

Overcoming the ethical challenges of cause marketing:
A qualitative exploration in the Dutch services sector

Master Thesis

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Preface

This thesis was written as part of the final component needed to obtain my master's degree. Now that my journey is coming to an end, I must take a moment to reflect on how I got here. A few years ago, I left my home country of Suriname at the young age of seventeen and began my journey at the TU Delft. As I navigated my way through adulthood, I learned how to persevere, met amazing people and had great experiences that I will forever treasure. I must say that I have come a long way. I will soon leave the TU Delft having realized one of my biggest dreams and for that I am truly humbled and so grateful.

I would like to thank Ibo van de Poel for his enthusiasm for the project, flexibility and extremely positive attitude. He provided swift, clear and spot-on feedback. His ideas and suggestions provided a new and interesting perspective to the research.

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Executive Summary

Nowadays, it is not enough for companies to only focus on their business operations and financial performance. It is also expected that the corporation complies to the normative expectations from society. 'Doing good' needs to be part of the business strategy as they must do their part in addressing the grand societal challenges. Cause related marketing (CRM) is one such strategy set to address this. CRM is a tool used to advance both the business and the charity (the cause) to therefore achieve mutual benefit. Cause related marketing is a theory that has been around since for close to fourthly years. Since the first campaign in 1983 the theory truly took off and has become a widely used. It has been proven that there are enormous benefits ranging from an enhancement of the positive brand and public image to increased sales. On the side of the NPO buzz is created for the charity and once they become more popular new donations may be generated. CRM is a very powerful tool that can be very beneficial for the charities as well as the companies. Although the goal is to achieve a win-win situation it appears that this is not always the case since there is a dark side associated with implementation of the theory.

The impact this has on consumers can be explained by the ethical aspect associated with CRM campaigns, which positively influences the consumer's perception of the company image. Consumers undergo an attitude change because of the link to the good cause. Customers feel that buying CRM products leads them to encounter feelings of satisfaction and altruism. This leaves a lot of room for companies to take advantage of this. People are often very eager to help if it appears that a company is associated to a good cause even if there is no proof that the donations will be used effectively. The latter can be achieved through vivid advertisement and a lack of transparency. There is a problem since people choose to support a cause based on the emotional connection they feel towards the cause and the company. It was proven that if the public is skeptical about the link between company and cause, or if they perceive the company as selfish and corrupt, huge outrage will follow.

However, there are several challenges since only the perception of goodwill is needed to get the public on board. This gives companies a lot of power. It can be argued that business must balance corporate and humanitarian interest. The way to effectively employ CRM is to address the challenges associated with CRM. Balance is needed to meet the business and societal interests. During this thesis project the potential dark side was explored by identifying the ethical challenges. This is done through a case study at a company in the services industry. The data was tested in two stages via interviews and a workshop with brainstorming element, respectively. Taken together, the case study identified a set of four pillars: skepticism, altruism, shared values and transparency. These findings are of importance, because they indicate that the need for shared values is, indeed, essential to cope with ethical challenges in corporate marketing activities. However, the societal aspect of business cannot be neglected. Financial and societal goals have historically been perceived as two entirely different objectives that may even clash with each other. In reality, this dichotomy may not really hold, since a business cannot survive without society, and vice versa. Shared values represent the way in which business and society can both prosper. This finding is in line with the theory of 'Marketing 3.0', which argues that

consumers have more power than ever before to express what the requirements of a corporate CRM campaign must be in order to satisfy the needs and wants of the public. The case company was very aware of the necessity to preventing skepticism; the company carefully avoided being perceived as self-centered in their marketing activities.

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1. Introduction

Over the past decades, companies have come to the realization that they are also expected to do their part in addressing the current emerging societal challenges. Nowadays, in order for a business to gain competitive advantage they must act in accordance with business and marketing requirements that do not only benefit the firm's best interest, but also take into account the values of people. Corporations must balance their economic and their social goals. In recent years, this gave rise to a new strategy in which corporations expect to 'do well by doing good'. Creativity and strategic innovation are vital for organizational survival since it is not sufficient for a company to only focus on the customer needs and wants, although these are indeed essential. Additionally, favorable marketing techniques and corporate social initiatives have proven vital. One way to achieve this is by engaging in socially responsible marketing. Socially responsible marketing focuses on three pillars, namely legal, ethical and socially responsible behavior (Kotler & Keller, 2016). Various businesses attempt to merge their corporate social responsibility activities with their marketing actions (Chiagouris & Ray, 2007).

There have been numerous different theories on how exactly to create a society, in which businesses can take both their stakeholders as well as their shareholders' best interest at heart, while – at the same time – still achieving sustainable development by including ethics in the shaping of technology (Pelle & Reber, 2015). One such theory is Corporate Social Responsibility (CSR). CSR goes beyond the mandatory legal requirements a company must meet. The concept of CSR relates to all the voluntary activities a corporation commits to by means of corporate operations and the use of company reserves in hopes of improving the well-being of society as a whole. Kotler et al. (2012) introduced six corporate social initiatives under the umbrella of CSR. The authors defined these initiatives as the most important actions that a company may engage in in efforts to back social causes and to accomplish the obligations to corporate social responsibility. These initiatives are: cause related marketing, corporate philanthropy, cause promotions, corporate social marketing, community volunteerism and socially responsible business practices. Each of those initiatives has its own distinguishing characteristics. The present study will focus on one of these corporate social initiatives, namely cause related marketing (CRM).

Cause related marketing (CRM) is a strategy that attempts to achieve sales by contributing towards a certain social cause (Barone et al., 2000). American Express is thought to be the pioneer of this approach—for example, when they raised funds for the renovation of the Statue of Liberty in 1983 by connecting this cause to card usage (Krishna, 2011). Although this strategy was rather innovative at the time, the concept has since been widely used by various businesses over many different sectors in efforts to gain mutual benefit. Previous research has illustrated that “successful cause-marketing programs can improve social welfare, create differentiated brand positioning, build strong consumer bonds, enhance the company's public image, create a reservoir of goodwill, boost internal morale and galvanize employees, drive sales” (Kotler & Keller, 2016, p. 309). This makes clear that such efforts can all lead to an increase in market value of a company. Moreover, value can be generated to a business given that “cause marketing

can (1) build brand awareness, (2) enhance brand image, (3) establish brand credibility, (4) evoke brand feelings, (5) create a sense of brand community” (Kotler & Keller, 2016, p. 309).

However, while it has become inherently clear that CRM has significant (economic) benefits for firms, it also is of vital importance to address the fact that cause related marketing may have adverse effects. The latter could be the case when customers are skeptical about how the product and the cause are related to each other or when customers perceive the company as being selfish and corrupt (Forehand & Grier, 2003). Additionally, when it comes to CRM and charitable activities, scholars agree that cause marketing purchases may lead to a decrease in individual charitable donations. This is, because customers feel like they have already carried out their philanthropic duty by buying a CRM product (Lichtenstein et al., 2004; King, 2006; Krishna, 2011). To avoid these potential unfavorable effects, corporations should support causes that are important to their workforce and their shareholders, and are in line with both the company’s brand or corporate image (Rosen Robinson et al., 2012).

The majority of marketing studies have dedicated their research in hopes of finding out what the most effective strategies are for executing marketing campaigns. The focus of these studies was to find the best fit between companies and nonprofit organizations so that, in turn, both parties achieve maximum benefits (Varadarajan & Menon, 1988; Webb & Mohr, 1998; Adkins, 2000; Bronn & Vrioni, 2001; Marconi, 2002). “*Cause marketing is controversial because of its emphasis on self-interest rather than altruism and because it threatens to commercialize nonprofits,*” argue File & Prince (1998, p. 1531). Polonsky & Wood (2000) explain that particularly the issue of commercialization is problematic. This is due to the fact that donations are tied to consumer spending. It has now become inherently clear that cause related marketing is highly complex and somewhat controversial. While there are a lot of benefits that potentially result from CRM practices, there thus is also a dark side to the concept. It is important to gather more detailed understanding of this darker side, as CRM has become a vital part of both societal as well as organizational survival, and is here to stay.

The bottom line is that society will not be better off without CRM initiatives (Smith & Higgins, 2000; Berglind & Nataka, 2005). In fact, it can even be argued that CRM campaigns may be desperately needed. Society would get the shorter end of the stick if such practices were minimized. Since, consumers will buy certain products anyway receiving part of the profits might not be such a bad deal. Nonprofit organizations (NPOs) need financial donations to ensure their survival. In order to get funding investors need to be familiar with such a NPO. Being part of a CRM campaign gets people talking about the charity and hence creates buzz (Webb & Mohr, 1998) This increase in popularity of the NPO may in turn spark the interest of some new investors (Adkins, 1999).

Still – in order for the good to outweigh the not-so-good aspects of cause related marketing–, it must be evaluated what precisely the social worth is. One must therefore take a step back and look at the problem through a broader lens. Commercialization of these marketing campaigns can–indeed– become a problem. But what is there to gain? One of the biggest advantages for businesses is the creation of social awareness for the charity and an increase in sales. It is therefore of vital importance to address this grand challenge using a moral approach.

1.1 Literature review

1.1.1 The concept of cause related marketing and how to implement it

What is typical in a cause related marketing (CRM) campaign is that a business promises to grant part of the profits to a specific cause (charity) based on the sales of their products. The more common way in which this is implemented is by offering this donation for a certain period of time, which will be determined (and clearly be communicated) ahead of time. The donations may be an exact amount of money that is agreed upon beforehand, or it may be a portion of the sales. Due to the ever-changing nature of CRM theory, it can be defined as carrying out the profession of advertising as an artifact, label, aid or firm by means of achieving a win-win situation with the non-profit or charity (Macroni, 2002). A few other non-financial advantages for the non-profit resulting from collaboration with a business include professional expertise, easily accessible data, and technical know-how (Cone et al. 2003). A clear contrast to the alternative forms of corporate social initiatives is that CRM requires some consumer action. This orientation on activation of customer response is what makes CRM unique in its marketing approach. Due to the fact that this is tied to consumer response an additional component is that- “cause-related marketing initiatives often require more detailed agreements and coordination with nonprofit partners involving important activities such as establishing specific promotional offers, developing co-branded advertisements, abiding by state regulations and industry guidelines, and tracking consumer purchases and activities” (Kotler et al., 2012, p.83).

1.1.2 The CSR blind spot

It was previously reflected upon that in order to survive organizations are dependent on the suppositions of the world around them. A business can face unfavorable reactions if they were to operate in a way the does not benefit the welfare of mankind. If the organization is perceived as being contentious, it puts the support from their investors, customers and employees on the line, and the business further endangers itself by giving “ammunition for adversaries” (Elsbach & Sutton, 1992, p.712). Research has proven that not complying to the normative expectations set by society can lead to lawsuits, a decrease in revenues, a decline in market share, a bad reputation plus other cost resulting from the negative image (Davidson, Worrell, & Cheng, 1994; Baucus & Baucus, 1997; Haunschild, Sullivan, & Page, 2006; Karpoff, Lee, & Martin, 2008). Currently, the debate around CSR seems to have a strong focus on the ethical and philanthropic challenges: “Since what is debated in the subject of CSR are the nature and extent of corporate obligations that extend beyond the economic and legal responsibilities of the firm, it may be understood that the essence of CSR and what it really refers to are the ethical and philanthropic obligations of the corporation towards society” (Carroll & Shabana, 2010, p. 90). The ongoing discussion on CSR does seem to have a significant drawback in terms of what counts as socially responsible behavior:

“There is negligible discussion of the notion of corporate irresponsibility” (Greenwood, 2007, p. 325).

This is also very visible in the following, longer, quote:

“In spite of the demonstrated significance to organizations of reactions to bad behavior, the corporate social responsibility (CSR) literature tends to focus on the meaning of and expectations for responsible behavior, rather than on the meaning of irresponsible behavior. Irresponsibility, distinct from responsibility, is often not discussed explicitly in the CSR literature, but the implication is that irresponsibility is simply the opposite side of the responsibility coin—that is, the failure to act responsibly” (Lange & Washburn, 2012, p.300).

The notion of social irresponsibility seems to be distinctly appealing to scholars because it has a greater competency to excite its spectators compared to the reactions of observers to socially responsible behavior (Lange & Washburn, 2012). Various scholars have proven that there is a critical imbalance between the spectator process of perceptions to bad (unfavorable or even alarming) occurrences and the manner in which observants react to good (beneficial) developments (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001; Fiske & Taylor, 2008).

When humans are facing adversity, they tend to dwell on controversial behavior much longer than when they encounter good or even neutral demeanor. They respond by going on a quest to find more facts that explain the causality, and this explains the reason why they, in turn, have more severe responses, accusations and are more judgmental (Fiske & Taylor, 2008; Shaver, 1985; Taylor, 1991). “People are never blamed for doing good” (Shaver, 1985, p. 3). This might explain why the CSR debate has a predominant focus on the aspect of ‘doing good’ instead of paying attention to the ways in which a company can avoid doing harm (Lin-Hi & Müller, 2013). ‘Doing good’ is more attractive to companies because this generates a strong positive response than just taking in to account the ways in which the business can avoid doing harm. Doing no harm is something that might seem like a logical and expected assumption. It is often seen as self-evident, and does not get any praise. In contrast to how well the environmental expectations of CSR are documented in the literature, scholars have not paid significant attention to the challenge of how the individual understanding of a company’s irresponsibility is characterized (Lange & Washburn, 2012). This has been described as follows:

“However, “avoiding bad” is a central precondition for being able to benefit from “doing good” in the long run. The relevance of “avoiding bad” ensues from the condition that a corporation cannot be perceived as a responsible actor if it is unable to prevent CSI. Hence, the perception of the social responsibility of corporations is influenced by both responsible behavior and irresponsible behavior” (Lin-Hi & Müller, 2013, p.1934).

As a consequence, the ideas of social irresponsibility can produce more extreme responses from observants (Frooman, 1997; Muller & Kraussl, 2011). A unique point of view for researchers is that acknowledgements of social irresponsibility—such as the heightened response associated with behavior that is not positive —allows scholars to gain insight into the individual’s understanding or ideas on this concept (Lange & Washburn, 2012). Therefore, this response can act as a framework for analyzing how exactly the perceptions of the company’s attitude can be analyzed in terms of propriety and responsibility and how this has its roots in the individual’s level of understanding and personal insights on the matter (Bitektine, 2011). Shedding light on how all this came to be, will help establish and give insight into the atmosphere/social reality in which the corporation must operate.

1.1.3 The impact of CRM advertisement on customers

In order to increase the success of a CRM strategy, one can increase a customer's engagement to the cause marketing product by depicting the charity using vivid details (Baghi et al., 2009). The vividness of the message is characterized by how well it draws attention, its capacity to inspire a person's imagination, how close it comes in a visual, physical or spatial manner (Nisbett & Ross, 1980). Unfortunately, there is a 'dark side' to CRM. People have the tendency to put their trust in the funds raised for charities that are gathered through the sales of 'vivid products' as opposed to 'pallid' ones, even in the instances that they have no knowledge about how the money is going to be spent (Baghi et al., 2009). Customers also often believe that the product is of greater value, and are willing to pay more for the product due to the vivid advertisement. This raises a valid concern about how easily the people can be manipulated into believing that their donations are going to be used effectively. Companies might also take advantage of the charity's image and customers eagerness to support a dire social issue although at times the charity might not be the ones to benefit the most from a partnership.

1.1.4 The basics of how a successful CRM campaign is expected to work in theory

Previous research suggested that there are three pillars upon which the planning of huge successful CRM campaigns rests. Kotler and Keller summarized them as:

“1. build it on consumer and customer insight, 2. obtain active support from senior management in terms of involvement, people, and resources and 3. create a compelling, integrated marketing campaign that has multiple touchpoints” (Kotler et al., 2012, p. 104).

It is important to research the customers in order to find out if the cause resonates with them. It needs to be established if the customers feel like the cause or charity in question is connected to a real problem, and if the customers comprehend why the business wants to be affiliated with the cause. Customers should feel okay with the link between the product and a particular cause or charity. This is very important in order to avoid consumer skepticism. It could prevent customers from feeling like the business is exploiting the cause. Ultimately, people need to choose your product because they feel emotionally connected to the cause and your company (Webb & Mohr, 1998; Polonsky & Wood, 2001; Kotler & Keller, 2016).

1.1.5 Why should a business consider implementing a CRM campaign?

When exactly it would prove fruitful to employ a CRM practice? Several factors greatly increase the chances of success. First, the reputational advantage to the company should be considered. A good reputation is one of the building blocks for achieving customers, workforce, shareholders and benefactors. Webb and Mohr (1998) conclude that when CRM campaigns employ ethical behavior, these practices can positively impact the way in which customers perceive the image of a company. These scholars claim that, due to such initiatives, consumers undergo a few changes in their attitude when they buy a product that is connected to a charity. Consumers may perceive feelings of altruism or satisfaction when buying goods linked to a social cause.

A limitation to this argument is that this gives corporations a lot of power to *manipulate* consumers into buying more of their products. A CRM campaign can have many positive outcomes, but it cannot fix a bad reputation (Mititelu et al., 2014). One of the first to question the

ethics behind CRM was Alan Andreasen (2001), who emphasized that the true motivation behind corporate philanthropy is financial gain, and not humanitarianism. Businesses often claim that ‘a portion of the proceeds’ will be donated, but they usually are not transparent about how much money will ultimately end up going to the cause.

Unfortunately, there is a dark side to cause related marketing that gives rise to potentially unfavorable outcomes. CRM does an impeccable job raising money for the charities they are associated with. Some of these charities sometimes choose to partner up with companies that do not offer mutual benefit, or worse (Andreasen, 1996).

Businesses often choose causes that will draw the most attention from customers even though these charities may not be the most crucial ones (Stole, 2008). Krishna (2011) illustrates that CRM leads to less donations in general because customers feel like they already fulfilled their philanthropic duty. Businesses are also concerned about showing their humanitarian attitude and tend to overinvest in CSR activities. This results in fewer overall philanthropic activities and social welfare (Ghosh & Shankar, 2013).

1.1.6 A different perspective on CRM campaigns

Smith and Higgins (2000) took a more philosophical approach to the concept of CRM using both Kantian and utilitarian theories. The scholars defined a moral action as something that one must do in spite of one’s likely tendency to do something else. They further argued that a deed is moral only-, if it originates from a sense of obligation. The most substantial portion of CRM is about raising money for the cause, which in turn proves to be a win-win situation for the business. The authors argue that according to Kantian conditions, a CRM initiative therefore is an allocated economical act driven by the concern of doing something different. Smith & Higgins (2000) refer to observations by Kant that what is essential for morality is the motivation behind the execution of a good deed. Hence, CRM is not a moral act in itself, since it is not derived from any sense of obligation. History has shown to be an effective way to determine if past instances of CRM practices led to social welfare (Berglind & Nakata, 2005).

One cannot deny that CRM contains a strong moral component when there is indeed a significant contribution made. Under these CRM circumstances, a utilitarian ethical argumentation may be a viable perspective. Utilitarianism argues in favor of the greatest advantage for the largest number of parties or individuals involved. What is distinctive about this theory is that it is not about what the motivation is behind a certain action, but what is the outcome of that action.

1.2 Research objective and research questions

Previous research has shown that engaging in corporate social marketing practices significantly can impact the success of a business, and may ultimately lead to “increased sales and market share, strengthened brand positioning, enhanced corporate image and clout, increased ability to attract, motivate, and retains, decreased operating costs, increased appeal to investors and financial analyst” (Kotler & Lee, 2005, p.10). Kotler & Lee (2005) argue that the aforementioned benefits may result from the fact that taking part in corporate social as well as marketing practices looks good in annual reports, and helps investors, shareholders, employees

see the company in a positive light. In essence, these initiatives may all lead to the fulfillment of the strategy of ‘doing good’.

However, a few potential objections need to be addressed. ‘Doing good’ does not come without a few challenges. First, managers and other decision makers within the corporation may be faced with difficult choices at various points in time. Kotler et al., (2012) discusses various considerations and further questions that a business is faced with when deciding on creating a marketing plan for a social initiative campaign. A business has the option of choosing between various causes to support. These causes range from more popular options that are most often supported, which are those aiding in societal wellbeing (i.e., prevention and detection of diseases), environmental causes (waste reduction and recycling) to causes revolving around humanitarian relief efforts (including starvation and homelessness). These are just a few of the current ‘grand societal challenges’ as identified by the United Nations. Businesses may support a certain cause, either alone or with partners, via financial donations, by offering technical expertise or even entry to their personal network. The challenge here is for the business to select a cause. In essence, the key here is the delicate art of balancing business and society. As one cannot argue that one is more important than another since support for such a charity can have a significant impact on society as a whole. Oftentimes a business is seen to support a charity that resonates with the values and interest of the company. The reason for such careful considerations when choosing which charity to support is that it can be argued that both parties can only benefit in the case of “well-conceived, well-designed, and well-executed corporate social initiatives” (Kotler et al., 2012, p. 20). One can conclude that assessing the impact of a social initiative campaign is indeed vital.

Therefore, the **research objective** of this thesis is to identify the ethical challenges of CRM in the services sector, and to use these insights to formulate guidelines for setting up a ethically acceptable CRM marketing plan.

To organize this study in a structured manner, the next main research question and related sub-research questions have to be addressed and ultimately answered:

Main research question: *What are the perceptions of the most prominent ethical challenges that companies are faced with, and how does this influence their marketing activities?*

Sub-research question 1: *What are the perceived ethical challenges of cause related marketing?*

CRM has proven effective, but also has a dark side. As previously laid out, CRM is tool that can be used to commercialize nonprofits, when it does not focus on altruism. Identifying how ethics fits the bill will shed a light on how the negative side can be minimized.

Sub-research question 2: *How can the perceived challenges of cause related marketing be addressed?*

It is of vital importance to get to the root of the problem, as this will gain insight into identifying a better approach to combat the hurdles. Compromise is needed to balance business-mindedness and humanitarianism.

1.3 Research Methodology

This section discusses the research methods that will be employed so as to achieve the main research objective. A more extensive discussion will follow in chapter 3. A qualitative research methodology will be followed. Specifically, data will be collected by means of interviews. Additionally, literature research will be conducted before collecting the data needed to answer the research questions. This research proposal is aimed at conducting research via a single case study approach—i.e., in efforts to comprehend the issue at hand in a natural context. One particular benefit of a case study research design is that it allows one to gain a broad impression of the matter at hand as opposed to a quantitative research approach. It can indeed be argued that a multiple-case study approach presents more persuasive proof than a single case study design. The downside to this single case study design approach is that there will not be an opportunity to test the robustness of the findings through repetition during multiple case studies and hence reject alternative theories (Yin, 2013).

Specifically, this thesis work will focus on a real-life example of the services sector, as seen from the Business-to-Business perspective of company X. The ethical/moral aspects are of particular interest to the services sector. It is therefore an appropriate business case to answer the research questions. The more specific aim of this research is to investigate how the case company can achieve sustained competitive advantage by focusing on the sustainability aspect of their business. This will be done by exploring, if and how, a CRM initiative will differentiate them from the competition. Expert interviews will be executed with the clients of the firm –i.e., managers, marketing experts and other top-level executives. These respondents have decision making power, and likely provide reliable data.

In conclusion, this thesis will explore how a cause related marketing campaign should be set up as to address ethical challenges. Attempting to fill this void will lead to a new approach that gives a better understanding on how the challenges need to be addressed. This is not only a unique and exciting opportunity for company X, due to the added benefit, but also for the other entrepreneurs in the service sector. Additionally, the interviews are aimed to gain insights on how to help entrepreneurs that want to specialize in this.

2. Literature review

This chapter will discuss the characteristics of cause related marketing (CRM). CRM is a powerful marketing strategy, geared toward an increase in business profits by putting a strong focus on the enhancement of social responsibility. This is done by touching upon the social awareness of consumers and, when implemented correctly, also enables marketers to capitalize on this strategy. The chapter will start with a general introduction on the concept, a historical reconstruction, the theoretical definitions and key variables involved. The chapter will end with a discussion on the potential dark side of CRM.

2.1 Methodology

2.1.1 The literature search

Firstly, the search quest started by locating several information sources in an effort to critically reflect on the scope of the research question. Secondly, keyword searches were carried out across several peer-reviewed journals within the field of management and social sciences. The information gathered was directly obtained from Google Scholar and ScienceDirect. This was done to find the necessary articles in peer-reviewed journals while also considering the citation index of the journals.

2.1.2 The search process

The search process was conducted by using natural language. Some of the first keywords used were: 'cause related marketing', 'CRM', CRM history, CRM dark side, and 'Corporate Social Responsibility'. While conducting the search filtered on 'Abstract', 'Article Title' and 'Keywords'. The Boolean operators used were "OR", "AND" and "NOT". The keywords presented several thousand results, which then had to be narrowed down. By skimming through the result and eliminating the ones that did not even matched the keywords. This was executed by speed-reading the title and abstracts of various articles. It took some time to get familiar with the concept and figure out what to focus on. After reading a view articles, one could navigate through the literature with more ease than before. After identifying a field to focus on 20 articles were selected. By critically reading, analyzing and documenting the distinct characteristics of each article, the similarities and differences among different studies soon started to become noticeable. This enabled the studies to be grouped and enabled the arguments to be presented in a cohesive way.

2.1.3 The selection

This literature review contains studies from as early as 1988, the 2000s up until the late 2010s. This was done in order to get a good overview of how the concept, the definitions and perspectives on cause related marketing changed during the years. The search mainly focused on the controversial nature of the theory since there is a scholarly debate on whether or not corporate and social objectives can be aligned. The articles that did not discuss the ethical considerations were excluded. The goal was to get to the bottom of the concept and also shed a light on the perspectives of the nonprofit organizations.

2.2 The origins of CRM

Sponsorship of causes is a powerful marketing technique, which is often largely ignored in the literature. This is questionable given that in one continent alone (North America) sponsorship alone had an estimated worth of 828 million dollars (Promo, 2002). Commercial sponsorship is yet another way in which companies attempt to impress the public.

Sponsorship works by creating attention for the sponsor while at the same time associating themselves with the morals of the event they happen to sponsor. The contrast between traditional advertisement and sponsorship is that with sponsorship “both message and medium are inextricably linked. The event generates the audience while concurrently sending a message to that audience about the event’s values” (Meenaghan, 1996, p. 104). Commercial sponsorship can be used as a medium for achieving marketing goals due to its capacity to overcome cultural and language barriers. Sponsorship can be a tool to create an image and name for a brand, but companies often choose sponsorship to improve their business profits (Meenaghan, 1991).

Sponsorship automatically creates entry to the crowd. “Each sponsorship property or vehicle has certain associated images in the consumer’s mind that transfer to the sponsor” (Meenaghan, 1996, p. 104). In the late 1980s Barclays Bank for instance discovered that by sponsoring British Football the bank was seen as daring, nationalistic and having up to date merit (Jones & Dearsley, 1989). Philips noticed that by sponsoring a rock band in 1985 and 1986 their brand image improved in terms of acoustics, style, status and elegance (Kohl & Otker, 1985). Philips achieved this improved prestige and quality in the eyes of the consumers without improving a single thing about their product. This phenomenon is also known as image transfer. This just goes to show how powerful a positive perceived image can be.

Image transfer commonly tries to connect the merchandise and sponsored event such that it leads to “symbolic or image-related utilities” (Cornwell & Coote, 2003, p. 268). However, a different theoretical explanation may be useful in understanding consumer responses to corporate sponsorship of nonprofit organizations (NPOs). This implies that instead of focusing on the matches made between the two parties, the audience may feel the motivation to back the NPO’s sponsors because they can find themselves in the NPO’s pursuit, aims and values (Bhattacharya et al., 1995). In the case of the NPO, the selfless and noble image that a charity has can have a great positive impact on the corporation it is associated with. This also indicates that a person that identifies with an NPO has a greater likeliness to perceive their sponsors as patriotic due to the notion that the success of the NPO is also the achievement of the sponsor, which translates into the success of the sponsor (Cornwell & Coote, 2003). Overall a company can greatly benefit from the perceived feelings of supporters of the NPO.

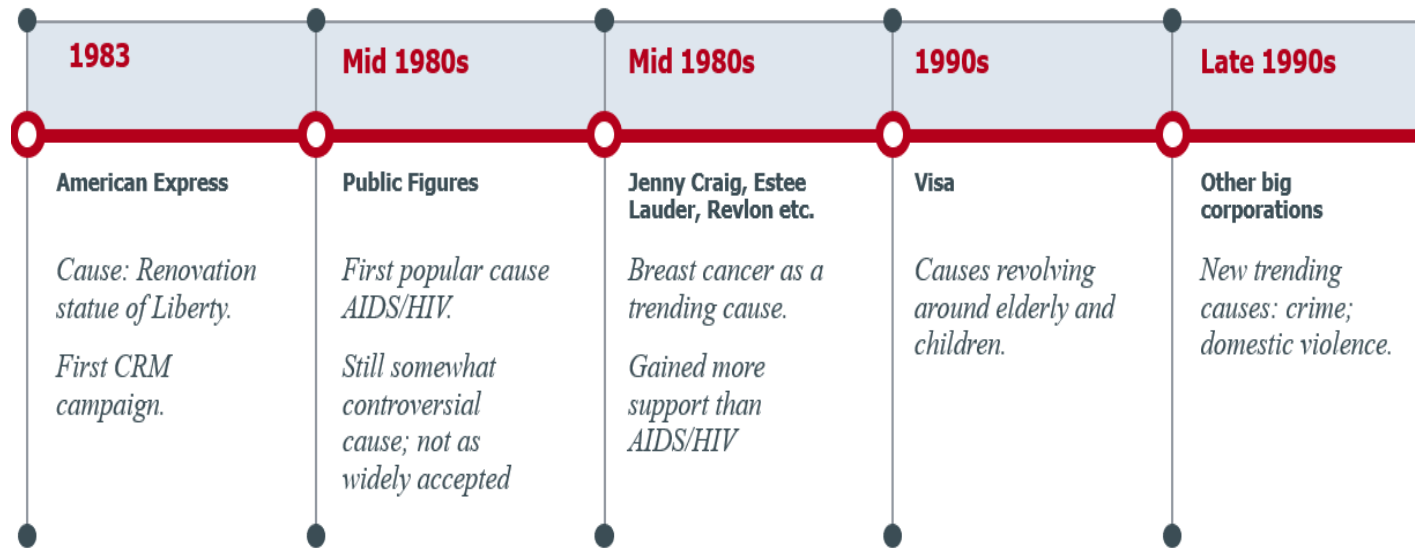


Figure 1. The evolution of CRM campaigns.

CRM evolved from what was once an effective promotional instrument into a “highly sophisticated marketing strategy” (Cone, 1996, p. 104). American Express (Amex) is usually considered the pioneer of this approach—for example, when they raised funds for the renovation of the Statue of Liberty in 1983 by connecting this cause to card usage (Krishna, 2011). The campaign was set up in such a way that every time a charge card was used, one cent was donated by Amex to renovate the statue of Liberty. Furthermore, every time a new card was issued by Amex, a dollar went to the cause. The company managed to raise 1.7 million dollars and saw a growth of 28 percent in market share during the time that the campaign was on (Ptacek and Salazar, 1997). This was the moment that companies started to believe in the powers of CRM as a unique concept that promises a win-win situation for stakeholders and shareholders.

CRM gained even more support in the mid-1980s due to AIDS/HIV campaigns that were launched with the backing of prominent figures. AIDS/HIV first started to emerge in the US during the first half of the 1980s and spread rapidly among the nightlife. An example of an AIDS/HIV CRM program was that of Harney & Sons collaboration with the New York based GMHC (Gay Men Health Crisis). GMHC was a pioneering NGO within the field of HIV/AIDS, and was highly involved in preventing, managing and publicly promoting the cause to empower the wellbeing for all. A tea named after the GMHC’s slogan “Fight AIDS, Love Life,” “Love life” was made to support the cause. About 50% of the profits made with the sales of the tea were donated to GMHC with the aim to raise awareness and finances for research on the disease (Davidson, 1997).

Breast cancer activists were inspired by the success of the AIDS/HIV CRM campaigns and also wanted to be the charity of choice in CRM campaigns. Breast cancer turned out to be a much more widely accepted cause in the eyes of corporate America and it did not take long before this cause started to take off (Davidson, 1997). The American weight loss and nutrition giant, Jenny Craig, was one of the companies that attempted to link their product and the breast cancer cause. The company’s main group of customers (women) happened to have the highest risk of getting the disease. Associating itself with the cause seemed to be a smart move. In fact, it was a match

made in heaven. The same consumer profile also fitted other companies such as the cosmetics companies Revlon and Estee Lauder. Also, for these women-oriented companies, the match between the disease and their businesses seemed spot-on (Miller, 1993).

After the success of the breast cancer campaigns, corporations had to compete to get a seat at the CRM table. Due to the over-saturated market companies started to branch out and look for other ways to support the cause by targeting niche markets. Cosmetic giant Avon was able to raise 22 million dollars by investing 500.000 dollars in the niche market of timely discovery and information on the sickness (Davidson, 1997). During this time, women's charities were somehow booming (Davidson, 1997). Research showed that compared to their male counterparts, women appeared to react more emotional to health-related topics (Svensson & Wood, 2006). This was in part also explained by the fact that women have the tendency to focus less on the economical aspect and are instead more passionate about philanthropic aspects (Ibrahim & Angelidis, 1994).

After the breast cancer campaign, two other popular causes, crime and domestic violence, started trending in the late 1990s (Svensson & Wood, 2006). One example of a campaign revolving around domestic violence was developed by Ryka. Ryka is an American footwear company that sells athletic footwear for women. The company's advertisement stared a female with "a bead of perspirations rolling down her back when exercising which contrasts with the picture alongside of it of a woman with a tear rolling down her face" (Miller, 1993, p. 3).

Taken together, the rise of CRM in the 1980-2000s era showed that CRM has the potential to exercise an enormous impact on society and can do a lot of good. One of the biggest advantages of CRM campaigns for society at large was that they brought about awareness and support for many pressing issues (the causes). This seemed to work well especially when the clientele and the cause were linked with each other (Davidson, 1997). What is meant with this linkage is the focus on, for example, challenges that women are faced with and products specifically designed for ladies. The selected cause has better correlation to a business if they share the same values and targets (Abrahams, 1996). Its customers must recognize themselves in the cause communicated in the campaign.

Up until now only the positive effects of the first CRM campaigns has been reflected upon. The following paragraphs will address the power imbalance between a nonprofit organization (NPO) and a corporation.

2.3 A dark side to CRM?

Now that CRM and all its glory have been praised, it seems to be a good time to clear that the concept is not without its flaws. Coming back to the very first CRM campaign by American Express, there were discrepancies between what was earned and what was donated. The company donated 1.7 million dollars to a good cause. While this is a generous donation, the donation did not seem to reflect the size of the amount that was earned. Amex earned between 53 and 66 million dollars. Therefore, retrospectively, scholars concluded that the clients and the charities of the American Express campaign were in fact deceived with the actual profits achieved by the cause (Svensson & Wood, 2006). This is without taking into account the extra business that was generated by the existing clients due to the hype created by the cause.

Likewise, competitor Visa started a series of campaigns, to back the challenges faced by elderly and youngsters, via their cards. One such campaign involved the Children's Miracle Network; another one involved the Citymeals-On-Wheels organization. The Citymeals-On-Wheels campaign was held in 1997, and was unique in its approach that a skating event was organized. The audience had to buy a ticket for 55 or 65 dollars depending on if the ticket was bought in advance. Participants then had to mail proof of the ticket purchase, so that 100 percent of the purchases including additional contributions were donated. With the money raised, a hot meal was provided to the senior citizens confined to their homes. The mechanism behind the Children's Miracle Network was that Visa customers could choose the design of their credit card. If they choose the design affiliated with the Children's Miracle Network, each purchase made with the card money would be donated to a children's hospital. This specific form of campaigning by means of so-called 'affinity cards' (special credit cards that were linked to a particular cause) became fashionable throughout the 1990s. Affinity card users showed more purchases and higher profitability compared to their counterparts (Cheary, 1997). The following statement showed the priorities and vision of Visa:

“The cardholder feels good; the merchant is a good corporate citizen; Visa sees a shift in the use of the Visa card, and of course, the cause wins too” (Griffin, 1997, p.84).

The aforementioned statement is very much in line with a survey conducted among the highest-ranking officials of corporations. The survey mentions that the corporations feel that their benefits range from: creating revenue, supporting a charity and therefore being philanthropic, greater generosity, contributing to making their client feel proud and better relationships with local communities (Wagner & Thompson, 1994). The Visa company grew 10-20 percent in size thanks to their various CRM campaigns, mainly because CRM provided a unique opportunity for the credit-card giant to target niche markets (Griffin, 1997). To illustrate, the national "Read Me a Story" campaign was aimed towards the reading crisis in America and was focused on helping kids to learn how to read. Visa partnered up with Reading Is Fundamental (RIF), the largest literacy organization nationwide, to donate money every time a Visa transaction was made during the holiday shopping period running from November 1 through December 31, 1997. An amount of 20 million dollars was spent to advertise a program for youngsters, whereas 1 million dollars of the profits were donated (Lefton, 1997).

However, one cannot help but wonder that if a cool 21 million was spend, how much money did Visa stand to make? It has been proven that the nonprofit organization (NPO) “typically receives between 0.2- 0.25 percent of the amount spent on the card” (Murphy, 1997, p.32). This means that credit card companies had an added benefit because costumers were inclined to spend more because of the ties to the good cause. Significant sums were donated, but what the companies earned was of far greater magnitude. In these particular situations customers and non-profits have the tendency to fixate on the yield regarding the money raised instead of the greater profits a firm stands to make (Svensson & Wood, 2006). The previous observation and the point of view of the non-profits may be explained by the results of this survey.

A study executed among non-profits concluded that these organizations belief that it generates income and public awareness for the NPO; higher company executives are in the loop; the customer gets a reward for their purchase (Svensson & Wood, 2006). These scholars also warn against the outrage that would follow if the public were to find out about the imbalance between

the 'inputs' and 'outputs'. To get a better distribution of the profits, Wagner & Thompson (1994, p. 13) suggests that: "Non-profits should enter into contractual arrangements by clearly defining the terms.... They should require that the amount of money coming to the non-profit be clearly stated in the advertising".

2.4 Defining CRM

The most widely used term in the literature to define CRM is "...the joining together of a not-for-profit charity and a commercial company in an effort to raise funds and awareness for the cause while building the sales and awareness for the for-profit partner" (Carringer, 1994, p.16). Later on, Ptacek and Salazar (1997, p. 9) provided an additional meaning to the theory by arguing that: "Its goal is to increase incremental sales and corporate image while contributing to the non-profit. Make no mistake about it, CRM is about sales, not philanthropy." Another scholar that reflected upon the stark contrast between CRM and philanthropy is Mehegan (1995, p.32) when he concluded: "Philanthropy derives from a corporation's pre-tax income, while CRM usually comes out of the advertising and promotions budget. In addition, while companies expect nothing in return for a charitable donation (except the tax write-off), they demand tangible sales results from CRM."

Due to the ever-changing nature of CRM, it can be defined as carrying out the profession of advertising as an artifact, label, aid or firm by means of achieving a win-win situation with the non-profit or charity (Macroni, 2002). How does the mechanism behind CRM marketing work? Essentially, in a cause related marketing (CRM) campaign a business promises to grant part of the profits to a specific cause (charity) based on the sales of their products. The more common way in which this is implemented is by offering this donation for a certain period of time, which will be determined (and clearly be communicated) ahead of time. A CRM campaign can be set up in various ways. "A specified dollar amount for each product sold", "A specified dollar amount for every application or account opened", "a percentage of the sales of a product or transaction is pledged to the charity", "a company makes a specified in-kind donation in response to a consumer purchase or action", "a company makes a cash contribution that underwrites a tangible charitable benefit" (Kotler et al., 2012, p. 83). The donations may be an exact amount of money that is agreed upon beforehand, or it may be a portion of the sales. However, it is worth mentioning these donations do not always have to be financial. A few other non-financial advantages for the non-profit resulting from collaboration with a business include professional expertise, easily accessible data, and technical know-how (Cone et al., 2003).

2.5 The impact of CRM

A clear contrast to the alternative forms of corporate social initiatives is that CRM requires some consumer action. This orientation on activation of customer response is what makes CRM unique in its marketing approach and is also how CRM is different from sponsorship. With sponsorship a business expects that when a donation to a certain charity is made by them, this will increase their sales. In contrast, in the case of CRM the customers expect that more donations will be made if they purchase more since sales are the driving force. With sponsorship the business cannot predict what the impact of the money will be. They can only anticipate and hope that there will be something in it for them. CRM differs in that only part of the profits will be given away. This could be a safer bet from the perspective of a company. Given that in the case of CRM sales are already guaranteed whereas the sponsorship is offered before the purchases have been made. The corporation uses the cause a 'bait' to get more people to generate more sales. In

the end money is donated if and only if the product is bought by customers. Impressing potential buyers is therefore of the essence for CRM to have even the slightest chance of being successful.

Although using CRM as a marketing strategy was rather innovative at the time, the concept has since been widely used by various businesses over many different sectors in efforts to gain mutual benefit. Previous research has illustrated that “successful cause-marketing programs can improve social welfare, create differentiated brand positioning, build strong consumer bonds, enhance the company’s public image, create a reservoir of goodwill, boost internal morale and galvanize employees, drive sales” (Kotler & Keller, 2016, p. 309). This makes clear that such efforts can all lead to an increase in market value of a company. Moreover, value can be generated to a business given that “cause marketing can (1) build brand awareness, (2) enhance brand image, (3) establish brand credibility, (4) evoke brand feelings, (5) create a sense of brand community” (Kotler & Keller, 2016, p. 309).

Another surefire way to demonstrate the impact and power of CRM is to include the role of the consumer. A survey conducted in 1996 showed that “61 percent of consumers would switch from one retail outlet to another if it was associated with a ‘cause’ while 86 percent have a more positive view of a company if they see that it is doing something to make the world a better place, regardless of the cause or issues concerned” (Murphy, 1997, p. 30). Another study proved that “92 percent said it is important for corporations to find ways to be good citizens, and 68 percent rate it as very important. One-third of the public frequently bases its purchase decisions on the causes a company supports” (Davidson, 1997, p. 38). Furthermore, the levels of consumer skepticism were quite low proving the willingness to support those that appear to be trying to improve society (Svensson & Wood, 2006).

2.5.1 A significant influence

Before CRM the survival of charities relied on donations from corporations and private citizens. Often, due to the constant hunt for finances, donor fatigue started to kick in which could lead to a decrease in the overall giving (Murphy, 1997). This phenomenon can be explained by the fact that people start to feel as if they have already done enough. They tend to feel disturbed by the various charities that knock on their door and interrupt their family time, which in turn makes people less motivated to donate (Svensson & Wood, 2006). Another positive effect of the employment of CRM is made with the following statement: “An individual can only make, in most cases, a small contribution to a cause. Yet by harnessing the forces of business; selling on the back of a product that customers see as one that they would buy, and the power of advertising, then each person’s small contribution, when consolidated, can have a major impact on the money that a charity can raise” (Svensson & Wood, 2006, p. 24). This means that an NPO does have quite an advantage from the business prospects related to CRM. Consumers have the choice to decide when they want to buy a certain product and as a bonus, they donate each time they buy something. This may in turn lead to more overall donations and fewer interruptions in the personal lives of potential donors (Svensson & Wood, 2006). Employees see the impact of CRM firsthand, which makes them feel proud to be a part of the program and the company (Davidson, 1997). All of this led to the increased employee loyalty and support (Mullen, 1997). *The aforementioned are all ways in which companies benefit. The first twenty years of CRM marked a significant change in the corporate world since a business is now the one to persuade a cause and not the other way around (Murphy, 1997).*

2.6 The challenges of the CRM campaign set up

Due to the fact that success is tied to consumer response an additional component is that “cause-related marketing initiatives often require more detailed agreements and coordination with nonprofit partners involving important activities such as establishing specific promotional offers, developing co-branded advertisements, abiding by state regulations and industry guidelines, and tracking consumer purchases and activities” (Kotler et al., 2012, p. 83). So, what are the best practices to combat the hurdles? Previous research has shown that there are a few strategies that have proven to be the most effective responses to this and are therefore superior to others. Kotler et al., (2012) suggests best practices such as:

“Pick a cause your company and your target audience are or can be passionate about”, “when selecting a charity partner seek one that has a broad base of engaged supporters that can be activated to stimulate high volumes of activity”, “target a product offer that has the most chemistry with the cause, looking for the intersection between your customer base, your products, and people who care about the cause”, “consider the benefits of disclosing the actual or anticipated amount to be donated to the charity and its potential impact (e.g., the next \$1 million raised will be designated to eradicating polio in the world)” and lastly “be willing to recognize errors and make changes” (Kotler et al., 2012, p. 98).

Advocates of CRM have also identified several recommendations to combat the potential concerns due to both legal as well as marketing risks:

“(a) Contractual agreements specifying contribution conditions must be drawn up between the corporation and the charity. (b) Legal restrictions and required disclosures must be investigated and abided by. (c) Reliable tracking systems are needed to ensure corporate commitments are fulfilled (e.g., a campaign that sends schools funds associated with proof-of-purchase redemptions will involve recording the number of returns and ensuring the appropriate schools will be credited with the appropriate amount of funds). (d) Substantial promotion is needed to engage consumers. This often requires an investment in paid promotions such as advertising, point of purchase signage, packaging changes, or social media in order to obtain a reach and frequency threshold with target audiences. (e) Consumers can be especially skeptical of campaigns like this, as they will be seen (and rightly so) as more than a philanthropic effort. This is especially true for campaigns that do not provide easy access to information regarding what portion of the proceeds of the sale will go to the charity or how much money is expected to be raised from the effort. (f) Some customers may have concerns with the charity the brand is being associated with and then not want to purchase the product as a result. (g) Charity partner approval will be needed on promotional executions, which may cause delays or disagreement based on the group's own guidelines and priorities” (Kotler et al., 2012, p. 107)

Finally, one needs to be cautious regarding the (financial) consequences if the alliance between the two parties were to be terminated (Svensson & Wood, 2006). The authors raise the following concerns. Firms expect a stark increase in cash flow because of the partnership. If this is not the case what are the potential ramifications? If the results of the alliance are not up to par, and another cause could generate more welfare, what will happen to the current charity? If there were no contracts in play the NPO may be left high and dry. Wagner & Thompson (1994) warned

against this by arguing that it is never a good idea to be fully reliant on a CRM income. There are simply too many variables in play. The charity could go out of fashion and no longer be of interest to be public. There is a silver lining. If a firm terminates its partnership they stand to “lose consumer goodwill; endure negative publicity; suffer a reduction in community perception of the organization and impact on the morale of their own employees. Hence, each side of the agreement needed to be wary of the consequences of a disruption to the relationship” (Svensson & Wood, 2006, p. 29).

2.7 A different perspective

The discussion on CRM comes down to a heated debate regarding whether two wrongs can make a right? Questions concerning how the funds should be divided between the two partners or if social responsibility can even be used as a marketing hook are just a few of the challenges. “Whatever happened to the anonymous donation to good causes without a return on investment angle factored in? What about the public’s gullibility to accept this blatant marketing for profit as socially responsible, rather than recognizing that in many cases it was just another corporate moneymaking venture?” (Svensson & Wood, 2006, p. 30). These scholars also expressed their fear that by commercializing the NPO it may lose its congenial appeal for funds. This could lead to backlash because of consumer skepticism. These are just a few of the bottlenecks. However, even the harshest critics can acknowledge the enormous power and influence of CRM. They agree that the increased support that even somehow forgotten charities achieve cannot be ignored. Still, the biggest obstacle seems to be if it is worth it. ‘At what cost’ is the point that those opposed keep repeating. The previous paragraphs highlighted the glory of CRM. It was addressed that the employment of CRM has historically led to enormous benefits. In essence, it became clear that CRM can be seen as both a marketing instrument as well as an approach/tool for CSR. However, it cannot be forgotten that CRM also leads to increasing ethical concerns. CRM may indeed be a very beneficial marketing tool but perhaps it may not be such a good tool for CSR practice. The points of concern will be address in the next chapters.

3. Method

In the previous chapters, a literature review regarding the theory behind cause related marketing was conducted. Having established the theoretical context, the foundations on this theory and challenges regarding this theory will be addressed empirically. This will be done in order to bring to light the core concepts of cause related marketing as they exist in organizational practice. Therefore, these principles will be explored in a qualitative study that will follow a two-stage data collection approach. In the first stage, semi-structured interviews will be collected. In the second stage, a workshop will be held. This approach is chosen in effort to replicate and further deepen the knowledge on the concept.

3.1 Qualitative case study

Qualitative research methods are “highly descriptive, emphasizes the social construction of reality, and focuses on revealing how extant theory operates in particular examples” (Eisenhardt & Graebner, 2007, p. 28). Various qualitative research strategies exist, ranging from participatory observation (Sutton & Hargadon, 1996) to interviews with stakeholders. In the present study, two forms of qualitative research will be combined, namely interviews and a group workshop with a brainstorming component.

One way to study groups and group performance in a scientific manner is via qualitative case study. As argued by some scholars, “qualitative research entails that one or a few entities, such as groups or organizations, are extensively studied for relatively long periods of time. Qualitative measures are used, such as interviews with open-ended questions and (participative) observations. The major advantage is that a very rich and detailed picture can be given about particular entities” (Nijstad, 2009, p. 11). The biggest benefit of this type of research is the great level of detail and integrity that is unmatched. For example, through the use of qualitative methods, Sutton and Hargadon (1996) discovered that besides producing ideas, idea generation sessions can also be used to ‘wow’ clients, supply knowledge and acquire information from the members of the group. These scholars were the first to explore the additional goals of this method.

3.2 Qualitative Research Methods

The goal of qualitative research is to draw accurate conclusions from an astounding collection of information. Qualitative data is information that is shaped in the form of more or less unstructured content from online and offline sources that many originate from individuals, focus groups, company records, government publications, and the Internet” (Sekaran & Bougie, 2016, p. 332). Sekaran & Bougie (2016) argue that qualitative data analysis is by no means a simple task. The challenge is that in contrast to quantitative data analysis there are not many approved procedures for qualitative study. Some scholars argue for a three-step approach consisting of data reduction, data display, and drawing conclusions (Miles & Huberman, 1994).

3.2.1 The varieties of qualitative research

There are a few distinct ideas in the field of qualitative research as proposed by Gubrium and Holstein (1997). Studies that are aimed to generate theory are often highly dependent on qualitative data from interviews or have their other origins in libraries, examinations and historic books (Eisenhardt & Graebner, 2007). Case studies provide abundant empirically based depictions of certain events established in multiple data origins (Yin, 1994). Case based research can often employ interviews as the main information source. Minimizing biases is key to working with interview data. One approach is to employ highly informed sources with various points of view regarding the phenomena under study (Eisenhardt, 1989).

Four main varieties of case based qualitative research design as identified: “single-case (holistic) designs, single-case (embedded) designs, multiple-case (holistic) designs, and multiple-case (embedded) designs” (Yin, 2014, p. 83). The present study was a single-case study consisting of a longitudinal case. The first stage consisted of the interviews and during the second stage (a month later) the same group was tested once more. The first time point consisted of individual interviews. During the second measurement, the company executives were being studied during a group session (the workshop with brainstorming). This was done to collect richer data, and to seek some form of reflexivity into the topic of cause related marketing.

3.3 Workshop with Brainstorming

As stated above, the workshop was partly organized to force interviewees to reflect upon cause related marketing in a group setting. As such, the aim was to create so-called ‘researcher-provoked data’. Silverman (2002) describes such data as:

“Using research interviews (or focus groups) involves actively creating data which would not exist apart from the researcher’s intervention” (Silverman, 2002, p. 206). The second goal of the workshop was to make the group think about how a cause related marketing campaign could look like for their company. This is explained in the next part.

3.3.1 Brainstorming

Is it entirely possible for a group of people to come together think creatively and be extraordinary productive? Osborn (1953) argued that this indeed very much possible. This scholar was the first to explore the theory of brainstorming. To this day when it comes to creative problem-solving brainstorming could be a great solution. This marketing executive argued that this is a technique in which people “use their brain to storm a problem” particularly in instances when there is not one definite solution that can be identified as right or wrong. Brainstorming is deeply rooted in two concepts namely: “postponement of judgment” and “quantity yields quality”. Osborn (1953) elaborates on this by arguing in favor of two occasions in which people fail to be creative.

3.3.2 Idea generation

It is suggested that idea generation phase and the evaluation of ideas cannot happen simultaneously. If a person is critiqued on their idea too soon, they will not throw in the towel very fast. One’s creativity is murdered if it is judged prematurely. Osborn suggested that if more ideas are brought up it would greatly impact the chances that some immensely creative ones will be generated. In conclusion, critique and judgment are by no means welcome during a

brainstorm session since more the goal is to generation of a maximum number of ideas. Yet, one must keep in mind that the brainstorming does have a goal of coming up with the ultimate (winning) idea that will eventually be chosen. This means that once the ideas have been generated, the best ones need to be selected, which implies that evaluation is needed in order to assess the novelty and quality. Nijstad (2009, p. 116) argues that: “The two dimensions most often used to evaluate the quality of ideas are originality and feasibility. An idea can be high or low on both these dimensions, creating four possibilities (see Table 6.1): bad ideas (low originality, low feasibility), conventional ideas (low originality, high feasibility), crazy ideas (high originality, low feasibility), and good ideas (high originality, high feasibility). This closely corresponds to how creativity is usually: Ideas are creative to the extent that they are both novel (original) and useful (feasible) (e.g., Amabile, 1983; Paulus & Nijstad, 2003; Sternberg & Lubart, 1999). The quality of a brainstorming session therefore is usually measured by the number of good ideas (both original and feasible)”.

Brainstorming is used in this study as a means to gather insights on how the company would generate collective ideas. During the workshop only the first phase of brainstorming, idea generation, will be explored. The goal of the workshop is to first generate as many ideas as possible. The focus is not yet on selecting the best choice.

3.4 Operationalization and Procedure

3.4.1 The case company

This study was done during an internship. Since quotes and other company sensitive information will be discussed during this study, the name and industry in which this company operates will not be disclosed. The company will therefore be referred to as company X, the biggest intermediary services provider within a specific sub-branch of the services industry. As stated above, the data collection was done via a set of semi-structured interviews and a workshop. Only the highest-ranking employees were invited to participate in this study. These employees have the most decision-making power and offer the most accurate indication on whether CRM would be of interest to the company. The sample size included only the highest-ranking company executives including the CEO, the CFO, the directors and managers.

3.5 Stage 1: The interviews

The interviews followed the structure of the interview protocol. However, the level of detail was adapted, depending on how the interview was going and how extensive the interviewee answered. All of the interviewees preferred to be questioned in Dutch, so a second Dutch protocol was made. The responses were translated and transcribed from Dutch. The interviewees were conducted online or over the phone. A total of 15 company executives were interviewed. Nine of the interviews were recorded. Four of these interviewees were not recorded. Therefore, extensive notes were made during these interviewees. The interviewees were selected based on their high ranking within the company. It was chosen to only select the high-level company executives based on their strong decision-making power and influence within the organization.

The goal was to research this group's perspective on CRM and how it can be implemented. The interviewees thus ranged from the CEO, CFO, the directors of different divisions and the top-level managers. The company supervisor provided a list of suggestions on the people that could be included in the study. The interviewees were approached with the help of the secretary who send out invites for online interviews.

Semi-structured interviews were the preference due to their ability to gather information on the subject's opinion and vision. This type of interview style is of a highly flexible nature, which allowed the interviewer to gain insight into the interviewees' perspective and further explore underlying concepts with the interviewee. The insights gained during the interviews (and the workshop) will form the foundation, which will be the building blocks that will explore the concepts discussed in the literature. The interviews followed the structure of the interview protocol, which is presented in the following paragraphs.

3.5.1 Interview protocol

Introduction

I would like to thank you once more for agreeing to meet with me. Your time and effort are greatly appreciated and of great value for the result of my research. My name is Lilly-Kyara and I am a master student in Management of Technology at the TU Delft. The insights gained during this interview will be used during my master thesis research, which I am doing at your company. The purpose of the interview is to gain insights on cause relate marketing (CRM). The aim of the interview is to discover if CRM could be of added value. We will discuss how a CRM-based campaign could (or should) look like for the company, and how potential ethical pitfalls that are associated with CRM can be avoided. Therefore, it is of interest to investigate what you see as potential ethical opportunities and threats in the service branch, and how these should be dealt with in a marketing campaign.

Permission

Before the start of the interview, can I get your permission to record this interview? I would like to record the audio so that I can best reproduce your responses. For my research it is of the essence that your responses are represented correctly. In addition, the audio will help guarantee the quality of my research and enable me to engage in an interactive conversation with you. It goes without question that the responses, the audio and all other data collected for the thesis will remain confidential. This means that everything will be anonymous so that your name and the company's name will not be disclosed. Please feel free to take your time reading the 'informed consent form' and when you are ready please sign. In case you have no questions regarding the form, I would like to start with the questions.

Introductory questions

IQ1. How many employees does your company have in the Netherlands and globally?

IQ2. Could you shortly explain what it is that the company does?

IQ3. Could you start by elaborating what your function is within the company and what your daily activities consist of?

IQ3.1 How long have you had this function in the company?

Intake (assessment)

AQ1. Are you familiar with Cause Related Marketing (CRM)?

AQ2. Does the company currently implement CRM, and if so, in which way?

AQ3. In your opinion, how could CRM be used in your company?

AQ4. Do you think that it would be helpful to implement CRM within the organization? → thus, what benefits would you perceive in doing so?

Main questions

Q1. What do you consider to be the most pressing ethical challenges associated with CRM? → could you-maybe- put this in a Top-3?

Honesty

Q2. Does the company have certain values (e.g. in the mission statement, a code of ethics or CSR policy)?

Q3. If yes, how could these values be best translated into a marketing campaign for the company?

If no, ask Q4-7 first

Q4. How do you think people perceive your company?

Q5. How would you want people to see your company?

Q6. What would be the ideal way to achieve that?

Q7. Is there a place for a moral component/ element orientation in this ideal vision?

Company/cause matchmaking

Q8. Which causes/charities in your opinion offer the best match with your company for marketing purposes? And what makes you say so?

→ could you, maybe, put this into a top 3/5?

Q9. How important is it to you that a company chooses a cause that seems to fit the values of the charity?

Power balance

Q10. Who should take the lead in CRM? Your company or the charity? What makes you say so?

Q11. What would according to you be a good way to make sure the power balance between the charities and case-company will be secured?

Q12. How honest should companies be about how much money is earned and how much of it will be donated?

Skepticism

Q13. Some have questioned a company's motives when they advertise all the good things they do, do you think they are right?

- ➔ Is this an issue that would apply to the company?
- ➔ If so, in what way is this discussed, formally or informally?
- ➔ If not, could you think out loud about it?

Q14. What is, in your opinion, the best way for the company to deal with this issue (skepticism) in the development of a CRM campaign?

Summary

How do you see CRM in relation to other social initiatives or alternative forms of CSR?

Are there any further aspects you would like to elaborate on?

What have you learned from this interview?

How has your perception of CRM changed during the interview?

Concluding remarks

Do you have some recommendations for me regarding information I should look into or person to contact?

3.6 Stage 2: The workshop with Brainstorming

Having gathered the data on what the company executives individually thought about the role of ethics in CRM, a workshop was held. In this workshop, a total of six of the interviewees participated. The workshop was conducted online using the Microsoft Teams software. The program provided a video recording of the session, which was later used to analyze the results. It was made very clear that the workshop was held to gather collective insights on what ideas are that the company is leaning towards. Due to the fact that the session was online and in order to prevent chaos during the workshop, the participants were instructed to use the 'raise hand function' whenever they wanted to say something. The participants were then put in a queue and they each had their turn to speak. This procedure worked quite well.

First, the group was invited to reflect on the findings of the interviews and encouraged to answer a series of questions on the campaign set up. In both the interviews as well of the workshop creativity was an essential component. Second, this session also contained a brainstorm session, in which the participants of the workshop were strongly urged to feel free to express their

thoughts. The executives were made aware that this was a brainstorm session meaning that creativity is important and therefore encouraged. The employees were asked quite vividly to voice their ideas on questions such as what cause and campaign would be suitable. This required a lot of creativity and imagination. To stimulate the respondents to answer it was mentioned that there are not right or wrong answers. When they would respond with a pause it was at times also encouraged to think out loud.

Brainstorming was a technique that was extensively used during the more practical part of this thesis. During the workshop a different methodology was chosen in comparison to the one-on-one interviews. A total of six of the interviewees attended the workshop, which introduced an entirely different dynamic. It is interesting to see how the interviewees would interact in a group setting. The workshop was held as more of a brainstorm session. Theories that become applicable in such a situation are group performance, idea generation and brainstorming. The results of both data collections will be discussed in the following chapter.

4. Results

Recollecting the work portrayed in the last chapters, this part of the thesis will focus on investigating the role that the perception of ethics plays in CRM as seen through the eyes of a company. An in-depth analysis will be made of a series of interviews collected in the case company. This chapter is structured in the following way. First, it was verified that the interviewees do recognize that CRM could indeed be beneficial for a company as a whole. Secondly, by analyzing the interviews, it became clear what the interviewees valued as relevant to the company. Lastly, the concerns regarding CRM were discussed as reflected upon by the respondents. The biggest points of concerns and values mentioned by the interviewees were grouped in five main categories. This was done using first level coding in the Atlas.ti software package. Based on these categories an analytical framework is drafted that will aid in answering the research questions.

4.1 Introduction to interview results

To sum up, the literature showed that CRM has an enormous positive impact on impact on a business. In addition, Kotler & Lee (2005) argue that the company can even be seen in a positive light. All the benefits of engaging in corporate social marketing initiatives may be a good strategy to fulfill the societal need to ‘do good’. As previously mentioned, the desire to do good is, however, not enough to succeed. There are a few challenges. One of these challenges is deciding which charity to partner with. Kotler et al., (2012) argue are the various considerations and further questions that a business is faced with when deciding on creating a marketing plan for a social initiative campaign. In the section “*Introduction*” the following was discussed:

“In essence, the key here is the delicate art of balancing business and society. As one cannot argue that one is more important than another since support for such a charity can have a significant impact on society as a whole. Oftentimes a business is seen to support a charity that resonates with the values and interest of the company. The reason for such careful considerations when choosing which charity to support is that it can be argued that both parties can only benefit in the case of “well-conceived, well-designed, and well-executed corporate social initiatives” (Kotler et al., 2012, p. 20). One can conclude that assessing the impact of a social initiative campaign is indeed vital.

As previously mentioned, the research objective of this thesis is to identify the ethical challenges of CRM in the service sector, and to use these insights to formulate guidelines for setting up a CRM marketing plan. The main research question is: What are the most prominent ethical challenges that companies are faced with in their marketing activities?

4.2 The analytical framework

The very first step of this qualitative data analysis consisted of the creation of an interview protocol. The protocol was constructed based on the main topic identified in the literature review. The questions were therefore based around these topics.

4.2.1 Selection of interviewees

A total of 15 interviews was conducted among the high-level executives of the company. Three of these interviewees were women. The sample group was diverse in the sense that it consisted of several general directors (including the CEO, CFO, commercial director) and of the operational director of the four domains the company operates in (Vitality, Mobility, Property and Repair). The study also included another group, which was more involved in the day-to-day operations. This group consisted of the managers within the fields of business development, marketing and communications, legal and risk, and group controlling (finance). The diverse nature of all these high-ranking officials aided to the rigor of the study.

The main reason for conducting the interviews was to explore how the high-ranking company executives feel about ethics in relation to cause related marketing and how they think CRM could be applied within their organization. A few main topics were consistently brought up during the interviews. The results were therefore grouped according to these concepts (*Skepticism, Shared values, Transparency and Altruism*). The concepts were identified as being the main building blocks for the key points of concern (uncertainty and doubts) the respondents identified as hurdles for the implementation of CRM. The following section(s) will discuss the findings of these interviews. The results of the interviews will be based on the four main concepts, and aid in answering the main research question of this thesis.

4.2.2 The benefits: positive effects of CRM

In the “*Introduction*” chapter of the present thesis the positive effects of CRM were discussed. Previous research has shown that corporate social marketing can generate “increased sales and market share, strengthened brand positioning, enhanced corporate image and clout, increased ability to attract, motivate, and retain employees, decreased operating costs, increased appeal to investors and financial analyst” (Kotler & Lee, 2005, p.10). Kotler & Lee (2005) conclude that engaging in corporate social as well as marketing practices looks good in annual reports, and helps investors, shareholders, employees see the company in a positive light.

During the interviews, respondents were questioned in order to assess whether or not they believe that value could be added by engaging in CRM. Respondents were asked if and how CRM would be beneficial for their company. The data revealed that most of the respondents recognize the power of a well-executed CRM marketing campaign. Interviewee 2 for example stated that:

“CRM could definitely offer some unique opportunities to the company. It could be particularly important if it is used as a way to differentiate yourself within the market”.

IV3 added to this that:

“It may also help to achieve customer satisfaction”.

IV 12 also mentioned that if:

“CRM could work if it were to be combined with other things. It could really attract new employees for example”.

IV7 and 8 answered this question by mentioning that there is cause for concern about the effectiveness, but they do both recognize the potential. IV7 recited the company's motto, which says:

“what is of value should stay valuable. You could try to link CRM to the motto to see how your cause can add value. I am not sure if the payoff for CRM will be as huge within the business-to-business sector. CRM could offer a little something extra to the clients if we are also supporting a good cause which is all very positive”.

IV 8 added to this notion that:

“CRM could be the way for the company to be seen in a more social light. It may be a bit challenging to find a cause that resonates with people. I am not certain if it would work in the business to business sector”.

This employee later added:

“I wonder if our employers will indeed be very sensitive to CRM. Our clients value operational excellence and sharp prices. They may not be too happy about something that will require them to pay more to have a moral compass. CRM could work well with sustainable repairs”.

IV14 has a similar opinion regarding this matter. Then asked if CRM would work within the organization the following was mentioned:

“I am not sure if CRM could work directly but indirectly it may be a valuable option. We provide services to our clients for the sharpest price possible. The motto is better, faster, cheaper. As a service provider we try to always be online with the intention to be available to clients. Our clients would not give the 5 euros extra to get glory.

This person also sees the business to business to consumer model as a challenge. IV14 argues that one needs to create a win-win situation by choosing a target group. IV12 also believed that a target group is needed to narrow down the campaign focus. IV14 further elaborates on the need for the target group because the cooperation in the campaign lies in the way of thinking. This employee is not sure how clients that are LidlTM shoppers might respond to such a mechanism. They might not be willing to spend the extra money for societal glory. The CRM mechanism seems to be more of a luxury product instead of a basic good. So, the right target group is needed. The need to create a feel-good approach as a societal wellbeing is vital. It needs to be a good story that people truly believe in. If and only if the story is presented in a good and responsible manner, then IV14 sees absolutely no reason why people would be skeptical about CRM.

Respondent IV11 elaborated quite extensively on the matter. This interviewee states that:

“Yes, this could be helpful. In the end you have the choice to decide on which goals you want to focus on. This all depends on what is important to you as a company. You have to show this in the execution of your business and services. Yes, it could be used. What may be a bit difficult is that with CRM you want to make an impact on the end-user”?

However, in this case, the end-user is not the one that chooses the case company. The case company is an intermediary party, employed via a business-to-business-to-consumer mechanism. This means that the consumer chooses the services company, whereas the case company, in turn, is employed by a services company. The case company is hired by their clients in the services industry to provide service to the end-user (consumers).

“The consumer does not have the option to choose us as they only choose their service company. It is the consumer that ultimately ends up deciding which company it wants to employ. Furthermore, it may be hard to see what the impact of CRM program will be in such a business mechanism. Will we end up selling more?”

ABN AMRO may be good company to approach since they do have a strong focus on corporate social responsibility. Due to their CSR point of view could be a good starting point for a partnership. On the other hand, there is a lot of pressure the service branch to keep the prices as low as possible. It is questionable if a CRM program can be integrated into the tariffs given this enormous pressure on prices. It needs to be taken into account if the extra effort will weight up to the cost of having an extra partner”.

4.3 Ethical challenges

The interviewees were asked if they saw any ethical challenges associated with CRM. The majority of the interviewees found that there were no ethical challenges associated to CRM. The minority of them mentioned that challenges date back to the focus of having good and clear communication between both parties. Two interviewees mentioned that they were concerned about the cost associated to a CRM campaign. One interviewee (IV2) had a much more vivid response in comparison the rest. This respondent replied with:

“The only real challenge I see is in terms of finances. The question that comes to mind is to which extend will this cost us part of the profits? Are we even willing to give away part of the profits? How much of the profits will be taking away by engaging in this? Will the clients also pay for CRM? Will it be factored into the prices or should it be something that only the company invests in?”

IV15 argued that the challenge is that the cause you choose to be associated with has to have close ties to the company. There were also interviewees that did recognize that there might be a few ethical points of concern. IV7 and IV9 for example had a different perspective on this question. Interviewee 9 responded back of charities that it is questionable whether you can do it:

“Is it okay to question getting profits off the backs of non-profit organizations? It could also have a negative impact on the company itself if it seems like the company want to improve the way people perceive them by linking themselves to a charity. This is exactly what a few companies have done during the corona pandemic to promote a more positive image”.

Interviewee 7 was concerned about ensuring that a dependent relationship will not develop once a cause to partner with is found. This interviewee, like a few others, also mentions the use of contracts.

“The ethical challenge that I see in this case is that an imbalance may be created. You should ensure that there is win-win situation in which both parties have a mutual benefit. One downside is that once you announce a certain charity as your partner, then the charity becomes associated with the company. This means that any wrong move one of the parties makes can reflect badly on both partners. The way to prevent an imbalance is if there are a lot of contracts and rules made beforehand and if you keep adapting”.

4.3.1 Skepticism

However, while it has become inherently clear that CRM has significant (economic) benefits for firms, it also is of vital importance to address the fact that cause related marketing might have adverse effects. The latter could be the case when customers are skeptical about how the product and the cause are related to each other or when customers perceive the company as being selfish and corrupt (Forehand & Grier, 2003). There are a few requirements that need to be met.

IV 1 noted that:

“In terms of skepticism you need to come up with a good strategy on how to present yourself to the outside world. You also need to be 100 percent transparent about your CRM campaign. Besides this you continuously have to check if everything you promise is indeed being done. A good way would be to advertise within the business-to-business sector. You have to present yourself as a company that cares about people and is there to help them in a crisis situation. The motto should be that we are a company that helps people and that is why and how we guarantee customer satisfaction”.

This is just an example of a few keywords (good, honest, believable) the respondents kept on repeating.

4.3.2 Company-cause fit: the need for shared values

To avoid potential unfavorable effects, corporations should support causes that are important to their workforce and their shareholders, and are in line with both the company’s brand or corporate image (Rosen Robinson et al., 2012).

If the organization is perceived as being contentious, it puts the support from their investors, customers and employees on the line, and the business further endangers itself by giving "ammunition for adversaries" (Elsbach & Sutton, 1992, p.712). Research has proven that not complying to the normative expectations set by society can lead to lawsuits, a decrease in revenues, a decline in market share, a bad reputation plus other cost resulting from the negative image (Baucus & Baucus, 1997; Davidson, Worrell, & Cheng, 1994; Haunschild, Sullivan, & Page, 2006; Karpoff, Lee, & Martin, 2008). IV3 agreed to same terms by arguing that:

“In order to avoid consumer skepticism, you will need to choose a cause that is in line with both party’s values. In essence it needs to be a good, honest, believable story that resonates to the customers”.

IV7 had similar ideas about the role of shared values. This respondent strongly believes that there needs to be a correlation between the mission and vision of the company and your charity of choice.

However, IV3 had something else to add. IV3 believes that the best way to deal with skepticism is to avoid looking exploitative.

“It is just not a simple case of having a product which you want improve the sales so you decide to bring CRM into the mix. In this situation if you do not have a well thought out plan CRM will definitely not work. Your goal is to ensure that what you are communicating through your campaign is something that everyone within the company needs to eat, sleep and breathe”.

IV4 has a similar opinion on this matter. This respondent stresses that CRM can only work if it is an honest, real story on how you as a company want to help. It cannot look like a business transaction or even be exploitive. It needs to be believable to avoid dubious assumptions. The interviewee continues by saying that suspicion can be avoided by doing a lot of research into what charity is going to be the right fit, and how to best set up such a campaign because company falls and stands with our customers. The respondent’s feelings regarding which charity to choose are very much in line with the literature on the subject.

One respondent was very vocal about the need for internal communication. IV10 finds that one must first look at the company from within before even thinking about any type of marketing campaign. This respondent thinks that the best approach would be to start small. Specifically, IV10 hinted towards the power of volunteering and finds team activities can be used to do something productive like volunteering instead. This also allows for some team building while at the same time doing something for the community. In addition, these activities may help fill the huge void between management and lower level employees. IV10 argues in favor of the following:

There needs to be transparent communication. The interviewee makes the following arguments. It is not just about a marketing campaign and advertising that you are donating money. It has to be a mindset and come from an honest place deep in your heart. Go and set out, undertake projects. Everything that is advertised needs to be something real. An honest story that you as company are proud of. It should not be something you do to ease the guilty feeling deep inside. At the moment the Tesla is a popular choice within the organization. The Tesla is a car that is supposed to be a sustainable environmentally friendly choice. IV10 finds that the real reason why the employees choose this car is not intrinsic motivation. It is simply that in addition to the low tax liability for the company car, everyone finds it comes in handy to drive a nice Tesla. The bottom line is do not try to present yourself a certain way if driving a Tesla is the only thing that is done on this end. People will see right through this.

4.3.3 Transparency

Transparency, too, engaged a clear opinion on the preferences of the company. Almost all of the interviewees agreed that transparency is of utmost importance. Some even saw a direct link on how transparency was one of the key components to avoiding backlash.

“A company should be honest and transparent about what is being earned. If you want to market something, you should be honest about the numbers. This could be done in an effort to minimize the risk that such a campaign will backfire and thereby makes you look

like a bad partner. This does not mean that you should specify per euro how much is being donated, but you should specify perceptually how much is donated and what is being done with the money”.

IV11 mentioned how there might be some elements that could use improvement:

“Preventing skepticism falls and stands with transparency. It should not cause aversion and it should be honest and just in the eyes of the consumer. If this is the case then there shouldn’t be any doubts. It should not be done to exploit the charities, but it should be done from the company’s intrinsic values. In the context of the organization, society is not high up on the priority list. It is more of a marketing component than an own initiative”.

When this respondent was asked about his personal opinion on how to achieve all this, he had this to say:

“Be sincere, from within the organization. Be consistent in what you believe in because people see right through it”.

4.3.4 Altruism

Altruism is also one of the topics that some of the interviewees described. Many respondents mention the feel-good approach, and wanting to give their customers a little something extra through CRM. Webb and Mohr (1998) concluded that when CRM campaigns employ ethical behavior, these practices can positively impact the way in which customers perceive the image of a company. These scholars claim that, due to such initiatives, consumers undergo a few changes in their attitude when they buy a product that is connected to a charity. Consumers may perceive feelings of altruism or satisfaction when buying goods linked to a social cause. Interviewee 7 comes in with a different approach. This person does not see any reason why people would be skeptical. This respondent thinks that one might actually be stimulating people to follow your lead with such an initiative. This based on the concept of altruism. IV7 explains that like with TOMS™ shoes with every pair that you buy they donate. TOMS™ is a footwear brand that is geared towards sustainability and giving back. The philosophy of the brand is that once a pair of their shoes is purchased an underprivileged child also gets a pair of shoes. This makes consumers feel very good about buying this brand. IV7 further believes that:

“What is important to realize with these campaigns is the way you present it. You have to be proud about what you are doing, and you can feel free to talk about your efforts. However, you should not abuse it or brag about all the good things you are doing. It is totally fine to use it as a way to stimulate others to follow in your footsteps”.

The aforementioned introduces the topic of advertisement. Wagner & Thompson (1994, p. 13) suggests that there might be a way to try and avoid skepticism: “Non-profits should enter into contractual arrangements by clearly defining the terms... They should require that the amount of money coming to the non-profit be clearly stated in the advertising”. This is not that simple as many respondents described different ways in which one should advertise. IV 9 argues that:

“It is perfectly okay to advertise what you are doing however; one mustn’t flaunt it too much. It should not be overly advertised in a way that it seems like the company is supporting the charity just for their own selfish reasons. The advertisement should be done in a tasteful and appropriate manner. It should not seem like with every euro that it donated needs its own special announcement. To summarize the campaign needs to have a logical linkage between cause and company, it needs to be transparent, needs to have a specific aim. Above all a responsible and tasteful advertisement is needed that shows the proof of the activities and how a significant contribution to the charity is made”.

Other respondents see things a bit differently. IV1 felt that advertisement should only be done if you are truly making a difference in society and have the proof to support your claims. It was also interesting to study how the employees reflect on their own company. This question had the most similar response out of all the questions. The respondents were asked how they think the outside world perceives them. Many of the respondents had almost identical answers to these questions. The great masses are pretty much unaware of the case company’s existence. Within their sector they are, however, a large – if not the biggest – player. The company is continuously described as innovative and knowledgeable. Still, the case company is not very popular among the general population. People only come to know the firm once they have some form of damage. The case company is seen as a solid, reliable, knowledgeable, that is many involve in repairing damage. Only one respondent felt like the company needed to focus more on their advertisement to consumers because this could make them more popular and the organization can become known as the company that will be there for you when you needed most.

4.4 The ethical challenges of CRM as identified by the interviewees

The previous paragraphs describe the findings of the interviews quite extensively. The respondents may not have responded directly to the question: *What do you consider to be the most pressing ethical challenges associated with CRM?* Often this question was met with a long pause or question about what is meant with ethical challenges. Yet, based on these interviews one can conclude that the interviewees were not unethical. However, from the questions that were asked later in the interview their answers very much related to ethics and morals, and what the interviewees themselves found important. In many cases, it seemed like respondents tried to answer the interview questions as if they themselves were the ones looking on from a distance, trying to judge whether they as consumers would be onboard for such a campaign. Still, it seemed that the respondents were conflicted at times. Some respondents asked if the questions were geared towards them as an individual requiring them to express their personal opinion, or if they had to answer the questions as a representative of the company. As such, from what was gathered during the interviews, an analytical framework can be constructed that could help answer the main research question:

What are the perceptions of the most prominent ethical challenges that companies are faced with, and how does this influence their marketing activities?

The interviews make clear that the issues of skepticism, transparency, altruism and shared values are the most pressing ethical challenges as recognized by the company under study. As discussed in the literature, whatever the company decides to do about their marketing plan, there are certain

criteria that need to be met. Research has shown one vital criterion is that one needs to exercise extreme caution when designing a campaign and choosing a partner. The success of a campaign and all parties involved can only be possible in the case of a “well-conceived, well-designed, and well-executed corporate social initiatives” (Kotler et al., 2012, p. 20). It seemed that the interviewees too had a very similar thought on this aspect. The majority was very concerned with how a campaign should be set up. Additionally, the interviews found it challenging to decide what the charity and the campaign should focus on. Some popular choices were fire and water damage, sustainable repairs, help for people with personal injuries, education on how to prevent damage in the first place, a cause related to the wellbeing of children, offering services to those less fortunate. Another interesting observation is that the respondents were quite cautious about being perceived as exploitative. A similar phenomenon found in the literature that can be linked to this behavior is that “cause marketing is controversial because of its emphasis on self-interest rather than altruism and because it threatens to commercialize nonprofits,” as argued by File & Prince (1998, p. 1531). Polonsky & Wood (2000) also explain that particularly the issue of commercialization is problematic. On average the respondents did acknowledge the commercial value to CRM. They did not seem to have many problems with a monetary focus, as long as it is done according to their wishes.

Sub-research question 1: What are the perceived ethical challenges of cause related marketing?

According to theory, CRM has proven effective, but also has a dark side. As previously laid out, CRM is a tool that can be used to commercialize nonprofits, when it does not focus on altruism. Identifying how ethics fit the bill will shed a light on how the negative side can be minimized.

The interviews reveal that respondents did have very specific preferences for the way in which a campaign would be set up. As such, almost all the respondents did feel that it is of the essence that the campaign is to be set up in such a way that it represents the values of the company. They felt that the charity that would be chosen should have close ties to the core business and values of the organization. There also was a strong focus on the need for a campaign that seems to be telling a good and honest story about the company as a whole. Something the interviewees commented on a lot is that people will very easily and even immediately pick up on things if they feel like the campaign is exploitative or dishonest. Many respondents did reflect on the need for transparency. However, they were a bit puzzled about how much transparency would factually be needed. The majority believed that it only needs to be specified what percentage of the sales are donated. They feel like the rough numbers do not need to be disclosed. This does raise some concern regarding the previously discussed comments because it does still give the organization a lot of power. In conclusion the ethical considerations of CRM are an important factor in trying to specify and better communicate what will be needed to guarantee the success of the campaign.

In conclusion

What was reported in this chapter were the results of a first round of interviews, based on the thoughts of the people within the case organization when CRM was discussed in general terms. A workshop was organized with a voluntary part of the interviewees in order to get a real idea of

how the company as a whole would like a marketing campaign based on CRM principles to look like. The results of the workshop will be discussed in the next chapter.

5. The company marketing campaign plan: hopes and perspectives

As previously mentioned in the Methodology Chapter, this research was executed as a two-stage project. First, the company executives were invited to a series of interviews. The interview results were analyzed, and a theoretical framework was made. A set of four concepts was identified as the main ethical challenges faced by the company executives. This data was once again validated during a second measurement. During the second measurement the employees were invited to attend a workshop. The difference between these two measurements was that in the second session the executives were questioned as a collective. The workshop was set up as a brainstorm session, which encouraged employees to think outside the box to come up with more concrete answers to how the campaign needed to be set up. In this chapter the insights gained during the workshop will be used to answer the second sub-research question.

In the first chapter it was stated that:

“It is of vital importance to get to the root of the problem, as this will gain insight into identifying a better approach to combat the hurdles. Compromise is needed to balance business-mindedness and humanitarianism.”

This is the foundation of the second sub-research question: How can the challenges of cause related marketing be addressed?

5.1 The company workshop

Six of the fifteen interviewees participated in the workshop, which was held online using the Microsoft Teams program. The strengths were that most interviewees were excited about CRM. The opinions were divided. Still the opportunities in this case were that CRM was perceived to be a very useful tool. The respondents that recognized the enormous potential of CRM argued that it could be very beneficial to the organization. They also recognized, however, some threats regarding the implementation. Careful consideration regarding what topic and charity the campaign will revolve around is vital. There was uncertainty among the interviewees regarding the implementation of such a campaign. The SWOT analysis illustrated the way in which CRM is currently thought of within the company. During the first part of the workshop the participants discussed their visions on the findings of the workshop. Within seconds after raising this question the attendees quickly engaged in a heartfelt discussion.

The conversation started with the first participant (P1) who stated that:

“As previously mentioned during the interview, CRM is something that really has to come from within and has to be integrated in the entire company. It is not just as simple a finding a partner and telling a story. You really have to prove to people that you are indeed doing something good and they have to experience and believe in what you are doing. This is very important to me. It should never seem like you are just giving away part of the profits and then just call it a day. I absolutely do not believe in this way of operating. You have to actively engage in finding ways to make a difference. Buy offs are a thing of the past. Companies are now looking for societal partners with whom they can

start a foundation with that in turn makes them look less commercial. Starting projects, in which, your employees volunteer, is one way to show the entire conduct of business that you stand for what you say.”

This statement very clearly sums all four issues as discussed during the interviews. The two points that are addressed are the fact that this participant reflects on the need to do more and truly make a difference in society. The P1 statement clearly reflects the need for transparency. This participant strongly believes that what is presented must reflect the honest and true intention of the company. After this statement, the group conversation took off. A dialogue started in which Participant 2 commented that in addition to this:

“If we are going to employ CRM it has to be done with a topic that lies close to both us and our clients and it has to be something that we believe in. If we can achieve a win-win situation in which you are making a contribution to society and distinguish yourself while doing so, then that is a nice bonus.”

The conversation then took a bit of a turn when P3 noted that:

“CRM is kind of far in the future. We therefore first have to get our affairs in order before CRM could be a part of that. If you do that you could it would become far more powerful. CRM would then be the final piece to the ending that is hard to start with.”

The next respondent P4 agreed with the previously mentioned participants. P4 recognizes the need for shared values by reflecting on the company cause fit. This participant P4 added to this that:

“A CRM campaign cannot be a quickie that you do just once. You therefore have to find something that suits you it needs to stem from intrinsic values and be part of a broad story.”

P5 believed that:

“For us as a company it is a bit of a challenge to give CSR its own activation. A CRM campaign may be the way to speed up the activation of CSR. I am a bigger believer in such a campaign than for example diversity policy programs. We should definitely also do this.”

The conversation then started to revolve around the requirements that are needed to choose the right cause.

P2 stated that:

“The company should stay away from complex political causes. CRM does not need to be complex or politically charged. It can be something that sits very close to home.”

The following statements raise the issue of skepticism.

Participants 1,3, and 6 replied to P2 by arguing that:

“You need to be weary of what you are promising. If you say something that you do not mean it could backfire and people will not believe you and the entire thing becomes one big puppetry.”

P6 reflected on the lessons learned:

“In the past there have been some initiatives from the company. There was one initiative in which we tried to stimulate high school students to get excited about the branch. However, it did fizzle out after some time. There was also a second action in which a cycling group was sponsored. At first people were skeptical about this effort but after a while everyone like it. However, the cost of sponsorship eventually got too high and the project reached an end. Furthermore, CSR may be a valuable option for the business. Something needs to be picked that is not too big. There are a few topics that the entire organization can engage in. You will then stimulate employees to also feel passionate about the topics you choose. A good partner that is will be visible in the public eye is needed.”

The respondents did agree that there are a few topics that definitely should not be chosen due to various reasons. Environmental friendliness is one of them, since the participants agree that this is something that cannot be realized in practice. This argument is perfectly summarized in what P1 stated:

“If the company were to choose environmental friendliness as our cause then we would be embarrassed when one of clients would point out that we cannot claim this because there is no recycling system in place for the coffee cups in the office. At the end of the day the cups just get thrown out. Our story would then not be credible and the whole campaign would seem like a hoax. From the moment that people see that you are doing something that is not true, the entire campaign will fail.”

The participants agreed that the company would not going to make a difference if tied to an environmental cause– since it is not a production company or factory. This argument was linked to the need for finding the right cause. The employees argued that if they were to use prevention education to create an interface, then maybe the company could get more positive development.

5.2 The company’s cause considerations

This paragraph will discuss what the company identifies as the most important considerations when deciding on which cause to choose. This is an important aspect of the conversation since match between company and charity can make or break the campaign.

Shared values

The need for shared values is reflected in the importance of finding the right cause. Once the participants reached a consensus on what they all thought were important considerations, the dialogue shifted to defining an exact cause. The following arguments were made by P4:

“Water damage may be a good cause that would also do well internationally. Other participants thought that prevention may also be a good choice. This respondent noted

that the company earns their bread because of damage. Although this is not sympathetic, this is the reality. You are demonstrating that you have a heart and that you are doing your absolute best to prevent damage by educating people on how to prevent it. Veilig Verkeer Nederland would be good match for the mobility domain, the property domain would match best with water damage and vitality would fit well with the burn unit. It is valuable to show that a company is not only concerned with making money, but such a campaign will prove that one also has a heart. These last few causes would definitely be believable however, participant 4 is uncertain if such a campaign will indeed generate more business.”

Participant 2 offered a solution to this:

“We should be focusing on things from the perspective of the client. If one was in their shoes, a consumer has the option of choosing between one company and another. If this company is offering that with a part of the price that the customer pays will go towards financing and preventing water damage. The question remains whether this will be interesting to a client. Therefore, a story that sits close to both our heart as well as the clients. The choice remains between choosing option A or B in which part of the profits are reserved for something that could offer added benefits to the clients. If this will work, is something that no one knows.”

Participant 1 had a counterargument. This participant mentioned that:

“Research at my previous employer has proven that being socially involved has an enormous positive impact on the image and loyalty of employees. Additionally, the younger generations are more inclined to seek employment at companies that are socially involved. In conclusion by being engaged in this has proven effective in attracting employees and keeping your existing clients.”

However, there seems to be another point of concern among the participants regarding how the initiative will be funded. After P2 heard the remarks of P1 regarding the proof of the efficiency, another discussion started that revolved around how the initiative will be translated into the prices. P2 acknowledged that:

“CRM might indeed be interesting for the clients to be actively involved in society. Yet, the question remains whether you are going to adjust the tariffs. If you are going to earn more money, it might be worth considering if you are willing to pay for the cost of the campaign if it delivers company growth, attract and retain employees. This does not always have to mean that the client must pay for the effort themselves.”

P1 elaborated on this manner stating that:

“Our efforts need to be different that when a client simply buys a good in the store. In this case for example if a client buys a good and a certain portion of the price of it is reserved for a good cause, then the client feels like they are paying for the charity themselves. Clients need to feel like that a socially conscious company is just part of the

services they provide. You need to prove that you are going the extra mile just because it is of importance to the company.”

P4 then questioned if part will be going to a charity?

P1 further explained that:

“It will not be right if the clients were to pay a higher price than usual for our services just because we are engaging in CRM. No, it needs to come from our own will meaning the we ourselves need to be willing to put in the extra step because we have a warm heart for society. It would be detrimental if we were to charge a higher fee because there is too little choice within this market.”

P5 also weighed in on this perspective by arguing that:

“An individual private consumer has the freedom to make their own trade-off based on their own insights and opinion. A company has other responsibilities as some companies find it okay to engage in CRM, but I believe that this is something that needs to come from us. We need to provide the means or any other things necessary to stimulate this. It can be made possible via money, but it could also be done through for like for example offering manual input during or outside of working hours.”

During the second part of the workshop the executives were asked to answer questions about the structure of the campaign according to Table 18.2 of Kotler and Keller (2016). The question revolved around the four main questions as identified by Kotler and Keller (2016). The questions are:

(1) Who Are We?, (2) Where Do We Want to Go?, (3) How Will We Get There?, and, finally (4) How Will We Stay on Course?

These four questions were presented as follows:

TABLE 18.2 The Social Marketing Planning Process	
Where Are We?	<ul style="list-style-type: none">• Choose program focus.• Identify campaign purpose.• Conduct an analysis of strengths, weaknesses, opportunities, and threats (SWOT).• Review past and similar efforts.
Where Do We Want to Go?	<ul style="list-style-type: none">• Select target audiences.• Set objectives and goals.• Analyze target audiences and the competition.
How Will We Get There?	<ul style="list-style-type: none">• Product: Design the market offering.• Price: Manage costs of behavior change.• Distribution: Make the product available.• Communications: Create messages and choose media.
How Will We Stay on Course?	<ul style="list-style-type: none">• Develop a plan for evaluation and monitoring.• Establish budgets and find funding sources.• Complete an implementation plan.

Figure 2. The Social Marketing Planning Process (Source: Kotler & Keller, 2016, p. 310).

5.3 Where are we?

The participants were asked very concrete and direct questions regarding their perspective on the campaign setup. The first question they tackled was what cause to choose for a CRM campaign. The conversation soon shifted into a back-and-forth dialogue as the participants in the workshop had a lot of trouble deciding what topic to choose.

P2 started the conversation by stating that:

“What is important is that we focus on what we can realize. We need to find the what we need to invest in. If we take for example water damage. Preventing damage by using certain materials during the repairs.”

P3 stated that:

“I have no preference about which cause to focus on. However, it is of vital importance that that it is in line with current events. How well the campaign focus relates to current events is going to distinguish how successful your campaign will be.”

P6 agreed with the aforementioned statement by adding to this that:

“One should focus on how you can do the most good, these are the building blocks of the campaign which is what the entire campaign stands or falls with.”

P1 confessed to finding it difficult to choose a campaign focus out of a list of the most popular choices named by the interviewees.

“You need to look at how we can truly add value and what lies close to us. The way we make a difference as a company through our added value of helping people. You could locate areas where people need our help the most. It must be at the top of mind of service companies in which they feel like this campaign focus may help but they feel like it is currently not in their hands. You must get the companies on board. In order to do that you have get them excited and let them wonder how they can include this into their policy. Something we could also be involved in is how we are approaching things through our own initiatives. The topic therefore needs to be top of mind of our clients and it needs to be something the we have no control over.”

The participants then argued that it might be worth considering if focusing on choosing one sympathetic topic per domain.

P2 found that:

“You might not want to focus on all the domains at the same time. It may be better to only focus on one domain at a time. It does not have to be very broad. We could say that our goal is making traffic safe, then our domain is SOS international (the emergency center), the advice property domain would fit well with climate change.”

P1 suggested that:

“We focus on what our competitors are doing. One competitor for example is involved in safer traffic and offering help to victims. You could focus on finding helping those less fortunate. In particular those that have a personal injury rendering the unemployed struggling to make ends meet. This is a problem all over the Netherlands.”

It was concluded that the campaign focus should be something that catches on with their customer base, something that the company believes in and above all is socially relevant. The goal of the marketing campaign should be to differentiate the company. Moreover, the cause to be chosen should be something that is not yet claimed by the competitors.

After some time, the conversation turned into a quest towards a commonly accepted concrete solution.

P2 stated that:

“Once we have identified the goal for example water damage. We know that due to climate change there will be more damage. We might want to focus on existing initiatives that we want to partner with. You could offer that if you choose us for your repair operations, five percent of the price will go to research.”

P3 agreed that it would be a good idea to partner with already existing initiatives, however P3 mentioned that:

“It can quickly become too big. The topic of flooding is so huge that is considered to be part of global politics meaning that we will not be able to solve that. P3 believes that things should be kept simple. Let’s choose something that will allow us to put the first step. Climate change and flooding are way too big to tackle.”

P2 offered a suggestion:

“We might find inspiration from looking at what the municipalities are doing. Their policy plans include green rain roofs, rain barrels. A rain barrel in the garden is used to gather the rainwater that can be used to water plant in the garden. A nice plan would be to gift a free rain barrel when someone buys a policy. You then offer clients concrete that is also a sustainable solution.”

The previous point of critique was brought up once again. P1 stated that:

“From what I am hearing I do not agree with finding a topic that focuses on preventing damage. We live from damage claims. That is what we do. I therefore do not think it would be believable if we could start a campaign that is geared towards preventing damage. It would be rather nice and relevant however I still find it a bit odd.”

P2 challenged this notion by arguing that:

“You can however never prevent all of the damage, definitely not with a cause such as climate change. You do not have to finance something that will ensure that there will never be damage again. That is an illusion. Often during conversations with clients. I have noticed that they are interested in how we are working toward minimizing damage. This is the world we live in. The clients expect us to think about these topics. The approach is that there will always be damage. However, it is up to us to pull in as much work as possible so that we can outcompete the competitors, which we can do with such initiatives. You will not be thought of as untrustworthy. You should narrow down a focus. I think it would be a fine idea that we will see in practice.”

P1 critiqued that the workshop is not focused on what kind of campaign would need to be set up but P1 questioned what the essential prerequisites are. P1 argued that:

“We need to ask the clients what they about the topic we will choose in order to find out if it resonates with them. If we can then come up with a plan in which the prices stay the same, that would be great. By conducting research among our clients, we will find out the specifics of the campaign.”

P6 concluded that it is important for the topic to be concrete, and thought that rain barrels would be a good choice. What all the aforementioned statements made during the discussion have in common is that the participants recognized that the cause they choose would be of vital importance for the success of the campaign. The dialogue reflected all the considerations made during this process.

5.4 Where do we want to go?

P2 proposed that clients were the target group as they have the option of choosing which company they want to be in business with. This participant agreed with the previous statement made by P5 that the company must decide if it wants to support a certain cause. P2 believed that:

“Categorizing the target group in a certain age bracket is not needed. The specific domain might need to be focused on. If water damage is the topic then the target group will be service companies. These companies find it interesting to focus on increasing water damage to which our company might provide the solution.”

P3 admitted to understanding the direction P2 wishes to go but also thinks that the companies will choose them based on the dossier they have before them. P3 argued that:

“At the end of the day, the fact is that this initiative is and will always remain a marketing campaign. Therefore, one needs to focus on what the strategic goals of the clients are and how we as a company can contribute to the clients wishes.”

P2 replied to P3’s point of view that the company has to convince the clients to give them more dossiers because of their great initiatives. P2 proposed that once the clients see their efforts, they might be inclined to offer 70 percent of the work instead of for example 50 percent.

P3 remarked that companies want to focus on selling to younger people who may be less likely to get service. P3 proposed that:

“Maybe we could try to focus on the business to consumer market instead of the business to business market. I suggest an initiative in which we aim to get younger people more aware of the risks and dangers and why it is important to get service. Getting young people aware of the need for service may create more opportunities to sell policies and we can handle the claims. This creases an interplay to focus on younger instead of older people.”

P1 was fast to critique that:

“In order to reach the younger audience, one might need a lot of money, the entire yearly budget will be drained with just one campaign.”

P3 then proposed to reach this audience via advertising on popular gaming platforms for example. P1 argued that:

“It is too expensive to buy advertising space on popular gaming platforms.”

P1 stated that:

“If we have a topic then we also need to be marketable. If you were to pick a cause in which we would donate to the Red Cross, then we would only have one story. While, if you search for a cause in which you deploy people to provide the knowledge and expertise to help other, then you have a reoccurring topic. You will be able to feed people and show them what you are doing.”

P6 agreed with P1. P6 added that:

“This is a much more intrinsic cause because you personnel will be involved. You could also deploy this cause to multiple countries and take it international.”

P1 circled back to the idea of rain barrels and stated that:

“Rain barrels might also be a nice idea, but it has to be part of a bigger picture in which you are stimulating people to get a rain barrel. The direction you are heading will also need to have communication value. We will not be able to easily find a topic during the workshop today. We are looking at the components it needs to have.”

As such P1 later concluded that:

“We need to find a topic that sits close to us and our clients which is part of a bigger problem, sits well with the clients and is a problem that we can tackle. It should not be the case that we raise money, put it in a fund and just wait to see what happens.”

P2 proposed that:

“You pay the same rates you normally would, but part of that tariff will be invested in maybe indeed our employees time. So, the more companies that employ us the more money we will be able to donate. During working hours our employees can do inspections that will contribute somewhere.”

5.5 How will we get there?

A few other incentives were mentioned on how such a marketing campaign could be realized.

P1 warned that:

“We are getting ahead of ourselves. I get the theories, but we are not there yet. We need to think about what is needed.”

P6 supported P1 and concluded that:

“We need to have an idea and if know what the topic will be, we can proceed with the subsequent steps.”

5.6 How will we stay on course?

The participants were given the opportunity to evaluate and reflect on the topics discussed during the workshop.

During the reflection on the workshop, one of the participants stated not to be familiar with the topic of CRM or with its best practices. The participant wondered about the success stories, and was curious about the costs versus the benefits, questioning if the organization should be willing to invest in it. The question was raised, if a huge budget was needed to make CRM a reality. Or would there be other things that can be done that can prove fruitful? It was concluded that a concrete marketing plan would be needed to see, if in addition to the societal contribution, such a project also had any other benefits for the company. A CRM campaign should have deliverables,

while also subsequent steps and client research about the suitable subjects and their potential would be needed. P2 added that:

“We should not expect to get 100 percent of the business by engaging in CRM but if we see that we would get 10 percent more business for example, then we need to convert this into value so that we can calculate how much we need to invest. This allows us to get a concrete picture. We can then set up a pilot to see what the effects will be.”

5.7 Theoretical reflection on the workshop

As stated in the introduction of this thesis chapter, the reconstruction of the company workshop was needed so as to formulate an answer to the following sub-research question:

Sub-research question 2: *How can the perceived challenges of cause related marketing be addressed?*

It became clear during the workshop that the participants were highly aware of several (ethical) challenges involved in the development of a CRM campaign. Given that the workshop was conducted in a group setting, there was an entirely different dynamic than during the individual interviews. It could be the case that some of the interviewees felt that they needed to test the waters before voicing their opinion, since they were influenced by the positions taken by others in the workshop. Some of the participant might have felt pressure to conform to the group. As previously remarked, some participants had been hesitant to answer the interview questions in stage 1 of this research project based on their personal opinions or as a company representative. During the workshop, however, the participants were far more engaged in exploring ideas that they themselves would stand by. This could be due to the nature of the brainstorming setting. This paved the way for some biases, as the company executives were at times conflicted about their answers and how to voice their opinions. First, participants raised the need to be trustworthy and believable. More important from a theoretical perspective, the workshop confirmed the four pillars (skepticism, transparency, altruism and shared values) that were previously identified in the literature. In sum the four main points were brought to light.

The strong need to find the right cause. The participants recognized that this may be key to avoiding adverse effects. The company executives argued that it was of outmost importance that the values of the company are in line with those of the charity. It must seem to be a logical match as to avoid skepticism and thus, a failed marketing campaign. On multiple occasions, participants addressed the vital importance of being trustworthy and believable. The participants found it particularly important to proof that they fulfilled the promises made during the campaign. Participants in the workshop agreed on the need to avoid looking selfish. The company clearly understood that there is a great level of pride in including CRM in the daily business operations, and in being able to help (to make a societal contribution) however they can. All the four ethical challenges as recognized in the marketing literature were thus discussed during the workshop. (Lefton, 1997; Murphy, 1997; File & Prince, 1998; Webb & Mohr, 1998; Polonsky & Wood, 2000; Andreasen, 2001; Forehand & Grier, 2003; Svensson & Wood, 2006)

To summarize the workshop, it can be concluded that the participants showed extreme consideration and regard for how a CRM campaign on behalf of their company needs to be

structured. The attendees showed true compassion throughout the workshop, while remaining realistic about the needs and want of their clients. Even though, the conversation did not result in one final definite answer on what the campaign topic would be, and on how the campaign itself could look like, the participants did identify the most important building blocks of the campaign. The scientific and practical relevance of these findings will be discussed in detail in the next chapter.

6. Discussion

Historically, the majority of marketing studies executed during the 90s and early 2000s have dedicated their research endeavors in hopes of finding out what the most effective strategies are for executing marketing campaigns. The initial research focus revolved around discovering the ultimate match between companies and nonprofit organizations so that both parties reap maximum benefits (Varadarajan & Menon, 1988; Webb & Mohr, 1998; Adkins, 2000; Bronn & Vrioni, 2001; Marconi, 2002). The studies that followed first started to focus on two challenges of CRM. Forehand & Grier (2003) argued that there could be consequences when a business is seen as selfish and corrupt if consumers are skeptical about the linkage between company and cause. Newer studies identified a second challenge, which is lower voluntary donations due to CRM. The reason for this is that customers find that purchasing a CRM product means that they have done their part and do not need to make additional financial donations (Lichtenstein et al., 2004; King 2006; Krishna, 2011).

Rosen Robinson et al., (2012) argue that to prevent these potentially undesirable outcomes, businesses must back charities that are valuable to both their employees and their shareholders, and match their corporate and brand image. Research thus far did acknowledge that CRM is not without its flaws as it started to tap into the potential (ethical) challenges. However, the scope of most research still remained on finding the most effective strategy, as well as on finding the right company cause fit. Exceptions in the literature were scholars, such as Lefton (1997) and Murphy (1997), who addressed the power imbalance between company and charity. In addition, Svensson & Wood (2006), File & Prince (1998), and Polonsky & Wood (2000) critiqued the theory due to the focus on commercializing nonprofits. Still the most prominent research focus remained the same.

As was previously identified in the present study, one of the most challenging aspects of the CRM marketing campaign is deciding which cause to choose. Circling back to the research objective:

The research objective of this thesis is to identify the ethical challenges of CRM in the service sector, and to use these insights to formulate guidelines for setting up a CRM marketing plan.

6.1 The scientific relevance

The aforementioned paragraphs vividly described the relevance and importance of the **main research question**: *What are the perceptions of the most prominent ethical challenges that companies are faced with, and how does this influence their marketing activities?*

One of the most important points of critique that first addressed how the role of ethics fits into CRM was identified in the literature as follows:

CRM campaigns that employ ethical behavior make customers see a positive image of a company, which in turn leads to altruism or satisfaction due to an attitude change caused by purchases linked to charity (Webb & Mohr, 1998). Alan Andreasen (2001) argues that this enables companies to manipulate consumers into buying more since they are often not transparent about the exact donations. Andreasen argued that the true inspiration behind this philanthropy is financial gain, and not humanitarianism.

Up until now the literature has only focused on finding the right cause for the right type of business but it has paid very little attention to identifying and addressing these ethical challenges. This thesis was written in effort to fill this void. The most prominent ethical challenges associated with cause related marketing and how they can be explained are discussed in the following paragraphs.

6.1.1 Great power constitutes enormous responsibility

With great power also comes great deal of responsibility on the company's side. This implies that a marketing tool based on CRM must be used with utmost care and consideration. The findings as discussed previously in the chapter "*Results*" confirmed that there are a set of four pillars. Skepticism, transparency, altruism and shared values were identified as the most prominent ethical challenges.

The need for shared values relates to the company-cause fit. This issue is extensively discussed in the literature it is even was the most prominent research objective among scholars with significant focus on maximizing the benefits of both parties (Varadarajan & Menon, 1988; Webb & Mohr, 1998; Adkins, 2000; Bronn & Vrioni, 2001; Marconi, 2002). Particular attention was paid to improving the company-cause fit. In the results this had been identified by the employees as the need for shared values. The company cause fit serves as the foundation for the research objective as this was the most prominent finding in the CRM literature. This point can also justify why the issue can also be the first ethical challenge associated with CRM. Finding the cause is one of the hardest quests. Simultaneously, this pillar is also the foundation for the next point, Skepticism. Since backlash and other adverse effects are the result when consumers are skeptical about the company's motives. The power imbalance refers to the need for transparency. One can address this power imbalance by showing what is being earned during the campaign. Therefore, being open, honest and transparent is key as this leads to trust and credibility. The threat of commercialization is closely related to the fear and uncertainty that stems from questioning the true motives of a company. This topic relates to altruism. By focusing on this, it may provide the trust that is needed to show that the company truly cares about society in this case. It is clearly stated that: Adverse effects will follow when customers are skeptical about how the product and the cause are related to each other or when customers perceive the company as being selfish and corrupt (Forehand & Grier, 2003). This explains why the second point is in line with the findings.

6.2 Practical relevance

In the results chapter, the following argument was raised to answer the questions of why the ethical considerations are of importance, and why there is a need to address them (sub-research question 1 and 2).

Sub-research question 1: *What are the perceived ethical challenges of cause related marketing?*

To recap, the interviews revealed the following:

From the data gathered during the interviews it could be concluded that they find it very important that the company values are represented in the CRM campaign. Their requirements range from having a strong link with their main business operations, the need for an honest believable story as they argue that people will quickly realize when the campaign is exploitative or dishonest. The need to be transparent was mentioned of multiple occasions but how much transparency would be needed left them puzzled. The majority found that rough number were not needed, only the percentage of the sales that are donated. In doing so, companies still have a lot of power. The bottom line is that taking the ethical aspects of CRM into considerations is a vital in effort to identify and give information on the components necessary to guarantee the success of the campaign.

Sub-research question 2: *How can the perceived challenges of cause related marketing be addressed?*

The results of the workshop revealed the following:

The workshop revealed that the participants were very aware of several (ethical) challenges associated with the setup of the CRM campaign. The workshop confirmed the four pillars skepticism, transparency, altruism and shared values that were previously identified in the literature. The four main arguments made were:

Seeking the right cause. The participants of the workshop identified that to avoid undesirable outcomes, shared values are needed between the company and the cause. To avoid failing, a convincing union needs to ward of skeptics of the CRM campaign. On multiple instances, the executives discussed that there is a need to proof that trust and believability are of the essential importance to them and self-centeredness must be avoided. The company comprehends that there is a great deal of pride when CRM is included in the core business. The ability to aid in societal welfare is what they identify as a possible contribution to the better cause. All four ethical challenges as identified in the marketing literature are addressed in the workshop (Lefton, 1997; Murphy, 1997; File & Prince, 1998; Webb & Mohr, 1998; Polonsky & Wood, 2000; Andreasen, 2001; Forehand & Grier, 2003; Svensson & Wood, 2006). By summarizing the workshop, the conclusion is that the company executives demonstrated that they were considerate about how CRM campaign that is executed on behalf of their company needs to be conducted. The

participants were realistic about the requirements of their clients and showed true benevolence during the workshop.

What can be learned from these findings is that the company is content on preventing the occurrence of corporate social irresponsibility (Lin-Hi & Müller, 2013). Unfavorable responses can be prevented when a logical link between the two parties and the company is not seen as dishonest and self-centered (Forehand & Grier, 2003). The company expressed a strong desire for a good, honest, transparent marketing plan, that is above all believable and reflects the values of the company. It is quite fascinating to see that the company has such a strong focus on being perceived as trustworthy. The work presented in this thesis is in line with the list of best practices identified by the company executives.

Credibility and not being perceived as selfish are very important to the employees of the case company. The results indicate that the company is very much aware of the potential backlash and adverse reactions they would receive if they were not seen as credible. This was in line with ideas from the existing marketing literature about “Marketing 3.0”, a values-driven form of marketing that plays with notions of “consumer participation and collaborative marketing, globalization, and the rise of a creative society” (Kotler et al., p. 33).

The results of this study have shown this notable shift in mentality. There is a strong focus within the company on being perceived as credible and trustworthy in the eyes of consumers. Due to the strong social media presence, consumers can make or break a campaign, as those media enable them to voice their opinions. This fit thinking on the changing role of marketing, in which consumers are considered to have new marketing capabilities, as summarized in table 1.1 as proposed by Kotler & Keller (2016).

TABLE 1.1 New Capabilities in the Changed Marketplace	
New Consumer Capabilities:	
<ul style="list-style-type: none">• Can use the Internet as a powerful information and purchasing aid• Can search, communicate, and purchase on the move• Can tap into social media to share opinions and express loyalty• Can actively interact with companies• Can reject marketing they find inappropriate	
New Company Capabilities:	
<ul style="list-style-type: none">• Can use the Internet as a powerful information and sales channel, including for individually differentiated goods• Can collect fuller and richer information about markets, customers, prospects, and competitors• Can reach customers quickly and efficiently via social media and mobile marketing, sending targeted ads, coupons, and information• Can improve purchasing, recruiting, training, and internal and external communications• Can improve cost efficiency	

Figure 3. New Capabilities in the Changed Marketplace as proposed by Kotler & Keller (2016, p. 32).

Previous literature mostly highlighted that companies have the advantage since they hold all the cards. However, due to the stronger importance of the role of the consumer all this has also changes the business mentality.

6.3 Limitations

6.3.1 The translation biases

First and foremost, the interviews were conducted in Dutch using a Dutch interview protocol. The workshop was also conducted in Dutch. The decision to gather the data in Dutch was made upon the company's explicit request –as it made it easier for the company executives to answer the questions without language barriers (they were all native Dutch speakers). However, this also meant that all the data had to be translated to English for the present text. This may have led to errors and biases, since the words that were used to translate the data were not the exact words that the interviewees used. For instance, common Dutch phrases and expressions might not be the same after translation. It must be said that careful consideration was taken into translating every single word that was spoken. Still, some nuances might have gotten lost in translation. The issue of translation biases could have been resolved through the inter-rater agreement (which implies that the translations are done by multiple people after which the amount of agreement between the raters is calculated).

6.3.2 Validity

Second, case studies provide a lot of practical information in (semi-)unstructured form, which equals high external validity but low internal validity (Sekaran & Bougie, 2016). Nijstad (2009) argues that qualitative case studies do have two disadvantages. For instance, there are not many objects can that be analyzed thoroughly. Secondly, it is uncertain if the same results also apply for different entities. This raised the question on whether the results can be generalized? During this thesis project, only a single company was studied, in one particular sector. It therefore remains to be seen if the findings also hold for different companies and sectors. This study was executed without a control group. Because of this, it was not possible to find out if the main findings were specific for this company, in this industry, or if they also hold for other companies in other business sectors. In order to test the internal and external validity of the insights and findings gained during the study, the same research should ideally have been conducted within a different company and/or a similar company in a different sector. This would provide higher internal validity and allows for more generalizability.

6.4 Reflection

In this section of the thesis, the work executed during the research project is reflected upon. Firstly, the validity of the chosen method, assumptions and analysis used during this thesis will be discussed. Furthermore, it will be elaborated why the research approach was chosen and how future work in this direction could be improved.

6.4.1 The chosen research approach

As previously mentioned, the interviewees were explicitly asked, if they think that there are any ethical considerations tied to the theory of CRM. The response to this question was somewhat surprising – since it was often met with a long pause, a counter-question on what is meant with ethical considerations, or a plain no. It is rather interesting that the majority of interviewees see

no ethical challenges associated with the theory and highlighted CRM as a tool that will not bring about harm to anyone. This is quite surprising given that when the interviewees were further questioned, they did recognize very similar challenges as discussed in the literature. The issues raised during the interviews did touch upon the uncertain ties regarding the implementation and execution of the campaign. In this regard it is of the essence to once more urge that the four pillars as identified during this thesis (transparency, shared values, altruism and skepticism) are merely the perceptions of the role of ethics in CRM within this particular organization. As such, the business has a rather strong feel for what they deemed appropriate.

6.4.2 Limitations and improvements

As previously discussed, the particular method of case studies used in the present study does bring about a threat of generalizability, since it cannot be stated for a fact that the results of the study would hold for another company in a different setting. Not only does this raise the question of validity of the thesis, it also begs the question if the theme of cause related marketing can be researched based on the chosen research approach.

The research method chosen did highlight the specific needs and wants within the organization, which are aimed to present a customized campaign plan for the organization in question. Another organization within a different (or even the same) industry may have entirely distinctive wishes and desires for their campaign. However, this study did provide very real insights in the perspectives of a modern-day company. This company felt strongly about the need to be believable since they are very aware of the strong impact and influence consumers have especially due to the presence of social media in the Marketing 3.0 era. To this extend the research approach highlighted the core components that may be needed for organizational survival. Based on the insights gained from the company executives during interviews a qualitative data analysis was executed using first level coding in the Atlas.ti software package. From what was mentioned by the interviewees, four core concepts were identified namely: transparency, shared values, altruism and skepticism. In this study, these concepts were identified as the most prominent perceptions of ethical challenges that existed among the respondents in the case study. Interestingly, these core concepts were in line with the literature on ethical marketing. This is further elaborated in the following paragraphs.

In the domain of ethical marketing, it has been recognized that: “In recent years business increasingly has been viewed as a major cause of social, environmental, and economic problems. Companies are widely perceived to be prospering at the expense of the broader community” (Porter & Kramer, 2011, p. 4). Porter and Kramer (2011) argue that the moral dilemma is that businesses themselves are in part to blame for the aforementioned issue. This, because they continue to be entombed in an old-fashioned means of creating value that was developed in the preceding decennium. The authors state: “They continue to view value creation narrowly, optimizing short-term financial performance in a bubble while missing the most important customer needs and ignoring the broader influences that determine their longer-term success” (Porter & Kramer, 2011, p. 4). As a result, the government as well as the public have aggravated the situation by trying to combat social instability at the cost of corporations. Corporations and the community must be united. “Yet we still lack an overall framework for guiding these efforts,

and most companies remain stuck in a “social responsibility” mind-set in which societal issues are at the periphery, not the core. The solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success” (Porter & Kramer, 2011, p. 4). The aforementioned arguments will pave the way to achieve actual change in the current business mindset.

Companies nowadays are expected to act as good corporate citizens, and to come up with a unique approach to tackle several of the current societal challenges. However, very few of the grand societal challenges have the potential to lead to sustained competitive advantage or to bring about significant societal change. “By providing jobs, investing capital, purchasing goods, and doing business every day, corporations have a profound and positive influence on society. The most important thing a corporation can do for society, and for any community, is contribute to a prosperous economy. Government and NGOs often forget the basic truth” (Porter & Kramer, 2006, p. 14). Note that this also means that a corporation should not be deceitful or play any part in causing environmental or social harm. On the other hand, a business does not bear responsibility to fix everything that is wrong in the world. Instead, Porter & Kramer (2006) propose that a better alternative would be for a company to focus on a societal challenge that they can actually really solve. This would ensure the greatest competitive advantage. A corporation should not attempt to tackle a challenge that it does not comprehend. If a business chooses something that is right up their ally, they will be able to give it their best shot, and therefore eventually have the biggest influence on societal welfare.

It was decided to research the perception of ethical challenges within one particular company in the services industry by focusing uniquely on the company executives. The limitation of doing so was that only one perspective was explored. By adding in a second factor, the perspective of the clients, it would have provided an additional element, and higher quality data.

Due to time constraints only the perspective of the company was explored which is the first step. Even though this allowed for the first exploration on perceived ethical challenges within the services industry, it would have made sense to include the perceptions of the clients in the second phase. This could have been done by inviting the clients to engage in co-creation sessions, in which clients voice their opinion on what they envision. The second element (the perspectives of the clients) would provide more accurate insights on how the business’s ideas regarding the setup and execution of a CRM campaign align with those of the clients. However, even after the clients have been interviewed and extensively asked about their wishes, there can still be some uncertainty. The reason for this is that even when a business perfectly incorporates what the clients wish for, it does not by definition guarantee the success of the CRM campaign. While the chance of success may be significantly greater if one chooses to take note and adhere to the wishes and suggestions of the clients, this still does not guarantee that the clients will choose to employ the company in question due to their campaign. One can only see if the campaign will work once it is implemented. The final step will be the evaluation. During this

phase one must critically reflect on the course of the campaign and the lessons learned to seek improvements for future plans.

6.5 Future research

During the workshop there was an entirely different dynamic than during the one-on-one interviews. The group was clearly influenced by the group dynamics. A different group of people during the workshop would probably have generated a different outcome. Future research could, therefore, explore a quantitative form data collection through workshops. More companies could be included in the study, and the use of surveys would also provide great insights. This thesis used the methodology of brainstorming and revolved around the idea generation phase.

Subsequent research could follow on the next phase of the creative processes – i.e., idea selection – and explore all the steps that ultimately lead to choosing an idea in a group setting (Berg, 2016). Another proposal for future research would be to also study creativity in groups and how this influences the idea generation and selection phases that ultimately lead to a decision. The two theories of idea selection and creativity in group settings will be explained in the next two sections.

6.5.1 Idea selection

As previously mentioned, besides idea quality, the success of the session also greatly depends on the usefulness of the winning idea. Rietzschel et al. (2006) argues that idea quality depends on a second factor, the successfulness of the selection procedure, implying the extent to which the crème de la crème of ideas is selected. Following the diverging phase in which ideas are generated, a converging process must be followed. However, Nijstad (2009) critiques that the idea selection phase may not always be efficient since a lot of people are biased in choosing ideas that favor feasibility rather than originality. This is the case because feasibility and originality are negatively correlated. An idea can score high on either the originality or the feasibility scale, but not on both. Due to this, people often tend to be inclined to prefer an idea that is feasible rather than original. This finding has also been documented among creative professionals in real organizational settings (Berg, 2016). However, if the need for creativeness is ignored, all that one will be left with are common ideas that lack imagination and creativity. Future work could explore this idea, and study ways to persuade people to choose the original ideas – for a CRM marketing campaign.

6.5.2 Creativity in groups

Another way to measure the performance of a group is to analyze the effectiveness or creativity of the groups under different circumstances (Nijstad, 2009) – to discover why a certain group has higher creativity than another. What is essential to creativity is non-conformity, therefore being different is key (Gross & De Dreu, 2019). In groups, those people who swim against the current, will inspire others to be more creative in their thought processes (Nemeth, 1986). Nijstad (2009) argues that groups will be more creative, if their focus is on thinking autonomously, and not on achieving conformity. However, after a cooperative negotiation, after being together longer, and when focusing on similarity, people may be less willing to “stand out” and take a divergent position. Such group processes will lead to lower creativity. Further, productive behavior in a group setting is the key to a person being creative on an individual basis (Taggar, 2002). For

future work on the development of a CRM campaign in a workshop setting, these insights could be used to explore different compositions of the workshop group. This could lead to more creative campaign proposals.

7. Conclusion

In conclusion, this thesis studied the perceived ethical challenges representatives of a company in the services sector identified for intended marketing activities. What can be concluded from the study is that the case company has a very straightforward way of thinking in this issue. In agreement with what are coined the new marketing realities of Marketing 3.0 in the literature, the company realized that CSR should to be part of the corporation's strategy. They recognize that if they were to engage in CRM, one campaign would not solve all the grand societal challenges. This research showed that the four pillars (transparency, shared values, altruism and skepticism) were vital components of the ethical challenges perceived, and were therefore of the essence when thinking about CRM. It was argued that for the CRM campaign to work, societal improvement should be at the frontline. Moreover, if there is something to gain from it, it should be seen as an added benefit. True honesty was believed to be more important than just the perception of it. This marks a step in the right direction on the side of the businesses. It is vital to establish synergy between business and humanitarianism, as the two can only co-exist if the potential dark side of CRM is also part of the conversation, and adequately addressed. CRM is a booming business, which is here to stay.

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