

Analysis on the Relationship Between Cause Marketing and Brand Loyalty

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ABSTRACT

Cause marketing can help a business to build a good corporate image and increase social responsibility. Therefore, it is a long-term mutual promotion of marketing means. The project is going to determine the relationship between cause marketing and brand loyalty by analyzing the data from the questionnaire and searching the literature review. Cause marketing can help a business to build a good corporate image and increase social responsibility. Therefore, it is a long - term mutual promotion of marketing means. The goal of the study is to reveal the relationship between the cause marketing and brand loyalty, and give a better understand to people. This study discovered that using marketing has a positive influence to brand loyalty. In addition, the effect of cause marketing are influenced by age and gender.

Keywords: *Cause marketing, brand loyalty*

1. INTRODUCTION

The brand loyalty is an important aspect of the business. Brand loyalty can bring many customers that will not give up the brand when it faces problems. Besides, the customers are able to help the brand to increase its popularity[1]. However, the research on how cause marketing influences the brand loyalty of a company has not been finished entirely. Therefore, this study aims to complete the study of the influence of cause marketing on the popularity in Chinese market. In this study, the survey is to explore the relationship between cause marketing and brand loyalty. Through this study, it is hoped that companies can behave better in cause marketing by understanding the relationship between cause marketing and brand loyalty well. In addition, nowadays the Wuhan epidemic situation is very serious, and there are many business like BABA, Tencent and Evergrande Group etc. In this epidemic situation, the influence of cause marketing has been amplified. Hence, the project will focus on what has the business done for the situation, and analyze what the impact to the brand loyalty after the cause marketing.

2. LITERATURE REVIEW

According to Marketing-Schools.org, the principle of cause marketing refers to the combination of a brand and a cause to create profits and social benefits for both parties. These common interests can include creating social value, increasing contact with the public, communicating and sharing value, and profit[2]. Therefore, cause marketing is able to improve the connection with the public and increase itself's popularity. The cause marketing was officially launched by American Express in the early 1980s. Between 1981 and 1984, the architect of the cause-

related marketing, Jerry Welsh, thought it was a good to encourage people to use American Express for their local purchases. Then the first national cause-related marketing (CRM) program was initiated, and it was a nonprofit organization that increased the use of card and differentiated the company. Over two decades, cause marketing has enlarged itself by using different kinds of ways and from its early beginning has grown in numbers, range, and depth. Nowadays, cause marketing contains product sales, promotions, and program-driven collaborations between companies and nonprofit causes. Meanwhile, cause-marketing relationships are still growing in the awareness value as well as financial support[3].

According to David Campbell and Richard Slack, the rate of charitable giving against profit is found to respond positively to public visibility[4]. Therefore, the brand popularity is able to be increased by cause marketing. The popularity of the brand can arise the good impression of the customers. As the world become more and more complex, the customers will feel at ease when they know the brand well. Meanwhile, the popularity of the brand means a promise to the customers, so the customers are more likely to believe the brand which has high popularity[5]. In addition, the customers are more likely to choose the companies who manager cause marketing. Kit Smith said that in a global survey, 91% of consumers said that, considering the similarity in price and quality, they may turn to supporting a brand with a good reason. 92% of the respondents said that they would buy products that are beneficial to society or the environment if they had the opportunity, and 67% of the respondents said they had bought such products in the past 12 months[6]. According to the impact of congruence in cause marketing campaigns for service firm, the customers response active to the the sincerity and attitude of the sponsor. Moreover, cause marketing might give an advantage that a brand need to captivate the hearts and minds of the inundated, skeptical consumers in current complex and high-competitive

market [7].

3. METHODOLOGY

This study has designed a questionnaire, which contains six questions. The first question is to ask if the respondents know Haier Group, an international appliance company. If so, the respondents would be asked how much they support Haier. Meanwhile, the respondents answered the question again after they have read the contribution of Haier has done for the Wuhan epidemic situation. Moreover, the respondents were asked if they know Young-Duck Group, an unknown appliance company. Similarly, the respondents were asked again whether their good impression of Young-Duck Group increased and would like to know more about Young-Duck Group, after they have read the information about the donation of Young-Duck Group to the Wuhan.

The study used the collected data from this questionnaire to analyze the influence of cause marketing on brand loyalty. In addition, the study also has collected the gender and age of the respondents to analyze the response of different genders and age to cause marketing.

4. ANALYSIS

The questionnaire has collected answers from 641 respondents. Followings are the analysis of the data. Before reading the information about the contribution of the Haier to Wuhan epidemic situation, the number of the respondents who support Haier is 556, and the number of the respondents who do not support Haier is 14. After reading the information, the number of the respondents who support Haier has increased to 593. In addition, the percentage of the respondents who support Haier very well has increased from 66.93% to 82.37%.

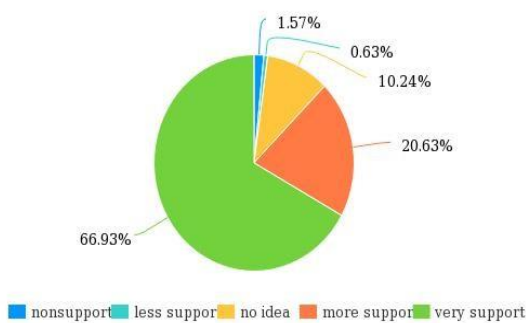


Figure 1. The rate of support before giving the information.

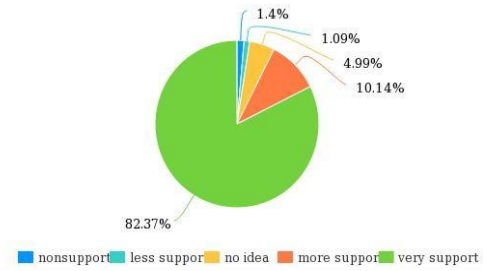


Figure 2. The rate of support after giving the information.

Before getting the information that Young-Duck Group has donated sterilizing machines to the hospital, the number of the respondents who are the loyal customers of the company is 99, but the number of the respondents who do not know the company is 329. However, when the respondents have gotten the information about the donation, 590 respondent's impression of Young-Duck Group has been improved and all of them have agreed to know more about the company. (For the graph that the beside the article, the blue part is the percent of the respondents who agree to know more about the company, and the green part is the percent of the respondents who disagree to know more about the company.)

Meanwhile, the project has analyzed the differences in the degree of influence varies between different people. First, the project has divided the respondents into male and female. On the one hand, the percentage of male respondents who support Haier very well has increased from 66.31% to 77.27%, and the difference is 10.86%. On the other hand, the percentage of female respondents who support Haier very well has increased from 67.8% to 89.51%, and the difference is 21.71%. Moreover, the percentage of male respondents that agree to know more about the Young-Duck Group is 89.3%, and the percentage of female respondents is 95.88%.



Figure 3. The rate of agreement to know more about Young-Duck Group.

In addition, the project has also divided the respondents into different age groups, which are 18 to 25, 26 to 35, 36 to 45, 46 to 55, 56-65 and above 65. For the 18 to 25, the increase of the percentage of the respondents that support Haier after getting the information about the contribution

is 11.19%. For the 26 to 35, the increase of the percentage is 6.93%. For the 36 to 45, the increase of the percentage is 3.65%. For the 46 to 55, the increase of the percentage is 7.03%. For the 56 to 65, the increase of the percentage is 1.59%. For the respondents who is above 65 years old, the increase of the percentage is -25%.

5. FINDINGS

Because the number of respondents that support Haier and agree to know more about Young-Duck Group has increased, the project has considered that cause marketing is able to increase the brand loyalty. Furthermore, the increase of the percentage of the female respondents that support Haier very well after getting the information is 21.71%, more than that of the male respondents, namely 10.86%. Therefore, cause marketing will be a better choice for the business whose target group is women.

Besides, the percentage of female respondents that agree to know more about Young-Duck Group is 95.88%, more than that of the male respondents, which accounts for 89.3%. According to Kent Huff, many people agree to choose a brand by cause marketing, particular for the women, and mothers are the high advocates of cause marketing[8]. Therefore, the project has considered that female customers are more likely to be influence by cause marketing.

Moreover, in general, women's support or interest in the two brands is higher than that of men, whether before or after knowing the public welfare of enterprises. Therefore, there is another suppose that if the target groups of these two brands are more female, because two brands are both household electrical appliances business. Besides, the biggest change of the Haier's high supporters' percentage is the respondents in age group of 18 years old to 25 years old. The reason why women and young people pay more attention on cause marketing may be they are more emotional, so they are more easily to be impressed by cause marketing.

However, according to Josh Sternberg, cause marketing does not have the impact on young generation[9]. The project has thought the reason that there are differences between the survey result and Sternberg's result is the questionnaire has not collected enough data(Sternberg has studied for 1908 respondents). There is occasionality in the survey. Meanwhile, the reason of the difference may be the different culture between two countries.

6. CONCLUSION

The project has established the research by searching the literature review and analyzing the data from the questionnaire. Finally, the project has drawn the following conclusions. Firstly, because marketing has a positive influence to brand loyalty. For the famous brand, like Haier Group, because marketing is able to promote the degree of brand loyalty. For the obscure brand, like

Young-Duck Group, cause marketing has the ability to attract more customers and increase the number of brand loyalty. Secondly, the brand loyalty go female customers are more likely to be increased by cause marketing. In today's market, cause marketing has already been an important element in Brand loyalty.

7. SUGGESTION & LIMITATION

The number of respondents of the questionnaire is only 641. Hence, there must be some occasionality in the research. Most of the respondents concentrated in eastern China, and they cannot represent the whole of people in China. Thereby, more data are needed to verify the conclusion.

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