EFFECTS OF CAUSE MARKETING BY THE TOURISM INDUSTRY ON CONSUMER WILLINGNESS TO RECOMMEND

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Abstract—The tourism industry has become one of the world’s biggest industries and countries are sparing no effort in developing it by leveraging their natural and cultural resources. Future development of tourist travels still has considerable room for growth in terms of number of tourists, revenue from tourism and all social classes. In recent years, companies have been increasingly soliciting non-profit organizations (NPOs) to collaborate on because marketing activities. However, a retrospective review of recent studies reveals that there has been little research on the combination of the tourism industry and philanthropic activities. This led to the author’s selection of this industry as the research topic. For this study, questionnaires were distributed to and collected from visitors in the Formosan Aboriginal Culture Village on-site. Of the 500 questionnaires distributed, 322 were collected, constituting a response rate of 64%. The findings include: (1) a significant positive correlation between cause marketing and the ‘philanthropy factor’ in willingness to recommend (WTR); (2) a significant positive correlation between cause marketing and the ‘efficacy factor’ in WTR; and (3) significant differences in the correlation between cause marketing and WTR due to ‘dissimilarities in demographic variables’. It is hoped that the suggestions given in this study can to some extent contribute to the development of cause marketing by the tourism industry.

Keywords—tourism industry, cause marketing, willingness to recommend

I. INTRODUCTION

As increasingly more companies have programs in place to demonstrate their awareness of corporate social responsibility (CSR), this has turned CSR a key issue and slogan for companies. Meanwhile, consumers also evaluate companies based on whether companies are engaged in social and charitable activities, further prompting companies to actively adopt cause marketing as a platform for fulfillment of CSR (Abzakh et al., 2013). In Taiwan, there are also many cause marketing examples. For instance, issuance of co-branded credit cards through partnership between many charitable and welfare foundations and major banks in Taiwan is the most typical cause marketing model. In academic research, papers that examine many theoretical and practical verification issues related to ‘cause marketing’ also see year-over-year increases in number (Ahmed et al., 2012). Therefore, cause marketing is a new method of marketing communications (public relations, advertising, sales promotion or promotion in the broad sense) for companies and also a new fundraising strategy for NPOs (Chang and Lee, 2011). As cause marketing is drawing increasing attention, scholars and marketers begin to examine business strategies and analyze effects of sponsorship activities on consumer perception and behavior. Therefore, consumers are the third key role that determines whether or not cause marketing can be successful. However, a retrospective review of studies in Taiwan and abroad reveals that issues related to cause marketing mostly point to how companies design cause marketing methods and promote cause marketing.

The tourism industry has become one of the world’s biggest industries and countries are sparing no effort in developing it by leveraging their natural and cultural resources. The tourism industry refers to a travel service industry that develops, creates and maintains tourism resources, builds and improves tourism facilities, provides tourists with travel, food and accommodation, and organizes various types of international conferences and exhibitions (Yen & Teng, 2013). The amusement park industry is one of the major fields within the tourism industry and an industry that provides entertainment experience. Its operational development relies on rapid, flexible and continuous innovation to meet transformation needs. An evolving tourism industry benefits local economy, society and environment and is seen as a ‘smokeless industry’. Therefore, future development of tourist travels still has considerable room for growth in terms of number of tourists, revenue from tourism and all social classes. In recent years, companies have been increasingly soliciting non-profit organizations (NPOs) to collaborate on cause marketing activities. However, a retrospective review of recent studies reveals that there has been little research on the combination of the tourism industry and philanthropic activities. This led to the author’s selection of this industry as the research topic. Therefore, this study investigated the effects of
cause marketing by the tourism industry on consumer WTR.

II. LITERATURE REVIEW

A. Cause marketing

Alkhateeb et al. (2012) defines cause marketing as a type of horizontal cooperative sales promotion, i.e. combination of corporate brands and NPOs for sales promotion activities. Yuriy and Gerard (2012) suggests that ‘cause marketing’ is not equal to companies sponsoring charitable activities because corporate charitable behavior is simply donation or sponsorship to charitable organizations or groups and does not include incorporating sales of products or services and this is namely the main characteristic of cause marketing. This argument is supported by Anuar et al. (2013). Cause marketing is a marketing strategy adopted by companies to increase sales; and from the perspective of NPOs, it can also be seen as a new way of fundraising, by which it is also possible to increase awareness. Kelly regards cause marketing as a type of corporate strategic philanthropy. Chen & Hu (2010), Dyli et al. (2013) and Hosein (2013) all present cause marketing as a ‘win-win concept’. This approach to marketing not only enables companies to achieve the purpose of sales, but also enables NPOs to raise funds while expanding awareness. However, does ‘cause marketing’ mean only corporate product sales in the narrow sense? Lindenmeier et al. (2012) believe that cause marketing does not necessarily require the co-existence of corporate product selling and fundraising by NPOs; as long as companies and NPOs have combined sales activities that can have a direct or indirect impact on corporate sales, it can be considered cause marketing. Mobach (2013) adds another element to the definition of cause marketing, i.e. promotion of a social issue or concept by companies themselves without direct collaboration with NPOs. Podoshen et al. (2012) believe that whenever corporate endeavors intended to achieve sales are conducive to goals of NPOs, any commitment of resources and effort made can be called cause marketing and the sales may also similarly be reflected in the future.

Ricks et al. (2012) concludes the following four broader concepts of cause marketing according to different forms of collaboration:

1. Corporate issue promotion: A company promotes a social concept or issue without any collaborative sales promotion activity with a NPO.
2. Joint issue promotion: A company and a NPO jointly promote a social concept or a social issue that the NPO is concerned with.
3. Sales-related fund-raising: This is cause marketing by the narrow sense, i.e. selling behavior in which a company donates a certain percentage of proceeds from transactions with consumers to a NPO.
4. Licensing: A company is licensed with the logo or name of a NPO and uses this to achieve the goal of sales promotion while the NPO receives a fixed percentage of proceeds from the sales.

As this study investigates whether cause marketing affects WTR among key recommenders, the operational definition of cause marketing is ‘the extent to which resonance and acceptance can be evoked to the point of WTR following explanation in a cause marketing activity and acquaintance with the organizer.’ This study uses the questions in Sanya et al. (2013) as the aspects of cause marketing to be examined, which are divided into (1) cause effect and (2) cause resonance.

B. WTR

Banerji (2012) defines WTR as ‘verbal communication among people about a brand, product or service while in the recipient’s view, the communicator does not have any business intention.’ However, Deand Hofsteede (2010), in response to the current reality of word-of-mouth behavior, suggests that what is recommended is no longer just about brands, products or services, but also includes entities. Therefore, as long as the recipient of recommendation behavior thinks that the recommender does not have any business involvement, the communication between the two meets the definition of WTR. Recommendation often can influence the recipient’s buying decision because the recommender is considered to be unrelated to the business. Like ‘a double-edged sword’, recommendation in fact can act to increase risks of buying, especially in the case of buying services. Because services have high intangibility, i.e. the so-called subjectivity, it can easily lead to the situation in which consumers are unable to make comparisons before buying and have to rely on user experience from others to ease their own uncertainty. Therefore, Gurumurthy et al. (2013) find that recommendation can reverse negative attitudes among consumers or create positive images nine times better than advertising. Julio et al. (2013) reveal that recommendation not only can influence consumer judgment on products in the short term, but also has a long-term effect. Kuntluru et al. (2012) discovers that compared to other information channels, consumers accept recommendations from others more easily when buying services. O’Connor et al. (2012) also points out, consumers especially rely on recommendations and opinions from others when selecting services related to accounting, legal consultancy, healthcare, hairdressing and learning and personal development programs. Precisely because recommendation has a strong influential power, many companies often launch so-called recommendation programs, i.e. word-of-mouth marketing, which is commonly seen in the market (Zikmund and Babin, 2010).
The research variables are primarily about investigating whether there is willingness to actively or passively provide information for others after the two factors: cause and experience. Therefore, the operational definition of WTR is ‘the behavior or willingness to recommend a product or service to others after experiencing it.’ This study is based on Osval et al. (2012) for the aspects of WTR to be examined, which are divided into (1) philanthropy factor and (2) efficacy factor.

By summing up the literature review above, the conceptual framework for this study (Fig. 1) was developed to examine the relationships between demographic variables, cause marketing and WTR.

C. Hypotheses

According to Welter et al. (2013), there should be high correlations between cause marketing, product experience and WTR. When key influencers in buying decisions are more affected by and more accepting of cause marketing, their evaluation and acceptance of products should be higher after product experience. Similarly, higher scores in the two variables should also lead to a higher score in WTR. According to Wilkie et al. (2012), WTR among consumers depends on their perceived value of products, which comes from benefits and value obtained (Anthony and Neel, 2013). Boisvert and Nick (2011) investigate how perceived value among consumers of a café chain has positive effects on their purchase intention and WTR and reveals higher perceived value among these consumers lead to stronger purchase intention, hence stronger WTR. Dhava and Henry (2012) explore the effects of perceived value among online shopping consumers in e-commerce on their purchase intention and WTR and the results show that higher perceived value among these consumers can affect their online purchase intention and WTR. Hawkins and Mothersbaugh (2011) examine feelings about service quality, perceived value and after-visit behavioral intention among visitors and the results show that perceived value has positive effects on behavioral intention among visitors and therefore affect consumer purchase behavior and WTR.

Based on the statements above, the following research framework and hypotheses are presented:

1. H1: There is a positive correlation between cause marketing and the philanthropy factor in WTR.
2. H2: There is a positive correlation between cause marketing and the efficacy factor in WTR.
3. H3: The correlation between cause marketing and WTR differs significantly due to ‘dissimilarities in gender’.
4. H4: The correlation between cause marketing and WTR differs significantly due to ‘dissimilarities in age’.
5. H5: The correlation between cause marketing and WTR differs significantly due to ‘dissimilarities in education’.
6. H6: The correlation between cause marketing and WTR differs significantly due to ‘dissimilarities in occupation’.
7. H7: The correlation between cause marketing and WTR differs significantly due to ‘dissimilarities in monthly income’.

D. Conceptual framework

By summing up the literature review above, the conceptual framework for this study (Fig. 1) was developed to examine the relationships between demographic variables, cause marketing and WTR.

![Fig. 1 Research framework](image)

III. METHODS

A. Research framework and sample analysis

The Formosan Aboriginal Culture Village (FACV) is situated in Yuchih Township, Nantou County and consists of three parts: European Palace Garden, Fun World and Mountain Tribes Culture Village. It boasts 8 superlatives among amusement parks in Taiwan - Taiwan’s highest drop tower, longest European garden, highest elevation, largest number of trees, richest aboriginal culture, to name a few. In the Mountain Tribes Culture Village, architecture, imagery, food, music, apparel and lifestyle from ten aboriginal tribes in Taiwan spread out. Dawu, Ami, Atayal, Saisiyat, Tsou, Thao, Bunun, Puyuma, Rukai and Paiwan are all there. Various slate or wooden houses are presented in the original looks and materials. The FACV has become the largest gathering of Taiwan's aboriginals. That’s why it was selected as the main scope of research for this study.

B. Sampling and data analysis methods

This study employed the approach of distributing and collecting questionnaires on-site with visitors in the FACV as the target audience. In total, 500 questionnaires were distributed. Of collected questionnaires, 322 were valid after elimination of invalid ones, constituting a response rate of 64%. Each valid collected questionnaire constituted a part of the valid sample for this study. Data from the collected questionnaires were analyzed using the statistical software SPSS. Statistical methods including factor analysis, reliability analysis, correlation analysis and analysis of variance were used to test the hypotheses.
C. Analysis methods

Correlation analysis was used to understand the relationship between cause marketing and WTR. Analysis of variance was further conducted to examine the effects of personal profiles on cause marketing and WTR.

IV. RESULTS AND ANALYSIS

A. Factor analysis for cause marketing

For cause marketing in this study, two aspects of questions were obtained through factor analysis based on the aspects and questionnaire presented by Speed and Thompson (2000). The Cronbach’s a values for the reliability of the two aspects are: 0.81 (cause effect) and 0.83 (cause resonance).

For WTR in this study, two aspects of questions were obtained through factor analysis based on the aspects and questionnaire presented by Maxham(2001). The Cronbach’s a values for the reliability of the two aspects are: 0.87 (philanthropy factor) and 0.85 (efficacy factor).

B. Correlation analysis for cause marketing and WTR

The results of correlation analysis are shown in Table 1. For the testing of H1 and H2, the analysis results show significant corrections between cause effect (0.237**) and cause resonance (0.223**) and the philanthropy factor in WTR and therefore H1 is supported; and also significant corrections between cause effect (0.162*) and cause resonance (0.183*) and the efficacy factor in WTR and therefore H2 is supported.

C. Mediation effects of demographic variables

1) Effects of gender on the relationship between cause marketing and WTR

Empirical results from the analysis of variance in Table 2 show that dissimilarities in gender lead to significant differences in the aspect of cause effect and the philanthropy factor; and the same in the aspect of cause resonance and the efficacy factor. Therefore, H3 is partially supported.

2) Effects of age on the relationship between cause marketing and WTR

Empirical results from the analysis of variance in Table 2 show that dissimilarities in age lead to significant differences in the aspect of cause effect and the philanthropy factor; and the same in the aspect of cause resonance and the efficacy factor. Therefore, H4 is partially supported.

3) Effects of education on the relationship between cause marketing and WTR

Empirical results from the analysis of variance in Table 2 show that dissimilarities in education lead to significant differences in the aspect of cause resonance and the philanthropy factor; and the same in the aspect of cause resonance and the efficacy factor. Therefore, H5 is partially supported.

4) Effects of occupation on the relationship between cause marketing and WTR

Empirical results from the analysis of variance in Table 2 show that dissimilarities in occupation lead to significant differences in the aspects of cause effect and cause resonance and the philanthropy factor. Therefore, H6 is partially supported.

5) Effects of monthly income on the relationship between cause marketing and WTR

Empirical results from the analysis of variance in Table 2 show that dissimilarities in monthly income lead to significant differences in the aspect of cause effect and the philanthropy factor; and the same in the aspect of cause effect and the efficacy factor. Therefore, H7 is partially supported.

V. CONCLUSION

Results of this study make it evident that the tourism industry has positive correlations between its cause marketing and different aspects of WTR, indicating that when the tourism industry implements cause marketing, WTR among consumers also relatively increases. This new marketing model not only enables parallel combination with philanthropic organizations, but also
covers combination with product or service sales. In recent years, companies in Taiwan and abroad have also been striving to leverage this marketing feature because it is an innovative marketing model that not only can increase business revenues, but also enables fulfillment of responsibilities as social enterprises. It is evident that cause marketing by the tourism industry indeed can successfully create opportunities to reach potential consumers. However, this process still has to provide substantial and excellent products and experience to enhance impressions for and evaluation by key recommenders. Nevertheless, it is like a double-edged sword. Products and services as well as perceived value among consumers provided the tourism industry are the core success factors. Because consumers generally commend the act of donation from the tourism industry in support of the society while perceiving their giving can also help others, this will enhance consumer perception of product value provided by tourism industry practitioners, hence increasing consumer WTR.

VI. SUGGESTIONS

Based on the aforementioned conclusion, the following suggestions are given:

1. Information visibility in cause marketing: Consumers tend to have some doubt about donation behavior among tourism industry practitioners and are more sensitive to motivations behind their cause marketing and more skeptical about the truthfulness of activities, processes and results. Therefore, tourism industry practitioners, in their cause marketing, need to direct consumers towards a positive attitude, broaden information visibility and reduce asymmetry in messaging between them and consumers. They also need to enhance brand creation and build good reputation while convincing consumers that they are really engaged in charitable activities so that a state of proactive motivation perception is formed to increase consumer WTR.

2. Consumers may not have deep enough awareness of NPOs. However, they are more attentive to many social matters and have some awareness of certain social matters. Thus, tourism industry practitioners need to consider the reputation of NPOs when forming alliance with them and choose matters that consumers are more attentive to as long-term charitable causes. This alignment plays a crucial role in subsequent cause marketing tactics. In practice, tourism industry practitioners need to carefully select better aligned NPOs and social matters.

3. Consumers respond differently to different forms of cause marketing, so it is impossible to generalize by saying which form is more effective. Tourism industry practitioners need to consider different responses in their target markets to different forms of cause marketing when implementing tactics and choose suitable forms accordingly. Advertising has crucial influence on consumer buying decisions. Tourism industry practitioners need to develop their advertising strategies according to habits of attention in their target markets and endeavor to make consumers first consider products in cause marketing activities when purchasing particular products.

4. Cultural influence: Culture has crucial influence on the effectiveness of cause marketing. Traditional culture upholds collectivism and dedication and emphasizes modesty, collaboration, self-dedication and collective interest over individual interest among individuals. Such culture can have extreme effects on cause marketing. On one hand, cause marketing may inspire dedication and among consumers and promote helping others, thereby increase consumer evaluation of cause marketing and consumer WTR. On the other hand, cause marketing is a marketing model that advertises charitable behavior and can to some extent clash with cultural values among consumers. This may arouse consumer antipathy to tourism industry practitioners and in turn lower the effectiveness of cause marketing.

ACKNOWLEDGEMENT

This paper was supported by the Ministry of science and technology, Taiwan Under grand number (MOST 107-2635-H-216-001)

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