



To What Extent Company Image Improves through Cause-Related Marketing? An Evidence from Food Industry^{1,2}

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Abstract: For the past two decades increasing effort has been given to investigating the influence of cause-related marketing (CRM) activities on consumers' attitudes and behaviours. Because consumers may react differently to companies that operate in the same industry with similar CRM applications, the understanding of the requirements of a successful CRM application is crucial. This study aims to investigate to what extent the company image would improve for a company after applying a CRM campaign. It is suggested that the magnitude of company image improvement would be influenced by: (1) company trustworthiness; (2) the type of CRM campaign (being either a strategic or a tactical campaign). To test the hypotheses, Repeated Measures MANCOVA was used with a sample of 600 respondents in Istanbul, Turkey. The results show that only the type of CRM campaign improves the company image and surprisingly tactical CRM campaign results in more image improvement than does strategic CRM campaign.

Keywords: Company Image, Cause Related Marketing, Company Trustworthiness, Type of CRM, Repeated Measures MANCOVA

JEL: M31, M14

Received : 11 March 2019

Revised : 15 May 2019

Accepted : 24 May 2019

Type : Research

1. Introduction

Within the last two decades, increasing attention has been given both in academic and business world to the concept of cause-related marketing (CRM), which is one type of corporate social responsibility (CSR). The number of companies undertaking responsibility projects has boosted day by day, because to behave in a socially responsible manner is believed to bring a lot in terms of companies' performance and profitability. Growing evidence supports the idea that a company's CRM undertaking can be positively related to consumers' attitudes and behaviours toward that company and the product the company offers (Webb, Mohr & Harris, 2008). As argued by Aupperle et al. (2001), social responsibility activities increases sales and customer loyalty, enhances corporate reputation and image, increases ability to attract and retain employees, and fosters employee morale and motivation.

With the accumulation of knowledge within this domain, previous research has also demonstrated the prerequisites of a CRM campaign to provide above mentioned outcomes. Two of such prerequisites are the company trustworthiness (Atakan & Eker, 2006) and the type of CRM campaign (Brink, Odekerken & Pauwels, 2006) that the companies need to fulfil if they want to obtain positive returns from their CRM campaigns. However, to the knowledge of the author, when these two prerequisites are fulfilled, the extent of the improvement in company image created by a CRM campaign has not been a subject matter. Therefore, this study sheds light on this unknown area by investigating the company image, before and after using a CRM campaign, under the effect of company trustworthiness (high, moderate and least) and the type of CRM campaign (strategic or tactical). To this end, the study used causal research and 2X3 factorial experimentation design. The experimental stimulus included a fictitious CRM campaign - either strategic or tactical. The

Cite this article as: Iscioglu, T. E. (2019). To what extent company image improves through cause-related marketing? An evidence from food industry. *Business and Economics Research Journal*, 10(4), 973-990.

The current issue and archive of this Journal is available at: www.berjournal.com

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questionnaire was distributed to 600 randomly selected respondents in Istanbul. The analysis of Repeated Measures MANCOVA provided significant support for the effect of the type of CRM on the improvement of company image, whereas the effect of company trustworthiness was found to be insignificant.

2. Literature Review

Van Riel (1995) states that an image is the set of meanings by which an object is known and through which people describe, remember or relate to it. Considering this definition then, “company image” can be suggested as the image of an organization. Webb and Mohr (1998) used the term corporate image and defined it as the perception/feelings of customers regarding the company’s products and activities. According to Demetriou et al. (2010), positive corporate image is the foundation for corporate success, which can be an incentive for the sale of products, recruitment of the best employees and attraction of investors, and can act as a competitive advantage.

Providing the first definition of CSR, Bowen (1953: 6) asserted that businesses have the responsibility to “pursue those politics, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of our society”. On the other hand, Levitt (1958) argued that business is required only to maximize profits within the boundaries of the law and minimal ethical constraints. Similarly, Friedman (1970) stated that the only responsibility of corporations is to increase profits by legal means. According to Carroll (1979) however, businesses have four main responsibilities: economic, legal, ethical and philanthropic. Today, CSR has become an important element of corporate management as there is increased pressure on a range of economic and social factors, greater need for transparency in the media coverage of financial scandals (the Enron case), social problems and environmental disasters (Swaen & Chumpitaz, 2008).

Not only scholars, but also companies have developed different conceptualizations of CSR and thereby express themselves with different CSR orientations. Procter & Gamble (P&G), for instance, believes companies can be a force for good in the world and sees itself as a global corporate citizen by focusing its social investments on improving life for disadvantaged children and youth. With its product donations, CRM campaigns, and employee engagement, P&G provides life-saving vaccinations and safe water in Africa and across Europe, educational opportunities in Asia, essential nutrition in North America and early childhood development in Latin America (P&G, n.d.) On the other hand, being severely accused of using child labour, Nike now sees its greatest responsibility to play a role in bringing about positive systematic change for its workers. Other than that, with its Code of Conduct first released in 1992, Corporate Responsibility Management at the Board Level established in 2001, Nike attempts to operate in legal, ethical and philanthropic manners. For Nike management, corporate responsibility must evolve from being seen as an unwanted cost to being recognized as an intrinsic part of a healthy business model, an investment that creates competitive advantage and helps a company achieve profitable, sustainable growth (Nike, n.d.). Another example, Turkcell, Turkey’s one of the GSM operators that is well-known with its CSR undertakings, has developed promises to support many social projects that it believes will add value to the society in various areas of education, technology, sports and art. Within the scope of these efforts Turkcell aims to contribute to the development of qualified human resources in Turkey with these activities (Turkcell, n.d.). As seen, while P&G and Turkcell express their philanthropic actions as the only means for being socially responsible, Nike appears to incorporate economic, legal, ethical and philanthropic dimensions of CSR into its business actions.

Being one type of CSR activities, Cause-Related Marketing (CRM), is defined as “a specific marketing activity in which the firm promises its consumers to donate company resources to a worthy cause for each sold product or service” (Brink et.al., 2006: 16). In this respect, while companies support social problems through CRM, it is different from a company’s unconditional donation through sponsorships as the support of a cause is conditioned on the sale of products with CRM campaigns (Oyman, 2000). When the definitions related to CRM are examined, distinctive features of the concept can be listed as follows (Odabaşı & Oyman, 2003):

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- The integration of the company into a social problem or cause, most of the times through partnering with a non-profit association,
 - Generating income by offering products to consumers in accordance with the cause and thus making consumers a part of the activity,
 - The donation of some or all of the resulting income to the cause and the communication of this support through marketing messages.

The earliest CRM campaign was developed by American Express in 1983, where the company claimed to donate a certain amount of money to the protection of Statue of Liberty every time a consumer used American Express credit card and every time a new membership started up. The results were an encouragement for other companies, since American Express could increase card usage by 28 percent (Singh, Kristensen & Villasenor, 2009). Another good example of such an undertaking is the campaign of AVON in which the company rose over £10 million and donated the money to the Breakthrough Breast Cancer program. Avon also donated three dollars to the reconstruction efforts after the 2004 tsunami in Asia for each "Heart of Asia" pin purchased by the customers (Cooperman, 2005). Among the CRM campaigns applied in Turkey:

- Sabah Newspaper's %1 donation from each of its newspapers to TEMA and Darüşşafaka,
- ETİ's partnership with World Wildlife Fund and the donation of a certain amount of its revenue from the sales of Burçak biscuits for the prevention of shrinkage in the closed basin of Lake Beyşehir,
- Migros and Colgate's partnership with TOÇEV and from each sales supporting the project titled as "One thing changes, everything changes",

can be listed as value creating examples (Baltacı, 2011).

As CRM applying companies received such advantages, an extensive stream of research has emerged examining the impacts of CRM on consumer choice (Barone, Miyazaki & Taylor, 2000), consumer purchase decisions (Webb and Mohr, 1998), and consumer attitudes towards CRM programs (Barnes, 1992). For instance, firms contributing to social well-being were found to have better reputations (Fombrun & Shanley, 1990; Smith, 1994). Nichols (1990) stated that CRM is an approach that combined selling and charity to improve corporate image. Additionally, Demetriou et al. (2010) proposed that CRM can be a sustainable way to enhance and build a corporate image and CRM has the potential to engage individuals mentally and emotionally with a corporation, and hence create a positive corporate image. CRM campaigns indeed help companies differentiate themselves among many similar counterparts, improve company reputation and image, and thus increase consumers' brand consciousness and loyalty (Aydede, 2007: 50).

Yet, as studies accumulated, certain prerequisites were identified for these outcomes to arise. For instance, the familiarity of the consumer with the cause (Lafferty & Goldsmith, 2005), the fit between the cause and the company (Pracejus & Olsen, 2004) and the type of product that is involved in the CRM campaign (Strahilevitz & Myers, 1998) were all found to be affecting the impact of CRM campaigns. Consumers' trust in the company is suggested as another antecedent by Atakan and Eker (2006), because in their study, participants emphasized the importance of trusting a company in order to believe that the money spent for the product really goes to the designated cause. As also pointed out by Cömert and Sağır (2013: 237), consumers' trust in a company is especially important for a CRM campaign to be supported, otherwise consumers may be suspicious about the campaign and may even refuse to buy the product.

Barney and Hansen (1994: 176) view trust as "the mutual confidence that no party to an exchange will exploit another's vulnerabilities". For the conceptualization of trust, marketers commonly accept the definition that trust is a confidence between the parties that the other party is reliable (Morgan & Hunt, 1994); and that the parties will act with a level of integrity when dealing with each other (O'Malley & Tynan, 1997). There is limited number of studies which examined company trustworthiness within the domain of CRM and CSR. Swaen and Chumpitaz (2008) explained the relationship of CSR and company trustworthiness with signaling theory and stated that CSR initiatives act as signals sent by a company to reduce the uncertainty

that can weigh upon consumers' purchasing decisions. The authors stated that "based on these signals, consumers will decide whether the brand in question shares their interpretation of the rules of exchange, if it intends to be true to its word, and if the exchange in question is a fair and lasting one" (p. 14). Undeniably, trust in a company was found to increase as the company engages in CSR or CRM programs (e.g. Cone Inc., 2004; Aqueveque, 2005; Golin, 2005). In those studies, company trustworthiness was found to be a consequence of CSR and CRM programs, rather than an antecedent. However, Atakan and Eker (2006) found that trusting in a company is very important for customers in order to support the company for its CRM activities. Since most of the CRM applications are perceived to be sales oriented, consumers may not believe whether a company will use some of the revenues generated from a CRM campaign for the cause or for its own good. At this point, to trust in a company plays a crucial role in a way that it may enable the consumers to believe that the company will be fair and just, and keep its promises to support the cause.

The effect of CRM campaigns on company image is also highly depended on the characteristics of the campaign. The type of CRM campaign, whether it is strategic or tactical, is one of such characteristics. Brink et al. (2006) define strategic CRM campaign being long term oriented, with a serious focus on the cause by the top management and with high amounts of resources (money, time, effort) invested. Tactical CRM is short term oriented, and thus, neither the managerial focus nor the amount of resources is high. An example of a strategic CRM could be that, a mobile service provider makes an alliance with a non-profit organisation (NPO) to support the cause for facilitating the lives of the visually impaired by developing their skills and many others by donating 25% of the tariff of each minute consumed by customers during phone calls, continuing this campaign 5 years or more and with top management of the mobile service provider developing the CRM strategy and visiting the cause (NPO) twice a year (Hassan & AbouAish, 2018). On the other hand, a tactical CRM could be that, a mobile service provider makes an alliance with a non-profit organisation (NPO) to support the cause of distributing blankets to poor families in rural and remote areas by donating 3% of the tariff of each minute consumed by customers during phone calls to this cause for the period of one month and the top management of mobile service provider is not involved with the cause or the development of the CRM strategy (Hassan & AbouAish, 2018).

Till and Nowak (2000) asserted that with tactical CRM a brand may tie in with a cause for a fairly narrow purpose. Therefore, use of CRM as a tactical tool is actually considered a tool for enhancing the effectiveness of a firm's sales promotion efforts (Varadarajan & Menon, 1998). That is why it is more likely that, consumers would evaluate tactical CRM campaign as a short term incentive aiming to increase sales and consider the company as far away from being a sincere supporter of the cause. The companies using strategic CRM campaign on the other hand, would be seen as the operators in the interest of their customers and shareholders by refraining from short term campaigns (Brink et al., 2006), with serious support of top managers and highly invested resources. Thus, strategic approach to CRM improves corporate image and creates a positive consumer attitude toward the brand by taking a more long-term focus (Dowling, 2001; Berger, Cunningham & Drumwright, 2007). As also stated by Oyman (2000), consumer scepticism towards CRM campaign can be eliminated when the company is connected to a social cause with a long-term promise.

Turkish literature on CRM also yields important insights as to which company and consumer characteristics would influence purchase intention and company image of a company that engages in CRM. Considering company characteristics, Baltacı (2011) and, Cömert and Sağır (2013) found that consumers are inclined to purchase from a CRM applying company when the fundamental requirements of a product are fulfilled, for instance when product's price and/or product quality is set the same or above competing products. In the case of a brand-cause fit, consumers' suspicion of a company's CRM campaign decreases and they become more likely to support the campaign (Öztürk & Toprak Savaş, 2014; Uğur & Uğur, 2018). Although brand-cause fit is important in the eyes of consumers, the content analysis of 43 printed CRM ads in Turkey showed that only 11 of them (23.8%) involved a brand-cause fit while there was no brand-cause fit in 32 CRM ads (76.19%) (Topuz Savaş & Öztürk, 2015).

Some studies in Turkish literature focused on consumer characteristics that would ease the support of a CRM campaign. For instance, Baltacı (2011) and Öztürk and Toprak Savaş (2014) found that consumers having high education level are more likely to purchase from a company applying a CRM campaign. Based on

the study of Öztürk and Toprak Savaş (2014), consumers having high involvement towards social causes would be attracted to CRM advertisements, which would positively affect attitude towards the brand and purchase intention. In their study, Uğur and Uğur (2018) also found that when consumers are highly involved with the cause and thus, when there is consumer-cause fit they would support a CRM campaign. Examining the effect of materialism and religion, Erdoğan et al. (2014) revealed interesting results. Accordingly, while materialism, which is related to over consumption and having more (ownership), together with the desire to have something (envy), affects attitudes towards CRM negatively, religious values positively affect attitudes towards CRM (Erdoğan et al., 2014).

As research shows, those benefits can be realized when the companies communicate with their target audience about their CRM campaigns and transmit the message effectively (Cömert & Sağır, 2003; Uğur & Uğur, 2018). According to the study of Öztürk and Oyman (2004), consumers who purchased from a CRM applying company learned it from TV ads (45% of the consumers) and product package (%35 of the consumers).

From the examination of Turkish literature on CRM, it is well understood that the knowledge is accumulated on the factors which would influence the support of CRM campaigns, and thereby company image and purchase intention. This research however, fills the gap in literature by aiming to put forth to what extent company image would be increased after a CRM campaign. Although, previous research documented the increase in company image through CRM campaigns many times, the magnitude of this increase has not been examined before.

3. Methodology

3.1. Hypotheses

This study attempts to reveal the extent and nature of the improvement in company image, if any, which would be caused by company trustworthiness and the type of CRM campaign. The consumers already have certain image of companies as a result of companies' actions in the business environment. Research has already shown that engaging in a CRM campaign increases the level of company image (Shell, 1989). What will be added into this knowledge is the inclusion of company trustworthiness and the type of CRM as the influencers of the improvement of company image. Therefore, based on the previous studies explained before, it is hypothesized that:

H_1 : The level of improvement in the company image changes based on company trustworthiness as the company engages in a CRM campaign

H_2 : The level of improvement in the company image changes based on the type of CRM campaign as the company engages in a CRM campaign.

H_3 : The level of improvement in the company image changes based on the interaction of company trustworthiness and the type of CRM campaign as the company engages in a CRM campaign.

Although the focus is on the effect of company trustworthiness and the type of CRM campaign for the explained relationship, previous research suggests that (Youn & Kim, 2008; Lafferty & Goldsmith, 2005) several consumer related variables might have an influence on company image. Therefore, the socially responsible behaviour of customers (i.e. to what extent customers want to care about their environment and society's development), general trust (i.e. a general attitude or ability to build up trust in someone or something), demographic variables (age and income) and the consumers' attitude toward the company's CRM campaign were taken into consideration as control variables.

3.2. Research Design

In order to test the hypothesized effects regarding the type of CRM (strategic and tactical campaign) and the impact of company trustworthiness (highly, moderately and least trusted) on company image, 2 by 3 factorial design was utilized. Even though two between-subject effects were used, two experimental groups

were formed only on the basis of the type of CRM campaign (strategic vs. tactical CRM campaign). Company trustworthiness, however, was not manipulated but with its three categories of companies (highly, moderately and least trustworthy) it was considered as another within-subject factor.

Since company trustworthiness is not easy to manipulate with a single text as a stimulus, this study used real companies. However, the name of the companies will not be disclosed for confidentiality.

Taking the findings of Brink et al. (2006) and Strahilevitz and Myers (1998) that the influence of CRM campaigns is higher for low involvement products, this study undertook a CRM campaign of a low involvement product, namely yogurt. Therefore, three real company brands operating in yogurt sector were selected out of 11 yogurt brands, with a pilot study of 46 participants. The selected companies represent three levels of company trustworthiness, i.e. one brand having the highest trustworthiness (a local brand), another having moderate trustworthiness (a global brand) and the third one having the least trustworthiness (a local brand).

Webb et al. (2008) revealed that, consumers' reactions to a company's CRM efforts vary with the type of cause and suggested that companies select a cause that is important and valuable to the society. Therefore, for the selection of an appropriate cause, another pilot study was made with 42 people and support in the area of education was selected as it was found to receive the highest frequency.

To eliminate confounding effects, the experimental stimulus was a scenario about an education related fictitious CRM campaign – either strategic or tactical. In the strategic CRM campaign, respondents were informed about a yogurt producer which considers the physical and mental health of its society important and thus develops an education related project, makes a high amount of donation from the sale of its each product to the cause and works with the Ministry of Education and an NPO since ten years to find areas that need school and scholarship, where company managers commit to the project with high effort. However, in the tactical CRM, an information about a yogurt producer is given to the respondents that the company supports education since one year, provides scholarships for the students each time the product is sold and executes it by itself. Before the experimental stimulus, the company image of the three companies was measured. Then, half of the respondents received the scenario of a strategic CRM campaign and the other half received the scenario of a tactical CRM campaign. The same stimulus material was used for each of the three companies and only their names were changed. All of the respondents gave answers for the three companies with respect to company image after the stimulus.

Data were collected through a face-to-face questionnaire by hiring a professional research agency. For the manipulation checks, company trustworthiness measure included nine items adapted from Paine (2003) and the measure of the type of CRM campaign included six items adapted from Brink et.al. (2006). Company image (for both before and after CRM applications) was measured by six items adapted from Javalgi, Traylor, Gross and Lampman (1994). As for the control variables, the measurements of socially responsible behaviour of customers, general trust and the consumers' attitude toward the company's CRM campaign were adapted from Webb et al. (2008), Rotter (1967), Grau and Flose (2007) respectively. Validity and reliability indicators of the scales are presented in the Appendix. The last part of the questionnaire included demographic questions. To test the three hypotheses, Repeated Measures MANCOVA analysis was carried out by SPSS 24. All of the assumptions required for MANCOVA were met.

3.3. Sampling

Data was collected in Istanbul, as it captures many people all around Turkey and provides generalizability of the findings to the whole population. To have sample representativeness, a two-stage cluster sampling procedure was followed. For this purpose, Istanbul was divided into 15 districts and questionnaires were filled out by 40 people within each district. Questionnaires were collected from 600 respondents, who answered the same questions for highly, moderately and least trustworthy companies respectively.

In this study, females accounted for 53% and males accounted for 47% of the sample. Majority of the respondents were young adults, since 38% of them were below the age of thirty and 25% were between the age of 31-40. The remaining 37% were aged above 41. Most of the respondents had primary school (35%), secondary school (20%) or high school (33%) degrees. University and other higher education degrees accounted for only 11% of the sample. Of the participants, 49% had low income and 46% had low-to-middle income. Additionally, while 41% of the respondents were working full time, 70% were not married and 34% of them did not have a child. Table 1. displays sample characteristics in detail.

Table 1. Sample Characteristics

| Characteristics | Frequency | % | Characteristics | Frequency | % |
|------------------------------|-----------|-------|---------------------------------|-----------|------|
| Gender (<i>n</i> =600) | | | Education (<i>n</i> =600) | | |
| Female | 315 | 53% | No formal education | 9 | 1.5% |
| Male | 285 | 47% | Primary school | 209 | 35% |
| Age (<i>n</i> =600) | | | Secondary school | 121 | 20% |
| 18-30 | 229 | 38% | High school | 198 | 33% |
| 31-40 | 147 | 25% | University | 54 | 9% |
| 41-50 | 112 | 18.5% | Master's Degree | 8 | 2% |
| >51 | 112 | 18.5% | PhD | 1 | 0% |
| Income (<i>n</i> =600) | | | Marital Status (<i>n</i> =600) | | |
| Low income | 292 | 49% | Married | 419 | 70% |
| Middle income | 276 | 46% | Single | 159 | 27% |
| High income | 32 | 5% | Widow | 15 | 2% |
| Work Status (<i>n</i> =600) | | | Divorced | 7 | 1% |
| Not employed | 334 | 56% | Children (<i>n</i> =600) | | |
| Full time | 244 | 41% | None | 205 | 34% |
| Part time | 22 | 4% | 1 | 102 | 17% |
| | | | 2 | 164 | 27% |
| | | | 3-4 | 102 | 17% |
| | | | 5-6 | 27 | 5% |

4. Findings

4.1. Manipulation Checks

Even though there was not a manipulation for company trustworthiness, to use it as a within subjects factor, there is a need to show whether the selected three companies differ on the basis of their trustworthiness. The result of the One Way ANOVA showed that the average score of company trustworthiness is significantly different between the three companies ($F=16.864, p<0.01$). The mean score of highly trustworthy company ($M=4.64, SD=0.70$) is significantly greater than the mean score of moderately trustworthy company ($M=4.52, SD=0.83$) and least trustworthy company ($M=4.37, SD=0.76$). The mean difference of moderately trustworthy company and least trustworthy company is also statistically significant at 0.05 level.

The scale of the type of CRM had six items and for the manipulation check, the mean scores of these six items were compared between the two scenarios. Independent Samples t-test results showed that the mean score of the scenario with strategic CRM campaign ($M=5.24, SD=0.48$) is significantly higher than that of tactical CRM campaign ($M=4.36, SD=0.69$) at 0.01 significance level indicating that the manipulation was effective.

4.2. Hypotheses Testing

To check H_1 and thus, to understand the within-subjects effect of CRM (before and after CRM application) and company trustworthiness on company image, Repeated Measures MANCOVA analysis was carried out. The results are portrayed in Table 2. Based on Pillai's Trace criterion, the within subjects effect is not significant ($F=0.439, p>0.05$). Therefore, H_1 is not supported.

Table 2. Within Subjects Statistics of Before-After CRM and Company Trustworthiness on Company Image

| Effect | | Value | F | Sig. | Partial Eta Squared | Observed Power |
|----------|--------------------|-------|-------|-------|---------------------|----------------|
| CRM * CT | Pillai's Trace | 0.001 | 0.439 | 0.645 | 0.001 | 0.122 |
| | Wilks' Lambda | 0.999 | 0.439 | 0.645 | 0.001 | 0.122 |
| | Hotelling's Trace | 0.001 | 0.439 | 0.645 | 0.001 | 0.122 |
| | Roy's Largest Root | 0.001 | 0.439 | 0.645 | 0.001 | 0.122 |

To develop a better understanding of the consequences of H_1 , the mean values of each within-subjects factor should be examined. To this end, Table 3. is prepared to present the mean values of company image for each level of company trustworthiness at two levels of CRM applications, i.e. before and after CRM campaign is applied. It is observed that engaging in a CRM campaign results in an increase in the company image no matter what the level of company trustworthiness is, i.e. company image increases for all companies after the CRM campaign is applied. Additionally, the level of improvement for all companies is also quite similar, since the company image of highly trustworthy company increased from $M=4.78$ to $M=4.98$ (4.1% increase), moderately trustworthy company increased from $M=4.71$ to $M=4.94$ (4.9% increase), and finally least trustworthy increased from $M=4.57$ to $M=4.80$ (5% increase). The visual observation of this result is illustrated in Figure 1. This similarity in the mean differences of company image before and after the CRM campaigns did not create a significant influence of company trustworthiness on the company image improvement, and that is why H_1 did not receive any support.

Table 3. Means of Company Image for Company Trustworthiness *Before-After CRM

| Company | CRM | Mean | Mean Difference * | Std. Error |
|------------------------|--------|-------|-------------------|------------|
| Highly Trustworthy | Before | 4.781 | 0.20 | 0.029 |
| | After | 4.980 | | 0.026 |
| Moderately Trustworthy | Before | 4.712 | 0.23 | 0.029 |
| | After | 4.944 | | 0.026 |
| Least Trustworthy | Before | 4.570 | 0.23 | 0.029 |
| | After | 4.802 | | 0.026 |

* Indicates the mean differences of company images after and before the CRM is applied

As for H_2 , there is a significant support of within-subjects effect of the type of CRM and CRM applications (before-after CRM is applied) on the company image. As shown in Table 4. on the basis of Pillai's Trace criterion this effect is significant at 0.01 significance level ($F=20.946$). The observed power (0.996) is also above the expected limit of 0.80, which suggests that the probability of making Type II error is low. However, the partial eta squared value, indicating the effect size of Type CRM and CRM applications (before-after CRM is applied) on the company image is 0.1 percent, which is too low to explain the variation in company image.

Figure 1. Estimated Marginal Means of Company Image for Company Trustworthiness * Before-After CRM

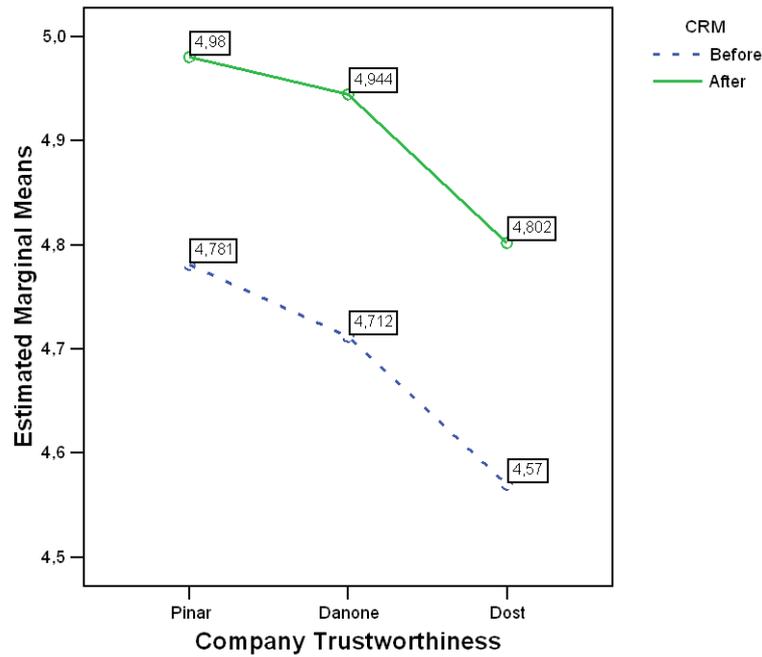


Table 4. Within Subjects Statistics of Before-After CRM and Type of CRM on Company Image

| Effect | | Value | F | Sig. | Partial Eta Squared | Observed Power |
|--------------------------|--------------------|-------|--------|-------|---------------------|----------------|
| CRM* Type _{CRM} | Pillai's Trace | 0.012 | 20.946 | 0.000 | 0.012 | 0.996 |
| | Wilks' Lambda | 0.988 | 20.946 | 0.000 | 0.012 | 0.996 |
| | Hotelling's Trace | 0.013 | 20.946 | 0.000 | 0.012 | 0.996 |
| | Roy's Largest Root | 0.013 | 20.946 | 0.000 | 0.012 | 0.996 |

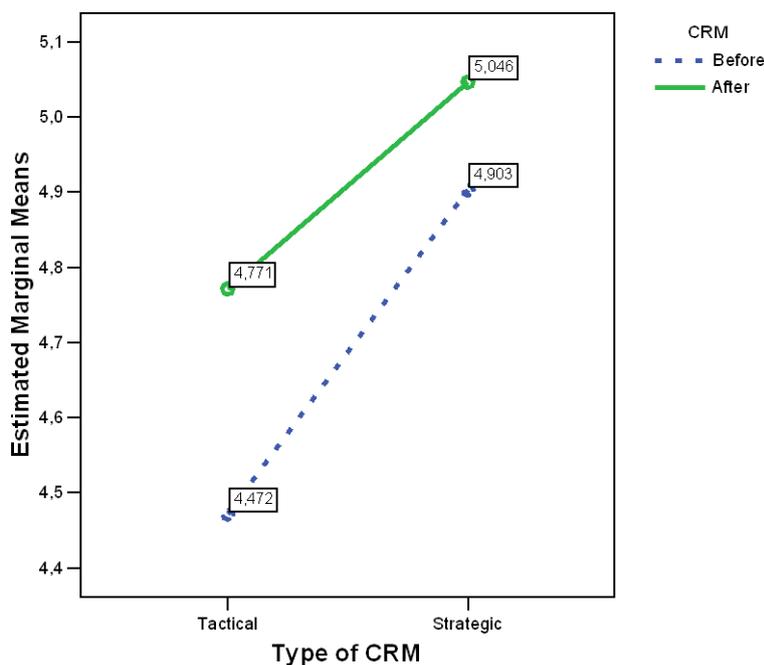
To understand the magnitude of the change in company image, Table 5. is presented which shows the mean values of company image for tactical and strategic CRM campaigns before and after the CRM campaign takes place. Again an increase of company image after applying the CRM campaign is observed, but this time the size of improvement in the company image is different for different types of CRM campaigns. To be more specific, it is observed that while the company image, when tactical CRM is used, increased from $M=4.47$ to 4.77 (6.7% increase); in the case of applying a strategic CRM campaign, company image increased from $M=4.90$ to $M=5.04$ (2.8% increase) after engaging in a CRM campaign. The visual illustration of the change in company image depending on TypeCRM before and after applying the campaign is provided in Figure 2. As seen from this figure, tactical CRM campaign resulted in a greater improvement in company image after the campaign is used.

Table 5. Means of Company Image for Type of CRM*Before-After CRM

| Type _{CRM} | CRM | Mean | Mean Difference * | Std. Error |
|---------------------|--------|-------|-------------------|------------|
| Tactical | Before | 4.472 | 0.30 | 0.025 |
| | After | 4.771 | | 0.022 |
| Strategic | Before | 4.903 | 0.14 | 0.024 |
| | After | 5.046 | | 0.021 |

* Indicates the mean differences of company images after and before the CRM is applied

Figure 2. Estimated Marginal Means of Company Image with respect to Type of CRM * Before-After CRM



Considering the final hypothesis, H₃, which attempted to show the within subjects effect of applying a CRM campaign and the interaction of company trustworthiness and the type of CRM campaign on the company image, significant results were not obtained. As shown in Table 6., taking Pillai's Trace criterion into consideration, within subjects interaction effect is not significant at 0.05 level ($F=0.16$).

Table 6. Within Subjects Statistics of Before-After CRM, Company Trustworthiness and Type_{CRM} on Company Image

| Effect | | Value | F | Sig. | Partial Eta Squared | Observed Power |
|----------------------------------|--------------------|-------|-------|-------|---------------------|----------------|
| CRM* CT * Type _{CRM} | Pillai's Trace | 0.000 | 0.160 | 0.852 | 0.000 | 0.075 |
| | Wilks' Lambda | 1.000 | 0.160 | 0.852 | 0.000 | 0.075 |
| | Hotelling's Trace | 0.000 | 0.160 | 0.852 | 0.000 | 0.075 |
| | Roy's Largest Root | 0.000 | 0.160 | 0.852 | 0.000 | 0.075 |

The results presented in Table 7. provide an explanation of why H₃ did not receive support. As observed from this table, the mean difference for company image of highly, moderately and least trustworthy companies' tactical CRM campaigns ($M\Delta=0.27$, $M\Delta=0.31$ and $M\Delta=0.32$ respectively) have similar values with respect to before and after the campaign is applied, as it is also the case for strategic CRM campaign (for highly trustworthy company, $M\Delta=0.13$; for moderately trustworthy company, $M\Delta=0.15$; for least trustworthy company, $M\Delta=0.14$). Even though tactical CRM has received more improvement in company image, there is the same pattern of change in the mean values of company image for each company regardless of their trustworthiness and the type of CRM campaign. A visual presentation of this finding is unfortunately not provided by SPSS.

Table 7. Means of Company Image for the Interaction of Company Trustworthiness* Type of CRM*Before-After CRM

| Company | Type _{CRM} | CRM | Mean | Mean Difference * | Std. Error |
|------------------------|---------------------|--------|-------|-------------------|------------|
| Highly Trustworthy | Tactical | Before | 4.556 | 0.27 | 0.042 |
| | | After | 4.824 | | 0.038 |
| | Strategic | Before | 5.005 | 0.13 | 0.041 |
| | | After | 5.137 | | 0.036 |
| Moderately Trustworthy | Tactical | Before | 4.482 | 0.31 | 0.043 |
| | | After | 4.792 | | 0.038 |
| | Strategic | Before | 4.942 | 0.15 | 0.041 |
| | | After | 5.097 | | 0.037 |
| Least Trustworthy | Tactical | Before | 4.377 | 0.32 | 0.043 |
| | | After | 4.698 | | 0.038 |
| | Strategic | Before | 4.762 | 0.14 | 0.041 |
| | | After | 4.905 | | 0.036 |

* Indicates the mean differences of company images after and before the CRM is applied

5. Discussion and Concluding Remarks

This study had an objective to understand the extent of improvement in company image in comparison with before and after CRM campaign applications. Taking into the type of CRM campaign and company trustworthiness into account, the magnitude of the improvement in company image was tested by controlling some consumer characteristics. A significant effect was only observed in the type of CRM campaign. Regardless of the level of company trustworthiness and the interaction of company trustworthiness with the type of CRM campaign, company image of the three companies has increased with a similar amount after the CRM campaign was applied. Considering this finding, marketing managers should bear in mind that, if the true intention is to increase company image, neither being a trusted company nor its interaction with the type of CRM campaign can increase the success of CRM campaigns in that manner. Therefore, managers are advised first to understand which aspects of the CRM campaign are more important for their target consumers and design a CRM campaign accordingly.

Noticeably an examination of the effect of CRM type provided interesting results, such that strategic CRM campaign resulted in a smaller improvement in company image after the campaign is applied than did tactical CRM. While previous research has attempted to show that strategic CRM campaign results in more company image than does tactical CRM campaign (Brink et al., 2006), this comparison was made without considering the initial company image perceptions of consumers. When this effect is included, as did this study, tactical CRM is found to contribute more to the magnitude of image. Even though it seems quite unexpected to see this result, previous research provides some support. Examining the influence of corporate sponsorship on company image, Javalgi et al. (1994) have confirmed that any initial effort will be rewarded by improvement in company image, regardless of the nature of the event. Thus, participants who were exposed to tactical CRM applications, might have developed positive feelings toward a company by simply considering that it is better than doing nothing. Consequently, it is suggested to the companies - especially those operating in dairy foods industry - that, when they are not engaged in CRM, if later on they want to apply a CRM campaign, to start with a tactical CRM would add more to the company's image, regardless of company's trustworthiness. In other words, if a company needs an incremental improvement in its image, then it is advised that such an increase can be achieved through tactical CRM without any need to focus on a long-term orientation as in strategic CRM. On the other hand, why strategic CRM campaign had less contribution to the improvement in company image have yet question marks and more elaboration is required.

As in other studies, this research has its limitations but these limitations present opportunities for future research. The findings are limited to the companies, product, and cause that were selected. Future research should examine whether these findings apply to other companies; to products other than yogurt and to the cause other than education. Additionally, further studies are needed to ascertain whether these findings depend on national or other contextual factors.

In conclusion, the results of this paper imply that, when a company needs an incremental improvement in its image, then such an increase can be achieved through tactical CRM without any need to focus on a long term orientation as in strategic CRM. Sad but true, this implication serves well to Mohanty's (2007) analysis that there is a shift in corporate social responsibility paradigms from altruistic to strategic orientation of firms towards corporate social responsibility.

End Notes

1. This research was retrieved from the author's PhD thesis and funded by Bogazici University Research Fund with a project code of 09HC102D.
2. This study was submitted as an abstract and presented at the 43rd European Marketing Academy Conference (EMAC).

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Appendix
Appendix 1. Independent and Dependent Variables

| Construct | Items | Factor Loading | Item-total Correlation | Cronbach's Alpha |
|-------------------------|--|----------------|------------------------|------------------|
| Company Trustworthiness | ...treats its consumers fairly and justly | 0.745 | 0.672 | 0.917 |
| | Sound principles guide ...'s behavior | 0.794 | 0.731 | |
| | ... does not mislead people | 0.758 | 0.688 | |
| | ...can be relied on to keep its promises | 0.799 | 0.736 | |
| | ... does what it says it will do | 0.745 | 0.676 | |
| | ... is concerned about the well-being of its stakeholders | 0.779 | 0.718 | |
| | There is no need to watch ...closely to see whether it takes advantage of people | 0.739 | 0.672 | |
| | I do not believe the negative comments about... | 0.729 | 0.664 | |
| | I would trust ...in that it really spends the money collected from consumers on its education campaign | 0.704 | 0.634 | |
| | I trust ... in all ways | 0.782 | 0.725 | |
| CRM Type | The type of cause that is supported by ... is very much in line with its core business | 0.643 | 0.530 | 0.870 |
| | ...'s campaign can be considered a long-term campaign | 0.755 | 0.654 | |
| | ...considers the selection of an appropriate cause important | 0.848 | 0.754 | |
| | ...company invests a large amount of resources (e.g. time, money, expertise) in the campaign | 0.840 | 0.743 | |
| | ...'s effort to support a cause in the area of education is very appropriate | 0.830 | 0.722 | |
| | The duration of ...'s campaign is long | 0.783 | 0.656 | |
| Company Image | ...has good products/services | 0.809 | 0.710 | 0.893 |
| | ...is well managed | 0.846 | 0.756 | |
| | ...does not only consider to make money | 0.644 | 0.533 | |
| | ...responds to consumer needs | 0.851 | 0.767 | |
| | ...involved in the community | 0.831 | 0.742 | |
| | ...is a good company to work for | 0.869 | 0.791 | |

Appendix 2. Control Variables

| Attitude toward the CRM Campaign | Factor Loading | Item-total Correlation | Cronbach's Alpha |
|---|-----------------------|-------------------------------|-------------------------|
| Positive/Negative | 0.851 | 0.743 | 0.913 |
| Very attractive/Least attractive | 0.906 | 0.826 | |
| Very appealing/Very unappealing | 0.918 | 0.846 | |
| Like quite a lot/ Dislike quite a lot | 0.891 | 0.802 | |

Appendix 3.

| Socially Responsible Consumer Behavior | Factor Loading | | | Item-total Correlation | Cronbach's Alpha |
|---|----------------|-------|-------|------------------------|------------------|
| | 1 | 2 | 3 | | |
| If I can, I try to buy from a socially responsible company | 0.594 | | | 0.330 | 0.745* |
| I avoid buying the products of companies that pollute the environment | 0.586 | | | 0.445 | |
| I try not to throw garbage on the ground | 0.553 | | | 0.441 | |
| I avoid using plastic bags when I shop | 0.548 | | | 0.471 | |
| I try to buy from companies that help the needy | 0.546 | | | 0.313 | |
| I try to recycle plastic/aluminium/steel containers | 0.508 | | | 0.449 | |
| I try to use paper or fabric bags instead of plastic bags when I shop | 0.483 | | | 0.353 | |
| I limit my use of electricity to save energy | | 0.767 | | 0.469 | |
| I limit my use of natural gas not to pollute the environment | | 0.723 | | 0.428 | |
| I try to recycle papers, magazines or newspapers | | 0.498 | | 0.361 | |
| I avoid buying products that pollute the water resources | | | 0.779 | 0.400 | |
| I avoid buying the products of companies using child labor | | | 0.770 | 0.444 | |

*Alpha improved to 0.745 after deleting four items from the scale

Appendix 4.

| General Trust | Factor Loading | | | Item-total Correlation | Cronbach's Alpha |
|---|----------------|-------|-------|------------------------|------------------|
| | 1 | 2 | 3 | | |
| In this time most people try to take advantage of others | 0.727 | | | 0.480 | 0.679* |
| In dealing with strangers one is better off to be cautious until they have provided evidence that they are trustworthy | 0.696 | | | 0.416 | |
| In spite of what people say most people are primarily interested in their own welfare | 0.624 | | | 0.460 | |
| A large share of accident claims filed against insurance companies is phony | 0.595 | | | 0.427 | |
| Most people cannot be counted on to do what say they will do | 0.511 | | | 0.366 | |
| Not having a teacher present during exams would probably result in increased cheating | | 0.674 | | 0.279 | |
| If we really knew what was going on in international politics the public would have reason to be more frightened then they now seem to be | | 0.594 | | 0.251 | |
| Many major national sport contests are manipulated in one way or another | | 0.571 | | 0.314 | |
| The judiciary is the place where we can all get unbiased treatment | | | 0.738 | 0.379 | |
| Fear and social disgrace rather than conscience prevents most people from breaking the law | | | 0.464 | 0.347 | |
| Parents can be usually be relied on to keep their promises | | | 0.626 | 0.364 | |

*Alpha improved to 0.679 after deleting four items from the scale