The Effect of Promotional Format, Message Framing, and Psychological Distance on Perception and Engagement of Cause-related Marketing

Yuan-Shuh Lii a, May-Ching Ding a* and Alan Chin-Chien Yang b

a Department of Marketing, College of Business, Feng Chia University, No. 100, Wenhwa Rd., Seatwen, Taichung - 40724, Taiwan.

b College of Business, Feng Chia University, No. 100, Wenhwa Rd., Seatwen, Taichung - 40724, Taiwan.

ABSTRACT

Aims: This research provides a unique lens by offering a more comprehensive consideration of cause-related marketing (CRM) campaign effectiveness. Specifically, we propose that the relative effectiveness of contribution type (monetary vs. in-kind) may hinge upon message framing (loss vs. gain-framed).

Study Design: Integrating construal level and prospect theories with related CRM, message framing, and psychological distance literatures lead to propositions.

Methodology: Literature reviews were first conducted. Rationalized on the construal level theory, multiple propositions of the effect of psychological distance on different contribution types and message framing are presented. The relationships among these concepts are proposed to have significant and positive effects on the effectiveness of CRM promotional campaigns based on the literature reviewed.

Conclusion: The proposed research model not only advances the collective knowledge of construal level theory and psychological distance literatures, making a theoretical contribution specifically in the CRM field, but also should provide important marketing insights to guide CRM practices.

*Corresponding author: E-mail: mc ding@fcu.edu.tw;
Keywords: Caused-related marketing; construal level theory; contribution type; message framing; psychological distance.

1. INTRODUCTION

In their ever-increasing need to meet public concerns about companies’ responsibility to society, many companies are turning to the adoption of corporate social responsibility (CSR) that emphasizes the positive impact of their practices [1, 2]. Albuquerque, Koskinen, and Zhang (2018) sampled 4,670 distinct companies from 2003 to 2015 [3]. Their findings support the notion that companies choosing to engage in CSR benefit from higher profit margins and firm value, but lower systematic risk [3].

Cause-related marketing (CRM) is one of the most prominent forms of CSR initiatives associated with marketing resources and objectives, and specifically links economic and social goals of a firm [4]. CRM is “a process of developing and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives” [5, p.60]. Recently, CRM has made the leap from an occasionally used marketing approach to the cornerstone of many fast-moving consumer goods’ (FMCG) corporate strategies. According to IEG (2018), the estimated global spending on CRM reached $2.14 billion in 2018, a 4.4% increase over 2017 [6]. Among others, many companies look to Toms and Patagonia as examples of how to practice CRM.

Empirical evidence demonstrates that CRM functions as a key component of a firm’s marketing toolbox because it responds to consumer expectations and enhances the overall reputation of the company while helping worthy causes at the same time [7, 8, 9, 10]. Prior research indicates that a good CRM initiative will bring value to the corporation, specifically by stronger consumer-company identification [11], increased sales, image, and loyalty [12, 13, 14, 15], and willingness to pay premium prices [16, 17]. Further, CRM can encourage brand switching and be a decisive factor in consumer choices among products with similar price and quality [18, 19].

While the influence of CRM is well documented, research suggests that marketers should design their CRM promotional format and message appropriately [20] since CRM promotion not only results in positive consumer reactions, but also some negative emotions toward the company and its product, such as skepticism [21], anger [22], and moral criticism [23]. For example, an article entitled “Notre-Dame Donation Backlash Raises Debate: What’s Worthy of Philanthropy?” illustrates that nearly $1 billion was raised in two days to help pay for the restoration of Notre-Dame. This action ignited a major fire that occurred in April 15th, 2019. However, the billionaires and companies that pledged hundreds of millions of euros to help rebuild the cathedral have drawn high-profile backlash for prioritizing the historical cathedral. In addition to the tax breaks on Notre-Dame donation issue, the large amount was also criticized [24], with many questionings why Notre-Dame was made a priority over other global issues. In the contrary, more than 100 British stately homes that have pledged to donate oak trees from their grounds to help rebuild Notre-Dame cathedral have received positive appreciation.

CRM promotions entail a contribution to a designated cause. Yet, Hilderbrand et al. (2017) stated that companies need to articulate their CRM strategy to encourage consumer engagement in the campaign [25]. Companies must decide not only which causes to support and how much to contribute but also in what promotional format (e.g., cash, products, time, company know-how, employee volunteerism). In this research, insights of consumers’ evaluations of the company’s CRM as a function of promotional format (money vs. in-kind), message framing (loss vs. gain-framed), and mental construal and psychological distance (designated cause: abstract/remoteness vs. concrete/proximity) are presented. In the monetary contribution format, companies contribute value in the form of cash, whereas in the form of in-kind contributions, companies contribute value in the form of goods, services, or time. Prior research indicates that consumers react differently to these two types of CRM contributions in various decision contexts [20, 25, 26, 27].

Previous studies have found that consumers’ judgements and choices can be influenced greatly by the way a message is framed [28, 29]. Message framing refers to whether the message emphasizes potential harm if a company doesn’t...
engage in CRM activities (loss-framed) or if the company does engage in promoting social/environmental benefits by CRM initiatives (gain-framed). Using Tugrul and Lee’s (2018) experimental design as an illustration, for loss-framed messages, the emphasis is on “If you do not donate, girls whose families cannot afford to send them to school can lose several benefits from education, employment, and independence.” The gain-framed message focused on “If you donate girls whose families cannot afford to send them to school can gain several benefits from education, employment, and independency.” [10, p.156].

Scholars and marketers have adopted construal level theory to explain how psychological distance influences consumers’ thoughts and behaviors in evaluating CSR/CRM contribution formats [20, 27, 30, 31, 32]. The term construal, derived from social psychology, refers to the process of people perceiving, comprehending, and interpreting the environment that unfolds around them [33]. Construal level theory describes the relationship between psychological distance and the people’s thought—in abstract or in concrete terms. The theory explicates that consumers think more abstractly of those objects distant to them, while they think more concretely of the objects closer to them. If consumer responses to a CRM promotion that the construal level and psychological distance priming influence consumers, leading to more favorable consumer perceptions and engagements; consequently, companies should consider designing their CRM promotional formats and incorporating their message framing based on the construal level theory.

Therefore, this study explores the literature related to the effects of promotional formats, message framing, and mental construal and psychological distance on the effectiveness of CRM promotion. As far we know, scholars have conducted only few research to address this issue. By exploring related theories and literatures, propositions of how CRM promotional formats (money vs. in-kind) and message framing (gain vs. loss) with the shift in mental construal and psychological distance (cause: abstract/remoteness vs. concrete/proximity) in CRM promotion and communication are proposed. This study highlights research directions for the field and contributes to CRM/CSR research and construal level theory specifically. For future research, the propositions provide guidelines and possibilities for how to craft a more effective CRM promotion in the domain of CSR.

2. THEORETICAL FRAMEWORK AND PROPOSITIONS

CRM: Monetary vs. in-kind contributions

Differences in consumer responses to monetary versus in-kind corporate contributions are likely to depend on certain contextual factors on which these promotional formats vary [25]. For example, in-kind contributions, such as volunteering time, are associated with greater emotional meaning and empathy compared to monetary contributions [34]. Ellen, Mohr, and Webb (2000) found that consumer evaluations are more positive for donations of tangible products organized by corporations (i.e., in-kind contribution) relative to cash donations (i.e., monetary contributions by corporations) [35]. In-kind contributions are perceived as requiring significantly more corporate effort and logistical expenses than cash contributions. Most germane, Hamby (2016) suggests that in-kind contributions, such as buy-one give-one promotions, enhance consumer attitudes and purchase intention when bundled with utilitarian products, and enhanced consumers’ responses through perceived helpfulness of the donated entity [20].

Research exploring monetary versus in-kind contributions in CRM domain has concluded that certain contextual factors may influence consumers’ reactions to these two types of contribution. Next, a key contextual factor, message framing, is discussed and this framing is likely to interact with varying effects of the monetary versus in-kind contributions to affect consumer reactions to the CRM promotion.

CRM message framing: gain vs. loss

Research in behavioral decision theory suggests that consumer decision-making and choice behavior often depend on the framing of a message or choice [36]. The framing effect is a cognitive bias where consumers decide on choices based on whether the choices are presented with positive or negative semantics, such as a loss or as a gain-framed. Prospect theory provides the underlying theoretical framework for the framing effect [37], which posits that consumers react differently to messages, contingent upon whether they are framed to emphasize losses or gains. According
to Kahneman and Tversky (1984), consumers avoid risk when gains are acquired, whereas more risk-seeking behaviors occur to avoid losses [38].

While gain/loss message framing effect on consumer behavior has been extensively studied in different research domains, such as donation [10, 27], health, recycling, and energy conservation [39, 40, 41], there have been few studies in the domain of CRM promotion [42, 43]. To fill this research gap and contribute to the CRM literature, we draw on construal level theory to account for the boundary conditions under which the combination of promotional format and message framing becomes more pronounced.

Mental construal, promotional format, and message framing

Construal level theory has been utilized in the marketing field to study consumer decision-making behaviors; for instance, product valuation and purchase decision [44]. The key premise of this theory is that a distant event or object is classified or represented in terms of abstract, intangible, unobservable, and broad concepts. In contrast, a close event or object is regarded as having concrete, specific, observable, or discrete features [45]. To illustrate, Hamby (2016) showed that the construal level of donation format evokes different mindsets [20]. Buy-one give-one, which triggers the donation of an in-kind contribution, evokes a concrete mindset compared to monetary-based promotion. The concrete mindset evoked by buy-one give-one promotion interacts with other features of the promotion to affect consumers’ responses to the promotion, such as the nature of the promoted product.

On a different note, in the aftermath of the deadly gas explosion that ripped through the southern Taiwanese city of Kaohsiung on 31 July 2014, Taiwan Semiconductor Manufacturing Company (TSMC) provided direct support and assistance with workers and construction materials (in-kind contribution with psychological proximity). Victims of the disaster thanked the semiconductor manufacturer for its prompt response with red banners hung outside their residences [46]. In a similar vein, monetary-based contributions are more effective when CRM promotion focuses on psychologically remote (abstract) event. In contrast, in-kind contributions work well with the event perceived to have psychological proximity. Accordingly, drawing from the construal level theory, we posit:

P1: When consumers are primed to focus on the psychological proximity (concrete) of the CRM campaign, in-kind contributions will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention) than monetary-based contributions.

P2: When consumers are primed to focus on the psychological remoteness (abstract) of the CRM campaign, monetary-based contributions will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention) than in-kind contributions.

The effect of message framing from the perspective of construal level theory has recently received attention in the donation literature [10, 27, 47, 48]. Tugrul and Lee (2018) found that gain-framed donation promoting messages paired with desirability-framed messages are more effective on distant-future donation intentions (i.e., psychological remoteness/abstract), whereas loss-framed messages paired with feasibility-framed messages are more effective on near-future donation intentions (i.e., psychological proximity/concrete) [10]. Das et al. (2008) also argue that abstract, statistical information is more effective when combined with a loss-framed message, while vivid, anecdotal information is more effective when combined with a gain frame [49]. As such, we posit:

P3: When consumers are primed to focus on the psychological proximity (concrete) of the CRM campaign, loss-framed messages will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention) than gain-framed messages.

P4: When consumers are primed to focus on the psychological remoteness (abstract) of the CRM campaign, gain-framed messages will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention) than loss-framed messages.

In the context of CRM campaigns, no study has explored the interaction between promotional formats (monetary vs. in-kind) and message framing (gain vs. loss). Findings in the CRM/CSR literature support the stance that in-kind contributions are more likely to evoke a concrete mindset than monetary-based contributions [20]. Loss-framed messages are found to be more
effective than gain-framed messages on near-future donation intentions while gain-framed messages appeal to be more effective than loss-framed messages on distant-future donation intentions [10]. According to construal level theory, psychological proximity is more likely to evoke a concrete mindset than the psychological remoteness condition. Taken together, monetary-based contribution paired with gain-framed message is more likely to induce positive perceptions of CSR and campaign persuasiveness, whereas in-kind contribution paired with loss-framed message is more likely to yield positive perceptions of CSR and campaign persuasiveness. As such, we propose:

P5: For a CRM campaign that emphasizes monetary-based contribution, gain-framed message will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention) than loss-framed message.

P6: For a CRM campaign that emphasizes an in-kind contribution, loss-framed message will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention) than gain-framed messages.

P7: When consumers are primed to focus on the psychological remoteness (abstract) of the CRM campaign, monetary-based contribution paired with gain-framed message rather than loss-framed messages will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention).

P8: When consumers are primed to focus on the psychological proximity (concrete) of the CSR campaign, in-kind contribution paired with loss-framed message rather than gain-framed messages will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention).

According to construal level theory, the level at which an event is mentally represented is contingent on the psychological distance from the event [50]. Psychological distance reflects how far/close an event perceived by consumers in an abstract psychological space. Four manifestations of psychological distance that have been empirically identified to promote an abstract level of mental construal, which in turns guides prediction, evaluation, and decision-making behavior, are temporal distance, spatial distance, social distance, and hypotheticality [51].

Temporal distance refers to the actual distance between a point of reference (e.g. today) and the time of occurrence of the event in the near or distant future (e.g. tomorrow or next year). Spatial distance is defined as the actual distance between a reference location (e.g. the place where the observer lives) and the location where the event of interest occurs (e.g. a place closer to the observer or 1000 miles away). Social distance is the perception that the event is endorsed by a dissimilar person/firm vs. a similar observer. Hypotheticality is the probability that the event is highly likely vs. unlikely to occur. The literature on psychological distance reveals that an event can be represented at a high/low level of construal when the event has greater/lower temporal distance [45, 52], spatial distance [53, 54], social distance [55], and hypotheticality [56, 57].

Prior studies demonstrated that psychological distance alters the weight consumers attach to CSR-CRM initiatives [32, 58]. Different levels of psychological distance of CSR-CRM to social and environmental issues influence consumers’ evaluations of the company [27, 31]. The current paper addresses the great potential for contributing to the theory of construal level and adds practical value to CRM and framing effect by proposing the interaction effects between psychological distance dimensions and promotional format-message framing relationship. Based on the construal level theory and prior arguments, we assume the following:

P9: When consumers are primed to focus on the distant-future of the CRM campaign (temporal distance), monetary-based contribution paired with gain-framed message rather than loss-framed message will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention).

P10: When consumers are primed to focus on the near-future of the CRM campaign (temporal distance), in-kind contribution paired with loss-framed message rather than gain-framed message will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention).

P11: When consumers are primed to focus on the spatially distant location of the CRM campaign (spatial distance), monetary-based contribution paired with gain-framed message rather than loss-framed message will result in more positive perceptions of CSR and
persuasiveness (engagement, e-WOM, and intention).

P12: When consumers are primed to focus on the spatially near location of the CSR campaign (spatial distance), in-kind contribution paired with loss-framed message rather than gain-framed message will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention).

P13: When consumers are primed to focus on the social dissimilarity of the CRM promotion (social distance), monetary-based contribution paired with gain-framed message rather than loss-framed message will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention).

P14: When consumers are primed to focus on the social similarity of the CSR promotion (social distance), in-kind contribution paired with loss-framed message rather than gain-framed message will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention).

P15: When consumers are primed to focus on the unlikely event of the CRM campaign (hypotheticality), monetary-based contribution paired with gain-framed message rather than loss-framed message will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention).

P16: When consumers are primed to focus on the high likely event of the CRM campaign (hypotheticality), in-kind contribution paired with loss-framed message rather than gain-framed message will result in more positive perceptions of CSR and persuasiveness (engagement, e-WOM, and intention).

3. CONCLUSION

This research calls on the theory of construal level that provides a unique lens by offering a more comprehensive consideration of how the CRM campaign effectiveness is likely to be affected. In addition, this research not only fills the literature gap in the CRM and contributes a possible new direction. Specifically, the relative effectiveness of monetary versus in-kind contributions may hinge upon message framing. Moreover, the construal level theory explains the interrelated effect of psychological distance how it might associate with contribution type and message framing and their relationships link to consumer perception and persuasiveness. The theoretical contribution of this research not only advances the collective knowledge regarding construal level theory and psychological distance literatures in the CRM field, but also provides important insights for marketing managers to guide them how to apply CRM practices that might have a better way to affect consumers’ attitude and behavior.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

REFERENCES

9. Lii YS, Lee M. Doing right leads to doing well: When the type of CSR and reputation...
32. Strizhakova Y, Coulter R. Consumer cultural identity: Local and global cultural identities and measurement implications.
55. Small DA, Simonsohn U. Friends of victims: personal experience and prosocial


© 2022 Lii et al.; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Peer-review history:
The peer review history for this paper can be accessed here:
https://www.sdiarticle5.com/review-history/91269