CAUSE-RELATED MARKETING AS A PERIPHERAL CUE?

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Dedications are made
to remind us of what is truly important
and why we persist.

With this in mind, this is dedicated to my
family, friends & wife, Kari.

Thank you for your love and support.

Abstract

Even though cause-related marketing has increased in popularity, academic researchers have only started to examine how consumers respond to it. In this study, the author examines cause-related marketing in combination with two major theories: (1) the prospect theory and, (2) the elaboration likelihood model. The objective of this study was to test for main and interaction effects of CRM, consumer involvement and price of product on consumer attitudes and purchase intentions. The results of this study indicate that there were no significant interactions between price of the product, involvement situation and CRM when in an experimental magazine setting. The major overall finding, which was evident throughout all hypotheses, was that advertisements with a CRM claim were far more effective than advertisements without a CRM claim. Regardless of the price, it appears that cause-related marketing affiliations can substantially influence consumer perceptions and ultimately purchase behaviours. Due to its effectiveness in high involvement situations, these findings suggest that CRM does not operate only as a peripheral cue.

Acknowledgements

The completion of this thesis signifies a huge milestone in my life that I could not have completed without the love, support, and guidance of the following persons:

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CHAPTER ONE

Introduction

It's Saturday morning and as you open the newspaper, out spill sheets of glossy advertisements. Many of the advertisements announce a contribution will be made to a charity if you purchase a certain product. Later, you go to the grocery store where signs and advertisements on the shelves indicate that the purchase of a certain product benefits a specific charity. Then, as you reach for that product, you notice the logo of the charity on the product indicating that the manufacture is a "proud sponsor" of that specific charity and that all the proceeds will be donated to that charity. Welcome to "cause-related marketing"!

Cause-related marketing (CRM) is a strategic philanthropic tool that takes the commercialization of charitable giving to a new level (Direct Marketing, 1997). A typical cause-related marketing campaign features a commitment from a for-profit company to donate a percentage of its sales or profits to a specified non-profit organization for each unit purchased by consumers (Smith & Alcorn, 1991). Cause-related marketing (CRM) has become very popular in North America over the past twenty years (Lavack & Kropp, 1997), "CRM is the fastest growing form of marketing today" (Smith, 1994). The classic example of an effective CRM campaign was the successful American Express program in 1983. In this case, American Express rose over $1.7 million for the Statue of Liberty restoration effort. Nearly a decade later, 63% of the largest U.S. corporations and charities were familiar with cause-related marketing strategies and 52% even had some prior involvement with CRM campaigns (Barnes, 1991). In 1997, it was estimated that nearly $500 million

has been spent by companies on CRM campaigns (Ptacek & Salazar, 1997). This illustrates the success of CRM and how it has gained momentum as a practical and realistic marketing instrument for corporations while still helping worthwhile charities. In fact, according to the Cone Report (1999), consumers expect companies to take action in support of causes. As companies seek new methods to address social issues beyond traditional giving, cause programs have flourished and been well received by consumers. Actually (Figure 1), acceptability of cause related marketing as a viable marketing strategy for businesses has grown from 66% in 1993 to 74% in 1998.

Figure 1: The Increasing Acceptability of Cause-Related Marketing
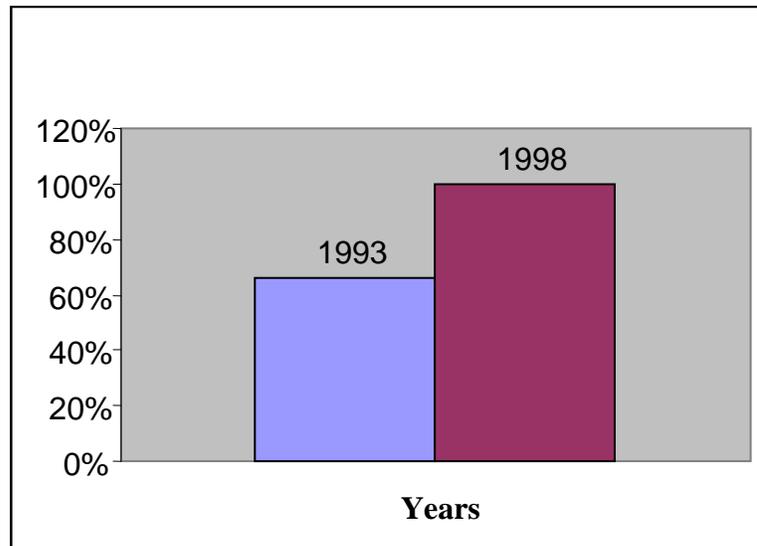
It has been recommended that from a firm perspective, CRM-type giving is more cost effective (Smith, 1994; Smith & Alcorn, 1991; Smith & Stodghill, 1994), which could help explain why this issue has had an amplified interest in both academic (Barone, Miyazaki & Taylor, 2000; Osterhus, 1997; Ross, Patterson & Stutts, 1992; Strahilevitz & Myers, 1998; Webb & Mohr, 1998) and practitioner

literature sources. A fair amount of empirical research exists that validates the views of those advocating for and against cause-related marketing practices (Varadarajan & Menon, 1988). Detractors of cause-related marketing caution that it has several adverse effects that can have a harmful impact on both the corporation and the non-profit organization (Caesar, 1987; Goldberg, 1987). The negative effects of CRM include, concerns about consumer perceptions of exploitation and commercialization of the non-profit organization, along with a potential reduction in both personal and corporate giving. On the other hand, supporters of CRM believe that it creates a win-win situation for all parties involved. The non-profit organization receives funding and exposure; the consumer receives the product and the satisfaction of contributing to a cause; and the corporation potentially improves its sales and corporate image (Dahl & Lavack, 1995). Through creating this relationship with a charity, companies hope to create a short or long term link with a specific non-profit cause in hopes of improving its corporate and brand images, product sales, market share, and employee morale (Bissell, 1996; Oldenburg, 1992). In order to have a successful CRM campaign, both the firm and the cause need to take the necessary steps to see that consumers perceive the relationship between the firm and the cause as a positive one (Ross, Patterson & Stutts, 1992).

Although CRM has made great strides in the field of marketing, many questions and issues remain unanswered. While the effect of CRM campaigns on consumer choice is a strategic issue of clear importance to marketing practitioners, it has received little attention from academics (Brown & Dacin, 1997). Academic researchers are only beginning to discover consumers' understanding of and

responses to CRM campaigns (Berger, Cunningham & Kozinets, 1996; Drumwright, 1996). More specifically, researchers have failed to push the envelope to help recognize the extent of how existing theories can help understand the issue of cause-related marketing. Specifically, the elaboration likelihood model (ELM) has been an extremely significant and important theoretical model for investigating the impact of marketing on consumer persuasion and purchase behaviour. However, minimal research has been conducted when applying the ELM theory to the concept of cause-related marketing (Berger, Cunningham & Kozinets, 1996).

Primary Research Objectives

The primary objective for this study is to examine the effects that cause-related marketing (CRM) can have on consumer attitudes and purchase behaviours when exploring product advertisements in a magazine setting. The project will:

i. Employ and operationalize the theoretical framework of the Elaboration Likelihood Model (ELM) to further our understanding of how cause-related marketing (CRM) can influence consumer attitudes and purchase intentions

ii. Explore the effects of price on consumer attitudes and purchase intentions for CRM and non-CRM advertised products

iii. Explore the dynamics of situational involvement and the result it has with CRM and non-CRM claims on consumer attitudes and purchase intentions

Nature of the Study

A stagnant economy has made the job of obtaining donations more of a challenge for non-profit organizations. It appears that more and more companies and individuals are finding many ways to say "<u>no</u>" to non-profit organizations. The financial survival of non-profit organizations is one of the major concerns facing the government of Canada. Historically, the majority of non-profit organizations have been funded through private sector and government grants and subsidies (Adams, 1987; Bronn & Vrioni, 2001). In more recent times, companies & governments have become much more tight-fisted as funding has become scarce (Andreasen, 1996; Schlossberg, 1989). In addition, individuals have been overwhelmed by charities prospecting for constant contributions in order to help operate each non-profit organization. As a result, non-profit organizations have been forced to find new and creative ways to stay financially viable. In an attempt to find these alternative sources of funding which would revitalize their fundraising, non profit organizations have turned their attentions toward several new techniques including: (a) targeting a new donor base, (b) creating and marketing unique and special events, (c) establishing endowment, deferred-giving, and payroll deduction programs, and (c) developing innovative partnerships and relationships with corporations (cause-related marketing relationships) (Gifford, 1999).

The primary motivation for this research study stemmed from the following comments made by Nora Barnes (1994):

> The majority of Fortune 500 companies continue to be unfamiliar with the potential of CRM to generate sales. It is only after information about successful campaigns along with case studies, analysis of various agreements,

etc. become widely available that we will see CRM embraced and the uses of this strategy proliferate. (p. 96)

As a result, this research project examines cause-related marketing in hopes of gaining a better understanding of how, when and if this marketing technique works for the company and the non-profit organization.

The primary data for this study was gathered through an experiment. The study stimuli manipulated the presence or absence of a CRM relationship in a print advertisement in order to assess purchase intentions, attitudes toward the product, advertisement and company. The project involved quantitative data with single analyses, which was examined at the level of the individual consumer.

While the findings provided insights into the theoretical frameworks and the practical nature of the study, the theories have assisted the researcher in understanding the how cause-related marketing operates under various purchasing situations. Implications of this will be discussed in the final chapter.

CHAPTER TWO

Literature Review

Cause-Related Marketing (CRM)

The History and Development of CRM

The phrase, cause-related marketing, was coined in 1983 to describe a highly successful American Express program, which supported the restoration of the Statue of Liberty. As a result, throughout the early 1980s many companies considered cause-related marketing as a strategy to increase sales and market share, advance corporate social responsibility policies, and enhance corporate and brand image. Due to the success of the American Express program in 1983, many other companies became motivated to utilize this new marketing strategy. As a result, the links between companies and charities grew from supporting the arts and other community based activities to supporting health-related issues such as HIV/AIDS, breast cancer, and lung disease (Davidson, 1997). The competition among companies became fierce as companies competed to align themselves with charity organizations that matched closely with the company's customer base (Miller, 1993). As the CRM market became overcrowded, companies began to search out niche charity markets, which they could support. A primary example occurred when Avon hired Cone Consulting to find it a niche charity organization that supported breast cancer. As a result, Cone Consulting identified the education and preventative areas of breast cancer as an untapped niche market. The resulting program raised $22 million (U.S.) for breast cancer in the first four years of its existence.

In the late 1990s, CRM progressed from a disease focused marketing strategy to one that incorporates broader social issues and even ranges across international boarders (Table 1). A U.S. manufacturer of female sports shoes, Ryka, launched a CRM program to assist in the fight against domestic violence (Miller, 1993), while Sony, IBM, Walmart and Polaroid began supporting the National Center for Missing and Exploited Children (Caudron, 1994). Globally, even financial institutions have embraced CRM programs, with the creation of charity-giving/ donation cards (Cheary, 1997). These cards donate a percentage of each credit card transaction to a non-profit organization. These cards have been so successful that they account for one in five credit cards in the United States and one in twenty cards in the United Kingdom (Murphy, 1997).

Table 1: Examples of Causes and Supporting Companies

The Non Profit Organization (Cause)	Supporting Companies
AIDS/ HIV	Body Shop; Whitbread (United Kingdom)
Animals	Beatrice; Hunt Wesson; Lion
Blind (Guide Dogs)	Coca-Cola (United Kingdom); Pal (Australia)
Cancer Research	First USA Bank; Kellogg's
Breast Cancer	Avon; BMW; Estee Lauder; Ford; Gillette; Jenny Craig; Ralph Lauren; Revlon
Children: Health and Safety	Cadbury; McDonalds; Visa
Children; Literacy	Visa; Walmart
Children: Foster Parents	Ramada
Children: Missing	Digital; Sony; IBM; Polaroid; Walmart; Disney
Children: Sick & Hospitalized	Walmart
Drinking: Responsibly	Anheuser Busch; Labatts; General Foods
Guns: Buy Back	New York Knicks
Literacy: Adults	Coors
Muscular Dystrophy	Kellogg's
Multiple Sclerosis	Mercedes Benz; Visa
Racism	Nike
Senior Citizens	KFC; Visa; Walmart
Special Olympics	Johnson & Johnson; Walmart; Coca-Cola
Violence against women	Johnson & Johnson; Ryka

CRM, as a marketing tool, has grown rapidly from almost nothing in 1983 to an estimated worth of $500 million (U.S.) annually in 1997 (Ptacek & Salazar, 1997). It has taken over and now filters through our marketing strategies around the world (Direct Marketing, 1997; Murphy, 1997), with a variety of forms of programs, some of which are now even web-based (Spethmann, 2000).

Theoretical Development of the CRM Issue

During the mid 1980s, the most comprehensive and widely used theoretical definition of cause-related marketing originated from Varadarajan and Menon (1988). It states that CRM is distinct from other types of marketing activities and is "the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue- providing exchanges that satisfy organizational and individual objectives." In 1991, Smith and Alcorn stated that CRM is the most cost-effective product strategy that has evolved in years, as it helps address the issue of how to directly measure financial success of a marketing campaign. CRM allows firms to not only leverage their donations to charities but also not give until there is consumer action such as a sale or purchase. In more recent years, CRM has been defined as "a company working together in financial concert with a charity…to tie a company and its products to a cause" (Ptacek & Salazar, 1997). While Mullen (1997) believed that CRM has a dramatic effect on building brand equity as it can generate the long-term value needed for an organization to survive and achieve competitive advantages. Although all of these definitions are slightly different they all mirror in some fashion the one proposed by Varadarajan and Menon (1988). However, the later

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definitions more clearly identify that CRM involves complex benefits for causes beyond the generating of additional revenues.

Since the inception of cause related marketing, the academic community has provided limited literature on how to structure cause-related marketing campaigns or how to assess their impact on the consumer (Osterhus, 1997). The first benchmark piece of academic literature identified CRM as being a type of horizontal cooperative sales promotion technique (Varadarajan, 1986). CRM had previously been described as an element of corporate philanthropy that was tied into promotion strategies (Grahn, Hannaford & Laverty, 1987). In 1988, Varadarajan and Menon's seminal piece of literature stated that "CRM should be recognized as a separate marketing phenomenon" and recommended that it be investigated further. This revolutionized the issue of CRM and helped legitimize it as a valid and useful marketing tool for both practitioners to utilize and academics to study and investigate further. Over the years, other respectable authors have termed CRM as social responsibility marketing (Garrison, 1990), cause branding (Fellman, 1999), joint-venture marketing (Barnes, 1991), social advertising (Drumwright, 1996), civic marketing (Michaels, 1995) and public purpose marketing (Abrahams, 1996).

Many marketing campaigns have utilized CRM as a sales promotion technique, such as cents-off coupons and refund offers. Nevertheless, CRM is a transaction based marketing tool, which relies on consumers purchasing a product from a company, which donates a portion of the proceeds from the purchase price to a charity organization (Davidson, 1997). Varadarajan & Menon (1988) described CRM as a "marketing activity- a way for a company to do well by doing good- distinct from

sales promotion, corporate philanthropy, corporate sponsorship, corporate Samaritan acts, and public relations, though it is often an amalgam of such activities." It is suggested that this makes it easier to calculate financial gain or return from a CRM program, because company donations are linked with a charity when customers engage in sales transactions with the company products (Varadarajan & Menon, 1988; Smith & Alcorn, 1991). In short, firms involved with a CRM program focus on targeting causes that match their existing or potential customer base and use these charities as the incentive for consumers to the company's product (Osterhus, 1997).

Why has CRM grown?

CRM has gained momentum over the last few years, as marketers and companies have come to realize that partnerships with non-profit organizations can potentially translate into greater degrees of customer loyalty and increased market share. One of the most beneficial advantages of CRM is its ability to help marketers stay in tune with the feelings, emotions and mood of its customers because of its sensitivity, trustworthiness and relevance to society. However, CRM can also be a very dangerous area for companies to enter if not done appropriately. Duncan and Moriarty (1997) state that CRM can be beneficial for a company, only if they attach the cause to the organization's mission statement, make it a long-term endeavour, do not use it as a short-term tactic to increase sales and revenues, and understand that the effects are not always going to be easy to measure and evaluate. If CRM is properly executed, it can help sell products, enhance brand and charity images and motivate employees.

Cause related marketing has grown because, when properly executed, it sells product, enhances image, and motivates employees. It has grown because consumers are demanding more from companies. Consumers expect companies to use their resources to address community concerns. Another reason is due to CRM being fuelled by a new era of advertising which is primarily "respectful, not patronizing; dialogue-seeking, not monolinguistic; responsive, not formula-driven; it speaks to the highest point of common interest, not the lowest common denominator," (Ptacek & Salazar, 1997). Ease of accountability is the final reason that cause-related marketing has grown in recent years. Since the majority of companies usually monitor sales and revenues on a daily, weekly or monthly basis, CRM can be easily tracked from these figures. As a result, the better the sales, the greater the contribution and the easier it is to track.

What are the outcomes of a CRM campaign?

The gateway to a corporate partner is guarded by the corporation's need to increase sales. The first mission is then to show the corporation that a partnership will increase its sales. According to the benchmark Cone/ Roper Study (1999) that surveyed 2,000 adults, when given a choice between two products of similar price and quality, 78% of adults would be likely to buy a product associated with a cause or non-profit organization. In addition, 66% would change brands to help a cause, 62% would switch retailers in support of a cause, 54% would pay for a product that backed a cause they care about and 33% stated that after price and quality, they would consider a company's responsible business practices the most important factor in deciding whether to buy a brand. In another recent study, 65% of non-profit

organizations and 85% of companies stated that they regularly participate in some form of cause-related marketing campaign (PMA/ Gable Group, 2000). Therefore, the predominant message from this landmark study displayed that consumers prefer to support companies with socially responsible attitudes.

In CRM relationships, companies and non-profits become linked in such a way that they share consumers and outcomes. In such relationships, companies and non-profits are relatively independent of each other. Both incur risks and/or benefits. The benefits from such a relationship for the company include increased sales, brand differentiation, improved public relations, enhanced brand image, improved employee recruitment, retention and morale, enhanced managerial skills, building of deeper and stronger community bonds, demonstration of shared values with target market, and enhanced government relations. On the flip side, companies can naively become involved with non-profit organizations that have internal issues, administrative problems, or distribution difficulties and then may share in the negative publicity that might be generated. The company may also be perceived as exploitative (Dahl & Lavack, 1995) toward the non-profit organization. In addition, companies must be aware of the "marketability" of the cause and the scope of the potential consumers involved.

The benefits for a non-profit organization start with the ability to attract new sources of funding and the increased public awareness of their causes. This is especially true for small to medium sized charity organizations. When these smaller non-profit organizations partner with large, well-known corporations the public awareness and name recognition for the charity organization rises dramatically. For

example, when Share Our Strength (SOS) a relatively unknown charity organization, teamed up with American Express for a CRM campaign, SOS individual donations and popularity rose sharply as did its name recognition (Andreasen, 1996). For non-profit organizations the fears are equally serious, as they also face some potential risks when partnering in a CRM relationship. Non-profits may appear to have turned from its values, philosophies, and become a commercialized organization (Andreasen, 1996). More specifically, individual long-term donors may withdraw support when learning that a large corporation is donating a large sum of money (Andreasen, 1996). A primary objective for the non-profit organization is to convince its supporters and the partnering company that they can deliver a desirable audience without compromising the integrity of the charity.

How does a CRM campaign affect image?

Brown and Dacin (1997) found that consumer perceptions of corporate social responsibility and CRM can positively influence their beliefs about and attitudes toward new products and companies. These findings were especially significant for academics but not for mangers and practitioners. According to Brown and Dacin (1997) managers and practitioners were already aware of such a connection. Findings from the Cone/ Roper (1999) study displayed that in the eyes of the consumer, a business has more integrity if it is associated with a non-profit organization. Generally, the media tends to favour stories that involve good causes or charities. Association with the non-profit organization will help the corporation gain positive new coverage. Uniting with a non-profit's mission allows a corporation to build a reputation of compassion and caring.

Because a non-profit organization risks its reputation with every publicized association with another organization, it is imperative that companies be scrupulously honest in their CRM advertising. According to Webb and Mohr (1998), CRM advertising is not "the place for the legal but ethically questionable tactics that have helped create distrust in advertising." Recommendations have been made that to guarantee honesty, companies should always fully involve the non-profit organization in order to approve and evaluate the advertisements before they are released to the public (Lavack & Kropp, 1997).

What are the motives for a CRM campaign?

To grasp an understanding of CRM, it is important to understand the motives for a CRM campaign. The primary motive for a charity includes seeking additional funding. Charities today are becoming more and more financially strapped (Smith & Alcorn, 1991) and this marketing tool helps alleviate this problem through partnerships with large financial corporate giants. The principal motives for a company's involvement in a CRM campaign include the desire to increase sales, enhance corporate image, contribute to a social community organization and motivate their employees. An example stems from a company in Colorado who created the Holiday Sweet Deal. This program created opportunities for employees to contribute holiday ornaments and decorate Christmas trees at homeless shelters in Colorado. This opportunity provided the staff with a chance at connecting with the community and provided a rewarding experience for everyone involved. In addition to helping motivate the staff, the company helped raise their sales revenues and generate additional needed funds for the homeless shelters in Colorado (Ptacek & Salazar,

1997). Two major motives for consumers to support a CRM campaign include the

desire to support a socially responsible company through purchasing their CRM

affiliated product and to fulfill their personal individual consumption needs.

Ethical Concerns of CRM

　　Even though cause-related marketing has been described as the fastest rising

and most popular type of marketing today (Smith, 1994), CRM still has some large

ethical and moral issues attached. Varadarajan and Menon (1988) caution that "firms

walk a fine line between reaping increased sales, goodwill, and positive publicity and

incurring negative publicity and charges of exploitation of causes." It appears that the

same qualities that make CRM a feasible marketing tool for both non profit

organizations and private companies makes CRM vulnerable to harsh criticisms

levied at its potential for mistreatment (Varadarajan & Menon, 1988).

　　Initial concerns from researchers focused around CRM's impact on charitable

giving and non-profit organizations (Varadarajan & Menon, 1988). A major reason

for CRM's vulnerability to criticism originated from the philosophical philanthropic

perspective. More specifically, Williams (1986) believed it is a strategy for selling,

not for making charitable contributions. Though these concerns are evident, it is

apparent that the target of consumer criticisms is focused around the company with

minimal attention toward the charity (Ellen, Mohr & Webb, 2000). The potential for

consumer perceptions of exploitation are an important element in cause-related

marketing. When consumers purchase a product, which is involved in a CRM

promotion, there are two possible motivations for such a choice. The first is to make a

contribution to a worthy cause, while the second is to simultaneously fulfill their

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consumption needs. If a consumer feels that the company is exploiting a cause, then this perceived exploitation makes the CRM promotion less attractive and ineffective to the consumer. The consumer will feel that their personal participation in the CRM campaign will do little to help the cause. The higher the level of perceived exploitation, the fewer consumers will want to support and participate in a given CRM campaign (Dahl & Lavack, 1995).

Ethical issues in marketing are becoming increasingly important, and cause-related marketing has been subject to some serious ethical questioning and debate (Caesar, 1987; Goldberg, 1987). A key ethical concern is whether non-profits are exploited in their CRM partnership. Corporations involved in CRM often spend more money on promoting the CRM campaign than on their actual contribution, and such a high level of promotional spending has been held up as being ethically questionable (Varadarajan & Menon, 1988). Critics argue that the non-profit organization involved in a CRM campaign should receive a larger share, and that less money should be spent on marketing. Some critics have argued CRM is unethical because it forces non-profit organizations to manipulate their constituency and become dependant on a CRM relationship. This can ultimately change the non-profit organization's original mandate, blur the lines between the company and the non-profit organization, and sacrifice the charity's institutional integrity (Staecker, 1987). These ethical concerns illustrate potential elements of CRM that could be perceived to be exploitative. In addition, after a company has engaged in unethical behaviour, CRM has been shown to have a positive influence on consumers' perceptions of corporate reputation. Specific evidence from Creyer & Ross (1997) found that a hypothetical company,

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described as having deceived consumers deliberately, was able to minimize the effects of unethical behaviour on consumers' willingness to pay for their products through participating in CRM campaigns.

Although scepticism toward CRM appears to be fading, some consumers still remain critical of these efforts, often questioning whether a company's support of a charity is designed to benefit the cause or the company itself (Webb & Mohr, 1998). As a result, a single CRM campaign can lead to a variety of interpretations of a company's underlying motivation. For example, Reebok supported Amnesty International "Human Rights Now!" tour. Some supporters later viewed it as a signal of Reebok's desire to promote human rights, but critics viewed it as only an attempt to enhance product sales (Elsbach & Sutton, 1992; Quelch & Hiller, 1988). Thus, consumer perceptions of why a company provides support towards a non-profit organization may be a key determinant of receptiveness to CRM efforts.

The merits of CRM have also been questioned from a public policy perspective (Varadarajan & Menon, 1988). Two characteristics of CRM campaigns are at the origin of the criticisms. First, corporations often spend more money on advertising their contributions and their association with causes than on the actual contributions. Second, the contribution and promotional expenditures are all tax deductible. Consequently, Kinsley (1985) views CRM campaigns as an avenue for corporations to get the all forms of government (including Canadian and American) to subsidize their marketing programs though having their efforts be tax deductible.

Viewed in combination, the numerous favourable and unfavourable published articles on CRM suggest that companies walk a fine line between reaping increased

sales, goodwill, and positive publicity and incurring negative publicity and charges of exploitation of charities. Due to the awareness of such a negative effect and possible negative outcomes; some companies seem to have taken steps to minimize the risk of consumer backlash and criticism by the public. An example that Varadarajan and Menon (1988) used was Johnson & Johnson's charity tie-in with the American Red Cross. Johnson & Johnson advertised with two disclaimers, which explicitly stated that (1) the use of the American Red Cross name and emblem was authorized but did not imply endorsement of Johnson & Johnson's products by the American Red Cross and (2) the Johnson & Johnson products bearing a Red Cross trademark had no connection with the symbol used by the American Red Cross.

The burden for discretion and public accountability in the use of CRM does not just fall on the initiating company of such a program. The non-profit organization also should consider any negative influences of the proposed program. For example, when the Lethbridge branch of the Alberta Lung Association was approached by K.B. Heating and Air Conditioning to participate in a cause-related marketing campaign, the Lung Association managers were concerned about such questions as: "Will it be misinterpreted by the public and by our primary donors and supporters? Will the lung Association appear to have been used by a corporation for its own purposes?" Only after being convinced that the Alberta Lung Association goals could be achieved without being compromised did the authorities agree to participate in the campaign.

This Study

One important element of the CRM campaign that has been found to play a significant role in consumers' responses is the type of product being purchased. Strahilevitz and Myers (1998) found empirical evidence, which displayed that CRM campaigns are more effective when coupled with a luxury or "hedonic" product than when paired with a necessity or utilitarian product. As a result of these findings, CRM has been described as the "feel-good factor" of marketing (Smith & Higgins, 2000). The reason for this is because it provides a means by which the feelings of guilt due to a luxury/ hedonic product purchase are offset because of the positive associations with a charity (Strahilevitz & Myers, 1998; Smith & Higgins, 2000). In addition, the study stated that 83% of consumers believed that CRM when placed with brands yielded a positive image of the company and product. Another study demonstrated that 86% of consumers stated that if price and quality were deemed to be equal, they would be more likely to purchase a product brand that was associated with a cause and even pay a little more for a CRM affiliated brand (Gray, 1997). Therefore, it is logical to assume that CRM helps enhance company image and increase sales through building the brand by linking and associating with a non-profit organization. Due to these findings, this study will be based solely around the effects of hedonic products on CRM techniques.

On the basis of prior research, it would appear that the emotional nature of cause-related marketing in advertising plays an important role in processing, evaluation, and persuasion. Evidence clearly demonstrates that charities linked to products attract attention, are more interesting and appealing for the consumer (Webb

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& Mohr, 1998), which should lead to high degrees of purchase intentions. Cunningham and Cushing (1993) found that consumers remembered a cause-claim in an advertisement 71% of the time. Other research indicates that most people believe CRM is a good way to raise money for non-profit organizations (Ross, Patterson & Stutts, 1992). CRM campaigns have been shown to result in favourable consumer attitudes toward the product (Berger, Cunningham & Kozinets, 1996), the non-profit organization involved (Ross, Patterson & Stutts, 1992) and toward the company (Ross, Patterson & Stutts, 1992; Berger, Cunningham & Kozinets, 1996).

In addition, the bulk of the research indicates that the potential of CRM to affect purchase intentions does exist and is credited to: (a) the value that CRM can add to the brand and therefore brand equity, (b) the ability to strengthen relationships with external and internal stakeholders (whose support is vital to brand equity and profits), and (c) the ability to make the message believable, credible, and thus lessen the negative effects of customer scepticism (Duncan & Moriarty, 1997) toward the brand.

To finish, many studies have suggested that CRM has the potential to affect consumer attitudes and purchase intentions. Almost half (46%) of the consumers surveyed by Smith and Alcorn (1991) reported that they were more likely to switch brands to support socially responsible companies, and nearly one third (30%) responded that they sometimes were inclined to buy products simply because the company supported charitable causes. The majority of support for these results has been provided by the 1999 Cone / Roper Cause-Related Marketing Trends Report,

which is based on a 1993 benchmark study and a follow-up study conducted in 1996

(Cone Communications, 1999). Therefore, the first hypothesis states that:

> **Hypothesis #1:** CRM advertisements will lead to higher purchase intentions,
>
> more positive attitudes toward the product brand, advertisement and
>
> company, than advertisements without CRM (Figure 2).

Figure 2: Hypothesis #1
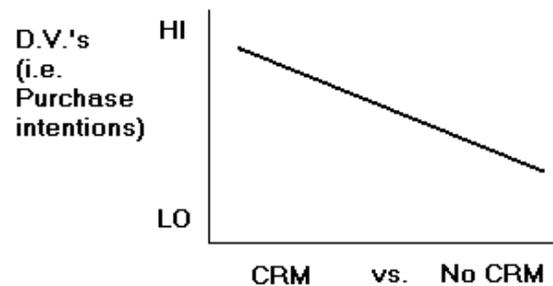
Since its inception, cause-related marketing campaigns have grown

dramatically, however little is known about the behavioural contexts in which CRM

activities are effective. Therefore, if this new marketing strategy (CRM) is going to

be a successful and accepted practice in the field of marketing, marketers and

managers will need to have a better understanding of when to use CRM with their

products. As a result, I believe the elaboration likelihood model (ELM) can help us better understand this type of marketing.

The Elaboration Likelihood Model (ELM)

Persuading consumers, changing consumer attitudes and consumer product evaluations are often influenced by previous information contained in consumer memories (Costley & Brucks, 1992). Consumers often conduct an information search prior to product evaluations and purchases (Alba, Hutchinson & Lynch, 1991). Consumers differ in terms of amount and type of information that is considered, and the heuristics used during this evaluation process (Alba, Hutchinson & Lynch, 1991). As a result, two leading theoretical models dealing with persuasion and attitude change in the field of marketing have emerged. These are the elaboration likelihood model (Petty & Cacioppo, 1986) and the heuristic- systematic model (Chaiken, 1980). Both models are rather similar as they both identify the cognitive processes involved in accepting a persuasive message. However, the most documented model of the two is the Elaboration Likelihood Model or ELM. For this study, the theory and attention will be focused around the ELM framework.

Petty and Cacioppo (1986) first developed the elaboration likelihood model (ELM) to organize social psychological research on persuasion. The ELM emphasizes that the process of persuasion is fundamentally different when consumers elaborate on stimuli than when they do not (Petty & Cacioppo, 1986). Elaboration in the ELM is indicated as the extent to which a person thinks about issues contained in a message, while likelihood is the action that the consumers are involved in during or after an elaboration (Petty & Cacioppo, 1986). The ELM framework includes both

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central and peripheral routes to persuasion and attitude formation. The central and peripheral routes act not as two mutually exclusive types of persuasion, but instead represent points on a continuum ranging from high to low elaboration likelihood. The basic tenet of the elaboration likelihood model is that different methods of inducing persuasion may work best, depending on whether message or issue-relevant thought is likely to occur. Many studies have been conducted which investigate the effects of involvement and strength of message argument on attitude formation. These studies represent replications that are calculated adjustments of previous studies, with attempts to generalize the ELM to a broader range of cues (Droge, 1989; Swasy & Munch, 1985). These previous revisions have all used similar peripheral cues, such as background music (Park & Young, 1986), source factors (Petty, Cacioppo & Schumann, 1983), or humour (Duncan & Nelson, 1985). However, it has been speculated that the nature and level of meaning of the peripheral cue might have an effect on the target audience (i.e. consumer). If more reflective cues with demonstrated deeper initial effects on consumers could be used, then the use of peripheral cues (i.e. charity logos) in low-involvement situations might become more effective. Therefore, according to the ELM framework, the use of more effective peripheral cues should lead to more powerful advertising and purchasing effects on the consumer.

According to the ELM, there are two routes to information processing, attitude change and/ or persuasion (Petty & Cacioppo, 1986). The ELM is based upon the belief that people seek to conserve their cognitive resources. As a result, they form attitudes and process information in two ways. If an advertisement is important

(i.e. time and energy is necessary to form a reasoned judgement), the person engages in careful and thoughtful consideration of available information, called the central route to processing. According to the ELM, when a person processes information via the central route, elaboration likelihood is higher. That is, they engage in "deep," "controlled," "systematic" analysis of information stimuli (Petty & Cacioppo, 1986). Frequently, consumers are exposed to both relevant and irrelevant information concerning the performance of various products. According to the ELM, when consumers view the decision as important, they are more likely to become involved and process information via the central route (elaborate processing). In other words, in making important decisions, consumers are likely to thoroughly evaluate all the information and make more discerning attribute performance judgments, which should increase the accuracy of their evaluations.

Consumer involvement is the major factor that affects the persuasion process leading to higher elaboration of information. The basic principal of ELM is that, different methods of including persuasion may work best, depending upon whether the elaboration-likelihood of the situation is high or low. When consumers are motivated to engage in thinking over an advertising message, the elaboration likelihood model states that involvement is high. As a result, people will likely: "(1) attend to the central arguments in the appeal; (2) attempt to access relevant associations, images, and experiences from memory; (3) scrutinize and elaborate upon the externally provided message arguments in light of associations available from memory; (4) draw inferences about the merits of the arguments based on their analysis of the data extracted from memory and from the appeal; and (5) derive an

overall-evaluation of, or attitude toward, the issue or object recommended in the appeal" (Petty & Cacioppo, 1986). Therefore, in a high involvement situation, the ELM suggests that consumers will follow the central route to persuasion to cautiously consider the merits of a purchasing decision. Consumers will devote more attention to product information, generate more thoughts and connections with the product, more thoroughly scrutinize product information, and exercise care in brand selection (Celsi & Olson, 1988). Thus, during the high involvement state the central route of persuasion is more likely and product relevant information is more important.

On the other hand, in low involvement situations, consumers are not motivated to scrutinize product information or engage in elaborate cognitive activity (Petty & Cacioppo, 1986). As a result, acceptance or rejection of the message is not based upon consideration of the specific message information. Instead, it is based upon peripheral aspects of a message, such as positive or negative cues that have no link to the product itself, (charity logo). These peripheral aspects have been characterized as "automatic," "shallow," "heuristic," and/or "mindless" and primarily occur when elaboration likelihood is low (Tversky, Slovic & Kahneman, 1990; Johnson & Eagly, 1989; Petty & Cacioppo, 1986). With peripheral processing, perceptions are formed as a result of simple cues or heuristics without careful scrutiny of information presented.

Consumers will draw use these peripheral cues to draw inferences about the products, which affect their attitudes and opinions toward the advertising message (Petty & Cacioppo, 1986). Specifically in the peripheral route, if an decision is unimportant (i.e. low involvement by the consumer), or the person is unable to obtain

the necessary information, the person will attempt to conserve time and energy by using simple cues and decision rules to form quick, short-term attitudes. Peripheral cues are the "elements of the advertisement that are not related directly to the merit of the product advertised and are processed relatively effortlessly" (Zhang & Buda, 1999). Peripheral cues are pieces of information that enter the consumers' subconscious and affect their attitudes, but do not enter our conscious processing. They fail to enter consciousness because of the lack of motivation to process the information (Perry, Jenzowsky, King & Yi, 1997). Lower motivation and involvement for the consumer translates into more emphasis on observable characteristics such as source attractiveness, source expertise, background music that generates a pleasurable mood, props that create positive feelings, and so forth.

The ELM indicates that based on the situational involvement (high or low), the cognitive responses exhibited by and individual may vary (Petty & Cacioppo, 1986). The individual's initial involvement and the quality of the information source may be the two most important determinants of whether positive or negative responses are elicited by the situation. These responses lead to favourable or unfavourable attitudes toward the message or situation leading to the likelihood of the individual taking an action (Petty, Cacioppo & Schumann, 1983). When individuals are highly involved they devote their efforts to evaluate the true merits of an issue or product. Therefore, in the high involvement condition, consumers will favour central cues whereas in the low involvement state consumers will favour peripheral cues (i.e. charity logos). The present research represents a conceptual replication of the ELM;

that is, it uses a similar conceptual structure but incorporates a change in the operationalization of the variables.

Situational Involvement

Involvement has been described as "an individual, internal state of arousal with intensity, direction, and persistence properties" (Andrews, Durvasula & Akhter, 1990). A great deal of attention has been given to the construct of involvement in advertising research (Muehling & Laczniak, 1988; Gardner, Mitchell & Russo, 1985; Krugman, 1965), as it has been identified as an important variable that influences advertising effectiveness. For example, using the discussed framework above, the elaboration likelihood model (ELM), Petty, Cacioppo and Schumann (1983) indicated that under a low involvement condition, consumers would process information through the peripheral route rather than the central route. Consumers' attitudes are influenced more by situational cues under low involvement, whereas message information and strength plays a more important role under high involvement. Thus, the ELM and involvement provide and important theoretical perspective for understanding the role of message framing in advertising.

Sherif and Cantil (1947) first developed the concept of involvement when examining social psychology from the study of ego-involvement. They stated "a subject is said to be involved when the social object is in the subject's ego domain" (p.129). Since then, studies of involvement using this type of dichotomy have emerged as a major stream of consumer research (Zaichkowsky, 1985). The concept of involvement has generated considerable interest in research to assess attitudes and determine the implications of involvement in consumer information processing.

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Consumers' motivation to process product information is mostly a matter of their involvement with the product category (Bloch & Richins, 1983; Zaichkowsky, 1985; Celsi & Olson, 1988). According to the ELM, the likelihood of elaboration is determined by a person's involvement and ability to process information (Petty & Cacioppo, 1986). When involvement is low, making inferences based on the cues forms product category perceptions. These cues may cause poor or biased information processing; thus, less accurate product perceptions may form in the consumer's long-term memory. Conversely, consumers with higher levels of involvement are likely to engage in elaborate information processing (Petty & Cacioppo, 1986; Celsi & Olson, 1988). These consumers are likely to have well-developed thoughts for the strengths and weaknesses of the product category.

In an article written by Tyebjee (1979), the author argues that the concept of involvement is multidimensional. The multidimensionality of involvement is supported empirically by Bloch and Richins (1983) and Zaichkowsky (1985). Both of these researchers viewed involvement as having three major antecedent factors. The first factor relates to the characteristics of the person, the second factor relates to the characteristics of the stimulus, and the third factor relates to the characteristics of the situation (Zaichkowsky, 1985). One or more of these factors could directly affect involvement when the stimulus is in the context of involvement with products (Hupfer & Gardner, 1971), with advertisements (Krugman, 1965) or with purchase situations (Clarke & Belk, 1978). Due to the conceptual differences, the absence of a universal definition, and the lack of an appropriate theoretical context, the full potential of involvement as a useful construct has not been realized.

In an effort to overcome these conceptual differences, this study will focus around one dimension of involvement: situational involvement. This dimension has been empirically established by both Celsi and Olson (1988) and through the model created by Houston and Rothschild (1978). In addition, many researchers have suggested that involvement plays an important role in how consumers are motivated, evaluate and react to certain messages and advertisements (Celsi & Olson, 1988; Petty & Cacioppo, 1986; Zaichkowsky, 1985). Celsi and Olson (1988) believe that the difference in how consumers react to advertisements and search for information regarding a product or service is tied to the degree of personal relevance. This degree of personal relevance is termed involvement (Schiffman & Kanuk, 1994). A consumer's level of involvement with an object, situation, or action is determined by the extent to which the consumer perceives the notion to be personally relevant (Celsi & Olson, 1988). If the knowledge is personally relevant, an involvement state is activated which affects such actions as evaluation, information searching and processing (Celsi & Olson, 1988). Consumer involvement can be classified based on the source of personal relevance. In this case, the source of personal relevance is situational involvement. Celsi and Olson (1988) describe situational involvement as "physical aspects such as specific stimuli, cues, and contingencies in the consumer's immediate environment." In addition, most situational factors are dynamic, changing and temporary.

On the other hand, the paradigm that Houston and Rothschild (1978) discuss was coined the S-O-R paradigm. Encompassed in this theory were three different forms of involvement, which included situational (S), enduring (O), and response (R)

involvement. This study will operationalize the concept of involvement through one specific type of involvement defined and described by Houston and Rothschild (1978) called situational involvement. The study will examine the effects of situational involvement with other independent variables on several ad-related response variables in the context of an advertisement experiment. Belk (1975) defines a situation as "all those factors particular to a time and place of observation which do not follow from knowledge of personal and stimulus attributes, and which have a demonstrable and systematic effect on current behaviour" (p.157). According to Houston and Rothschild they include the impact of stimulus on situational involvement. Situational involvement is defined as the ability of a situation or product characteristics to elicit certain behaviours toward a product or advertisement (Houston & Rothschild 1978). Such product characteristics include, cost, time of consumption of a single unit of product, and complexity with respect to the number of performance-related attributes. In this context, durable goods generate a higher level of situational involvement then nondurable goods. As a result, a high situational involvement state is described as one that occurs when an individual enters a scenario where they will be making an immediate purchase decision for a durable good. Whereas, a low involvement state occurs when individuals are not making a specific purchase decision in the immediate future in regards to a durable good. Based on this previous research, this study focused on specifically durable goods and uses anticipated purchases to manipulate situational involvement.

Consumers' motivation to process product information is primarily influenced by their situational involvement with the product (Celsi & Olson, 1988). According to

the ELM, the likelihood of elaboration is determined by a person's involvement and motivation to process information (Petty & Cacioppo, 1986). When consumers' situational level of involvement is high, they are more likely to engage in central information processing. Therefore, due to central processing, consumers are more likely to exert greater cognitive effort and focus on product attributes and information found in the advertisement. However, when situational involvement is low, the ELM theory states that peripheral information processing is more likely to occur. As a result, consumers will focus more on the peripheral cues (i.e. CRM) found in the advertisement than on detailed product information.

Therefore, when situational involvement is high, consumers will tend to carefully process product information and attributes. As a result, non-product attributes like CRM claims should minimal impact on the dependant variables (i.e. purchase intentions, attitudes toward the brand, the advertisement and the company). However on the other hand, when situational involvement is low, consumers will tend to focus on peripheral cues. As a result, CRM claims, which are peripherally based, should carry more weight and have a larger impact on the dependant variables. Consequently;

> **Hypothesis #2:** A two-way interaction is predicted between involvement situations and CRM, such that (Figure 3):
>> (a) In high involvement situations, CRM advertisements will lead to similar purchase intentions, similar attitudes toward the product brand and comparable attitudes toward the advertisement and company, than advertisements without CRM.

(b) In low involvement situations, CRM advertisements will lead to

higher purchase intentions, more positive attitudes toward the product

brand, advertisement and company than ads without CRM.

Figure 3: Hypothesis #2

```
D.V.'s        HI  |        with CRM
(i.e.             |    _____
Purchase          |               ‾‾‾‾‾‾‾‾‾‾___
intentions)       |                            
                  |    _____
                  |   ‾‾‾      without CRM
              LO  |_____
                     LO                    HI
                  Situational Involvement
```
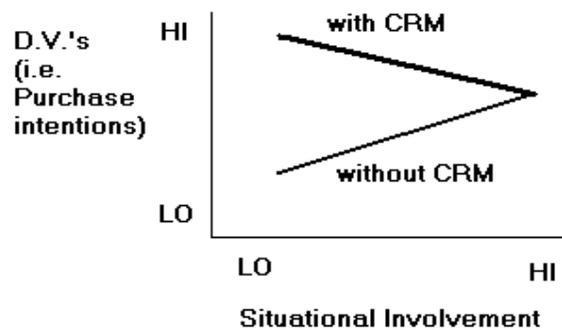
Price Effect

Price is one of the key factors considered when consumers enter the

marketplace. Consumers must allocate a fixed set of financial resources across

various products to attempt to maximize overall satisfaction. In addition, it is a means

through which society allocates wealth (Monroe, 1979). As a result, price is a variable

that has an important and extensive impact on society.

Because of the importance of price, many previous research studies have

examined its impact on various factors. One particular avenue of research has

explored the influence of price on consumers. This stream of research has indicated

that price can have numerous effects. For example, it can affect perceived value,

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attitudes, willingness to buy, and behaviour (Petroshius & Monroe, 1987). Despite the current research efforts, minimal research has been done when understanding what effects price has on social marketing strategies. In particular, there is no reason regarding the effects that price has with the issue of cause-related marketing. For instance, previous studies (as reported earlier in this study) have shown that most consumers, if price and quality are equal across products, are more likely to switch to a brand that has a cause-related marketing benefit (Cause Related Marketing, 2002). In addition, another study found that 92% of respondents believe it is important for marketers to seek out ways to become good corporate citizens (Blum, 2000; Krol, 1996).

For this study, the theoretical model used to frame the effects price will have on the issue of CRM is based on Tversky and Kahneman's (1979), Prospect Theory. Prospect theory examines decision strategies under risk; when consumers have something to gain or lose in a situation. This theory was developed for "simple prospects with monetary outcomes and stated probabilities, but it can be extended to more involved choices" (Tversky & Kahneman, 1979, p. 285). Tversky and Kahneman (1979) have shown that individuals are more risk averse when choices or alternatives are framed as potential gains than they will be when choices are framed as potential losses. Risk-averse choices prefer sure gains to larger but riskier gains, while risk-seeking choices prefer riskier outcomes to sure losses of equal expected value. Central to prospect theory is the value function. In prospect theory, outcomes are framed as positive (gains) or negative (losses) deviations from a reference point. This value function was argued as being s-shaped with its origin at the reference

point, a convex shape for losses in the lower left quadrant and a concave shape for

gains in the upper right quadrant (Figure 4). Marginal increases in either actual gains

or losses were viewed as having diminishing value.

Figure 4: Prospect Theory Chart
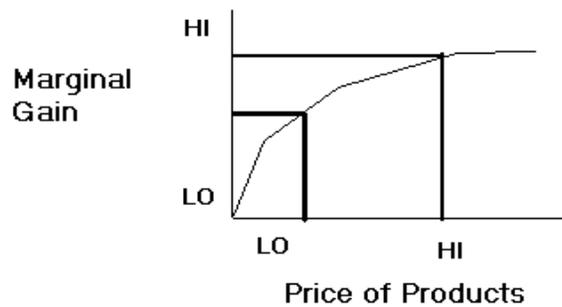
Unlike many other theories of consumer behaviour, the prospect theory

focuses on the reality of choice behaviour rather than the anticipatory process of

consumer choice (Maheswaran & Meyers-Levy, 1990). In short, the general

conclusions from the prospect theory state that individuals will place different values

on the same outcome. As a result, this theory implies that "the marginal gain (loss)

decreases (increases) with increased (decreased) magnitude or value" (Tversky &

Kahneman, 1979). A brief illustration of this theory would be that consumers would

rather pay an extra $10 for delivery of a $3000 big-screen TV than pay an extra $10

for delivery of $300 DVD player.

The conclusions drawn from the prospect theory can be directly applied to the effect that price of a product has on the issue of cause-related marketing. Similar to the example, consumers are likely to be more influenced by a company that contributes to charity with a low priced (valued) item, than with a high priced item. The rationale for the consumer is the same as with the prospect theory when evaluating CRM and product price (value). When applying the prospect theory, the benefit or the marginal gain (value added) translates into the CRM logo in the advertisement. Therefore, due to the charity logo being present in the ad, the influence the CRM logo will have on the consumer is greater for a low priced product than a high priced product (Figure 4). As a result, low priced products with CRM are likely to have a larger impact on the dependant variables, than higher priced products. Hence, according to the prospect theory, as price or value of the product increases, gains or the effectiveness of the CRM claim diminishes. Therefore, a main-effect relationship is predicted between price of the product and CRM such that:

> **Hypothesis #3:** Low price product advertisements with CRM will lead to higher purchase intentions, more positive attitudes toward the product brand, advertisement and company, than high priced product advertisements with CRM (Figure 4).

Figure 5: Hypothesis #3
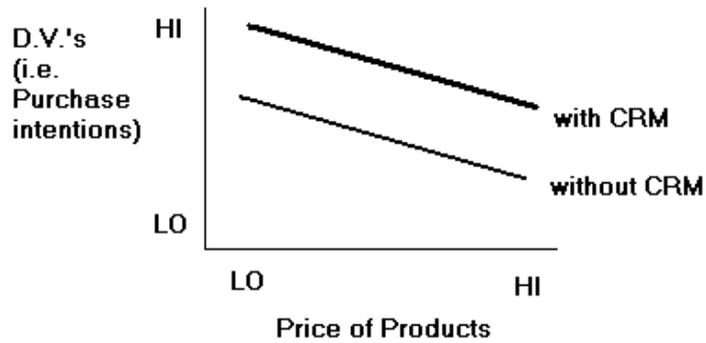
Thus, through applying the prospect theory of price, involvement and ELM to the issue of CRM, it may be possible to gain greater insights into whether cause-related marketing campaigns can serve as an effective marketing tool. Therefore, the final two hypotheses are:

Hypothesis #4: A two-way interaction effect is predicted for high priced products when examining involvement situations and CRM, such that (Figure 5):

(a) In low involvement situations, CRM advertisements will lead to higher purchase intentions, attitudes toward the product brand, advertisement and company, compared to ads without CRM.

(b) In high involvement situations, advertisements without CRM will lead to higher purchase intentions, attitudes toward the

product brand, advertisement and company, compared to ads

with CRM.

Figure 6: Hypothesis #4
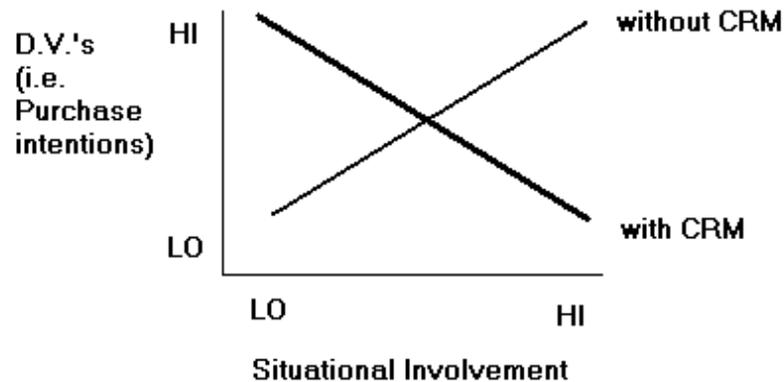
In addition, a main-effect relationship is predicted for low priced products

when investigating involvement situations and CRM, such that:

Hypothesis #5: For low priced products in both low and high involvement

situations, CRM advertisements will lead to higher purchase intentions,

attitudes toward the product brand, advertisement and company, than

advertisements without CRM (Figure 6).

Figure 7: Hypothesis #5
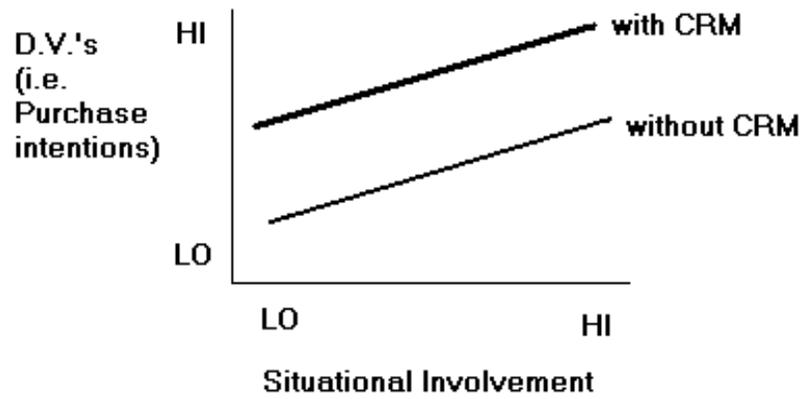
CHAPTER THREE

Research Method

Overview of the Research Design

This study encompassed three (3) stages. First, a pre-test with students from the University of Lethbridge was conducted to determine product categories that have similar moderate involvement levels. The second pre-test examined these product categories (discovered in the first Pre-test) in hopes of finding four product categories and two equally perceived brands within each of the four product categories. Within the four product categories, the objective was to find two relatively high priced items and two low priced items. Finally, the main study had students examine a "mock magazine" with various product brand advertisements (from the second Pre-Test) that included the presence and absence of CRM ads. The subjects then rated their purchase intent, attitude toward the product brand, attitude toward the advertisement and attitudes toward the company. Finally, the relationships hypothesized among these variables were then tested. The Human Subjects and Ethics Committee at the University of Lethbridge approved this study.

Quantitative Instruments Employed

To measure the dependant variables, the pre-tests and main experiment study contained multi-item measures, which have been based on previous research. The reliability of the five- point scales used was measured through Cronbach's Alpha, which indicated that all scales were highly reliable. The following scales were used:

a) The scale items used to measure the subject's attitudes toward the advertisement and company was taken from a scale used in previous research

(MacKenzie & Lutz, 1989) and included three bi-polar adjective items: unfavourable/favourable; negative/positive; bad/ good. From this previous research (Newell & Goldsmith, 2001), the reliability of this scale using Cronbach's Alpha and was found to be 0.90.

b) The scale items used to measure the subject's attitude toward the product brand was taken from a scale used in previous research (Muehling & Laczniak, 1988) and included three-item bi-polar adjective items: negative/positive; unfavourable/favourable; bad/ good. From this previous research (Newell & Goldsmith, 2001), the reliability of this scale using Cronbach's Alpha and was found to be 0.92.

c) The scale items used to measure a subject's level of involvement toward a product was taken from the ten-item bipolar adjective "revised" scale developed by Zaichkowsky (1994). These ten items included: important/unimportant; boring/interesting; relevant/ irrelevant; exciting/unexciting; means nothing/ means a lot to me; appealing/ unappealing; fascinating/ mundane; worthless/ valuable; involving/ uninvolving; not needed/ needed. Previous research suggests that this scale possess both content and construct validity. From this previous research (Zaichkowsky, 1994), the reliability of this scale using Cronbach's Alpha and was found to be 0.95. Although this level of reliability may seem high, Nunnally (1978) reports reliability in the 0.90s is to be expected for bipolar adjective scales, which are meant to measure one construct.

d)   Finally, the scale items used to measure purchase intentions were taken form a scale of purchase intentions developed by Bearden, Lichtenstein and Teel (1984). The three scale items used in the pre-tests and the final study were likely/unlikely; probable/ improbable; possible/impossible. From this research (Bearden, Lichtenstein & Teel 1984), the reliability of this scale using Cronbach's Alpha and was found to be 0.90.

Pre-Test #1

Procedure and Subjects

Two pre-tests were conducted prior to the main experiment to choose the products and brand names featured in the experiment advertisements. The products were determined on the basis of the first pre-test (Appendix A). In the first pre-test, volunteer university student subjects (N=28) rated their attitudes and involvement with seventeen different product categories. Each subject rated the product category on a five-point scale, which measured personal attitudes and involvement with the product. The attitude scales were anchored with "Unfavourable/Favourable", "Negative/ Positive" and "Bad/ Good" on either side, while the involvement scales were anchored with "Unimportant/ Important", "Doesn't Matter to Me/ Matters to Me", "Boring/ Interesting" and "Irrelevant/ Relevant". The reliability analysis for the attitude scale was 0.98 and 0.96 for the involvement scale. The objective of this first pre-test was to identify products that created similar levels of involvement and attitudes for the subjects. The products that created extremely high or low feelings of involvement for subjects would be eliminated as the objective of the final study was to create and manipulate the high and low involvement conditions.

Results

This pre-test displayed that six products were viewed as similar by the subjects in terms of their attitudes and moderate level of involvement. This follows Yi's (1990) recommendation that "subjects should have some interest in the product so that they [will] process information in the ad." As a result, the product categories that were selected to proceed to the second pre-test included: PDA's (Pocket PCs), Cordless Razors, Toothbrushes (battery-operated), In-Line Skates, Condoms and Volleyballs. From the original seventeen product categories surveyed, these six products were all similar in two distinct statistical areas. The first area was their similarity in subject ratings of their personal attitudes toward the product category. The products mean attitude ratings were all closely related, as the means fell in the range of 4.26 to 4.79; PDA's (M=4.31), Cordless Razor (M=4.46), Toothbrushes (M=4.26), In-Line Skates (M=4.65), Condoms (M=4.79) and Volleyballs (M=4.43). The second area that rivalled in comparison was the mean ratings of the involvement measure. For these same product categories the mean scores fell in a similar range around an average of approximately 3.36. PDA's (M=3.33), Cordless Razor (M=3.33), Toothbrushes (M=3.50), In-Line Skates (M=3.80), Condoms (M=3.23) and Volleyballs (M=2.95). The details of the statistics and the mean ratings for the remainder of the product categories tested can be viewed in Appendix B.

<center>*Pre-Test #2*</center>

Procedure and Subjects

In the second pre-test, a different set of volunteer university student subjects (N= 46) rated their personal attitudes towards the four most successful brands within

each of the determined product categories from the first pre-test (Appendix C). The most successful brands were selected from the most typical electronic resource used in market research; the Simmons Study of Media and Markets (Simmons Market Research Bureau, 2000). The Simmons Study of Media and Markets examines consumer demographics by the most popular product types, product names and brand names. It is an annual survey of 19,000+ households. It specifically investigates characteristics of respondents, exposure to media, usage of products and services by brand names, demographic and psychographic characteristics and user media behaviour. From this, the four most popular brands were selected for use in this pre-test. In this pre-test, subjects indicated their overall attitudes toward the four brands within each of the four product categories that were decided from the first pre-test. The scale was based on five-points and was anchored by "Unfavourable/ Favourable", "Negative/ Positive" and "Bad/ Good" on either side. The reliability analysis for the attitude scale was 0.97. The objective of pre-test was to assess subjects' prior attitudes toward certain brands in order to control for heterogeneity in prior brand preferences.

Results

As a result of what was discovered in the first pre-test; Table 2 displays the six product categories that were determined from the first pre-test (PDA's, Cordless Razors, Toothbrushes (battery-operated), In-Line Skates, Condoms and Volleyballs) and the four brands within each product category that were rated by each subject in the second pre-test for their attitude scores. As described above, the four most popular brands were chosen as the basis for determining the required brands from each

product category. Therefore, there were 24 total brands to analyze from six different product categories.

Table 2: Pre-Test #2: Product and Brand Summary

Product Categories	Brand Names	Attitude Mean Scores
PDA or Pocket PC	Palm Pilot	4.89
	Compaq	4.75
	Hewlett-Packard	4.97
	Sony	5.38
Cordless Razor	Remington	5.51
	Norelco	3.97
	Phillips	5.83
	Conair	4.53
Toothbrushes (battery-operated)	Braun Oral-B	5.38
	Crest	5.29
	Sonicare	3.84
	Colgate	5.15
In-Line Skates	Bauer	5.72
	Rollerblade	5.30
	CCM	5.44
	Bladerunner	4.47
Condoms	Lifestyles	5.27
	Trojan	5.22
	Durex	4.86
	Kimono	3.45
Volleyballs	Mikasa	3.87
	Spalding	5.43
	Wilson	5.71
	Asics	4.44

From these 24 brands, two brands from each product category were chosen and the six product categories were reduced to four product categories based on overall mean attitude scores and statistical significance tests. The final four products and eight brands were all similar in two major statistical areas. The first area of similarity was the subject ratings of their personal attitudes toward the distinct brands. The mean brand attitude ratings were all closely related, as a result the mean ratings of

brands that were no greater than 0.14 were chosen for the experimental stage of the study. More specifically for PDA's, the brands that were similar in mean rating were Palm Pilot (M=4.89) and Compaq (M=4.75). For Toothbrush brands, Crest (M=5.29) and Braun Oral B (M=5.37) were selected. While for In-Line Skates and Condoms, Rollerblade (M=5.30), CCM (M=5.44), Trojan (M=5.23) and Lifestyles (M=5.26) respectively were the selected brands. In addition, ANOVAs were utilized to display that the brands chosen within each of the product categories did not differ significantly from one another. The brands were chosen because they were not significantly different included Palm Pilot and Compaq (F=0.198, p>0.05), Oral B and Crest (F=0.091, p>0.05), Rollerblade and CCM (F=0.275, p>0.05) and Lifestyles and Trojan (F=0.893, p>0.05). This is noteworthy as it shows that the mean differences between the brands chosen were not significant and that the brands appear to generate similar attitudes according of the subjects. As a result, findings in the experiment should then stem from the manipulations and not from the brands chosen and their differences. The details of the statistical analysis for the product categories and brands chosen can be viewed in Appendix D.

The Main Experiment

Design

The experimental study utilized a **2** (high or low involvement) X **2** (high or low price) X **2** (CRM or no CRM), fully crossed, mixed factorial design, to test the above five formal hypotheses (Figure 7). The within-subject factors were defined in this study through each subject viewing both high and low priced products, the presence and absence of CRM advertisements, and being part of a high and low involvement situation. The between- subjects factor was non-theoretical in nature, as it dealt with the pairings of the high and low priced products and high and low involvement conditions, which was necessary in order to obtain a fully crossed design. Additionally, two different orderings were used in an effort to control for any ordering effects.

Figure 8: The Experimental Design

HIGH Involvement Situation

	CRM Present	CRM Absent
High Price Product		
Low Price Product		

LOW Involvement Situation

	CRM Present	CRM Absent
High Price Product		
Low Price Product		

The three independent variables, namely, price of the product, cause-related

marketing, and involvement, were manipulated at two levels; for price and

involvement either high or low and for CRM either present or absent in the

advertisement. Following the manipulations, four dependent variables were

investigated, namely, purchase intent, attitudes toward the brand, advertisement, and

company.

Operationalization of the Variables

Mock magazines were designed to test the proposed hypotheses. The

magazines contained advertisements, which manipulated product and presence or

absence of CRM cues. Samples of mock magazine advertisements can be seen in

Appendix E. Additionally, subject instructions at the beginning of the study

manipulated situational involvement. Each subject was presented with one of the

eight possible manipulations (high or low price x CRM or no CRM x high or low

involvement). The use of mock magazines to operationalize the independent variables

is considered a credible approach in the marketing literature as it has been

successfully applied in previous research studies for managers (Kirmani & Wright,

1989).

Price was manipulated by describing the product as either one that has a price

over one hundred dollars or a price below one hundred dollars. The hundred-dollar

figure was chosen as an appropriate middle dollar amount based on the various

products and pre-tests. Having the "mock magazine" advertisements either with a

CRM logo or without a CRM logo, operationalized the independent variable of

"presence or absence of cause-related marketing." The independent variable "level of

involvement" was manipulated in the high involvement state by describing to the subjects that they should **"imagine they were going to purchase"** a specific product from the "mock magazine." In the low involvement state, the manipulation took place through the <u>lack</u> of such an involvement statement. Manipulation checks were administered to make sure the various independent variables were being correctly identified.

Four dependent variables were used to assess the effect of the experimental treatments (Appendix F). These questions were based on a five-point bi-polar adjective scale (i.e. 1=unlikely to purchase, 5=likely to purchase) in order for respondents to indicate their specific 1) purchase intentions, 2) attitude toward the product brand, 3) attitude toward the advertisement and 4) attitude toward the company.

Subjects

To test the study hypotheses, a major university in southeastern Alberta was selected. One hundred and sixty undergraduate students from various university summer courses participated in this study. These subjects had come from various locations from across Canada for specific summer courses across all disciplines. Participation in this study was not a class requirement and was strictly voluntary. All participants agreed and consented to this study. The data was collected over a one-week period and none of the subjects in the experimental study had participated in the previous pre-tests. The entire procedure took less than ½ hour (approximately 25 minutes). Subjects ranged from 18 to 50 years of age. 64% were male and 36% of the subjects were female.

Procedure

Subjects in the experiment were told they were part of a test on "Consumer Attitudes toward Advertisements". Subjects were randomly assigned to one of the eight between-subjects, non-theoretical pairing conditions. A different magazine format was created for each of these eight between-subject conditions in order to counterbalance the assignment of CRM cues and particular brand pairings (Figure 8). The within-subjects, theoretical variables were manipulated within each of these eight conditions, according to pre-test results.

As a result, each subject was exposed to each of the two charities, each of the two involvement situations, the presence or absence of CRM cues, and one each of the high and low priced products. This was important because it allowed us to control for any possible effects of the popularity of the charity, the type of involvement situation and the price of the products. Furthermore, within each of the booklets, there was no repetition in the charity logos used, the manipulated situation or product brands.

Each subject read an introductory instruction letter that explained the ethical guidelines and the procedure for this study (Appendix G). At the beginning of the experiment, the subjects were asked to read one of the following involvement manipulations describing a certain situation that they were to frame their mind in when examining the mock magazine (Table 3).

To enhance external validity the advertisements used for each brand were based on actual advertisements, and were matched as closely as possible in the CRM/ non-CRM conditions, in an attempt to minimize any non-theoretical differences

between the advertisements. When the subjects finished the questionnaire, they were

debriefed, asked if they had any questions, thanked, and dismissed from the room.

Figure 9: Mock Magazine Layouts

	Price & Type of Product	CRM Present	CRM Absent	Involvement
Magazine 1	High Price (In-Line Skates)	Rollerblade w/ Heart & Stroke	CCM	HI
	Low Price(Toothbrushes)	Oral B w/ Red Cross	Crest	LO
Magazine 2	High Price(In-Line Skates)	CCM w/ Red Cross	Rollerblade	LO
	Low Price (Toothbrushes)	Crest w/ Heart & Stroke	Oral B	HI
Magazine 3	High Price (In-Line Skates)	CCM w/ Heart & Stroke	Rollerblade	HI
	Low Price (Condoms)	Lifestyles w/ Red Cross	Trojan	LO
Magazine 4	High Price (In-Line Skates)	Rollerblade w/ Red Cross	CCM	LO
	Low Price (Condoms)	Trojan w/ Heart & Stroke	Lifestyles	HI
Magazine 5	High Price (PDA's)	Palm w/ Heart & Stroke	Compaq	HI
	Low Price (Toothbrushes)	Crest w/ Red Cross	Oral B	LO
Magazine 6	High Price (PDA's)	Compaq w/ Red Cross	Palm	LO
	Low Price (Toothbrushes)	Oral B w/ Heart & Stroke	Crest	HI
Magazine 7	High Price (PDA's)	Compaq w/ Heart & Stroke	Palm	HI
	Low Price (Condoms)	Trojan w/ Red Cross	Lifestyles	LO
Magazine 8	High Price (PDA's)	Palm w/ Red Cross	Compaq	LO
	Low Priced Product (Condoms)	Lifestyles w/ Heart & Stroke	Trojan	HI

Table 3: Manipulated Magazine Situations

Toothbrush Situation
Imagine that you have just woken up in the morning and you move into the bathroom to brush your teeth and have a shower, when you glance into the toilet bowl and see your toothbrush at the bottom of the bowl. You are disgusted and upset. As a result, you have your shower and then travel to the local grocery store to buy a new toothbrush.   You will now be reviewing this booklet of advertisements, in order to make your <u>final decision</u> of which **toothbrush brand** to **<u>purchase</u>**. Please take a few moments to think about this situation. When you are finished reading this information please proceed to the next page of the booklet.

In-Line Skates Situation
Imagine that your best friend has just come to pay you a visit at your home. Your friend is extremely excited because for their birthday they received a pair of in-line skates. Your friend now wants you to get a pair, so that the two of you can leisurely skate together. You decide that this would a great idea and immediately go to the nearest sporting goods shop to buy a pair of in-line skates for yourself.   You will now be reviewing this booklet of advertisements, in order to make your <u>final decision</u> of which **brand of in-line skates** to **<u>purchase</u>**. Please take a few moments to think about this situation. When you are finished reading this information please proceed to the next page of the booklet.

PDA Situation
Consider that you have just graduated from university with a Management degree. You have just accepted a high salaried full-time job with a company that requires you be extremely organized and punctual. Due to the importance of this new job and the company's emphasis on being organized, you decide to purchase a PDA (Pocket PC) to help alleviate any potential organizational problems that might arise.   You will now be reviewing this booklet of advertisements, in order to make your <u>final decision</u> of which **PDA brand** to **<u>purchase</u>**. Please take a few moments to think about this situation. When you are finished reading this information please proceed to the next page of the booklet.

Condom Situation
Imagine that you are preparing for a really "hot" date with a person you have been dating for quite some time. In addition, please consider that you are a regular user of condoms. After getting ready for the date at your home, you get into your vehicle and drive to your dates' home. Along the way, you realize that you are out of condoms. As a result, you decide to stop at the local drugstore and pick up some condoms, just in case the night brings something special. You walk into the drugstore and down the condom isle.   You will now be reviewing this booklet of advertisements, in order to make your <u>final decision</u> of which **condom brand** to **<u>purchase</u>**. Please take a few moments to think about this situation. When you are finished reading this information please proceed to the next page of the booklet

CHAPTER FOUR

Results

Data Analysis

Data were analysed using the SPSS ® version 10.0 statistical package. The set a priori significance level of 0.05 was used for all significant tests. Originally, three different attitude measures were used in the study. The measures examined attitudes toward the brand, advertisement and company. After careful examination, it was determined based on factor analysis techniques (Appendix H) and reliability analyses that the three attitude measures could be combined together and judged as one unified variable. Hence, throughout the results section this new variable will be called "consumer attitudes".

The major statistical tool used for analyzing the five proposed hypotheses was the repeated-measures ANOVA. Price of products, involvement situation and the presence or absence of CRM was the within-subjects factors, while the non-theoretical ordering variable was the between-subjects factor. Although this design was fully crossed between price, involvement and CRM, pairings of these variables were not fully crossed. Specifically, subjects were situated in one of two mock magazine conditions, but not both. Subjects either viewed, (a) High Involvement, High Priced products & Low Involvement, Low Priced products, or (b) High Involvement, Low Priced products & Low Involvement, High Priced products. As a result, this was merely an artifact of the stimuli ordering as it did not hinder the hypothesis testing.

Manipulation Checks

Various scales and questions that were presented throughout the questionnaire served as manipulation checks. The first manipulation check examined the involvement manipulation. This focused on the difference between the "focused" versus "extra" advertisements. Extra ads were the low involvement manipulation, as the subjects had not been instructed to consider purchasing them. For the involvement manipulation check, participants were asked at the end of the questionnaire, "You read a scenario at the beginning of the booklet, and were asked to make a purchase decision about that certain product…what was that product?" The results showed that 96.3% of the subjects correctly remembered and identified their original product (which in the manipulation was the high involvement product situation). Subjects were also asked if they remembered the extra advertisements and brands found in the advertisements with the following open-ended questions; "What were the extra product advertisements promoting?" In this case, 93.1% of subjects remembered the product. However, a paired t-test comparing these rates of recall was not significant (t = 1.07, p > .10). This was likely a result of very high recall rates, otherwise known as "ceiling effects."

A second manipulation check examined if the price treatment was effective. Subjects were exposed to both high and low priced products, therefore subjects were asked to indicate which of the two product categories were higher in price. The responses were then determined to be either correct or incorrect. Ninety-eight percent of the subjects correctly identified the higher priced product in the magazine. This

suggests that subjects correctly identified the higher priced product and hence the price manipulation appeared successful.

Another set of questions examined if the subjects could remember the charity logos present in any of advertisements and if they could correctly recognize the charity/ company pairing that they viewed in the magazine. Subjects were asked to remember and identify, through open-ended questions, the charity organizations found in the advertisements and the charity/ company pairings; "After reviewing the magazine, do you remember seeing any charitable organization logos in any of the advertisements?" and "Which product advertisements had the charity logos in the them?" Similar to the other questions, the responses were then determined to be correct, incorrect, or partially. People were 86% correct in identifying charity logos. Sixty-one percent of the subjects correctly remembered the exact charity/ company pairings and 29% partially remembered either the charity organization or one of the charity/ company pairings. These results suggest that a majority of the subjects correctly remembered the charity logos and the charity/ company pairings in the magazine even though they were not originally instructed.

Experimental Results

General Data and Means

This study was a fully crossed experimental design. As can be seen in

Appendix I, the subjects equally viewed all products. In addition, the involvement

situation and price with respect to all products were completely balanced (Appendix

I) throughout the study design. When examining each of the high and low

involvement products and the individual attitude measures (i.e. attitude toward the ad,

brand and company) a similar trend does appear (Table 4). Overall, more favourable

feelings tend to be associated with product advertisements that support a CRM

campaign versus a product ad that does not have a CRM claim (Appendix I).

Additionally, when observing the purchase intention results, a similar trend appears in

which CRM claim ads would be supported more than non-CRM advertisements.

Table 4: Attitude and Purchase Intention Means for Involvement Situations

	High Involvement Product (with CRM)	High Involvement Product (No CRM)	Low Involvement Product (with CRM)	Low Involvement Product (No CRM)
Feelings toward the Ad	3.8	3.5	3.6	3.4
Feelings toward the Brand	3.8	3.5	3.6	3.5
Feelings toward the Company	3.7	3.5	3.7	3.5
Purchase Intentions	3.4	2.9	3.1	2.9

Hypothesis #1

To test this hypothesis, it was necessary to analyze the data using two repeated measures ANOVAs. The first ANOVA used attitude as the dependant variable while the other used purchase intentions as the other dependant variable. For both of these ANOVAs, CRM served as the within subjects factors, while the non-theoretical ordering variable serving as the between subjects variable. Hypothesis #1 predicted a main-effect for CRM. More specifically, advertisements with a CRM presence would stimulate more favourable or higher consumer attitudes and purchase intentions than advertisements without CRM claims (Figure 10). This hypothesis was supported, as consumer attitudes ($F(1,152)=9.85$, $p<0.01$) and purchase intentions ($F(1,159)=13.8$, $p<0.01$) were both significant. As predicted, ads with CRM claims produced more favourable consumer attitudes and higher purchase intentions than did ads without the presence CRM (see Figures 11, 12 and Table 5 for composite means). Results of the significance tests are summarized in Table 10 and Appendix J.

As shown in Table 5, CRM advertisements tend to dominate as they have more favourable attitudes and purchase intentions than non-CRM advertisements studied. Of all CRM advertisements analyzed, the mean consumer attitude score was 3.68 and 3.21 for purchase intentions. While for all non-CRM ads, mean scores for consumer attitudes was 3.47 and 2.89 for purchase intentions. Overall, the results and findings support hypothesis #1.

Figure 10: Original Hypothesis #1
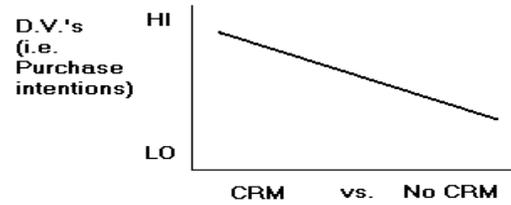
Table 5: Hypothesis #1 Results

Mean Scores		
	With CRM	NO CRM
Consumer Attitudes	3.68 a	3.47 b
Purchase Intentions	3.21 c	2.89 d

Note: If means have same subscript then they are not significantly different at $p<0.05$

Figure 11: Hypothesis #1 Results for Consumer Attitudes
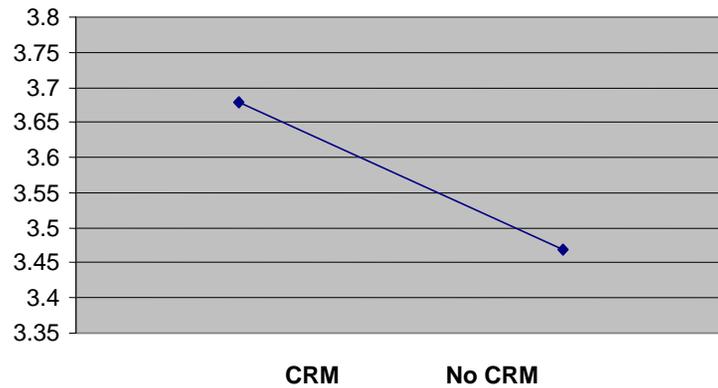
Figure 12: Hypothesis #1 Results for Purchase Intentions
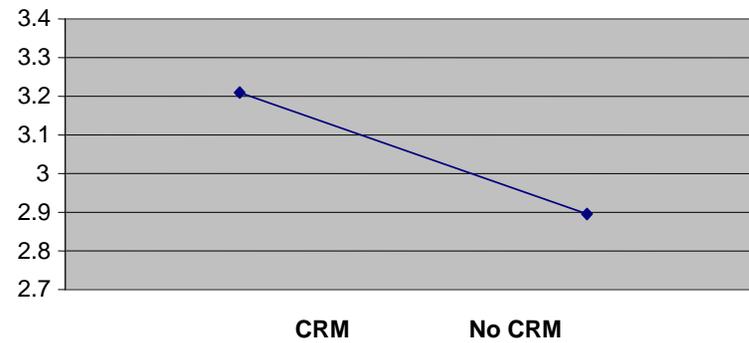
Hypothesis #2

Hypothesis #2 predicted a two-way interaction between involvement situations and CRM (Figure 13). More specifically, the hypothesis predicted that in high involvement situations, ads with CRM claims would lead to similar consumer attitudes and purchase intentions, as would advertisements without CRM claims. However, in low involvement situations, ads with CRM claims will lead to more favourable consumer attitudes and higher purchase intentions than ads without CRM claims.

To test hypothesis #2, it was necessary to analyze the data using two repeated measures ANOVAs. The first ANOVA used consumer attitudes as the dependant variable and the other used purchase intentions as the other dependant variable. For both of these ANOVAs, CRM and involvement served as the within subjects factors, with the non-theoretical ordering variable serving as the between subjects factor. Since price was not referred to in this hypothesis, price was not included in this model, thus overcoming the price/ involvement confound. The findings for this two-way interaction hypothesis between involvement situation and CRM were not supported for consumer attitudes ($F(1,159)=1.68$, $p>0.05$) or purchase intentions ($F(1,159)=2.80$, $p>0.05$). Further ANOVA results show that the main effect for involvement was also insignificant for consumer attitudes ($F(1,159)=2.278$, $p>0.05$), but significant for purchase intentions ($F(1.159)=4.306$, $p<0.05$). In addition, the non-theoretical variable was also nonsignificant ($F(7,152)=1.78$, $p>0.05$). This suggests that the stimuli ordering or pairing variable did not significantly affect the results.

Additionally, t-tests were run to examine specific differences in consumer attitudes and purchase intention means for the involvement and CRM conditions (Table

6). It was discovered for both consumer attitudes and purchase intentions that there was a significant difference between high and low involvement situations when CRM was present in the ads ($p<0.05$) and a significant difference in the high involvement condition between ads with and without a CRM claim ($p<0.05$). In addition, mean scores for consumer attitudes and purchase intentions for CRM ads in the high involvement condition tend to be more favourable and have a greater impact compared to advertisements in the low involvement condition (Table 6 and Figures 14 and 15). Additionally, t-test analyses were run and a significant effect was found, however the effects were not deemed not strong enough. The t-test significant values for the relationships can be viewed in Table 6.

In conclusion, CRM has a greater impact on high involvement than compared to low involvement situations. Therefore, some significant differences were discovered however, the general direction of the figures (Figure 14 and 15) was opposite to what was originally hypothesized (Figure 13). Results of the significance tests are summarized in Table 10 and Appendix K. Overall, the results and findings do not support hypothesis #2 (Appendix L).

Figure 13: Original Hypothesis #2

D.V.'s (i.e. Purchase intentions)

with CRM

without CRM

Situational Involvement
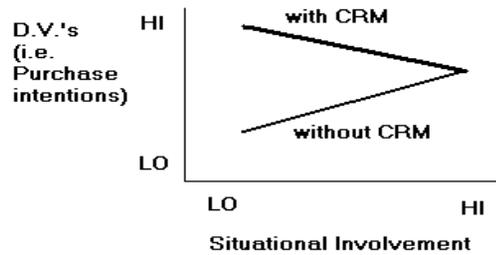
Table 6: Hypothesis #2 Results

Note: If means have same subscript then they are not significantly different at $p<0.05$

Consumer Attitudes (means)		
	With CRM	NO CRM
Low Involvement	3.60 c,d	3.46 c,d
High Involvement	3.75 a	3.47 b,c
Purchase Intentions (means)		
	With CRM	NO CRM
Low Involvement	3.05 f	2.85 e,f
High Involvement	3.37 d	2.94 e,f

Figure 14: Hypothesis #2 Results for Consumer Attitudes
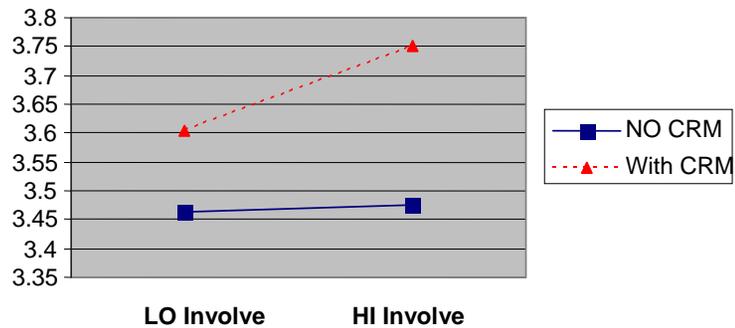
Figure 15: Hypothesis #2 Results for Purchase Intentions

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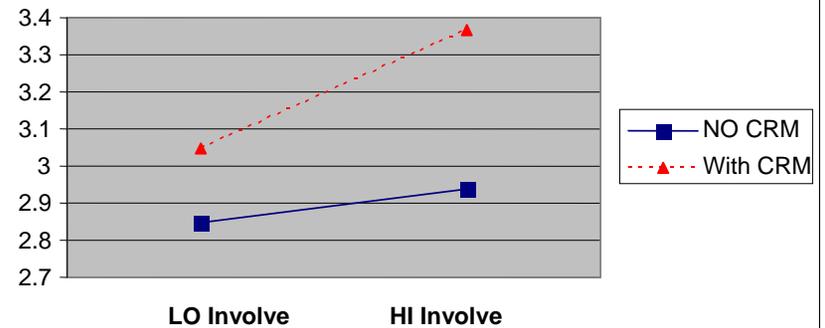
Hypothesis #3

To test hypothesis #3, two repeated measures ANOVAs were conducted; one using purchase intentions as the dependant variable and the other using consumer attitudes as the dependant variable. For both of these ANOVAs, CRM and price of the product served as the within subjects factors, and the non-theoretical ordering variable served as the between subjects factor. Since involvement was not referred to in this hypothesis, involvement was not included in this model, thus overcoming the price/ involvement confound.

Hypothesis #3 predicted a main effect between price of the product and CRM (Figure 16). More specifically, the hypothesis predicted that low price product advertisements with CRM claims would lead to higher consumer attitudes and purchase intentions than would high price product advertisements with CRM. The hypothesis for this two-way interaction between price of the product and CRM was not supported and deemed nonsignificant for consumer attitudes ($F(1,159)=0.725$, $p=0.396$) and purchase intentions ($F(1,159)=1.62$, $p=0.205$). Further ANOVA findings show that the main effect for price was not significant for consumer attitudes ($F(1,159)=0.359$, $p>0.05$) and purchase intentions ($F(1,159)=3.061$, $p>0.05$). In addition, the non-theoretical variable was also nonsignificant ($F(7,152)=1.78$, $p>0.05$). As anticipated, the non-theoretical ordering variable was not significant in these findings.

Additionally, t-tests were run to examine specific significant differences in consumer attitudes and purchase intention means for price and CRM conditions (Table 7). For consumer attitudes, it was discovered that there was a significant

difference between high priced product advertisements with and without CRM (p<0.05) and a significant difference between low priced product ads with and without CRM (p<0.05). For purchase intentions, similar significant differences were found (same as above). In addition, mean scores for consumer attitudes and purchase intentions for CRM ads in the high priced condition tend to be more favourable and have a greater impact compared to advertisements in the low priced condition (Table 7 and Figures 17 and 18). The t-test significant values for the relationships can be viewed in Table 7.

In conclusion, CRM has a greater impact on high priced product ads than compared to low priced product ads. Therefore, some significant differences were discovered however, the general direction of both figures (Figure 17 and 18) was dissimilar to what was originally hypothesized (Figure 16). Results of the overall significance tests are summarized in Table 10 and Appendix L. Overall, the results and findings do not support hypothesis #3 (Appendix L).

Figure 16: Original Hypothesis #3
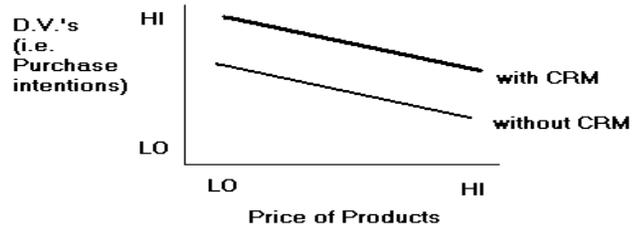
Table 7: Hypothesis #3 Results

Note: If means have same subscript then they are not significantly different at p<0.05

Consumer Attitudes (means)		
	With CRM	NO CRM
Low Price	3.64 a	3.48 b
High Price	3.72 a	3.46 b
Purchase Intentions (means)		
	With CRM	NO CRM
Low Price	3.25 c	3.03 e
High Price	3.17 c	2.76 d

Figure 17: Hypothesis #3 Results for Consumer Attitudes
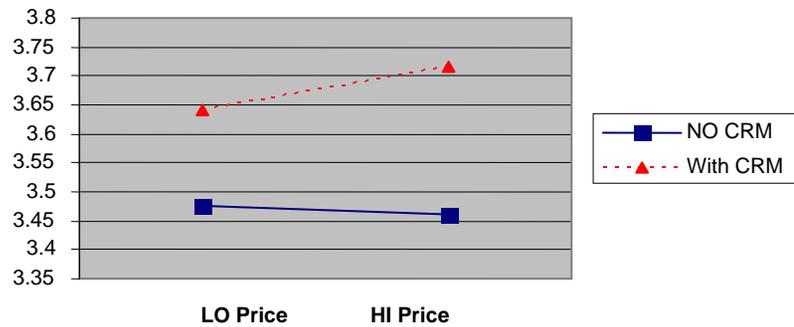
Figure 18: Hypothesis #3 Results for Purchase Intentions
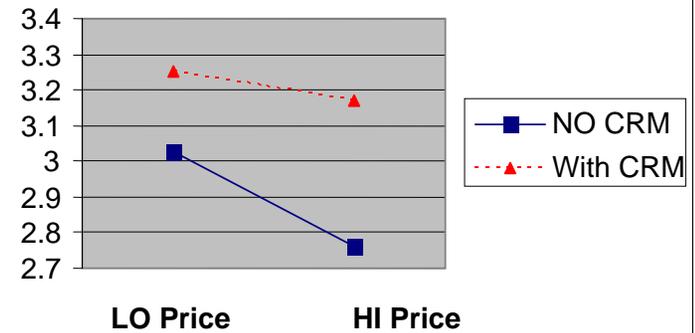
Hypothesis #4

First of all, for this hypothesis and the following hypothesis because we predicted unique and different sets of patterns for both the high and low priced products, it was necessary to run two separate repeated measures ANOVA analyses for each dependant variable. Therefore, for hypotheses four and five ANOVAs were run in which involvement was the between subjects factor, because each subject was situated in one of the two mock magazine conditions (either (a) High Involvement, High Priced products & Low Involvement, Low Priced products, or (b) High Involvement, Low Priced products & Low Involvement, High Priced products), while CRM and price were the within subjects factors.

Originally, hypothesis #4 predicted a three-way interaction effect for high priced products when examining involvement situations and CRM (Figure 19). More specifically, the hypothesis predicted that for high priced products in low involvement situations, CRM advertisements would lead to more favourable consumer attitudes and higher purchase intentions compared to ads without CRM. Additionally, for high priced products in high involvement situations, advertisements without CRM will lead to more favourable consumer attitudes and purchase intentions when compared to ads with CRM. The hypothesis for this three-way interaction between involvement situation and CRM for high priced products was not supported for consumer attitudes ($F(1,159)=2.00$, $p>0.05$). On the other hand, for purchase intentions ($F(1,159)=3.27$, $p<0.10$) a weak significant difference was discovered. Overall, the hypothesis predicted a crossing action (Figure 18) between high priced products, CRM and involvement; however the ANOVA

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results did not support this (Figure 20 and 21). Results of the significance tests are summarized in Table 10 and Appendix M.

Additionally, t-tests were utilized to examine specific significant differences in means for consumer attitudes and purchase intention (Table 8). Some interesting findings stem from both consumer attitudes and purchase intentions. For this hypothesis (only high priced products), as similar to the findings in hypothesis #2 (the average price of all products), it was discovered that there was a significant difference in consumer attitudes and purchase intentions between high involvement advertisements with CRM vs. low involvement ads with CRM ($p<0.05$). This indicates that CRM claims have a greater impact when involvement is high. Additionally, there was a significant difference for both dependant variables between high involvement ads with vs. without CRM claims ($p<0.05$).

Therefore, CRM has a more of an impact when price and involvement are high. The t-test significant values for the relationships can be viewed below in Table 8. Minimal significant differences were discovered and the general direction of both figures (Figures 20 and 21) was extremely unrelated to what was originally hypothesized (Figure 19). Overall, the results and findings do not support hypothesis #4 (Appendix M).

Figure 19: Original Hypothesis #4
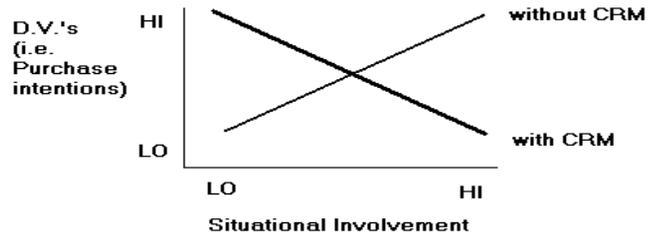
Table 8: Hypothesis #4 Results

Note: If means have same subscript then they are not significantly different at p<0.05

HIGH PRICE PRODUCTS		
Consumer Attitudes		
	With CRM	NO CRM
Low Involvement	3.63 c	3.49 b
High Involvement	3.81 a	3.43 b
Purchase Intentions		
	With CRM	NO CRM
Low Involvement	2.95 e	2.74 e
High Involvement	3.39 d	2.79 e

Figure 20: Hypothesis #4 Results for Consumer Attitudes
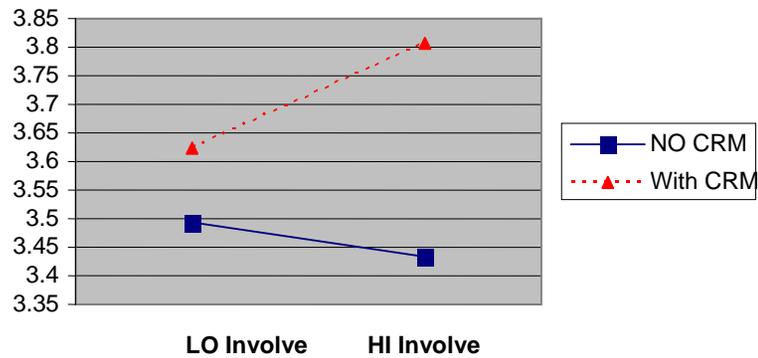
Figure 21: Hypothesis #4 Results for Purchase Intentions

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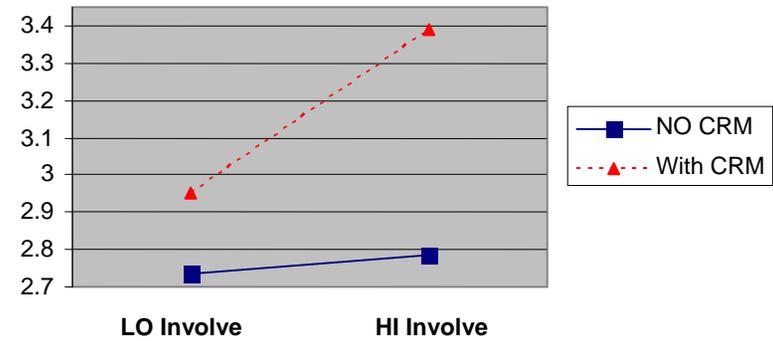
Hypothesis #5

Hypothesis #5 forecasted a main effect for low priced products when examining involvement situations and CRM (Figure 22). More specifically, the hypothesis predicted that for low priced products in high and low involvement situations, CRM advertisements would lead to more favourable consumer attitudes and higher purchase intentions compared to ads without CRM. Therefore (similar to hypothesis #4), to test this hypothesis, two separate repeated measures ANOVAs were run for each dependant variable (consumer attitudes and purchase intentions), with involvement as the between subjects factor and price and CRM as the within subjects factor.

This prediction of a main effect between involvement situation and a main effect for CRM for low priced products was not supported for consumer attitudes ($F(1,159)=0.030$, $p=0.864$) or purchase intentions ($F(1,159)=0.107$, $p=0.745$). However, the general pattern predicted by the hypothesis was correct but involvement was still not a significant predictor as a between subjects factor in this model ($F(1,159)=1.17$, $p>0.05$). Results of the significance tests are summarized in Table 10 and Appendix N.

Furthermore, t-tests were utilized to examine specific differences in means for consumer attitudes and purchase intention (Table 9). As seen in Table 9, no statistically significant differences were found between any of the conditions for either of the dependant variables. However, the general pattern of both figures (Figures 23 and 24) was related and similar to what was originally hypothesized

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(Figure 22). Overall, the results and findings do not statistically support hypothesis #5

even though the pattern is in the predicted direction (Appendix N).

Figure 22: Original Hypothesis #5
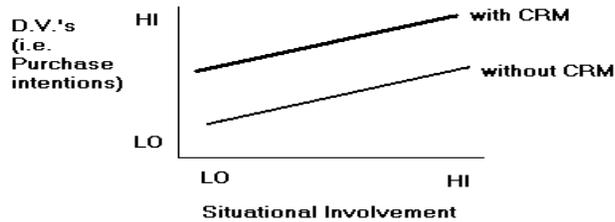
Table 9: Hypothesis #5 Results

Note: If means have same subscript then they are not significantly different at $p<0.05$

LOW PRICE PRODUCTS		
Consumer Attitudes		
	With CRM	NO CRM
Low Involvement	3.58 a	3.43 a
High Involvement	3.70 a	3.52 a
Purchase Intentions		
	With CRM	NO CRM
Low Involvement	3.15 b	2.96 b
High Involvement	3.35 b	3.09 b

Figure 23: Hypothesis #5 Results for Consumer Attitudes
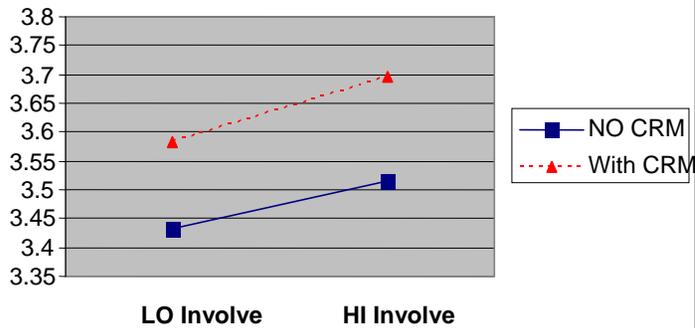
Figure 24: Hypothesis #5 Results for Purchase Intentions
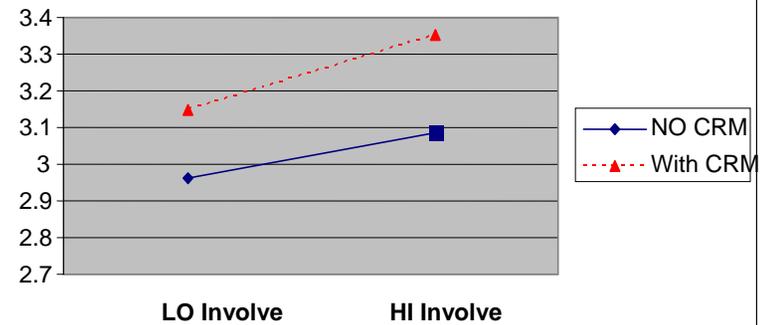
Table 10: Hypotheses Summary for Consumer Attitudes and Purchase Intentions

Summary Table for Consumer Attitudes

Hypothesis		Source of Variation	Sum of Squares	DF	Mean Square	F-Value	Significance Level	
		A. Level of Involvement	1.019	1	1.019	2.277	0.133	Not Significant
	Main Effects	**B.** Price of Product	0.163	1	0.163	0.359	0.550	Not Significant
1		**C.** CRM	7.042	1	7.042	9.824	0.002	** at p<0.05
2	Two-Way	A x C	0.459	1	0.459	0.638	0.425	Not Significant
3	Interactions	C x B	0.327	1	0.327	0.725	0.396	Not Significant
4	Three-Way	High Price x A x C	1.184	1	1.184	2.003	0.159	Not Significant
5	Interactions	Low Price x A x C	0.0017	1	0.0017	0.030	0.864	Not Significant
Overall		A x B x C	0.743	1	0.743	1.653	0.200	Not Significant

Summary Table for Purchase Intentions

Hypothesis		Source of Variation	Sum of Squares	DF	Mean Square	F-Value	Significance Level	
		A. Level of Involvement	6.602	1	6.602	4.308	0.040	** at p<0.05
	Main Effects	**B.** Price of Product	4.727	1	4.727	3.061	0.082	* at p<0.10
1		**C.** CRM	15.939	1	15.939	13.603	0.000	** at p<0.05
2	Two-Way	A x C	0.977	1	0.977	2.803	0.096	*at p<0.10
3	Interactions	C x B	1.314	1	1.314	1.620	0.205	Not Significant
4	Three-Way	High Price x A x C	3.003	1	3.003	3.266	0.073	* at p<0.10
5	Interactions	Low Price x A x C	0.112	1	0.112	3.835	0.745	Not Significant
Overall		A x B x C	2.139	1	2.139	2.665	0.105	Not Significant

CHAPTER FIVE

Discussion and Conclusion

Discussion

The major goals of this project were to combine the existing research on CRM, to investigate and address critical unanswered questions and to outline an agenda for future research in CRM. Primarily, this research indicates that causes are influential and persuasive devices for consumers to absorb. The main question posed for this research was if cause-related marketing could be used as a peripheral cue. The results show that the presence of CRM information increases attitude and purchase intention for all products, regardless of price.

This study makes a theoretical contribution to the literature on the issue of cause-related marketing by manipulating price of the product and involvement of the consumer. The study tested two primary theories: (1) elaboration likelihood model and (2) the prospect theory. The study represents an initial attempt to investigate the main and interaction effects of CRM, consumer involvement and price of the product on consumer attitudes (i.e. attitudes toward the brand, ad and company) and purchase intentions.

The results of the study support some of the hypotheses and fail to support others. In general, subjects agreed that cause-related marketing is a good way to support worthwhile causes. This was evidenced by favourable attitudes towards supporting company, brand, advertisement and the cause. While CRM appears to be a viable marketing strategy for both the sponsoring company and the non profit cause, some interesting marketing tactics are indicated based on the study's findings.

The first hypothesis, that CRM advertisements will lead to higher purchase intentions, more positive attitudes toward the product brand, advertisement and company, than advertisements without CRM, is generally supported. Such a finding is consistent with the previously discussed research in which previous research has found that CRM claims tend to create more favourable attitudes and purchase intentions for products that have a cause relationship in their advertising (Smith & Alcorn, 1991; Berger, Cunningham & Kozinets, 1996; Ross, Patterson & Stutts, 1992; Smith & Higgins, 2000; Varadarajan & Menon, 1988). One of the significant contributions from this study occurred as a result of a recommendation made by Dahl and Lavack (1995). This major recommendation has been suggested by the majority of the researchers in the CRM field and states that future research needed to incorporate different combinations of products and charities to ensure the generalizability of the results (Dahl & Lavack 1995). This study incorporated several different products and brands (i.e. PDA's, Toothbrushes, In-Line skates and Condoms) with different charities. As a result, the CRM claims had a positive effect on purchase intentions and attitudes. Overall, respondents perceived products as something they were more likely to purchase after viewing the advertisements that had the CRM claim.

The second hypothesis, that a two-way interaction was predicted between involvement situations and CRM, is not supported. Such a finding is inconsistent with the previously discussed research in regarding involvement and ad processing. These lines of research suggest that CRM and non-CRM ads in high involvement will lead to similar attitudes and purchase intentions for products advertisements and in low involvement situations, CRM claims will dominate non-CRM claims in advertising.

According to the results reported by Petty, Cacioppo, and Schumann (1983), in high involvement situations consumers may evaluate the true merits of a product and as a result may lead to less positive consumer attitudes or purchase intentions. Petty, Cacioppo, and Schumann (1983) believe that in high involvement situations subjects tend to be somewhat more sceptical of the products as compared to low involvement situations. Regardless of the previous research, this study's results suggest that product ads were perceived more positively when they were shown in the high-involvement situation as opposed to the low-involvement situation, which was opposite to the literature and the original prediction. This means that when consumers are willing and wanting to purchase a product (high involvement situation), product ads with a CRM claim will be more effective. Also, when comparing across consumers that are in the market for a product (high involvement) and consumers who are not in the market for that same product (low involvement), CRM claims tend to be more effective and influential for consumers in the market (the high involvement state). Generally, this may be evidence that CRM logos were more likely to be noticed in the high involvement situation. Counter to the straightforward application of the ELM, however, it does not appear that CRM logos and information should be seen as peripheral cues that are only processed in low involvement situations. This is supported by some recent research, which suggests that peripheral cues are used even in high involvement purchase situations (cite from AMA interviewee-waiting from M. Basil).

The third hypothesis, that a low priced product advertisement with CRM will lead more positive attitudes toward the product brand, advertisement and company and higher purchase intentions, than a high price product advertisement with CRM, is not supported.

According to the prospect theory by Tversky and Kahneman (1979), as price or value of the product increases, gains or the effectiveness of the CRM claim should diminish. As a result, a main effect relationship was predicted between price of the product and CRM. The results in this study displayed somewhat of an opposite findings to that suggested by the prospect theory (Tversky & Kahneman, 1979). The prediction was for lower priced products with CRM to have a larger impact on consumer attitudes and purchase intentions than higher priced products. For consumer attitudes, the findings were opposite to the prediction in that high priced products generated more favourable attitudes than low priced products with a CRM claim. In the case of purchase intentions, however, the findings were in consistent with prospect theory. In this case, higher purchase intentions were generated for lower priced products than higher priced product.

One of the reasons for these conflicting results between consumer attitudes and purchase intentions could stem from subjects not being in an actual purchasing environment. As a result, subjects might not have judged the impact of a "pretend or imaginary" purchase the same way as a "real or actual" purchase when dealing with higher priced products. This could have led to more favourable attitudes toward the high priced product that supported a CRM claim, instead of reporting attitudes based on the actual high priced products in which the subjects might purchase. Another reason for this discrepancy could have been that the higher priced products were more relevant or important to the subjects than first anticipated and reported in the pre-tests. Therefore, subjects might have rated higher priced products more favourably than lower price products, which could be the reason for the discrepancy in results when comparing to the prospect theory's explanation.

Hypothesis four was also not supported. In hypothesis four, consumers who were psychologically highly involved with a high priced product with CRM claims ended up more likely to have favourable attitudes and purchase intentions than subjects who did not view a CRM claim. The final results were contrary to what was predicted, as originally, an interaction effect was predicted between high priced products, involvement and CRM claims. It was anticipated, that when consumers were highly involved with purchasing a high priced item (i.e. paying close attention to product details), peripherally based CRM claims would have a detracting effect on consumer attitudes and purchase intentions in comparison with non-CRM claims. The study's results displayed that this prediction was incorrect. Instead, the results exhibited a larger difference between CRM and non-CRM claims for high involvement situations. This meant that when subjects were paying extra special attention (highly involved) to the high priced products, consumer attitudes and purchase intentions were significantly higher for CRM ads than non-CRM ads. As a result, it can be concluded that CRM claims have a more favourable impact on consumer attitudes and purchase intentions regardless of the degree of price and situation the consumer is involved with.

Finally, hypothesis five was slightly supported. In hypothesis five, consumers who were situated in either the low or high involvement state amid a low priced product with CRM claims ended up more likely to have favourable attitudes and purchase intentions than subjects who did not view a CRM claim. Based on combining the prospect theory and ELM, the fifth hypothesis forecasted a main effect relationship for low priced products for involvement and CRM. The final results from a directional pattern standpoint matched to what was originally expected. However, even though the

pattern matched to the hypothesis, the results were not statically significant and as a result the hypothesis was not supported. The major conclusion that can be inferred from this hypothesis and its findings is similar to that of the fourth hypothesis. Once more, previous research from the prospect theory (Tversky & Kahneman, 1979; Tverksy, Slovic & Kahneman, 1990) supports that when the price (or value) of an item decreases, the magnitude (or value) of the CRM claim should become more important in the decision making process. Applying this theory in conjunction with ELM translates into more favourable consumer attitudes and higher purchase intentions for consumers when they are situated in a high involvement situation (analyzing product details) than compared to low involvement situations. Additionally, the CRM claim is more effective in this scenario than an advertisement without a CRM claim. Overall, when combining hypothesis four and five, the conclusion is that CRM claims have a favourable impact on consumer attitudes and purchase intentions, regardless of the degree of price and situation the consumer is involved with.

Conclusion

Social marketing including charity affiliations with companies have been of major concern for both academic and commercial researchers. This study contributes to our understanding by testing the main and interaction effects of CRM, consumer involvement and price of product on consumer attitudes and purchase intentions. The results of this study indicate that there was no significant interaction among price of the product,

involvement situation and CRM when in an experimental magazine setting. Therefore, CRM claims are beneficial regardless of price level.

The major overall finding from this study, which is evident throughout all hypotheses, is that advertisements with a CRM claim are far more effective than advertisements without a CRM claim. The majority of hypothesis figures in the study display an upward sloping trend in which CRM claims are consistently higher and rated more favourably than advertisements without a CRM affiliation. The results also indicate that involvement is an important factor while evaluating research on cause-related marketing purchase behaviour and consumer attitudes. Increasing consumer involvement with the product or brand through CRM claims will enhance product knowledge thus leading the consumer to potentially purchase the product.

In summary, consumers tend to respond positively to cause-related marketing offers made by companies and their products. Involvement tends to increase, rather than decrease the effectiveness of CRM claims. This suggests that CRM claims may serve as more than peripheral cues due to their effectiveness in high involvement situations. Additionally, the results show that regardless of the price of the product, the benefits for a company to have a cause-related marketing partnership can influence perceptions and ultimately purchase behaviour.

Limitations of the Research

Like any research, this study has several characteristics that limit the general nature of the results. Even though the findings and implications discussed previously were interesting and practical, the limitations of this study need to be considered. These

limitations will, in turn, provide opportunities for further research with respect the effects that price and situational involvement can have on the issue of cause-related marketing.

One such limitation was a cross-sectional research design, which precludes the use of longitudinal comparisons. Secondly, although this study intended to imitate natural processes, there was the possibility of biases with simulated experimental manipulations that may have affected the interpretation of results. Participants were not actual consumers purchasing a product that resulted in a donation being made to a non-profit organization. In addition, the nature of the causes (to benefit disaster relief and heart and stroke patients) may have made it difficult for some respondents to express any negative feelings toward the product, brand, company or advertisement. Thirdly, while subjects were recruited in a university and represent a mix of students; conducting the study with a sample of non-university adults would enhance validity. The sample characteristics with respect to factors such as age, race, and ethnic background were similar and the sample was predominantly Caucasian students. In an ideal situation, data should be collected from consumers who are actually making a purchase decision. It was not the purpose to demonstrate that actual consumers made flawed product evaluations; rather, the study was designed to demonstrate the way CRM is evaluated in a potential marketplace. To that end, Mook (1983) supports the use of students as subjects when examining human thought and behavioural processes.

Fourthly, the experimental setting was an artificial environment that probably created several unnatural factors that influenced subjects' levels of situational involvement. For instance, just being in the experiment and being observed by the experimenter probably activated some feelings of personal relevance and increased

subjects' general feelings of involvement. Subjects' levels of involvement, from various

sources, probably affected their overall responses to the advertisements. However, these

"experimental sources of personal relevance" (Houston & Rothschild 1978) should have

been about the same for all treatment groups. If so, they probably did not differentially

affect the results. In addition, the advertisements were presented within an artificial

context void of the editorial and story content of a real magazine. No doubt, this

increased subjects' attention to the ads beyond that expected to occur in a natural

exposure environment. Again, this limits the external validity of the effects but not the

internal validity of the design or measures.

The final potential limitation from this study includes the focus on a limited

number of brands (the two most successful and popular of brands) within a product

category. When facing a purchase decision, consumers may consider a broader subset of

brand types within a product category (e.g., luxury cars, trucks, SUVs, vans, etc.).

Assessing consumer attitudes and purchase intentions across a wider range of product

categories will enable researchers to examine consumer perceptions and decision

processes towards CRM claims. In addition, future studies should examine the extent to

which CRM claims vary across many different product classifications (e.g., different

product categories, high vs. low involvement products, physical goods vs. services, etc.)

Future Research

Like most research, this study raises many questions and issues that require

additional research. These include measurement and methodological issues as well as

theoretical questions. The overall success of cause-related marketing over the past two

decades has legitimized its role as an effective promotional tool and viable marketing

strategy (Lavack & Kropp, 1997; Varadarajan & Menon, 1988). However, further research is required into a number of important CRM areas in order for it to be successful in the long-term.

Future areas of research in cause-related marketing should include:

- Continue researching the nature of peripheral cues with respect to CRM in order to test the robustness of the ELM. A need to gain an understanding of the exact nature of peripheral cues and their effects will further the boundaries of this theoretical model

- Investigate how CRM procedures and techniques vary and apply from country-to-country including non-English speaking countries and cultures. This larger endeavour should be useful to global marketers in planning and implementing CRM campaigns

- Conduct further experiments that require actual product purchases, comparing regular purchases to those using CRM

- Assess this model's validity across other product and brand categories

- Explore the effects of price information within a CRM advertisement in order to understand whether consumers will pay more for a brand that supports a charity claim

Two final areas for additional research include the exploration of consumers' affective and behavioural responses into donation behaviour and consumer motivations for supporting CRM campaigns. The second includes paying more attention to the criticism and ethical concerns raised by CRM critics (Caesar, 1987; Staecker, 1987; Varadarajan & Menon, 1988; Williams, 1986). These critics view CRM as a possible

exploitative marketing strategy that could possibly blur the lines between a company and charitable organization leading to the surrender of institutional integrity. As a result, a better understanding of the long-term and ethical impacts of CRM will ensure both recognition and structure for the continued growth and survival of this marketing strategy.

This research provides a framework for further studies in both theoretical (models of elaboration and price effects) and applied (purchase intentions of CRM claims) domains. As a result, cause-related marketing appears to be a viable marketing strategy that can be beneficial to all parties involved- the company, the cause and the consumer. Both the company and the cause should take steps to see that consumers perceive the relationships between the company and the cause as a positive one.

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Pre-Test #1 Questionnaire

The purpose of this study is to measure a person's involvement or interest in various products they regularly purchase. To take this measure, we need you to judge various product categories against a series of descriptive scales according to how **YOU** perceive the product you will be shown. <u>Here is how the scales work:</u>

If you feel that the product that appears at the top of the question is ***<u>very closely related</u>*** to the one end of the scale, you should place your check mark as follows:

Unimportant   _1_: _2_: _3_: _4_: _5_: _6_: _**7**_   Important

OR

Unimportant   _**1**_: _2_: _3_: _4_: _5_: _6_: _7_   Important

If you feel that the product is ***<u>quite closely related</u>*** to the one end of the scale (but not extremely), you should place your check mark as follows:

Unimportant   _1_: _2_: _3_: _4_: _5_: _**6**_: _7_   Important

OR

Unimportant   _1_: _**2**_: _3_: _4_: _5_: _6_ : _7_   Important

If you feel that the product is ***<u>only slightly related</u>*** (but not really neutral) to the one end of the scale, you should place your check mark as follows:

Unimportant   _1_: _2_: _3_: _4_: _**5**_: _6_: _7_   Important

OR

Unimportant   _1_: _2_: _**3**_: _4_: _5_: _6_: _7_   Important

<u>Important Note:</u>

1. Be sure that you **complete every scale for every product**; DO NOT omit any!!
2. Never put more than one circle mark on a single line.

Product Name

Unimportant _1_: _2_: _3_: _4_: _5_: _6_: _7_ Important

Doesn't Matter to Me _1_: _2_: _3_: _4_: _5_: _6_: _7_ Matters to Me

Boring _1_: _2_: _3_: _4_: _5_: _6_: _7_ Interesting

Irrelevant _1_: _2_: _3_: _4_: _5_: _6_: _7_ Relevant

Can you please rate your **personal ATTITUDES toward the (above) product category**, on the following scale:

Unfavorable _1_: _2_: _3_: _4_: _5_: _6_: _7_ Favorable

Negative _1_: _2_: _3_: _4_: _5_: _6_: _7_ Positive

Bad _1_: _2_: _3_: _4_: _5_: _6_: _7_ Good

Can you please rate the degree of how brand loyal you are to one particular brand within this product category?

Constantly Switch Brands _1_: _2_: _3_: _4_: _5_: _6_: _7_ Extremely Brand Loyal

If you purchase the above product, on a scale of 1-10 times, how **often do you buy the same particular brand** for that product?

Never _1_: _2_: _3_: _4_: _5_: _6_: _7_: _8_: _9_: _10_ Always

If you constantly buy the same brand name product, then what is that **specific brand name**?

_____

_____

NOTE: *Identical pages followed that included 16 more products including palm pilots, diet pills, pizza, computer printer, cordless shaver, photo film, power toothbrush, sunglasses, in-line skates, music CD's (CD-R's), soda pop, condoms, exercise weights, foot spa massager, cigarette lighter and volleyballs*

Pre-Test #1 Product Summary
Involvement and Attitude Means

Product Category		INVOLVE	ATTITUDE
Cigarette Lighter	N	28	28
	Mean	2.3839	2.8214
Computer Printer	N	28	28
	Mean	5.3125	5.7619
Condoms	N	27	27
	Mean	3.2315	4.7901
Cordless Shaver	N	28	28
	Mean	3.3304	4.4643
Diet Pills	N	28	28
	Mean	2.1161	2.3452
Digital Camera	N	28	28
	Mean	3.9018	5.1190
Exercise Weights	N	28	28
	Mean	4.0982	5.2024
Foot Massager	N	28	28
	Mean	2.6786	4.0119
Music CD's	N	28	28
	Mean	6.1964	6.2500
PDA's	N	28	28
	Mean	3.3304	4.3095
Photo Film	N	28	28
	Mean	5.5625	5.8452
Pizza	N	28	28
	Mean	5.5893	6.2976
Toothbrush (battery-operated)	N	28	28
	Mean	3.5089	4.2619
Rollerblades	N	28	28
	Mean	3.8214	4.6548
Soda Pop	N	28	28
	Mean	4.6071	5.1667
Sunglasses	N	28	28
	Mean	5.8125	6.2381
Volleyball	N	28	28
	Mean	2.9464	4.4286
Total	N	475	475
	Mean	4.0268	4.8218

Pre-Test #2 Questionnaire

The purpose of this study is to measure a person's attitude or interest in various product brands they regularly purchase. To take this measure, we need you to judge various product brands against a series of descriptive scales according to how **YOU** perceive the brand you will be shown. Here is how the scales work:

If you feel that the product brand that appears at the top of the question is ***very closely related*** to the one end of the scale, you should place your check mark as follows:

Unfavorable   _1_: _2_: _3_: _4_: _5_: _6_: _7_   Favorable

OR

Unfavorable   _1_: _2_: _3_: _4_: _5_: _6_: _7_   Favorable

If you feel that the product brand is ***quite closely related*** to the one end of the scale (but not extremely), you should place your check mark as follows:

Unfavorable   _1_: _2_: _3_: _4_: _5_: _6_: _7_   Favorable

OR

Unfavorable   _1_: _2_: _3_: _4_:_5_:_6_ : _7_   Favorable

If you feel that the product brand is ***only slightly related*** (but not really neutral) to the one end of the scale, you should place your check mark as follows:

Unfavorable   _1_: _2_:_3_: _4_: _5_: _6_: _7_   Favorable

OR

Unfavorable   _1_: _2_: _3_: _4_:_5_: _6_: _7_   Favorable

Important Note:

3. Be sure that you **complete every scale for every product brand**; DO NOT omit any!!
4. Never put more than one circle mark on a single line.

Product Name

Can you please rate your Personal ATTITUDES toward the (below) product brands, on the following scales:

Brand #1

Unfavorable	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Favorable
Negative	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Positive
Bad	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Good

Brand #2

Unfavorable	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Favorable
Negative	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Positive
Bad	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Good

Brand #3

Unfavorable	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Favorable
Negative	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Positive
Bad	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Good

Brand #4

Unfavorable	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Favorable
Negative	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Positive
Bad	_1_: _2_: _3_: _4_: _5_: _6_: _7_	Good

ANOVA for Pre-Test #2 Brands

Palm Pilot & Compaq

ANOVA Table

		Sum of Squares	df	Mean Square	F	Sig.
Brand Rating Brand Name	Between Group (Combined)	.436	1	.436	.198	.657
	Within Groups	198.109	90	2.201		
	Total	198.545	91			

Oral B & Crest

ANOVA Table

		Sum of Squares	df	Mean Square	F	Sig.
Brand Rating Brand Name	Between Group (Combined)	.174	1	.174	.091	.763
	Within Groups	171.382	90	1.904		
	Total	171.556	91			

Rollerblade & CCM

ANOVA Table

		Sum of Squares	df	Mean Square	F	Sig.
Brand Rating Brand Name	Between Group (Combined)	.436	1	.436	.275	.602
	Within Groups	142.862	90	1.587		
	Total	143.298	91			

Lifestyles & Trojan

ANOVA Table

		Sum of Squares	df	Mean Square	F	Sig.
Brand Rating Brand Name	Between Group (Combined)	.043	1	.043	.018	.893
	Within Groups	215.039	90	2.389		
	Total	215.082	91			
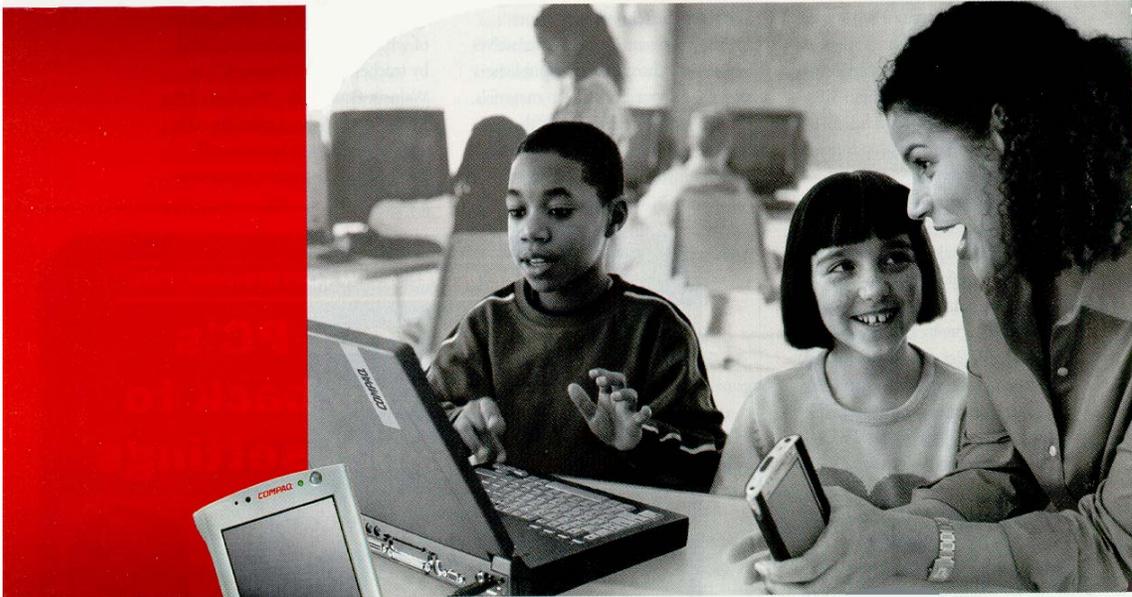
IPAC Pocket PC

Compaq recommends Microsoft® Windows® 2000 Professional for business.

For every purchase, a donation will be made to the Red Cross

Palm
Handheld

Just insert an optional module and your Palm turns into a digital

camera, a phone, an MP3 player or whatever you need it to be.

For every purchase, a donation will be made to the Heart & Stroke

ALL THIS TALK OF SUPERIOR CLEANING GOES RIGHT TO OUR HEAD.

Crest SpinBrush™
A better spin on clean.

Crest SpinBrush™

www.SpinBrush.com

For every purchase, a donation will be made to the

Heart & Stroke Foundation
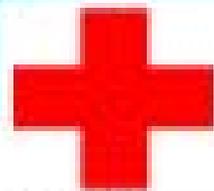
LifeStyles®
CONDOMS

GET IT ON!
It feels right.
www.lifestyles.com

For every purchase, a donation will be made to Heart & Stroke Foundation

TROJAN SUPRA™ CONDOMS
TRANSMIT BODY HEAT FOR YOUR ULTIMATE SENSUAL PLEASURE.
www.trojancondoms.com

For every purchase, a donation will be made to the Red Cross

The purpose of this study is to measure a person's purchase intentions, attitudes toward the product and attitudes toward the advertisement with various products you just saw in the booklet. To take this measure, we need you to judge the various products against a series of descriptive scales according to how **YOU** perceive the products you viewed in the booklet. <u>Here is how the scales work:</u>

If you feel that the brand is ***very closely related*** to the one end of the scale, you should place your circle as follows:

| Unfavorable | _**1**_: _2_: _3_: _4_: _5_ | Favorable |

OR

| Unfavorable | _1_: _2_: _3_: _4_: _**5**_ | Favorable |

If you feel that the brand is ***only slightly related*** to the one end of the scale (but not extremely), you should place your circle as follows:

| Unfavorable | _1_: _**2**_: _3_: _4_: _5_ | Favorable |

OR

| Unfavorable | _1_: _2_: _3_: _**4**_:_5_ | Favorable |

If you feel that the brand is ***indifferent or neutral***, you should place your circle as follows:

| Unfavorable | _1_: _2_:_**3**_: _4_: _5_ | Favorable |

Important Note:

5. Be sure that you **complete every scale for every product**; DO NOT omit any!!
6. Never put more than one circle mark on a single line.

All results from this study will be kept <u>strictly</u> <u>confidential</u> and will only be used for academic purposes.

PART 1

Can you please rate, on each of the following scales, your personal *feelings* toward the **Palm Pilot** advertisement that appeared in the booklet:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

Can you please rate your personal *feelings* toward the **Palm Pilot** brand, on each of the following scales:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

Can you please rate your personal *feelings* toward the **Palm** company, on each of the following scales:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

After reviewing the booklet, how likely are you to purchase a **Palm Pilot**?

Never	_1_	_2_	_3_	_4_	_5_	Possible Purchase

Provide some of your reasons as to why you **would** or **would not** purchase the **Palm Pilot** brand.

Can you please rate, on each of the following scales, your personal *feelings* toward the **Compaq PDA** advertisement that appeared in the booklet:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

Can you please rate your personal *feelings* toward the **Compaq PDA** brand, on each of the following scales:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

Can you please rate your personal *feelings* toward the **Compaq** company, on each of the following scales:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

After reviewing the booklet, how likely are you to purchase a **Compaq PDA**?

Never	_1_	_2_	_3_	_4_	_5_	Possible Purchase

Provide some of your reasons as to why you **would** or **would not** purchase the **Compaq PDA** brand.

_____

_____

_____

Which product would I purchase? (circle <u>one</u> answer)

<u>Palm Pilot</u>   **<u>Compaq PDA</u>**

1   **2**   **3**   **4**   **5**
Definitely   Possibly   Unsure   Possibly   Definitely

<u>PART 2</u>

> In addition to the advertisements that you were instructed to pay attention to, there were **<u>EXTRA</u>** product advertisements in the booklet.

Please answer the following questions **based on those <u>EXTRA ads</u>** found in the booklet.

What were the **EXTRA product advertisements** promoting?

_____

_____

What **<u>EXTRA product brands</u>** were advertised in the booklet?

_____

_____

Comparing the **Palm Pilot** & **Compaq PDA** products with the EXTRA advertised products, which product category do you think would be higher in price?   **(Estimate the Average Selling Price)**

$_____   PDA

$_____   Other Product found in the booklet

Can you please rate, on each of the following scales, your personal *feelings* toward the **Crest Spinbrush** advertisement that appeared in the booklet:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

Can you please rate your personal *feelings* toward the **Crest Spinbrush** brand, on each of the following scales:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

Can you please rate your personal *feelings* toward the **Crest** company, on each of the following scales:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

After reviewing the booklet, how likely are you to purchase the **Crest Spinbrush**?

Never	_1_	_2_	_3_	_4_	_5_	Possible Purchase

Provide some of your reasons as to why you **would** or **would not** purchase the **Crest Spinbrush** brand.

_____

_____

_____

Can you please rate, on each of the following scales, your personal *feelings* toward the **Braun Oral-B Battery Toothbrush** advertisement that appeared in the booklet:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

Can you please rate your personal *feelings* toward the **Braun Oral-B Battery Toothbrush** brand, on each of the following scales:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

Can you please rate your personal *feelings* toward the **Braun Oral-B** company, on each of the following scales:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

After reviewing the booklet, how likely are you to purchase the **Braun Oral-B Battery Toothbrush**?

Never	_1_	_2_	_3_	_4_	_5_	Possible Purchase

Provide some of your reasons as to why you **would** or **would not** purchase the **Braun Oral-B Battery Toothbrush** brand.

_____

_____

_____

Which product would I purchase? (circle <u>one</u> answer)

<u>**Crest Spinbrush**</u>				<u>**Braun Oral-B**</u>
1	**2**	**3**	**4**	**5**
Definitely	Possibly	Unsure	Possibly	Definitely

<u>PART 3</u>

After reading the ads, do you remember any charity or nonprofit organization logo's in any of the ads?

<u>Please check one:</u>

_____ **Yes**; (if you checked "Yes", answer the questions below)

_____ **No**; (if you checked "No" then skip to PART 4)

If you answered "<u>**Yes**</u>" to the above question, then which ad(s) had the charity logos in them and please specify the pairings, if you can remember….

<mark>**(Ex. Ford with Breast Cancer Logo)**</mark>

_____

_____

_____

Can you please rate your personal *feelings* toward the **Heart & Stroke Foundation** logo that appeared in the ads:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

Can you please rate your personal *feelings* toward the **Red Cross** logo that appeared in the ads:

Unfavorable	_1_	_2_	_3_	_4_	_5_	Favorable
Negative	_1_	_2_	_3_	_4_	_5_	Positive
Bad	_1_	_2_	_3_	_4_	_5_	Good

PART 4

You read a scenario at the beginning of the booklet, and was asked to make a purchase decision about that certain product. **What was that product?**

_____

Please select gender: _____ Female   _____ Male

What is your age?   _____ years old

Thanks for your time!

Cover Letter and Instruction Page

May 31, 2002

Dear University of Lethbridge Student:

My name is Neil Mardian and I am a Graduate Student in the Masters of Science in Management Program at the University of Lethbridge. I am asking you to participate in a study relating to consumer involvement with product advertisements. I am working in association with Dr. Michael Basil, Professor at the University of Lethbridge.

This study will involve paper and pencil tests of your ability to remember specific advertisements. The experiment will take approximately twenty minutes. I will be distributing a total of 120 questionnaires to students in hopes of completing my experiment requirements.

Your participation is completely voluntary, confidential, and anonymous. The information from this study will be reported in general terms without reference to your particular results. Your responses will be computer coded. Only overall, summary information will be reported. The results may be presented and published but your individual anonymity will be preserved at all times. The final results and feedback will be available to all participants at their personal request at the conclusion of the study. The original supplements will be retained in secure storage at the University of Lethbridge for one year, after which they will be destroyed.

This study conforms to acceptable University of Lethbridge ethical guidelines, standards, and practices. I have signed a confidential agreement with the University of Lethbridge stating that any research data collected is confidential and the property of the researcher and the University of Lethbridge. I hope you will participate in this study, but if for any reason you decide to withdraw, you are free to do so. If you have any questions about the study, please feel free to contact me at any of the following phone number or email address.

Home Phone: (403) 317-1786   **Email: neil.mardian@uleth.ca**

Sincerely,

Neil Mardian, M.Sc. Graduate Student
Faculty of Management

University of Lethbridge

I consent to participate in the study entitled, "Consumer Attitudes toward Advertisements" as described in the above letter.

```
_____        _____
Printed Name and Signature                    Date
```

The purpose of this study is to measure a person's <u>purchase intentions</u> and <u>feelings toward product brands and advertisements</u>. For this study, we need you to answer the following descriptive scales according to how **<u>YOU</u>** perceive the products you viewed in the booklet.

Here is an example of how the scales will be set-up in the questionnaire:

Unfavorable   _1_: _2_: _3_: _4_: _5_   Favorable

<u>Important Note:</u>

7. Be sure that you **complete every scale for every product; <u>DON'T</u>** omit any!!
8. Never circle more than one answer per line.

Please follow these Important Steps:

1. Read carefully this Instruction Page (*ask questions if confused*)
2. Read carefully and Sign the Letter of Consent (attached)
3. **Raise your hand and Request a Booklet**
4. On the first page of booklet, read the Booklet Situation extremely carefully.
   ➢ Make sure you understand the situation described and stay focused on your situation throughout the booklet.
5. Slowly flip through the booklet, keeping in mind the specific situation you just read.
6. After reviewing the complete booklet, turn the booklet over and never examine, glance or flip the booklet over again.
   • **Raise your hand to get the booklet picked up.**
7. After pick-up, please begin to fill out the questionnaire (located at the back of the booklet).

- This questionnaire must be filled out based solely on memory, as you <u>CANNOT</u> re-examine the booklet.
8. After completing the questionnaire, remove the back page and fill out your ballot for prize Gift Certificate draws for participating in this study.
9. Hand in your questionnaire and ballot.

<u>**Appendix H:**</u>
Factor Analyses for Attitude Measures

High Involvement Product #1 (with CRM)

Communalities

	Initial	Extraction
Feelings Toward Hi Involvment Product #1 Ad	1.000	.643
Feelings Toward Hi Involvment Product #1 Brand	1.000	.714
Feelings Toward Hi Involvment Product #1 Company	1.000	.750

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.106	70.215	70.215	2.106	70.215	70.215
2	.520	17.324	87.538			
3	.374	12.462	100.000			

Extraction Method: Principal Component Analysis.

High Involvement Product #2 (No CRM)

Communalities

	Initial	Extraction
Feelings Toward Hi Involvment Product #2 Ad	1.000	.568
Feelings Toward Hi Involvment Product #2 Brand	1.000	.758
Feelings Toward Hi Involvment Product #2 Company	1.000	.646

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.971	65.712	65.712	1.971	65.712	65.712
2	.641	21.360	87.071			
3	.388	12.929	100.000			

Extraction Method: Principal Component Analysis.

Low Involvement Product #1 (with CRM)

Communalities

	Initial	Extraction
Feelings Toward Lo Involvment Product #1 Ad	1.000	.624
Feelings Toward Lo Involvment Product #1 Brand	1.000	.819
Feelings Toward Lo Involvment Product #1 Company	1.000	.710

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.153	71.774	71.774	2.153	71.774	71.774
2	.563	18.765	90.539			
3	.284	9.461	100.000			

Extraction Method: Principal Component Analysis.

Low Involvement Product #2 (No CRM)

Communalities

	Initial	Extraction
Feelings Toward Lo Involvment Product #2 Ad	1.000	.628
Feelings Toward Lo Involvment Product #2 Brand	1.000	.778
Feelings Toward Lo Involvment Product #2 Company	1.000	.756

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.162	72.061	72.061	2.162	72.061	72.061
2	.526	17.528	89.589			
3	.312	10.411	100.000			

Extraction Method: Principal Component Analysis.

Appendix I:
General Data

Report

Product #'s		Combined Attitude Scores for Products (with CRM)	Combined Attitude Scores for Products (NO CRM)	Combined Purchase Intention Scores for Products (with CRM)	Combined Purchase Intention Scores for Products (NO CRM)
1&3	Mean	3.9417	3.5967	3.3250	2.7000
	N	20	20	20	20
	Std. Deviation	.5222	.6847	1.0422	.9652
1&4	Mean	3.6833	3.2833	3.3500	2.8750
	N	20	20	20	20
	Std. Deviation	.6554	.6756	.9473	.9159
2&3	Mean	3.6833	3.3667	3.2500	2.6500
	N	20	20	20	20
	Std. Deviation	.5155	.3226	1.0699	1.1251
2&4	Mean	3.4750	3.4833	3.1500	3.2750
	N	20	20	20	20
	Std. Deviation	.7479	.5155	.9747	.8025
3&1	Mean	3.6500	3.4833	3.0750	2.8500
	N	20	20	20	20
	Std. Deviation	.5184	.5746	1.0548	.6708
3&2	Mean	3.9917	3.5500	3.1500	2.6000
	N	20	20	20	20
	Std. Deviation	.5709	.6885	1.1709	.9119
4&1	Mean	3.4667	3.3667	3.2250	3.1000
	N	20	20	20	20
	Std. Deviation	.6480	.5712	.8025	.5525
4&2	Mean	3.5333	3.6167	3.1500	3.1000
	N	20	20	20	20
	Std. Deviation	.8194	.5751	.9473	.9679
Total	Mean	3.6781	3.4683	3.2094	2.8938
	N	160	160	160	160
	Std. Deviation	.6470	.5848	.9881	.8909

Appendix J:

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Summary Charts for Consumer Attitudes
and
Purchase Intentions

Summary Chart for Consumer Attitudes (means)

High Involvement		
	With CRM	**NO CRM**
Low Price	3.6958	3.5167
High Price	3.8083	3.4317
Total (Avg)	3.7521	3.4742

Low Involvement		
	With CRM	NO CRM
Low Price	3.5833	3.433
High Price	3.625	3.4917
Total (Avg)	3.6042	3.4625

Regardless of Price		
	With CRM	NO CRM
Low Involvement	3.6042	3.4625
High Involvement	3.7521	3.4742
Total (Avg)	3.67815	3.46835

Regardless of Involvement Situation		
	With CRM	NO CRM
Low Price	3.6396	3.475
High Price	3.7167	3.4617
Total (Avg)	3.67815	3.46835

Regardless of Price & Involvement Situation		
	With CRM	NO CRM
Total (Avg)	3.6781	3.4683

Summary Chart for Purchase Intentions (means)

High Involvement		
	With CRM	**NO CRM**
Low Price	3.35	3.0875
High Price	3.3875	2.7875
Total (Avg)	3.3688	3.9375

Low Involvement		
	With CRM	NO CRM
Low Price	3.15	2.962
High Price	3.95	2.7375
Total (Avg)	3.05	2.85

Regardless of Price		
	With CRM	NO CRM
Low Involvement	3.05	2.85
High Involvement	3.3688	2.9375
Total (Avg)	3.2094	2.89375

Regardless of Involvement Situation		
	With CRM	NO CRM
Low Price	3.25	3.025
High Price	3.1688	2.7625
Total (Avg)	3.2094	2.8935

Regardless of Price & Involvement Situation		
	With CRM	NO CRM
Total (Avg)	3.2094	2.8938

Hypotheses #1 & #2 Supporting Statistics

General Linear Model for Involvement & CRM
(Consumer Attitudes)

Descriptive Statistics

	Mean	Std. Deviation	N
Attitudes towards Low Involvement Products (NO CRM)	3.4625	.7671	160
Attitudes towards Low Involvement Product (with CRM)	3.6042	.8149	160
Attitudes towards High Involvement Products (NO CRM)	3.4742	.7543	160
Attitudes towards High Involvement Products (with CRM)	3.7521	.7718	160

Within-Subjects Factors

Measure: MEASURE_1

INVOLVE	CRM	Dependent Variable
1	1	LI2ATT
	2	LI1ATT
2	1	HI2ATT
	2	HI1ATT

Tests of Within-Subjects Contrasts

Measure: MEASURE_1

Source	CRM	INVOLVE	Type III Sum of Squares	df	Mean Square	F	Sig.
CRM	Linear		7.042	1	7.042	9.854	.002
CRM * ORDER	Linear		5.341	7	.763	1.068	.387
Error(CRM)	Linear		108.627	152	.715		
INVOLVE		Linear	1.019	1	1.019	2.278	.133
INVOLVE * ORDER		Linear	3.170	7	.453	1.013	.425
Error(INVOLVE)		Linear	67.977	152	.447		
CRM * INVOLVE	Linear	Linear	.743	1	.743	1.676	.197
CRM * INVOLVE *	Linear	Linear	3.986	7	.569	1.286	.261
Error(CRM*INVOLVE	Linear	Linear	67.326	152	.443		

Tests of Between-Subjects Effects

Measure: MEASURE_1

Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	8171.499	1	8171.499	10507.146	.000
ORDER	9.700	7	1.386	1.782	.095
Error	118.212	152	.778		

General Linear Model for Involvement & CRM

(Purchase Intentions)

Descriptive Statistics

	Mean	Std. Deviation	N
Purchase Intentions towards Low Involvemer Products (NO CRM)	2.8500	1.2038	160
Purchase Intentions towards Low Involvemer Products (with CRM)	3.0500	1.2925	160
Purchase Intentions towards High Involvemer Products (NO CRM)	2.9375	1.1475	160
Purchase Intentions towards High Involvemer Products (with CRM)	3.3688	1.2007	160

Within-Subjects Factors

Measure: MEASURE_1

INVOLVE	CRM	Dependent Variable
1	1	LI2PI
	2	LI1PI
2	1	HI2PI
	2	HI1PI

Tests of Within-Subjects Contrasts

Measure: MEASURE_1

Source	CRM	INVOLVE	Type III Sum of Squares	df	Mean Square	F	Sig.
CRM	Linear		15.939	1	15.939	13.845	.000
CRM * ORDER	Linear		11.323	7	1.618	1.405	.207
Error(CRM)	Linear		174.987	152	1.151		
INVOLVE		Linear	6.602	1	6.602	4.306	.040
INVOLVE * ORDER		Linear	15.161	7	2.166	1.441	.193
Error(INVOLVE)		Linear	228.487	152	1.503		
CRM * INVOLVE	Linear	Linear	2.139	1	2.139	2.803	.096
CRM * INVOLVE *	Linear	Linear	12.123	7	1.732	2.270	.032
Error(CRM*INVOLVE)	Linear	Linear	115.988	152	.763		

Tests of Between-Subjects Effects

Measure: MEASURE_1

Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	5959.702	1	5959.702	2457.026	.000
ORDER	7.861	7	1.123	.463	.860
Error	368.687	152	2.426		

Hypothesis #3 Supporting Statistics

General Linear Model for Price & CRM
(Consumer Attitudes)

Within-Subjects Factors

Measure: MEASURE_1

PRICE	CRM	Dependent Variable
1	1	LP2ATT
	2	LP1ATT
2	1	HP2ATT
	2	HP1ATT

Descriptive Statistics

	Mean	Std. Deviation	N
Attitudes towards Low Priced Products (NO CRM)	3.4750	.7639	160
Attitudes towards Low Priced Products (with CRM)	3.6396	.8035	160
Attitudes towards High Priced Products (NO CRM)	3.4617	.7575	160
Attitudes towards High Priced Products (with CRM)	3.7167	.7888	160

Tests of Within-Subjects Contrasts

Measure: MEASURE_1

Source	CRM	PRICE	Type III Sum of Squares	df	Mean Square	F	Sig.
CRM	Linear		7.042	1	7.042	9.854	.002
CRM * ORDER	Linear		5.341	7	.763	1.068	.387
Error(CRM)	Linear		108.627	152	.715		
PRICE		Linear	.163	1	.163	.359	.550
PRICE * ORDER		Linear	4.026	7	.575	1.286	.261
Error(PRICE)		Linear	67.977	152	.447		
CRM * PRICE	Linear	Linear	.327	1	.327	.725	.396
CRM * PRICE * ORDER	Linear	Linear	4.402	7	.629	1.420	.201
Error(CRM*PRICE)	Linear	Linear	67.326	152	.443		

Tests of Between-Subjects Effects

Measure: MEASURE_1

Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	8171.499	1	8171.499	10507.146	.000
ORDER	9.700	7	1.386	1.782	.095
Error	118.212	152	.778		

General Linear Model for Price & CRM
(Purchase Intentions)

Within-Subjects Factors

Measure: MEASURE_1

PRICE	CRM	Dependent Variable
1	1	LP2PI
	2	LP1PI
2	1	HP2PI
	2	HP1PI

Descriptive Statistics

	Mean	Std. Deviation	N
Purchase Intentions towards Low Priced Products (NO CRM)	3.0250	1.2077	160
Purchase Intentions towards Low Priced Products (with CRM)	3.2500	1.2738	160
Purchase Intentions towards High Priced Products (NO CRM)	2.7625	1.1299	160
Purchase Intentions towards High Priced Products (with CRM)	3.1688	1.2399	160

Tests of Within-Subjects Contrasts

Measure: MEASURE_1

Source	CRM	PRICE	Type III Sum of Squares	df	Mean Square	F	Sig.
CRM	Linear		15.939	1	15.939	13.845	.000
CRM * ORDER	Linear		11.323	7	1.618	1.405	.207
Error(CRM)	Linear		174.987	152	1.151		
PRICE		Linear	4.727	1	4.727	3.061	.082
PRICE * ORDER		Linear	17.036	7	2.434	1.619	.134
Error(PRICE)		Linear	228.487	152	1.503		
CRM * PRICE	Linear	Linear	1.314	1	1.314	1.620	.205
CRM * PRICE * ORDER	Linear	Linear	12.948	7	1.850	2.424	.022
Error(CRM*PRICE)	Linear	Linear	115.987	152	.763		

Tests of Between-Subjects Effects

Measure: MEASURE_1

Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	5959.702	1	5959.702	2457.026	.000
ORDER	7.861	7	1.123	.463	.860
Error	368.687	152	2.426		

<u>**Appendix M:**</u>
Hypothesis #4 Supporting Statistics

General Linear Model:
Involvement and CRM for High Priced Products
(Consumer Attitudes)

Within-Subjects Factors

Measure: MEASURE_1

CRM	Dependent Variable
1	HI2ATT
2	HI1ATT

Between-Subjects Factors

		N
INVOLVE	1.00	80
	2.00	80

Tests of Within-Subjects Contrasts

Measure: MEASURE_1

Source	CRM	Type III Sum of Squares	df	Mean Square	F	Sig.
CRM	Linear	5.202	1	5.202	8.800	.002
CRM * INVOLVE	Linear	1.184	1	1.184	2.003	.159
Error(CRM)	Linear	93.402	159	.591		

Tests of Between-Subjects Effects

Measure: MEASURE_1

Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	4122.278	1	4122.278	6836.377	.000
INVOLVE	.304	1	.304	.505	.479
Error	95.273	158	.603		

General Linear Model:
Involvement and CRM for High Priced Products
(Purchase Intentions)

Within-Subjects Factors

Measure: MEASURE_1

CRM	Dependent Variable
1	HI2PUR
2	HI1PUR

Between-Subjects Factors

		N
INVOLVE	1.00	80
	2.00	80

Tests of Within-Subjects Contrasts

Measure: MEASURE_1

Source	CRM	Type III Sum of Squares	df	Mean Square	F	Sig.
CRM	Linear	13.203	1	13.203	14.358	.000
CRM * INVOLVE	Linear	3.003	1	3.003	3.266	.073
Error(CRM)	Linear	145.294	159	.920		

Tests of Between-Subjects Effects

Measure: MEASURE_1
Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	2814.378	1	2814.378	1510.594	.000
INVOLVE	4.753	1	4.753	2.551	.112
Error	294.369	158	1.863		

Appendix N:
Hypothesis #5 Supporting Statistics

**General Linear Model:
Involvement and CRM for Low Priced Products
(Consumer Attitudes)**

Within-Subjects Factors

Measure: MEASURE_1

CRM	Dependent Variable
1	LI2ATT
2	LI1ATT

Between-Subjects Factors

		N
INVOLVE	1.00	80
	2.00	80

Tests of Within-Subjects Contrasts

Measure: MEASURE_1

Source	CRM	Type III Sum of Squares	df	Mean Square	F	Sig.
CRM	Linear	2.167	1	2.167	3.759	.054
CRM * INVOLVE	Linear	1.701E-02	1	1.701E-02	.030	.864
Error(CRM)	Linear	91.094	159	.577		

Tests of Between-Subjects Effects

Measure: MEASURE_1

Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	4049.384	1	4049.384	6177.399	.000
INVOLVE	.767	1	.767	1.170	.281
Error	103.572	159	.656		

General Linear Model:
Involvement and CRM for Low Priced Products
(Purchase Intentions)

Within-Subjects Factors

Measure: MEASURE_1

CRM	Dependent Variable
1	LI2PUR
2	LI1PUR

Between-Subjects Factors

		N
INVOLVE	1.00	80
	2.00	80

Tests of Within-Subjects Contrasts

Measure: MEASURE_1

Source	CRM	Type III Sum of Squares	df	Mean Square	F	Sig.
CRM	Linear	4.050	1	4.050	3.835	.052
CRM * INVOLVE	Linear	.113	1	.113	.107	.745
Error(CRM)	Linear	166.838	159	1.056		

Tests of Between-Subjects Effects

Measure: MEASURE_1

Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	3150.050	1	3150.050	1551.277	.000
INVOLVE	2.113	1	2.113	1.040	.309
Error	320.838	159	2.031		