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# The Influence of Cause-Related Marketing on Consumer Choice: Does One Good Turn Deserve Another?

**Michael J. Barone**

*Iowa State University*

**Anthony D. Miyazaki**

*University of Miami*

**Kimberly A. Taylor**

*Florida International University*

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*Are consumers more likely to select brands offered by companies that engage in cause-related marketing (CRM)? Somewhat surprisingly, little evidence exists that directly addresses this issue. Accordingly, the present examination investigates whether and when CRM efforts influence consumer choice. The results from several studies indicate that information regarding a company's support of social causes can affect choice. However, CRM's influence on choice is found to depend on the perceived motivation underlying the company's CRM efforts as well as whether consumers must trade off company sponsorship of causes for lower performance or higher price. The results also indicate that CRM cues affect choice primarily through compensatory strategies involving trade-offs rather than through noncompensatory strategies. Implications of the current findings for existing theory are discussed along with directions for future research.*

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Company support of social causes has experienced extraordinary growth during the past decade, with total spending exceeding \$1 billion annually in the United

States alone (Smith and Stodghill 1994; Tate 1995). Moreover, continued growth in this area is expected as a result of the positive outcomes experienced by major corporations in their cause-related marketing (CRM) efforts (Brown and Dacin 1997; Tate 1995; Varadarajan and Menon 1988). CRM is a strategy designed to promote the achievement of marketing objectives (e.g., brand sales) via company support of social causes. In some executions of this strategy, there is a direct relationship between sales of a company's products and its support of a social cause, such as American Express's well-known campaign in which it donated 2 cents per transaction to Share Our Strength, an organization providing food to those in need. In other cases, the link between brand sales and the support of a cause may be less evident, such as Pearle Vision Center's announcement of a \$45,000 donation to the Children's Miracle Network without indicating whether or how this support was tied to corporate sales.

Presumably, the success of CRM campaigns reflects, at least in part, the favorability of consumer responses to a company's support of a cause, culminating in the choice of that company's products or services. Such outcomes are consistent with the notion that CRM can be an important tool for differentiating a brand from its competitors (Murphy 1997; Tate 1995) and, therefore, improving its odds of being purchased. Given the complexity and uncertainty

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associated with the evaluation of CRM campaigns (Tate 1995), research is needed that provides insight into whether and when corporate sponsorship of social causes enhances brand choice. To this end, the present investigation considers two factors—consumer perceptions of a company’s motivation to support causes and the existence of trade-offs in the choice environment—that may affect the likelihood that CRM affects choice. The role of these factors is discussed following a summary of the available evidence on consumer responses to CRM campaigns.

## CONCEPTUAL BACKGROUND

Existing research is limited in its ability to directly examine whether and how CRM may influence consumer choice. First, the evidence gained from prior work has been derived largely from survey-based methodologies, precluding a determination of cause-and-effect relationships among variables (i.e., that CRM affects choice). Second, such research typically has involved antecedents of choice (e.g., brand attitudes, purchase intentions) rather than choice itself. This may be problematic in light of findings that violate the assumption of procedural invariance made in classical theory (e.g., Payne 1982; Slovic 1975; Tversky, Sattath, and Slovic 1988). Such findings underscore the need for research that directly assesses CRM’s impact on judgments of choice rather than its impact on related, but distinct, variables (e.g., attitudes).

Drawing conclusions about the potential for a company’s support of social causes to affect consumer choice is difficult because existing evidence is equivocal regarding the effectiveness of CRM campaigns. In some instances, CRM has been found to engender favorable attitudes (Brown and Dacin 1997; Ross, Patterson, and Stutts 1992; Tate 1995) and purchase intentions (Kroll 1996; Murphy 1997; Ross et al. 1992; Sen and Morwitz 1996; Smith and Stodghill 1994). However, CRM has also been shown to foster negative perceptions about a company’s motivation for engaging in such activities (Smith and Stodghill 1994). Still other findings indicate that a company’s support of a cause has little bearing on consumer decision-making (“It Pays to Behave” 1995; Smith and Stodghill 1994). In the following sections, we consider several variables that might account for the inconsistency observed in prior research.

### Perceived Company Motivation for Engaging in CRM

One factor that could explain prior inconsistencies involves consumer perceptions of a company’s motivations for engaging in CRM—that is, whether these efforts are thought to be cause beneficial or cause exploitative (cf.

Drumwright 1996). Although skepticism toward CRM appears to be declining, consumers remain critical of these efforts, often questioning whether a company’s support of a social cause is designed to benefit the cause or the company (“Report: Consumers Swayed” 1997; Smith and Stodghill 1994; Webb and Mohr 1998). As a result, the same CRM campaign can engender multiple interpretations of a company’s underlying motivation. For instance, Reebok’s support of the Amnesty International “Human Rights Now!” tour was viewed by some as an indication of Reebok’s desire to promote human rights, but by others as only an attempt to enhance product sales (Elsbach and Sutton 1992; Quelch and Hiller 1988). Variation in perceived motivation to support a cause may also exist across companies and CRM efforts. As an example, while consumers have attributed favorable motivations to some campaigns (e.g., American Express’s “Charge Against Hunger” campaign), other CRM efforts have not fared as well (e.g., youth training programs; cf. “Report: Consumers Swayed” 1997).

Thus, beyond simply whether a company supports social causes, consumer perceptions of why the company provides this support may be a key determinant of responsiveness to CRM efforts. This supposition is grounded in recent research on how the effectiveness of influence tactics is affected by consumers’ persuasion knowledge; that is, knowledge regarding “how, when, and why marketers try to influence them” (Friestad and Wright 1994:1). The level of persuasion knowledge possessed by consumers is presumed to affect their thoughts about the underlying intent of marketers; these thoughts, in turn, are posited to affect the effectiveness of various marketing strategies and tactics (Friestad and Wright 1994; Wright 1985). In the present context, consumer perceptions about a company’s motivation to support a social cause may influence the degree to which CRM strategies affect consumer choice. On the basis of the preceding discussion, these strategies should be more likely to generate choice of the sponsoring brand when consumers infer that the primary motivation for marketers’ use of CRM is positive (e.g., to provide support for the cause) rather than negative (e.g., to exploit the cause as a means of generating sales of the sponsor brand). As suggested by Brown and Dacin (1997), CRM efforts can affect consumers’ attitudes toward the sponsoring company. Once formed, these attitudes can then be used along with product attribute information to evaluate the company’s offerings (Brown and Dacin 1997), ultimately influencing choice. Simply put, consumers’ feelings about a company (driven, in part, by its CRM strategy) may affect product choice.

Accordingly, variance in consumer perceptions of a company’s motivation to support social causes has implications for the likelihood that corporate participation in CRM campaigns will positively influence brand choice.

However, as discussed next, the extent to which this is true may depend on the relative desirability of substantive product features (e.g., performance or price) associated with available alternatives.

*Interbrand homogeneity.* We first consider how consumer perceptions about CRM efforts may influence choice under conditions of interbrand homogeneity, when competing brands are similar on substantive product features. Assuming that CRM efforts are positively valued by consumers, one would expect higher choice probabilities for brands thought to support causes for appropriate reasons than for those that appear to have less altruistic motivations. However, as noted by Brown and Dacin (1997), corporate activities such as CRM efforts are likely to be unrelated to product performance. Consistent with research examining how other nonsubstantive product features (e.g., peripheral advertising cues) affect consumer choice (e.g., Heath, McCarthy, and Mothersbaugh 1994; Miniard, Sirdeshmukh, and Innis 1992), CRM effects are anticipated to be particularly pronounced under interbrand homogeneity, when no trade-offs are required between substantive and nonsubstantive features. In such cases, any advantage in perceived company motivation for CRM provides the only basis for discriminating among brands that are similar in price and performance. Consequently, one would anticipate choice to favor brands with an advantage in terms of perceived motivation to sponsor causes, regardless of whether this advantage is small or large.

*Hypothesis 1:* Under conditions of interbrand homogeneity, choice probabilities for a brand will improve when it possesses an advantage in terms of motivation to support causes, regardless of the size of this advantage.

*Interbrand heterogeneity.* When heterogeneity exists among brands (i.e., when brands exhibit differences across substantive product features), choice may be sensitive to the magnitude of a brand's advantage in supporting social causes. In these instances, consumers may have to accept lower performance and/or a higher price to select a brand marketed by a company perceived to support social causes for more (versus less) acceptable reasons.

One fundamental question that arises in such circumstances is whether consumers are willing to make this type of trade-off. Some research indicates that decision makers avoid making trade-offs (Abelson and Levi 1985; Baron 1997; Baron and Spranca 1997; Einhorn and Hogarth 1981; Hogarth 1987). This is consistent with marketer beliefs that company support of causes will influence choice only when parity exists across brands (Murphy 1997; Tate 1995). Offering preliminary support for this view are recent findings indicating that two thirds of

respondents intended to switch to a brand associated with a CRM effort, but only if performance and price were equivalent to competing brands ("Report: Consumers Swayed" 1997). Also, consumers have reported performance and price to be relatively important factors, but CRM a relatively unimportant influence, on decision-making ("It Pays to Behave" 1995; Smith and Stodghill 1994).

However, the prospect of consumers employing compensatory strategies that require trade-offs between CRM and product-based dimensions is consistent with normative theories of choice (e.g., utility theory, expected utility theory). Such theories assume that people will use all relevant information available and make trade-offs between attributes en route to selecting an alternative (Keeney and Raiffa 1976; Von-Neumann and Morgenstern 1947). If consumers do engage in such trade-offs, research indicating that "moral" attributes are given particular emphasis during choice processing (Baron and Spranca 1997; Tversky et al. 1988) suggests that brands with positive CRM associations may be selected despite being dominated by competitors on product-based dimensions. Thus, a brand may be able to offset having lower performance or a higher price if consumers prefer the brand in other ways, for example, via corporate associations involving appropriate motivations for supporting charitable causes (cf. Brown and Dacin 1997). Specifically, when brands in the choice set differ on substantive product features, consumers may be more willing to accept lower performance and/or higher price for a brand as it becomes more dominant relative to the competition in terms of its perceived motivation for CRM.

*Hypothesis 2:* Under conditions of interbrand heterogeneity, choice probabilities for a brand will improve with increases in the size of its relative advantage in terms of motivation to support causes.

When trade-offs are required between a company's support of social causes and lower performance or higher price, the effects of a CRM advantage on choice should be attenuated relative to the size of the trade-off. As suggested by expectancy-value models (e.g., Fishbein and Ajzen 1975), a brand's positive associations with CRM efforts should exert less of an influence on choice when these associations must compensate for increasingly greater disparity on substantive product features (e.g., an even lower performance or higher price).

*Hypothesis 3:* Under conditions of interbrand heterogeneity, the degree to which brand choice is affected by a brand's relative advantage in terms of motivation to support causes will be attenuated as the size of the performance or price trade-off increases.

## STUDIES 1A AND 1B

Two studies, executed concurrently (but using different sets of participants), were conducted as a means of examining the hypotheses. We consider trade-offs involving product performance in Study 1a and trade-offs concerning product price in Study 1b.

### Study 1a—Performance Trade-Off

*Participants and design.* One hundred and sixty-five undergraduate business students were assigned randomly to the cells of a 2 (company motivation to support causes)  $\times$  3 (performance trade-off) + 2 (control group) design. Company motivation was manipulated by varying the information presented about two companies, A and B. In the large-motivation-difference scenario, Company A was portrayed as having positive motivation, and B negative motivation, to engage in CRM; in the small-difference condition, A was depicted as having positive motivation and B neutral motivation; in control conditions, both companies were shown as having neutral motivation. (Appendix A contains the text comprising this manipulation.)

The performance trade-off factor involved manipulating the quality of televisions marketed by Companies A and B. In the no-trade-off condition, product quality ratings were equivalent; in the small-trade-off condition, A's quality was somewhat lower than B's; and in the large-trade-off condition, A's quality was significantly lower than B's. (This manipulation is presented in Appendix B.) Participants in the two control groups were presented with either the small or large performance trade-off.

*Measures.* After receiving information regarding the manipulations, participants were asked to choose between products offered by Companies A and B and to provide a rationale for this choice. Seven-point scale items were employed to assess two antecedents of choice, relative company attitudes (1 = *My opinion of Company B is higher than that for Company A* and 7 = *My opinion of Company A is higher than that for Company B*), and relative purchase intentions (1 = *I am more likely to buy Company B's television than I am Company A's* and 7 = *I am more likely to buy Company A's television than I am Company B's*). To evaluate the success of the performance trade-off manipulation, participants expressed beliefs regarding the relative quality of the two companies' products (1 = *Company A's television is higher in quality than Company B's* and 7 = *Company B's television is higher in quality than Company A's*). Finally, the effectiveness of the motivation manipulation for Company A was gauged by participants' responses to 7-point items assessing whether the company's support of social and charitable causes benefited *the cause more than Company A* (1) versus *Company A more than the*

*cause* (7). A similar scale was employed to evaluate this manipulation for Company B.

### Study 1a Results

*Manipulation checks.* Although contrasts within a one-way analysis of variance (ANOVA) showed that the mean relative product quality score for the no-performance trade-off condition ( $M = 4.02$ ) was, as desired, lower ( $p < .05$ ) than the means in the remaining trade-off conditions, there was not a significant difference between the small- ( $M = 5.82$ ) and large- ( $M = 6.00$ ) trade-off conditions. Accordingly, subsequent analyses collapse across the small- and large-trade-off levels, resulting in only two trade-off conditions (no trade-off versus trade-off) and, consequently, a 2  $\times$  2 + 1 (control group) design. Within this design, further analyses showed that participants perceived both the company motivation and performance trade-off manipulations as intended.<sup>1</sup>

*Results for interbrand homogeneity.* Hypothesis 1 predicted that, under conditions of interbrand homogeneity (i.e., when no performance differences exist across products), a relative advantage in terms of perceived CRM motivation (i.e., consumer perceptions of a company's motivation for supporting causes) will enhance brand choice to the same degree regardless of the magnitude of this advantage. This hypothesis was evaluated by comparing the percentage of participants selecting Company A under various levels of CRM motivation. (See Table 1 for choice data.)

Under conditions of complete parity (i.e., product and CRM motivation homogeneity), choice probabilities between two products should be equal (i.e., 50%). The percentage of participants choosing Company A in the two interbrand homogeneity conditions (84%; 37 of 44) was significantly greater ( $Z = 4.51, p < .01$ ) than that assumed at chance levels, illustrating that a CRM motivation advantage does enhance brand choice.<sup>2</sup> In further support of Hypothesis 1, the magnitude of the CRM advantage had no effect on the choice of Company A under conditions of interbrand homogeneity; specifically, the increase in participants selecting Company A's product—from 83 percent (19 of 23) to 86 percent (18 of 21) as A's CRM advantage over B grew from small to large—was not statistically significant ( $Z = 0.27, p = .79$ ).

Results for choice antecedents reflected a similar pattern. As expected, the presence of a CRM advantage for Company A led to attitude ( $M = 5.27; t = 4.45, p < .01$ ) and intention ( $M = 4.67; t = 3.85, p < .01$ ) scores that were higher than the scale midpoint of 4 (denoting complete parity for the two companies). Consistent with the choice effects, the antecedent variables demonstrated a lack of

**TABLE 1**  
**Choice Results for Studies 1a and 1b**

	Condition	Motivation Manipulation		Quality Trade-Off	Product Choice <sup>a</sup>			
		Company A	Company B		A	(%)	B	(%)
Study 1a	1	Positive	Negative	No	18	(86)	3	(14)
	2	Positive	Negative	Yes	17	(40)	25	(60)
	3	Positive	Neutral	No	19	(83)	4	(17)
	4	Positive	Neutral	Yes	10	(26)	28	(74)
	Control	Neutral	Neutral	Yes	0	(0)	37	(100)
	Condition	Motivation Manipulation		Price Trade-Off	Product Choice <sup>b</sup>			
		Company A	Company B		A	(%)	B	(%)
Study 1b	1	Positive	Negative	No	14	(74)	5	(26)
	2	Positive	Negative	Yes	21	(53)	19	(48)
	3	Positive	Neutral	No	19	(95)	1	(5)
	4	Positive	Neutral	Yes	13	(33)	27	(68)
	Control	Neutral	Neutral	Yes	3	(9)	31	(91)

a. Four participants (two in condition 4, two in the control condition) did not report a product choice.

b. Four participants (two in condition 1, two in condition 2) did not report a product choice.

sensitivity to the magnitude of the CRM advantage (all  $ps > .20$ ). Overall, the results of Study 1a support Hypothesis 1.

*Results for interbrand heterogeneity.* Hypothesis 2 suggests that when there are substantive differences between available brands, the influence of CRM on choice will reflect the size of a company's relative advantage in terms of its motivation to sponsor causes. In support of H2, a contrast between each experimental condition (in which Company A possesses a CRM advantage) and the control condition (where Companies A and B both have neutral motivation for supporting causes) revealed that participants were more likely to choose A when it possessed a large (17 of 42, or 40%;  $Z = 4.06, p < .01$ ) or small (10 of 38, or 26%;  $Z = 3.31, p < .01$ ) advantage over Company B than when it did not (0 of 37, or 0%). Also as expected, (marginally) higher choice probabilities were associated with the condition in which Company A's relative advantage for supporting causes was larger (40%) rather than smaller (26%;  $Z = 1.32, p < .10$ ).

Regarding choice antecedents, mean attitude for Company A was more favorable (with respect to Company B) when Company A possessed a large ( $M = 4.27$ ) or small ( $M = 3.90$ ) CRM advantage than in the control condition ( $M = 2.79$ ;  $p < .05$  for both comparisons). Similarly, mean purchase intentions from the large ( $M = 3.45$ ) and small ( $M = 3.02$ ) CRM advantage conditions were more favorable (both  $ps < .05$ ) than that observed in the control condition ( $M = 2.03$ ). Although directionally consistent with the results on the choice measure, the attitudes and intentions for the large CRM advantage condition did not significantly differ from those found when A's advantage on this dimension was small (all  $ps > .27$ ).

Hypothesis 3 predicts that the impact of perceived CRM motivation on choice is moderated by the size of performance quality trade-offs under conditions of interbrand heterogeneity. Since participants did not perceive the differences between the small and large quality trade-off conditions, a test of this hypothesis is not warranted.

### Study 1b—Price Trade-Off

In this conceptual replication of Study 1a, the hypotheses are considered within the context of price trade-offs instead of performance trade-offs. This examination assists in determining the generalizability of the findings obtained in Study 1a.

*Participants and design.* Undergraduates ( $N = 157$ ) were assigned randomly to the cells of a 2 (motivation to support a cause)  $\times$  3 (price trade-off) + 2 (control group) design. The motivation manipulation was identical to that employed in Study 1a (see Appendix A). Price trade-offs were manipulated at three levels (no trade-off, small trade-off, and large trade-off; see Appendix B). The measures used in Study 1b were the same as those in Study 1a, except that the relative quality measure was replaced by a relative price measure assessing the success of the price trade-off manipulation (1 = *Company A's television is higher in price than Company B's* and 7 = *Company B's television is higher in price than Company A's*).

### Study 1b Results

*Manipulation checks.* Similar to Study 1a, analyses showed significant differences between the no price

trade-off condition ( $M = 3.93$ ) and the small ( $M = 1.92$ ) and large ( $M = 1.95$ ) conditions, but no significant difference between the latter two. Accordingly, small and large price trade-off conditions were collapsed, resulting in a 2 (motivation)  $\times$  2 (price trade-off) + 1 (control group) design. As with Study 1a, analyses for this new design showed that all manipulations worked as expected.

*Results for interbrand homogeneity.* Under interbrand homogeneity (operationalized by identical performance and price across companies), Hypothesis 1 asserts that an advantage in terms of CRM motivation will result in preference for the company possessing this superiority, irrespective of the size of its CRM advantage. The presence of a CRM advantage resulted in a choice rate of 85 percent (33 of 39) for Company A, significantly higher than the 50 percent choice probability assumed when price, performance, and CRM motivation are equivalent across brands ( $Z = 4.37, p < .01$ ). (Choice probabilities are presented in Table 1.) As expected, the increase in A's CRM motivation advantage did not enhance the choice of Company A. Indeed, choice for A unexpectedly decreased ( $Z = 1.84, p < .05$ ) from 95 percent (19 of 20) in the small-advantage condition to 74 percent (14 of 19) in the large-advantage condition.<sup>3</sup> Regarding choice antecedents, the means for both attitudes ( $M = 5.02; t = 4.35, p < .01$ ) and purchase intentions ( $M = 5.00; t = 4.09, p < .01$ ) were statistically higher than the scale midpoints (4) that reflect complete parity conditions. In addition, while there were some magnitude effects of CRM motivation on attitude scores ( $p = .05$ ), these effects were marginal for purchase intentions ( $p = .07$ ). Thus, the results of Study 1b generally support Hypothesis 1.

*Results for interbrand heterogeneity.* The choice data also support Hypothesis 2, which predicted that the magnitude of a CRM motivation advantage would positively affect choice when brands differ on substantive product features. Specifically, choice of Company A's product increased as its relative CRM motivation advantage grew from no advantage (3 of 34, or 9%) to a small advantage (13 of 40, or 33%;  $Z = 2.47, p < .01$ ) and from a small to a large advantage (21 of 40, or 53%;  $Z = 1.81, p < .05$ ). Consistent with these choice results, attitudes became more favorable toward Company A as it progressed from no advantage ( $M = 3.50$ ) to a small advantage ( $M = 4.20; t = 2.02, p < .05$ ) and from a small advantage to a large advantage ( $M = 4.90; t = 1.65, p = .05$ ). A similar pattern characterized participants' intentions to purchase Company A's product across the no-advantage ( $M = 2.09$ ), small-advantage ( $M = 3.25$ ), and large-advantage ( $M = 4.31$ ) conditions ( $p < .05$  for all comparisons). As in Study 1a, Hypothesis 3 could not be tested.

## Discussion of Studies 1a and 1b

The extent to which CRM affects choice was shown to depend on product performance (Study 1a) and price (Study 1b) trade-offs. The strongest influence of CRM cues was found for choice under conditions of interbrand homogeneity, where no trade-offs are required in exchange for selecting the brand favored in terms of CRM activities. While the percentage of participants selecting this brand decreased when a trade-off was required (i.e., when available brands differed in price or performance), many were still willing to accept lower performance or higher price in return for perceived corporate social responsibility. These effects were sensitive to variations in the underlying motivation regarding the companies' CRM efforts. In general, any advantage in terms of motivation for CRM served to increase the choice probabilities of the favored brand. The increase in choice observed was similar regardless of the magnitude of the CRM advantage under conditions of interbrand homogeneity, whereas the increase in choice was dependent on the size of the CRM advantage when interbrand heterogeneity existed.

## STUDIES 2A AND 2B

Although informative as an initial examination of the influence of CRM cues on choice, Studies 1a and 1b have several limitations. One shortcoming involves the relatively simple choice stimuli (i.e., product information as a single attribute). While these simplistic stimuli may have facilitated the use of compensatory strategies, more complex stimuli may prompt adoption of noncompensatory strategies as a means of streamlining choice processing (Beattie and Baron 1991; Hogarth 1987; Lussier and Olshavsky 1979). Accordingly, two additional studies were conducted (Studies 2a and 2b) using more complex stimuli to address this uncertainty.

A second limitation concerns the trade-off manipulations employed in Studies 1a and 1b. In both cases, the manipulations failed to result in truly "large" trade-off levels. Presumably, participants' willingness to trade off the CRM cue for lower performance and/or higher price will be eliminated when decreases in performance and/or increases in price surpass some threshold level. Thus, the following studies employ more effective trade-off manipulations.

Finally, the use of 27-inch color televisions could be criticized as being relatively low in relevance or meaningfulness to the participant population (undergraduate students). In light of this concern, personal computers (PCs) were employed as the product category for Studies 2a and 2b.<sup>4</sup>

**TABLE 2**  
**Choice Results for Studies 2a and 2b**

	Condition	Motivation Manipulation		Performance Trade-Off	Product Choice			
		Company A	Company B		A	(%)	B	(%)
Study 2a	1	Positive	Negative	None	16	(80)	4	(20)
	2	Positive	Negative	Small	9	(43)	12	(57)
	3	Positive	Negative	Large	5	(25)	15	(75)
	4	Positive	Neutral	None	15	(75)	5	(25)
	5	Positive	Neutral	Small	5	(25)	15	(75)
	6	Positive	Neutral	Large	4	(20)	16	(80)
	Control 7	Neutral	Neutral	Small	2	(10)	18	(90)
	Control 8	Neutral	Neutral	Large	1	(5)	20	(95)
Study 2b	1	Positive	Negative	None	18	(86)	3	(14)
	2	Positive	Negative	Small	13	(65)	7	(35)
	3	Positive	Negative	Large	4	(19)	17	(81)
	4	Positive	Neutral	None	17	(81)	4	(19)
	5	Positive	Neutral	Small	8	(38)	13	(62)
	6	Positive	Neutral	Large	3	(14)	18	(86)
	Control 7	Neutral	Neutral	Small	3	(14)	18	(86)
	Control 8	Neutral	Neutral	Large	2	(10)	19	(90)

### Study 2a—Performance Trade-Off

One objective of the second set of studies was to determine if Study 1's results generalize to consumer choice based on more complex stimuli. Thus, product profiles were developed to manipulate relative product attractiveness by varying performance along four PC attributes (processor speed, monitor, hard drive capacity, and RAM). In a pretest ( $N = 31$ ), participants evaluated product profiles on a 9-point scale used to assess the relative attractiveness of the two companies' products (1 = *Company A's PC is more attractive to me than Company B's* and 9 = *Company B's PC is more attractive to me than Company A's*). The three sets of profiles presented in Appendix C were selected for Study 2a based on the pretest findings, which indicated greater attractiveness of B over A as the size of the trade-off increased ( $M_{\text{no trade-off}} = 4.90$ ,  $M_{\text{small trade-off}} = 6.30$ ,  $M_{\text{large trade-off}} = 8.45$ ;  $p < .05$  for all comparisons).

*Participants and design.* One hundred and sixty-two undergraduate business students were assigned randomly to the same 2 (company motivation to support causes)  $\times$  3 (performance trade-off) + 2 (control group) design originally employed in Study 1a. The company motivation manipulation employed here was essentially identical to that used earlier.<sup>5</sup> As noted earlier, a new performance trade-off manipulation was developed based on pretest results. Measures were identical to those from Study 1a, except that the relative quality measure was replaced with the relative attractiveness measure described above, and all

scaled measures used 9-point (instead of 7-point) response scales.

### Study 2a Results

*Manipulation checks.* Analyses showed that the means for the no (4.25), small (6.07), and large (7.50) performance trade-off conditions appropriately differed (all  $ps < .05$ ). As desired, a  $2 \times 3$  ANOVA showed that the performance measures were unaffected by the motivation manipulation ( $F < 1.00$ ); likewise, there was no interaction effect ( $F < 1.00$ ). Further analyses indicated that the manipulation of company motivation to support causes was also perceived as expected.

*Results for interbrand homogeneity.* As in Studies 1a and 1b, Hypothesis 1 was assessed by comparing choice percentages for Company A against choice probabilities expected for complete parity conditions. The analyses show that, compared to the 50 percent choice probability assumed under parity conditions, a CRM motivation advantage resulted in a higher choice percentage for Company A (78%; 31 of 40;  $Z = 3.48$ ,  $p < .01$ ). (Choice data are presented in Table 2.) Again, as anticipated, choice for Company A was unaffected by changes in the magnitude of perceived company motivation to participate in CRM. Specifically, choice probabilities for Company A were 75 percent (15 of 20) in the small CRM advantage condition and 80 percent (16 of 20) in the large condition ( $Z = 0.38$ ,  $p = .70$ ). These results support Hypothesis 1.



Results for the choice antecedents were similar in that the presence of a CRM motivation elicited mean scores for attitudes ( $M = 6.77$ ;  $t = 6.13$ ,  $p < .01$ ) and purchase intentions ( $M = 6.52$ ;  $t = 4.30$ ,  $p < .01$ ) that were higher than those assumed at complete parity levels. Yet, as expected, there were no magnitude effects on opinion ( $p > .10$ ) or purchase likelihood ( $p > .30$ ).

*Results for interbrand heterogeneity.* Hypothesis 2 states that brand choice under interbrand heterogeneity will increase as the magnitude of the CRM advantage grows. Consistent with Hypothesis 2, a higher percentage of participants chose Company A when it had a small CRM advantage (23%; 9 of 40) than in the no-advantage condition (3 of 41, or 7%;  $Z = 1.92$ ,  $p < .05$ ). However, the higher percentage selecting A when its CRM advantage was large (34%; 14 of 41) rather than small was not statistically significant ( $Z = 1.16$ ,  $p = .12$ ). Similar results were observed for the attitude scores, with attitudes toward Company A becoming more favorable as the CRM advantage increased from none ( $M = 4.37$ ) to small ( $M = 6.00$ ;  $t = 4.11$ ,  $p < .01$ ) and from small to large ( $M = 6.85$ ;  $t = 1.88$ ,  $p < .05$ ). Analysis of purchase intentions toward Company A yielded mixed results, with no difference in purchase intention scores as the CRM advantage grew from none ( $M = 2.88$ ) to small ( $M = 2.92$ ;  $t = 0.10$ ,  $p = .46$ ) and a marginal difference from small to large ( $M = 3.78$ ;  $t = 1.50$ ,  $p = .07$ ).

The mixed support for Hypothesis 2 is not surprising since Hypothesis 3 predicts that the effects of CRM motivation will be qualified by the size of the trade-offs required between CRM and performance. Specifically, H3 suggests that the positive effects of the CRM advantage will decrease as the size of the performance trade-off increases. Analyses show that under small performance trade-off conditions, choice probabilities for Company A increased as A's CRM advantage grew from small (25%) to large (43%;  $Z = 1.21$ ,  $p = .11$ ), although this difference only approached marginal significance. Yet, when larger performance trade-offs were required, there was no change in choice probabilities as the CRM advantage increased from small (20%) to large (25%;  $Z = 0.38$ ,  $p = .70$ ). These results are generally supportive of Hypothesis 3, as are the results for attitudes and purchase intentions. Specifically, with a small performance trade-off, attitudes toward Company A became more favorable as its CRM advantage grew from small ( $M = 5.80$ ) to large ( $M = 7.05$ ;  $t = 1.89$ ,  $p < .05$ ); in contrast, the same increase in CRM advantage had no effect in the large performance trade-off condition ( $M_{\text{small}} = 6.20$ ,  $M_{\text{large}} = 6.65$ ;  $t = 0.71$ ,  $p = .48$ ). Similarly, participants reported higher purchase intentions for Company A's product as the magnitude of the CRM advantage increased from small ( $M = 3.00$ ) to large ( $M = 4.57$ ;  $t = 2.01$ ,  $p < .05$ ) when the performance advantage was small, but not when it was large ( $M_{\text{small}} = 2.85$ ,  $M_{\text{large}} = 2.95$ ;  $t = 0.12$ ,  $p = .90$ ).

*Process evidence.* To this point, choice of Company A has been discussed in terms of a compensatory strategy, in which CRM cues are traded off against performance. However, decision complexity may prompt the adoption of heuristics to simplify choice (e.g., Lussier and Olshavsky 1979; Payne 1982; Payne, Bettman, and Johnson 1988), including noncompensatory rules where choice is driven by the relative performance of alternatives on the most important attribute (Payne et al. 1988; Slovic 1975; Tversky 1972). For example, a noncompensatory choice process could account for the selection of Company A if participants' choices were driven solely by A's relative advantage in supporting causes (just as a noncompensatory process could account for choices of Company B if participants focused solely on product performance).

For participants using a noncompensatory strategy emphasizing CRM efforts, choice should be sensitive to differences in the companies' motivation for engaging in CRM. However, given the presumed focus on the CRM cue to the exclusion of information regarding relative product performance, choice under this strategy should be insensitive to performance differences across companies. Data for Study 2a show that the percentage of participants selecting Company A's product decreased ( $Z = 5.11$ ,  $p < .01$ ) from 78 percent (31 of 40) when performance was held constant (interbrand homogeneity) to 28 percent (23 of 81) when Company A had lower performance levels than Company B (interbrand heterogeneity). These results appear to be more consistent with a compensatory strategy based on trade-offs rather than a noncompensatory strategy driven by the companies' relative performance on the CRM cue. Similarly, for participants engaging in noncompensatory processing based on product performance, choice should be sensitive to differences in product features but insensitive to differences in CRM motivations. Yet, data presented in support of Hypothesis 2 and Hypothesis 3 show that choice probabilities were affected by A's advantage on the CRM cue, especially in the case of small performance trade-offs.

Additional evidence indicative of participants' engaging in trade-offs between CRM and product performance involves comparisons with the control conditions, wherein both companies had neutral motivations for supporting causes, yet Company A had lower product performance than Company B. Given this information, selection of Company A would be unlikely, because it is dominated by B's product performance but holds no advantage in terms of CRM. In fact, only 7 percent (3 of 41) of participants in the control conditions chose Company A. However, when an advantage in supporting causes was available to offset its inferior performance, the percentage of participants choosing Company A increased ( $Z = 2.69$ ,  $p < .01$ ) to 28 percent (23 of 81). This pattern of choice demonstrates that participants were willing to trade product performance for the utility derived by purchasing products from

**TABLE 3**  
**Participants Using Compensatory Decision Strategies**

Condition	Motivation Difference	Performance Difference	Chose Product A		Chose Product B		
			CDS <sup>a</sup> (%)	Total	CDS (%)	Total	
Study 2a	1	Large	None	0 (0)	16	0 (0)	4
	2	Large	Small	3 (33)	9	1 (8)	12
	3	Large	Large	2 (40)	5	0 (0)	15
	4	Small	None	0 (0)	15	0 (0)	5
	5	Small	Small	3 (50)	6	0 (0)	15
	6	Small	Large	1 (25)	4	1 (6)	16
	Control 7	None	Small	0 (0)	2	0 (0)	18
	Control 8	None	Large	0 (0)	1	0 (0)	20
Condition	Motivation Difference	Price Difference	Chose Product A		Chose Product B		
			CDS (%)	Total	CDS (%)	Total	
Study 2b	1	Large	None	0 (0)	18	0 (0)	3
	2	Large	Small	3 (23)	13	0 (0)	7
	3	Large	Large	2 (50)	4	1 (6)	17
	4	Small	None	0 (0)	17	0 (0)	4
	5	Small	Small	3 (38)	8	0 (0)	13
	6	Small	Large	2 (67)	3	1 (6)	18
	Control 7	None	Small	0 (0)	3	0 (0)	18
	Control 8	None	Large	0 (0)	2	0 (0)	19

a. CDS = compensatory decision strategy used by participant.

a company that supports causes for seemingly appropriate reasons.

A final source of evidence germane to this issue concerns the protocols participants completed immediately after choosing between Companies A and B. These protocols were coded independently by two of the researchers (both blind to experimental condition) with respect to whether or not they contained explicit mentions of a trade-off between performance and CRM efforts.<sup>6</sup> The two judges agreed initially on 97.6 percent of their decisions, with disagreements (2.4%) discussed until a consensus was reached.

Most pertinent to a demonstration of the degree to which compensatory processing was used are the explicit references made by participants to trading off performance (i.e., accepting lower performance) to select the brand with an advantage in CRM motivation. Under conditions of interbrand homogeneity, no participants explicitly mentioned trade-offs (as expected). However, when performance differences existed across the two companies, this was not the case. In particular, when Company A possessed a large motivation advantage, 36 percent (5 of 14) of the participants choosing Company A explicitly referenced a trade-off being made (note that only 1 of the 27 participants choosing Company B mentioned a trade-off). When Company A's advantage in terms of supporting causes was small, 40 percent (4 of 10) of the participants choosing A mentioned trade-offs (and only 1 of the 31 choosing B mentioned them). (See protocol data in Table 3.)

### Study 2b—Price Trade-Off

To ensure the effectiveness of the price trade-off manipulation, a pretest ( $N = 29$ ) was used to select appropriate price levels. Specifically, prices were added to the product profiles from the no-trade-off condition used in Study 2a. Participants assessed relative prices using a 9-point scale (1 = *Company A's PC is higher in price than Company B's* and 9 = *Company B's PC is higher in price than Company A's*). The manipulations (shown in Appendix C) worked as desired ( $M_{\text{no trade-off}} = 5.00$ ,  $M_{\text{small trade-off}} = 2.22$ ,  $M_{\text{large trade-off}} = 1.20$ ;  $p < .05$  for all contrasts).

*Participants and design.* One hundred sixty-seven undergraduate business students were assigned randomly to the cells of a 2 (company motivation to support causes)  $\times$  3 (price trade-off) + 2 (control group) design. Measures used were those described in prior studies.

### Study 2b Results

*Manipulation checks.* A one-way ANOVA provided evidence that the price trade-off manipulation worked as planned, discriminating across the three conditions ( $F = 56.69$ ,  $p < .01$ ;  $M_{\text{none}} = 4.83$ ,  $M_{\text{small}} = 3.67$ ,  $M_{\text{large}} = 2.16$ ; all contrasts significant at  $p < .01$ ). Likewise, analyses similar to those conducted in the earlier studies provided evidence that motivation differences were perceived as expected across all conditions.

*Results for interbrand homogeneity.* As expected, choice probabilities for Company A were higher ( $Z = 4.32$ ,  $p < .01$ ) when Company A possessed a CRM advantage (83%; 35 of 42) than the 50 percent assumed under conditions of complete interbrand parity. (See Table 2 for choice probabilities.) Also as expected, similar choice probabilities were observed regardless of the size of Company A's CRM motivation (small advantage: 17 of 21, or 81%; large advantage: 18 of 21, or 86%;  $Z = 0.41$ ,  $p = .68$ ). Analysis of choice antecedents showed that the presence of a CRM advantage elicited higher means for attitudes ( $M = 7.17$ ;  $t = 9.38$ ,  $p < .01$ ) and purchase intentions ( $M = 6.38$ ;  $t = 4.65$ ,  $p < .01$ ) than the scale midpoint (5) expected under complete parity conditions, while there were (as expected) no differences across CRM motivation levels for both attitudes ( $t = 1.80$ ,  $p = .08$ ) and purchase intentions ( $t = 0.16$ ,  $p > .50$ ). Collectively, these findings support Hypothesis 1.

*Results for interbrand heterogeneity.* In support of Hypothesis 2, increases in Company A's CRM motivation advantage positively affected brand choice when price differed in the choice context. Specifically, choice probabilities in the large CRM advantage condition (41%; 17 of 41) were marginally greater than in the small condition (26%; 11 of 42;  $Z = 1.47$ ,  $p = .07$ ); also, probabilities in the small-advantage condition were greater than in the no-advantage condition (12%; 5 of 42;  $Z = 1.67$ ,  $p < .05$ ). Pre-choice constructs revealed a similar pattern of effects. Attitudes toward Company A were more favorable in the large- ( $M = 6.80$ ) versus small- ( $M = 5.59$ ) versus no- ( $M = 4.56$ ) advantage conditions ( $F = 15.33$ ,  $p < .01$ ;  $p < .05$  for all contrasts). Likewise, purchase intentions toward Company A were more favorable in the large- ( $M = 5.44$ ) versus small- ( $M = 4.12$ ) versus no- ( $M = 2.79$ ) advantage conditions ( $F = 13.07$ ,  $p < .01$ ;  $p < .05$  for all contrasts).

Choice results were also consistent with Hypothesis 3. When the price trade-off was large, there was little change in choice of Company A as the CRM motivation advantage increased from none (10%) to small (14%;  $Z = 0.48$ ,  $p = .63$ ) and small to large (19%;  $Z = 0.41$ ,  $p = .68$ ). However, when the price trade-off was small, Company A choice probabilities increased significantly as its CRM advantage grew from none (14%) to small (38%;  $Z = 1.75$ ,  $p < .05$ ) and from small to large (65%;  $Z = 1.72$ ,  $p < .05$ ). While results for attitude showed effects regardless of whether the price trade-off was small ( $F = 7.79$ ,  $p < .01$ ) or large ( $F = 7.77$ ,  $p < .01$ ), findings for purchase likelihood measures mirrored those for the choice data. Specifically, for the large price trade-off, there were no statistically significant differences in the purchase likelihood for Company A's product as the motivation advantage grew ( $F = 1.93$ ,  $p = .15$ ). When the price trade-off was small, however, the purchase likelihood for Company A's product increased as the motivation advantage grew from none ( $M = 3.05$ ) to small

( $M = 4.90$ ) to large ( $M = 7.05$ ;  $F = 20.38$ ,  $p < .01$ ;  $p < .05$  for all contrasts).

*Process evidence.* As in Study 2a, results showing choice of Company A's product being lower in the presence (34%; 28 of 83) versus the absence (83%; 35 of 42) of a price trade-off ( $Z = 5.24$ ,  $p < .01$ ) are indicative of a compensatory strategy involving trade-offs rather than a non-compensatory strategy in which choice is based only on consideration of the CRM motivation. Also, the finding that a greater percentage (34%; 28 of 83;  $Z = 2.62$ ,  $p < .01$ ) of participants selected A in the experimental condition (where B's price superiority was offset by A's CRM motivation advantage) versus the control condition (12%; 5 of 42; where parity existed across brands on the CRM cue, but B possessed a price advantage over A) provides additional evidence that many participants traded B's price savings for A's CRM advantage. Again, the results showing that choice of Company A's product increases when A's CRM advantage is larger compared to when the CRM advantage is smaller supports a compensatory strategy rather than a noncompensatory strategy based purely on product performance.

This evidence is reinforced from choice protocol analyses wherein participants choosing Company A were more likely to report explicit trade-offs as a rationale for making their choices than participants selecting Company B. Specifically, 29 percent (5 of 17) of the participants choosing A when it possessed a large advantage in terms of its CRM motivation referenced an explicit trade-off, as did 45 percent (5 of 11) in the small-advantage condition. In contrast, only 2 of the 55 participants choosing Company B mentioned trade-offs. In addition, no trade-offs were mentioned in the interbrand price homogeneity conditions (when brands did not differ on price) or the CRM homogeneity (i.e., control) conditions.

## Discussion of Studies 2a and 2b

Studies 2a and 2b offer additional support for Hypotheses 1 and 2, using more complex choice stimuli and a different product category, thus enhancing the generalizability of the earlier findings. More important, with refined manipulations for the performance (Study 2a) and price (Study 2b) trade-off factors, supportive evidence also was provided for Hypothesis 3. In supporting these hypotheses (which also were confirmed by analyses of prechoice constructs), this research offers an important contribution to the literature examining the effectiveness of employing CRM strategies. Finally, several types of evidence were offered to provide insight into the process by which CRM cues enhanced brand choice. The findings indicate that CRM cues tend to exert their influence on choice through compensatory processes involving trade-offs of CRM for

performance or price rather than noncompensatory strategies focusing solely on CRM cues.<sup>7</sup>

## GENERAL DISCUSSION

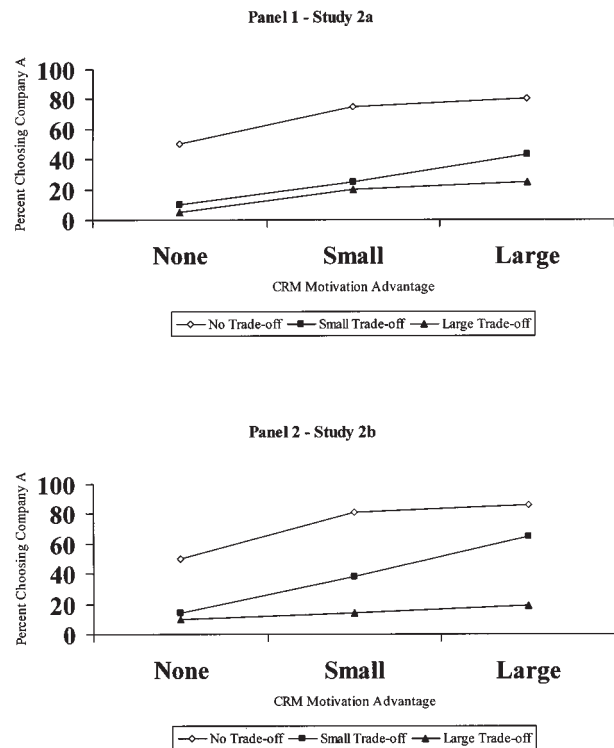
The present investigation provides the first empirical demonstration that a company's support of social causes can influence consumer choice, thus providing validation for CRM campaigns intended to generate sales for the sponsoring company. The results also suggest that inconsistent findings from prior research assessing CRM effectiveness can be explained, at least in part, by several factors examined in the current inquiry. Specifically, the results of four studies employing two product categories and choice stimuli of varying complexity provide evidence that simple support of charitable causes is not necessarily sufficient to elicit positive responses from consumers. Instead, when contemplating the potential effect of CRM campaigns on consumer choice, marketers should be concerned with (1) how consumers perceive the corporate motivation behind CRM activities and (2) the extent to which trade-offs are required due to differences in price and/or performance.

An examination of the choice data from Studies 2a and 2b reflect the importance of considering both factors in this regard. As illustrated in Figure 1, changes in the magnitude of the CRM motivation advantage do not have a strong impact on choice of Company A when large performance (Panel 1) or price (Panel 2) trade-offs are required. A similar insensitivity is observed when no performance or price trade-offs are needed to select Company A. In contrast, the size of the CRM motivation advantage does influence choice when there are moderate trade-offs. From a theoretical standpoint, these findings suggest boundary conditions for CRM effectiveness. Pragmatically, the findings offer recommendations regarding the use of CRM as a strategy to influence consumer choice. When available brands are viewed as being similar on substantive product features, any competitive advantage in terms of CRM efforts will affect choice. In these instances, our data suggest that investments to increase the size of a firm's CRM advantage would be unnecessary. However, when interbrand differences exist that present trade-offs across brands, the tendency of consumers to select a brand will be contingent on the size of the CRM advantage possessed by a firm. Accordingly, under such circumstances, enhancing the magnitude of CRM advantages should be a strategic consideration for marketers.

## Limitations and Future Research

Several limitations associated with the present investigation point to opportunities for future work in this area. First, the present research treats company CRM efforts at a

**FIGURE 1**  
Choice Results for Studies 2a and 2b



NOTE: CRM = cause-related marketing.

very general level, without mentioning the specific causes being supported by a company. However, individual causes may vary in terms of the extent to which they are viewed as morally correct and/or socially acceptable. Given prior evidence (e.g., Baron and Spranca 1997) indicating that people may be unwilling to make trade-offs involving "protected" values (i.e., those that are viewed as being highly moral in character), one might expect a polarization of CRM effects on choice depending on the specific causes being supported by a company. In particular, choice probabilities for brands with an advantage in CRM may be higher (or lower) than those observed here for companies supporting causes that are (or are not) perceived to be "morally correct."

A consideration of individual causes would also allow an examination of "matching" issues between companies and causes (cf. Drumwright 1996). For example, if there is a strong correspondence between what a company does (e.g., manufacture and market sporting goods) and a cause that it sponsors (e.g., a sports program for disadvantaged youth), this relationship between the company and the cause may enhance consumer responsiveness to the CRM effort if the matchup promotes perceptions that the company is lending its expertise (as well as financial support)

to the charity. Conversely, this similarity could engender negative sentiments if the CRM campaign is simply viewed as an attempt to exploit the cause for company gain (e.g., through increased product sales to youths in the sports program). If this occurs, companies may be better off supporting causes that are relatively unrelated to their business efforts.

Another limitation of the methodology employed in the current studies involves provision of information about the companies' motivation to support causes just prior to the product information. As a consequence, the companies' CRM efforts were likely to have been quite salient when participants evaluated the products and made their choices. Accordingly, future research is needed that examines the effectiveness of various marketing strategies (e.g., the availability of information at the point of purchase) in making a company's CRM information accessible to consumers during their decision-making.<sup>8</sup>

Finally, findings that perceived motivation underlying a company's support of charitable causes was, for *some* consumers, not a determinant choice attribute suggest the need for research examining variables that moderate consumer responsiveness to CRM efforts. For example, consumer skepticism toward general and specific marketing efforts (e.g., Boush, Friestad, and Rose 1994; Friestad and Wright 1994; Obermiller and Spangenberg 1997; Webb and Mohr 1998) would seemingly attenuate the effects of CRM campaigns. Conversely, general levels of charitableness should tend to increase the impact of CRM campaigns, particularly if favored charities or causes are the focus of such campaigns.

## Conclusions

In response to the question posed in the article's title, the current evidence supports the notion that one good turn does indeed deserve another, at least in the minds of consumers. In particular, the results presented here indicate that companies supporting social causes for what are perceived by consumers to be appropriate reasons will be rewarded with an increase in the choice of their brand(s). While the effect of CRM campaigns on consumer choice is a strategic issue of clear importance to marketing practitioners, it has received relatively little attention from academics (cf. Brown and Dacin 1997). We extend prior research by empirically demonstrating how consumer perceptions of the underlying motivations for corporate sponsorship of causes affect the extent to which CRM efforts influence consumer choice. We also show how the impact of a CRM motivation advantage is tempered by the presence and magnitude of the price or performance trade-offs that may be necessary for enjoying the benefits of purchasing a CRM-enhanced product. As CRM efforts continue to grow in size and number, prospects for research in this area will likewise continue to increase.

## APPENDIX A Motivation Manipulation

(The following paragraph was presented at the beginning of each condition.)

Companies A and B have both been operating for about the same length of time as other companies from the industry in which they operate. Most of the products sold by each company have acceptable market shares in their respective product categories, although they are not usually the market leaders. Sales at both companies are growing at about the same rate as the industry average. At present, the companies are medium in size, employing a number of people at several locations. In general, employees at Companies A and B are reasonably content with their jobs, and the surrounding communities have no problems with their interactions with each company.

### Positive Motivation for Company A and Negative Motivation for Company B

Company A supports a number of social causes and charities. In addition to the company making monetary contributions, its employees also offer their time and effort to various community and charitable causes. The company does this for the sole benefit of the local communities in which they do business; it does not expect to benefit from its sponsorship of these causes. In fact, company executives believe that sponsoring these programs will actually cost the company, both financially and in terms of lost employee time, but they are committed to this sponsorship program. Thus, Company A management hopes that its sponsorship of charitable organizations will benefit people by improving society.

Company B also supports a number of charitable causes through the donation of monetary contributions and employee time. Company B does not have any particular concern or attachment to the causes that it supports. Company executives believe that while it will incur some monetary costs from supporting these causes, it will gain much more in additional sales. In other words, Company B management hopes that its sponsorship of charitable efforts will benefit the company's business by increasing sales revenue from its products.

### Positive Motivation for Company A and Neutral Motivation for Company B

Company A supports a number of social causes and charities. In addition to the company making monetary contributions, its employees also offer their time and effort to various community and charitable causes. The company does this for the sole benefit of the local communities in which they do business; it does not expect to benefit from its sponsorship of these causes. In fact, company executives believe that sponsoring these programs will actually cost the company, both financially and in terms of lost employee time, but they are committed to this sponsorship program. Thus, Company A management hopes that its sponsorship of charitable organizations will benefit people by improving society.

Company B also supports a number of charitable causes through the donation of monetary contributions and employee

time. While Company B management does not expect the company to benefit from its support of these causes (i.e., revenues from its products are not anticipated to increase), the company has not yet determined whether offering this support has helped or hurt the company from a financial standpoint. Nor has Company B determined whether providing this support has had any actual impact on society.

### Neutral Motivation for Company A and Company B

Both companies support a number of charitable causes. In addition to Company A and Company B making monetary contributions, employees at the two companies offer their time and effort to various community and charitable causes. While management at Company A and Company B do not expect their respective companies to benefit from supporting these causes (i.e., revenues from sales of products offered by each company are not expected to increase), neither company has yet determined whether offering this support has helped or hurt from a financial standpoint. Nor have Company A and Company B determined whether providing this support has had any actual impact on society.

## APPENDIX B Trade-Off Manipulations—Studies 1a and 1b

	<i>Company A</i>	<i>Company B</i>
Performance trade-offs (Study 1a) <sup>a</sup>		
No-trade-off condition		
Consumer quality rating	95	95
Small-trade-off condition		
Consumer quality rating	85	95
Large-trade-off condition		
Consumer quality rating	75	95
Price trade-offs (Study 1b)		
No-trade-off condition		
Consumer quality rating	95	95
Suggested retail price	\$500.00	\$500.00
Small-trade-off condition		
Consumer quality rating	95	95
Suggested retail price	\$525.00	\$500.00
Large-trade-off condition		
Consumer quality rating	95	95
Suggested retail price	\$550.00	\$500.00

a. Consumer quality ratings and prices were for a 27-inch color television with remote control.

## APPENDIX C Trade-Off Manipulations—Studies 2a and 2b

	<i>Company A</i>	<i>Company B</i>
Performance trade-offs (Study 2a)		
No-trade-off condition		
Processor	Intel Pentium II 450 Mhz	Intel Pentium II 450 Mhz
Monitor	18-inch high-resolution color	19-inch high-resolution color
Hard drive capacity	9.5 GB hard drive	9.0 GB hard drive
RAM	128 MB SDRAM	128 MB SDRAM
Small-trade-off condition		
Processor	Intel Pentium II 400 Mhz	Intel Pentium II 450 Mhz
Monitor	18-inch high-resolution color	19-inch high-resolution color
Hard drive capacity	9 GB hard drive	9.5 GB hard drive
RAM	112 MB SDRAM	128 MB SDRAM
Large-trade-off condition		
Processor	Intel Pentium II 200 Mhz	Intel Pentium II 450 Mhz
Monitor	15-inch high-resolution color	19-inch high-resolution color
Hard drive capacity	4 GB hard drive	9.5 GB hard drive
RAM	32 MB SDRAM	128 MB SDRAM
Price trade-offs (Study 2b) <sup>a</sup>		
No-trade-off condition		
Processor	Intel Pentium II 450 Mhz	Intel Pentium II 450 Mhz
Monitor	18-inch high-resolution color	19-inch high-resolution color
Hard drive capacity	9.5 GB hard drive	9.0 GB hard drive
RAM	128 MB SDRAM	128 MB SDRAM
Price	\$2,995.00	\$2,995.00
Small-trade-off condition		
Price	\$2,995.00	\$2,945.00
Large-trade-off condition		
Price	\$2,995.00	\$2,495.00

a. All price trade-off manipulations included the processor, monitor, hard drive capacity, and RAM information presented in the "no-trade-off" performance trade-off manipulation condition.

## NOTES

1. Details regarding all manipulation check analyses can be obtained from the authors.

2. Here and elsewhere, directional (i.e., one-tailed) analyses are used when appropriate.

3. This may be explained by analyzing choice protocols for the large-advantage condition, which revealed that 3 of the 5 participants choosing Company B's product explicitly expressed skepticism toward Company A's positive motivation for supporting causes (cf. Webb and Mohr 1998). If these participants are dropped from the analysis, the resulting percentage choosing A in the large CRM advantage condition (14 of 16, or 88%) is not statistically different from the 95 percent selecting A when it enjoyed a smaller advantage in terms of supporting causes ( $Z = 0.81, p = .42$ ).

4. Two pretests were conducted to ensure that PC purchases were highly relevant to our participants. The first involved undergraduate students ( $N = 76$ ) drawn from the same population used later in Studies 2a and 2b. Responses to survey questions indicated that 97.4 percent of students (74) reported that they currently use or have used a PC, 73.7 percent (56) previously shopped for a PC, and 65.8 percent (50) planned to shop for or purchase a PC within the next 2 years. In a second pretest, 37 undergraduates indicated how often they used a PC (1 = *do not use at all* and 9 = *use very often*) and how relevant they felt the purchase of a PC was (1 = *not at all relevant* and 9 = *very relevant*). Participants' responses indicated frequent usage ( $M = 7.54$ ) and high relevance ( $M = 6.78$ ).

5. The only changes were that Company A and B information was presented side by side rather than on separate pages, and the negative-motivation manipulation for Company B included the phrase "regardless of whether there are beneficial effects on society" at the end of the paragraph in order to make the paragraphs of each company appear relatively equal in length.

6. Examples of protocols explicitly mentioning trade-offs are "B is faster with more memory, but A is a more charitable company" and "Company B had a slight advantage as far as features, but this was not enough to overcome the fact that Company A had a genuine concern and commitment to society that went beyond profits."

7. Evidence of compensatory processing was even more evident in protocols for Studies 1a and 1b, which is not surprising considering that those choice stimuli were less complex than stimuli for Studies 2a and 2b, making compensatory processing more difficult for the latter pair of studies.

8. We thank an anonymous reviewer for bringing this issue to our attention.

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## ABOUT THE AUTHORS

**Michael J. Barone** (Ph.D., University of South Carolina) is an assistant professor of marketing in the College of Business Administration at Iowa State University, Ames, Iowa. His research, which primarily involves consumer responses to advertising and consumer choice, has been published in the *Journal of Consumer Research*, the *Journal of Marketing Research*, the *Journal of Consumer Psychology*, *Marketing Letters*, the *Journal of Advertising*, the *Journal of Advertising Research*, the *Journal of Busi-*

*ness Research*, and the *Journal of Public Policy & Marketing*, as well as in various conference proceedings.

**Anthony D. Miyazaki** (Ph.D., University of South Carolina) is an assistant professor of marketing in the School of Business Administration at the University of Miami, Coral Gables, Florida. His research focuses on risk and decision-making from buyer, seller, and public policy perspectives and has appeared in the *Journal of Retailing*, the *Journal of Public Policy & Marketing*, *Psychology & Marketing*, the *Journal of Business Logistics*, and various conference proceedings.

**Kimberly A. Taylor** (Ph.D., University of Pennsylvania) is an assistant professor of marketing in the College of Business Administration at Florida International University, Miami, Florida. Her research focuses on decision-making and consumer behavior. Her work has been published in *Organizational Behavior and Human Decision Processes*, *Marketing Letters*, the *Journal of Marketing Education*, and various conference proceedings.