Cause related marketing in creation of trust on organic cosmetics
An empirical investigation

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Abstract— The creation of trust is most important factor for a
corporate on which consumer buying decision is depends on.
Though one side corporate tries its level best to create trust in the
minds of people by identifying cause importance another way it is
essential for corporate to understand the role played by the
psychographic and socio-demographic factors. The most
important Corporate Social Responsibility of Body Shop & Lush
is concerned and passionately against animal testing, to activate
self-esteem, community fair trade, defend human rights, protects
the planet, ethical trade, product features, packaging and
labeling etc. So pertaining to this it is essential to identify the
perception and attitude of people and the role of demographic
factors in creation of trust. Organic cosmetics products are new
to the Indian scenario and people are not much aware of it
compare to general cosmetic products. Consumers’ taste and
value for the bizarre brands for general cosmetic products is
mainly depends on the price of the product, attributes of the
product, existence of market competition and brand name in
national and international level. But organic cosmetic products
differ from these general cosmetic products in its features which
has necessitated the need for this study in order to identify the
cause impact in creation of trust. Factors encouraged making an
in-depth work in the area of cause importance, demographic and
psychographic factors which are concerned about environmental
issues because product itself is environmental friendly. Research
also reveals that Cause and buyer understanding is moderating
the Corporate and Cause-fit on customers’ buying intention of
sponsored products .This aspect has proved identification of
various aspects of Cause and its impact on people in creation of
trust.

Keywords- corporate social responsibility, cause importance,
cause amount, trust, psychographic and demographic

I. INTRODUCTION
Corporate social responsibility (CSR) concept is coined by
Bowen in 1953. He has defined CSR as “Businesses are
obliged to follow policies, make decisions or take action that
is appropriate relative to a society’s values and goals”. Carrol
is the first researcher who has classified CSR into economic,
legal, ethical and philanthropic in 1979. Consumer perception
of CRS is defined as “the ability of the consumer to
differentiate between corporate economic responsibilities on
the one hand and corporate legal, ethical, and philanthropic
responsibilities on the other hand” [1]. Whenever corporate
takes its social responsibility towards society, community,
employees, customers, stake holders, shareholders etc, it
create trust in the minds of consumers which in turn induces
them to buy that particular organizations products. Cause-
Related Marketing (CRM) defined 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” [2]. Thus creation of
general and specific trust for an organization is depends on
cause importance. Whenever an organization does donations,
scholarship, charity etc creates trust in the minds of
consumers’. But just creation of trust is not enough for the
corporate. So it is very much essential for any corporate to
identify the cause importance and then decide about the forms
of cause like charity, donations or scholarship etc which
creates trust in consumers mind.
Psychology speaks about three kinds of trust dimensions
namely cognitive, affective and behavioural [3].Personality
trait of a person develops attitude towards someone or
something is called as General trust and this kind of trust
rarely influences retailer or any marketing events. Specific
trust highly influences retailers or any marketing events.
Specific trust builds up strong relationship between retailer
and consumer which is mainly based on cognitive and
Affective dimensions [4]. A cognitive dimension of trust
involves a person’s belief / knowledge about attitude
object/person/ideas. Cognitive trust company’s reputation,
capacity and its product performance [5][6]. Whereas affective
trust is based on the consequences experienced with a previous
interaction with firm [7]. The effective trust involves a
person’s feelings/emotions about the attitude
object/person/ideas. Behavioral (or conative) component of
trust is the way the attitude we have influences how we act or behave. Thus creation of trust is most important factor for a corporate on which consumer buying decision is depends on. Though one side corporate tries its level best to create trust in the minds of people by identifying cause importance another way it is essential for corporate to understand the role played by the psychographic and socio-demographic factors. The most important CSR of Body Shop and Lush is concerned and passionately against animal testing, to activate self-esteem, community fair trade, defend human rights, protects the planet, ethical trade, product features, packaging and labeling etc. So pertaining to this it is essential to identify the perception and attitude of people and the role of demographic factors in creation of trust.

A. Cause related marketing through corporate social responsibility:

CSR and CRM are binary polarity where CRM is the part of CSR. Most often it was found that in much research work both terms is used identically. In the modern time CSR is very much essential for an organization to create trust among the people towards the organization and its product/services which enable them to make their effective buying decision [8]. Positive attitude and buying intention of the consumers’ are mainly vested on CRM through CSR. If the campaign is very effective and efficient it creates trust makes people to buy that particular company product. Also said that consumers’ will tend to buy those products which are environmentally friendly [9]. CRM through CSR is mainly based on the category of product which company produces [10], also consumers’ concern towards the cause and its [11]. In order to achieve from bottle neck competition or cut throat- competition it is very much essential for corporate to assimilate CSR by using effective CRM [12]. Research work also articulated that CRM must go in a broader sense through CSR, which creates trust. But under CRM through CSR it is must for an organization to identify the cause for which it intend to spend [13]. Hierarchy of CSR includes economic and legal accountability [14]; ethical and philanthropic accountability [15]. When we speak about CSR in Indian economy it was found that many local Indian corporations are more concerned about the CRM oriented towards community development under philanthropic CSR podium. Indian Petrochemicals Corporation limited, Gujarat state petroleum corporation group, Bharath Petroleum Corporation limited are the classical examples for development of community [16].

B. Cause Amount

CSR is mainly concentrated on the total amount spent by the corporates in different areas of CRM. This creates trust in consumer mind towards company and its product/services which influence the buying intention of consumers’ [17]. Though there is a cause ambiguity pertaining to charity and donations amount corporate and consumer perception is that there is a strong relationship between trust and cause amount. Even little research highlights that women’s trust and buying intention is much higher and stronger than men related to cause amount which corporate spends [18]. Prominence and significance of the cause for which an organization spends as well as the amount of money it spends makes lots of differences for the organization and to the customers’. It delights both organization and buyer [19]. Any corporates CRM via CSR cause amount investment is mainly depends on the companies’ turnover. Cause amount of CRM create sensitivity and emotions in the minds of people which build trust in the minds of people towards corporates and boost up their buying intention [20]. Society gets attracted and trust those corporates which spends huge cause amount than those whose cause amount is low [21]. Amount cause in social cause of CRM is an antecedent of consumers trust and consequences of consumer buying intention [22].

C. Cause Purview

There are three kinds of cause purview which is spotted out by [2], namely local, national and international. Creation of trust in the minds of people through CRM is mainly depends on the purview of the cause. Considering geographic purview is the essentiality for the corporates. It was even observed that in United States of America people are more concerned about local cause than national or international. Fewer research reflected same kind of result even in country like China [23]. Besides this there is little research which reveals that cause purview is not at all base for the CRM [24]. Cause purview doesn’t help for building trust in the minds of public [25].

D. Cause Rubric:

Cause rubrics are classified in to basic or fundamental cause rubric and secondary or contingency cause rubric. Fundamental cause rubric is life’s’ necessities whereas contingent cause rubric is related to quality of life. Food, cloth, shelter, sanitation, education, healthcare are the fundamental cause and secondary cause consist of society and community development, economic development, suppression of disguised and under employment by creating appropriate employment in the economy, controlling pollution and making healthy environment in the economy [26]. CRM orientation (Charity/sponsorship/ donations etc. on fundamental or secondary rubric) is responsible for the hike in the sales and the success of the firm [27]. Only two research work highlights that its fundamental cause rubric which is more important than secondary cause in creation of trust among the consumer for their buying decision [28].

E. Cause consequential

Consumers’ trust is mainly depends on cause consequentiality. Catastrophe like immediate disaster is normally perceived as very high cause importance compared to ongoing incidents. So CRM through CSR must divert attention more on immediate
disaster than ongoing which creates trust among people and attract consumer [29]. Whenever there is an immediate disaster like earthquake, volcanos, flood etc. bursts in an economy it is quite commonly found that there will be increase in donations by corporates. Media are playing a crucial role in highlighting sudden tragedies more than ongoing. Quick or precipitous incidents are known to the public through media [30].

F. Cause Span

Cause span refers to the duration of CRM. It indicates about whether shorter span is more recognized by the people or longer span? If the CRM is beneficial for longer span of time then it will create more trust among the consumers’ and strengthens their buying intention [2]. Another research highlights that CRM span has got meager or negligible role in creation of trust [31]. CRM span is strongly related to the trust and brand loyalty which influences buying intention [32]. If the CRM is very powerful and impressive then the span of CRM will be held for longer period [33]. Whenever there is a CRM which is short lived or limited in nature it lead to a weak repercussion from consumers’ [17]

G. Socio-demographic factors

Consumer trust on organic products’ is mainly depends on consumers’ perception and attitudes towards its CSR, CRM and also product attributes, which is influenced by socio-demographic factors like age, gender, income, educational qualification and nationality [34]. Majority of the female respond towards CRM because females are more emotional and sentimental towards cause importance when compared with males. Trust among females is very high compared to males on those organizations whose cause importance is very high [35]. Concept of self-appeal and beauty consciousness is very high for women compare to men. This plays a pivotal role in creation of trust and the purchasing intention of women specially on buying organic cosmetic products.

There is a correlation between higher level of trust and higher level of education in consumers’ trust aspect. Though the prices of organic cosmetics are high, people with higher income are ready to pay compared to lower income [36][37]. Another research proclaims that people with lower income category also ready to pay higher price for organic products because of their concern for CSR and cause importance [38]. It has been observed that economically advanced nations are very keep on those firms which are more concerned about the CSR which is comparatively very less among economically weak nations.

H. Psychographic factors

If customers’ attitude is very close to the environment issues and features of the organic products, then it create trust in consumers’ mind and consumers’ buying intention will be very high or positive [39]. When the consumers’ are anxious on issues like health alertness, environmental sensibility and appearance consciousness then it creates stronger trust in the minds of consumers which strongly leverage the attitude of consumers’ [40]. Research also shows that some groups of people are ready to pay higher prices whose perception and attitudes are positive towards organic products [41]. Plenty of researchers have an opinion that research pertaining to consumers’ perception, attitude and preferences towards organic products are very scanty [42]. Higher price, limited availability of the products, doubt on the product guarantee, absence or little advocacy, unclear explanations and satisfaction of customers’ with conventional products has negatively affected the perception and attitudes of people in the creation of trust [43].

I. Trust

CRM through CSR uphold the image of corporate [44]. Cause importance creates greater level of trust among the buyer and high level of loyalty [45]. CSR not only creates trust and motivates buying intentions of consumers’ but also helps for repeated buying of consumer [46]. Corporate believes that trust is possible by CRM through CSR. Corporate must follow CSR and CRM to realize customers’ that company is honest which determines their purchasing intention. Thus there is a strong relationship between honesty of organization and consumer trust which motivates purchasing intention of consumer’s [47]. Trust is derived even from the perceptions of the buyers’ [48]. For the sustainability of firm and to strengthen corporate-buyer relationship buyer trust in the corporate is very essential. This trust can be built very easily by CRM through CSR by identifying cause importance [49]. If organic cotton apparel is concerned about the environmental issue then it is a psychographic variable which is responsible for creation of trust and induces consumers’ purchasing decision [50].

Figure 1 – conceptual framework
Corporate does its best by CRM through CSR initiatives. Customer intend to buy those products where CRM are more oriented towards high brand cause fit than low brand cause fit. Company normally uses the CSR ideology in a very tactful ways while selecting causes pertaining to the values of that particular organization. People trust is based on the popularity of brand which is mainly vested in the CSR taken up by the corporates through its effective and efficient CRM. But corporate is having lot of ambiguity about using cause importance at different levels.

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