

**Research Article**

## **THE EFFECT OF PROMOTIONS IN CAUSE RELATED MARKETING ON CONSUMER'S BUYING DECISION**

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### **ABSTRACT**

The aim of this study is to investigate the effect of promotions on the consumer decision to purchase in cause related marketing. The primary conceptualizing was developed based on the existing theoretical literature which had been validated by means of the empirical researches. According to that, one major hypothesis and four sub hypothesis were designed. This research in terms of the kind and gathering the information is of application and survey forms respectively. A number of 383 individuals were selected from the statistical society of the Hani restaurant customers according to the formula of the infinite sample volume and the data were collected using the questionnaire. The results achieved from the hypothesis testing which were carried by the application of the descriptive statistics and the inferential statistics, indicate that the personal selling in cause related marketing has the greatest impact on the consumer decision to purchase.

**Keywords:** *Cause-related Marketing, Corporate Social Responsibility, Promotion Mix, Consumer's Purchase Decision*

### **INTRODUCTION**

Marketing refers to the efforts made for connecting the value of the product (goods or services) and the customer. Marketing is sometimes known as the art of selling. But sale is considered as one of the small functions of marketing.

Corporate social responsibility (CSR also called corporate conscience, corporate citizenship or sustainable responsible business/ Responsible Business).

New research in the May 2014 issue of the American Marketing Association's *Journal of Marketing* shows that employee engagement in CSR activities such as environmental initiatives, charitable giving, and ethical business practices, can improve job performance. More than 200 employees at a Global 500 financial services company took part in the study, which matched employee surveys with supervisor ratings of job performance. The study is authored by Daniel Korschun of Drexel University, CB Bhattacharya of the ESMT European School of Management and Technology, and Scott D. Swain of Clemson University.

Kotler and Lee discussed about various forms of social responsibility in six conceptions of cause promotion, company's social marketing, altruism, voluntary social activities, and business activities with social responsibility and cause marketing.

Over the past decades, cause-related marketing (CRM) has been considered as one of the most promising communication tools in the United States (IEG, 2009). Following the cause-related marketing literature, CRM refers to initiatives where firms contribute a specified amount to a cause contingent upon the consumer buying the company's product (Varandarajan & Menon, 1988).

Cause marketing is a method for implementing corporate social responsibility, and based on the definition, it is a marketing strategy that follows two objects of supporting a social cause and improving the corporate marketing performance.

Since 4P is the main core and central axis for formulating and determining proper marketing strategies in today's competitive market, therefore, identification of its components and the impact of type each component is very important and becomes more critical in today cause marketing. The marketing mix is a business tool used in marketing and by marketers. The marketing mix is often crucial when determining a

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product or brand's offer, and is often associated with the four P's: price, product, promotion, and place. In service marketing, however, the four Ps are expanded to the seven P's. In 2012, a new four P's theory was proposed with people, processes, programs and performance.

Consumer's buying decision; The process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants.

Therefore, it is attempted to investigate combined promotion with respect to its subsections in cause marketing in this study.

## MATERIALS AND METHODS

This research is descriptive and survey. It is a description that presents an image of the present condition. And it is a survey which collects information from the statistical population through a questionnaire.

In this research, the statistical population includes the customers of Hani restaurant and their attitude toward the research subject is questioned. Because the population size is considered infinite, we use the following formula in this research:

$$n = \frac{z_{\alpha}^2 \sigma_x^2}{\epsilon^2} \quad n = \frac{1.96^2 \times 0.207}{5^2} = 318$$

The population of the sample society is estimated 318 persons based on the calculated variance of 0.207 (determining the difference of individual's ideas) and error level of 5%, and the researcher distributed 440 questionnaires between individuals and the data of 383 questionnaires were useable. In this research, sample was selected by simple random sampling.

**Table 1: Reliability Statistics**

Cronbach's Alpha	Number of Items
.752	17

## RESULTS AND DISCUSSION

### Descriptive Statistics

**Table 1: Demographics**

Qumulative Frequency percentage	Frequency percentage	Frequency	Sex
50.9	50.9	195	Male
99.7	48.8	187	Female
100.0	.3	1	Unanswered
	100.0	383	Total

**Table 2: Age**

The Age Category	f	C	f/c
21-25	25	23	575
26-30	84	28	2,352
31-35	92	33	3,036
36-40	59	38	2,242
41-45	36	43	1,548
46-50	18	48	864
51-55	22	53	1,166
56-60	23	58	1,334
61-65	10	63	630
66-70	14	68	952
Total	383	-	14,699
The Average of Age			38

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**Table 3: Education**

Qumulative frequency percentage	Frequency Percentage	Frequency	The Education Level
6.0	6.0	23	Diploma
14.4	8.4	32	Associate Degree
68.4	54.0	207	Bachelor
89.8	21.4	82	Master of Science
100.0	10.2	39	Ph. D
	100.0	383	Total

## RESULTS AND DISCUSSION

### Results

#### Descriptive Statistics

Which of the following notifying methods in relation to charitable activities of Hani restaurant has been effective in encouraging you to return to Hani restaurant?

37 percent of the sample population believe that informing through advertisement about charitable activities of Hani restaurant was effective in encouraging them to go again to Hani restaurant and about 20 percent of the population believe that public relations about charitable activities of Hani restaurant was effective in encouraging them to go again to Hani restaurant. 14 percent of customers believe that sale advance of Hani restaurant was the reason for their return (informing through giving advertising gifts and food samples and other products) and about 29 percent of the population stated that personal or verbal sale (presenting explanations by personnel of restaurant) was their reason for going again to Hani restaurant and the rest of the population did not answer this question.

#### Inferential Statistics

According to the below table, the adaptive coefficient of 0.42 shows the influence intensity of advertisement variable on the consumer's purchase decision in cause-related marketing. This influence is much less than the influence of personal or verbal sale and public relations in marketing. The hypothesis that personal or verbal sale has the greatest impact on consumer's purchase decision in cause marketing is confirmed.

**Table 4: Inferential Table**

Number of Hypothesis	Variable	Asymp. Sig.	Adaptive Coefficient Consumer's purchase intention	Significance	Friedman Ranking
The first hypothesis	Advertisement in cause-related marketing	.000	0.42	Confirmed	2.23
The second hypothesis	Public relations in cause-related marketing	.000	0.46	Confirmed	2.24
The third hypothesis	Sale advance in cause-related marketing	.000	0.36	Confirmed	1.84
The fourth hypothesis	personal Selling in cause- related marketing	.000	0.78	Confirmed	3.69

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