and stakeholders in the definition. This was clear from two recent developed definitions. The first definition reflecting NPOs was: “A general alliance between businesses and non-profit causes that provide resources and funding to address social issues and business marketing objectives” (Cui, Trent, Sullivan, & Matiru, 2003). The second definition was developed by Gupta and Pirsch (2006), stating: “the goal of CRM is to induce favorable responses from all company stakeholders as the investors, suppliers, employees, and customers”. Kotler & Lee (2005) defined CRM in one short sentence: “Donating a percentage of revenue from the sale of specific items during an announced period of support” which is widely used in the marketing literature. However, when any company supports a specific cause for a promotional purpose, it is known as CRM (Kulshreshtha et al., 2019).

Based on the definitions that exist regarding CRM, the literature classified CRM in three main types: transaction-based promotion, joint issue promotion, and licensing (Andreasen, 1996). The transaction-based promotion allows consumers to purchase the product/service promoted by the company jointly with an NGO. Therefore, with the achievement of a company’s sales from consumers’ purchases, a portion of the profit is donated to an NPO. The joint issue promotion allows the company and a specific NPO to take advantage of overcoming a social issue through strategic marketing. Thus, the company and the NPO work together to prevent a certain social issue, such as a non-smoking campaign. In this activity, there is no financial link between the company and the NPO. The concept of licensing attains the final type of CRM. The NPO licenses its name to a company. The company targets its sales to support NPO activities. They receive a fee in return from the company (or a percentage from the company’s profit) (Andreasen, 1996).
2.2 The Impact of Cause-related Marketing

CRM is a strategy made to communicate a positive image to consumers; it is cheaper to promote company brand optimistically; it is adjustable and focused on the specific target segments (Varadarajan & Menon, 1988). CRM is not only cheaper but also flexible to address different customer segments (Kulshreshtha et al., 2019). A cause campaign creates a direct link between the company and the customer, making the customer more associated with creating “cause-affinity”. By supporting a specific cause, the company becomes linked to the supported cause. This might create a favorable image among the targeted segment (Sheikh & Zee, 2011). Based on the Nielsen sustainability report in 2014 stated that 55 percent of consumers are ready to pay more to purchase sustainable brands that take care of and work towards the betterment of society up. This percentage increased from 45 percent in 2011 (Aggarwal & Singh, 2019). For companies, CRM is a strategic marketing activity than mixes social responsibility, business charity, and funding for a non-profit organization in the same bowl (Janet Hoek & Philip Gendall, 2008). Companies implement CRM strategies establish an emotional connection with their customers; and thus can build a favorable corporate image, enhance the business reputation, grow the customer bases, spread in new market segments, enjoy increased sales and gain competitive advantage (Vrontis et al., 2020). These benefits only show when the price and quality perception perceived to offer attractiveness (Jaber & Jaber, 2020).

2.3 The Origin of Cause-Related Marketing

Literature indicated that CRM as an activity involves providing a nonprofit organization with the company sales where every sale counts and they donate part of each sales profit to them (Hanzaee et al., 2019). It was observed that CRM is more appealing and beneficial than just a CSR activity. CRM can be mentioned to be a CSR and fundraising initiative, or marketing strategy that has become very attractive in recent years (Ferraris, Giudice, Grandhi, & Cillo, 2019). CRM is one of the modern marketing strategies used all over the world (Demetriou et al., 2010), specifically by companies in western countries (Saberi & Karsalari, 2014). The idea of CRM became nowadays a corporate philanthropic trend (Thomas, Kureshi, & Vatavwala, 2019).

The term was first introduced by Varadarajan & Menon in 1988 as being the: "process of formulating and implementing marketing activities characterized by an offer from a firm to contribute to a designated cause when customers make the purchase". It is a form of sponsorship that links the purchase of the company brands with the donation of a specific cause in society.

The origin of CRM’s successful practice can be traced to the American Express Company. The company launched a marketing campaign in 1983. The campaign was in support of the renovation of the statue of liberty. It promised to donate a penny to the renovation for each use of its charged card, and a dollar for each new card issued in the United States during the fourth quarter of 1983. This CRM practice allowed American Express Company to gain a 28% increase in card usage and a sizeable increase in the number of new cards issued. This $6 million national promotion campaign resulted in a $1.7 million contribution by the company of American Express to the statue of liberty. Since then, many companies all around the world have adopted different innovative programs with the expectation of harvesting the same positive results as American Express (Varadarajan & Menon, 1988). Later and later and to date, companies are imitating this CRM campaign to gain from the benefits of this strategy. The number of CRM campaigns has increased steadily over the years and there are several examples of successful collaborations between brands and causes that have yielded benefits for both parties (Bergkvist & Zhou, 2018).

Other popular examples for CRM campaigns are; the Himalaya Drug Company, along with Smile Train India through “Project Muskaan” in the year 2016 tried to remove the stigma associated with cleft deformities. The company contributed two rupees from the purchase of every Himalaya Lip Care product towards enabling cleft surgeries for impoverished children. Similarly, Yoplait along with three breast cancer charity organizations in the United States in 2014 had started an online initiative “Friends in the Fight”. This campaign helped consumers to go online, insert the codes found on select pink Yoplait lids, and direct 10 cent donation to the breast cancer charity organizations (Thomas et al., 2019). TOMS Shoes integrated CRM into its’ very corporate identity in that for each pair of shoes sold, TOMS Shoes donates a pair of shoes to a needy child (Eastman, Smalley, & Warren, 2019). In 2008 Starbucks donated 50 cents per sale of exclusive RED Starbucks beverages to the Global Fund for the fight against AIDS, tuberculosis, and malaria (Ferraris et al., 2019). Also, luxurious brands as Montblanc, who initiated a campaign of “Signature for Good” campaign, in which Montblanc donated 10% of its retail sales to support UNICEF’s education programs (Fazli-salehi, Torres, & Züüiga, 2019). Procter and Gamble, has also established a long-lasting partnership with UNICEF and helps to eliminate maternal and newborn tetanus by providing one tetanus vaccination for each purchase of Pampers. More examples are; Tommy Hilfiger, which donated 50% of the price of a specific bag to Breast Health International, and eBay for Charity, which raised more than $100m for charities in 2018 by enabling people to support their favorite cause when they buy or sell on eBay (Vrontis, Thrassou, Christofi, Shams, & Czinkota, 2020).
2.4 Cause-related Marketing Theories in Consumer Behavior

Several theories and models have been developed to support consumers’ responses toward CRM and socially responsible activities by companies. The main theories that Support CSR and CRM are the Elaboration Likelihood Model (ELM) of persuasion, Social Identity Theory, Signaling Theory, Pro-social Behavior Theory, Persuasion Knowledge Model, and Attribution theory.

The Elaboration Likelihood Model (ELM) of Persuasion is a dual process theory. It describes the change of attitudes. Petty and Cacioppo (1979) created the concept of ELM. Their model aimed to explain different ways of processing stimuli, why they are used, and their outcomes on attitude change. Regarding CRM, consumers who are highly involved often display higher cognitive elaboration (Petty and Cacioppo 1979). Their involvement with the cause is the result of the previous experience with cause-related products. Accordingly, they find the offer is personally very important and relevant to them (Patel, Gadhavi, & Shukla, 2017).

Social Identity Theory proposes that a person’s sense of who they are depends on the groups to which they belong. Thus, a person’s concept of self comes from the groups to which that person belongs. A person might act differently in varying social contexts according to the groups they belong to. According to the theory, this happens in three phases that create this in-group/out-group mentality. The phases include Social Categorization, Social Identification, and Social Comparison. In the Social Categorization phase, people are categorized into groups to understand and identify them. In the Social Identification phase, people adopt the identity of the group that they belong to, and they act accordingly. In the Social Comparison, after people categorize and identify themselves within a group, they tend to compare their group (Tajfel and Turner, 1985). In the context of CRM, social identity theory will work when people tend to make social classifications based on the systematic definition of others. They will place themselves in the same social environment. Here consumers will identify themselves with an organization, such as a not-for-profit organization. Thus, they become vested in the successes and failures of the organization. According to their self-identification to the organization, they will be willing to participate in the cause-related campaign (Cornwell & Coote, 2005; Gupta & Pirsch, 2006).

Signaling Theory provides a basis for understanding the usage of cues among consumers to evaluate an object. Signaling theory proposes that the information individual gets as signals can direct their choice so that any cues provided to consumers with information that is often necessary to make evaluations about factors that are unobservable (Spence, 1973). For example, consumers want information that enables them to distinguish between sellers of high-quality products and those of low-quality products. To solve this information problem, marketers use pre-purchase signals to convey their products’ quality. According to CRM, the information provided in the cause-related campaign may act as signals to the target consumers helping them to evaluate the cause-related product (Marhana Mohamed Anuar & Mohamad, 2012).

Pro-social Behavior Theory represents a wide category of acts that are defined as acts that normally benefit others. These acts include helping, aiding, sharing, donating, and assisting (Bar-Tal, 1976). Pro-social behaviors are generally considered to be acts that are perceived as voluntary, that have positive social consequences without the anticipation of external reward, and to have two dimensions: (a) the behavior is done for its ends (altruism) and (b) the behavior is done as an act of restitution. The theory suggests that four factors affect people's judgmental process: (1) personal variables such as demographic characteristics and personality traits; (2) situational variables, characteristics of the particular situation and temporary psychological states of the potential helper; (3) variables that characterize the person in need; and (4) cultural variables which include norms and values that prescribe desirable behavior in the social group of the potential helper. Regarding, CRM, a cause-related product may be viewed as a form of commercial purchase that is linked to prosocial values. Consumers may consider CRM as a combination of a purchase decision and some kind of prosocial behavior (Ross et al., 1992).

Persuasion Knowledge Model (PKM) examines consumers’ set of beliefs about how persuasion “agents” such as marketers, salespeople, and advertisers operate, including perceptions of agents’ goals and tactics, evaluation of the effectiveness or appropriateness of agents’ persuasion attempts, and consumers’ own ability to cope with agents’ attempts. In a simple form, PKM is how people’s persuasion knowledge influences their responses to persuasion attempts. The model focuses on two main parts; the first is that persuasion knowledge contains “causal-exploratory beliefs about the psychological states that processes thought to mediate the effect of one person’s persuasion attempts on another person’s ultimate actions”. According to CRM consumers' characteristics can fit in the first part of the model. The second part is that persuasion tactics include sales presentations and advertising. With CRM, any form of marketing communication by the company can fit in the second part. According to Friestad and Wright (1994), an individual’s persuasion knowledge helps them in all their interactions with marketers.
The Attribution Theory, which is the origin of PKM, was introduced in Fritz Heider’s (1958) book the Psychology of Interpersonal Relations. The Theory deals with how the social perceiver uses the information to arrive at causal explanations for events. It examines what information is gathered and how it is combined to form a causal judgment through both internal and external attributes. Regarding the internal attributes, the values and internal characteristics of targeted consumers can fit for CRM, as well as the external attributes that can be the CRM campaign characteristics of marketers’ messages through various channels to consumers. Attribution theory is one of the theories that can combine various aspects of CRM. Attribution theory focuses on the creation of a positive attitude based on both internal and external factors, thus it can create a better understanding of consumers’ responses to a CRM campaign based on consumers’ internal characteristics as well as the external factors. It was stated that the attributions made by consumers towards the products are depending on consumers’ perception towards the industry, brand, and company, previous experiences would also impact this evaluation. In the case of positive attribution, a positive behavioral response would appear (Thomas et al., 2019).

Throughout CRM research, the attribution theory was applied the most (Ellen et al., 2000; Cui et al., 2003; Dean, 2003; Brink et al., 2006; Tsai, 2009; Myers et al., 2012; Koschate-Fischer, 2016; Chun-Tuan Chang, 2012; Bigne, Curra’s-Pe’rez, & Alda’s-Manzano, 2012; Moosmayer & Fuljahn, 2013; Myers, Kwon, & Forsythe, 2012). Attribution theory was found to be the most popular theory for understanding the CRM phenomenon from consumers’ perspective as it provides a conceptual foundation for behavioral attributions to CRM offers and thus consumer responses and evaluation of the CRM offer (Thomas et al., 2019).

The attribution theory explains and is concerned with how and why ordinary people explain events as they do. The theory explored the idea of attribution, categorizing the causal nature of occurrences into low factors (attributing them internally/personally) or high factors (attributing them to situations). This theory is a universal theory of human sense-making. Attribution is a psychological process used to identify the cause of a certain behavior; previous scholars identified this. Often attributions are used in predicting communication behavior. Heider (1958) believed that people are naive psychologists trying to make sense of the social world. People tend to see cause and effect relationships, even where there is none. The theory deals with how people interpret incidents or behaviors in terms of their causal inferences, and their interpretations play a significant role in determining reactions to these incidents or behaviors.

### 2.5 Important Variables in Cause-related Marketing

Literature has pointed out important variables in the context of CRM. The presented variables in table 1.1 below show the most important variables figured out in the past years and their conceptual definitions and the support they gained from the literature cause favorable consumers' responses towards a cause-related product. These variables include: cause proximity, product type, donation magnitude, brand-cause fit, cause involvement, cause participation, skepticism, and altruism.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Conceptual Definitions</th>
<th>Support for creating behavioral responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donation Magnitude</td>
<td>The amount paid per purchase of a cause-related marketing product, either low or high (Strahilevitz, 1999)</td>
<td>(Dahl &amp; Lavack, 1995) (Hajjat, 2003) (Moosmayer &amp; Fuljahn, 2010) (Human &amp; Terblanche, 2012) (Kareshi and Thomas, 2018)</td>
</tr>
<tr>
<td>Brand – Cause</td>
<td>The degree of similarity and (Ellen, Mohr, &amp; Webb, 2000)</td>
<td>(Anrithdo &amp; Liao, 2013)</td>
</tr>
</tbody>
</table>
After reviewing prior studies and literature, the researchers recognized the main CRM development and definitions. The marketing strategy of CRM is derived from the CSR concept. The CRM strategy is an application for the philanthropic practice of CSR. CRM in a general form is donating part of the product sales to support a certain cause in society. CRM definitions have been cascaded over time from 1988 to 2019. CRM, in general, is a strategy that engages consumers in pro-social behavior and previous researchers proved that it has a wide effect on companies’ performance.

After reviewing prior studies and literature, the researchers identified the significant variables that impact CRM and consumer behavior. Some variables gained prominent importance in the CRM literature, as they proved to influence the pro-social behavioral intentions as; cause proximity, product type, donation magnitude, brand-cause fit, cause involvement, cause participation, skepticism, and altruism.

### III. Conclusion

This research paper sought to achieve three main objectives; (RO1) to recognize the main CRM development and definitions; (RO2) to critically review prior studies to identify the main CRM theories that explain its impact on consumer behavior in the context; and (RO3) to critically review prior studies to identify the significant variables that impact CRM and consumer behavior.

After reviewing prior studies and literature, the researchers recognized the main CRM development and definitions. The marketing strategy of CRM is derived from the CSR concept. The CRM strategy is an application for the philanthropic practice of CSR. CRM in a general form is donating part of the product sales to support a certain cause in society. CRM definitions have been cascaded over time from 1988 to 2019. CRM, in general, is a strategy that engages consumers in pro-social behavior and previous researchers proved that it has a wide effect on companies’ performance.

After reviewing prior studies and literature, the researchers identified the significant variables that impact CRM and consumer behavior. Some variables gained prominent importance in the CRM literature, as they proved to influence the pro-social behavioral intentions as; cause proximity, product type, donation magnitude, brand-cause fit, cause involvement, cause participation, skepticism, and altruism.

### IV. Recommendation and Future Research

CRM is an effective strategy that focuses on a win-win relationship for the customers and the companies. The most important factor for the success of CRM strategy is understanding the target customers, so the company will be able to tailor the CRM campaign based on their interests. For example, it is important to differentiate whether the target segment prefers to support what type of proximity (local, national, or multinational), understanding the target segment product type is also important whether the segment prefers to support causes linked to hedonic or utilitarian ones, same goes for the number of donations, the degree of fit of the cause with the brand, level of participation, and involvement.
Skepticism is an important element that should be usually considered as it is usually negatively correlated with positive behavioral responses. Future research is recommended to focus on the influence of the skepticism level in multinational CRM campaigns and the degree they affect negatively the behavioral responses, as due to cultural differences not all countries can respond the same to the multinational CRM stimuli. Consumers' values such as altruism can act as an antecedent for other CRM campaign characteristics as proximity, product type…etc. CRM research would be enhanced if comparative studies are conducted to gain better insights. Comparatives can be between countries, age groups or demographic characteristics in general, or levels of religiosity, as religiosity can play a vital role in supporting cause-related products.

References:

[28] Cui, Y., Trent, E. S., Sullivan, P. M., & Matiru, G. N. (2003). Cause-related marketing:

DOI: 10.9790/487X-2210051726 www.iosrjournals.org
a cause-related marketing context. Journal of Marketing Communications, 00(00), 1–22.


DOI: 10.9790/487X-2210051726 www.iosrjournals.org


