

# Cause-related sport marketing: Can this marketing strategy affect company decision-makers?

**RICHARD L IRWIN**

Professor, Health Sport Sciences, The University of Memphis, Memphis, TN, USA

**TONY LACHOWETZ**

Department of Sport Management, University of Massachusetts Amherst, Amherst, MA, USA

**JOHN CLARK**

MBA Program and Associate Professor, Sport Management, Robert Morris University, Moon Township, PA, USA

## ABSTRACT

*In an effort to sustain social responsibility initiatives, cause related marketing (CRM) has become more prevalent in the corporate marketing toolbox, due to the benefits realized by the sponsoring company, such as switching behavior by a desired consumer segment. The utilization of cause related sport marketing (CRSM) has also increased, as corporate entities position firms with high profile sport entities to obtain certain objectives. Little research has examined the impact of such programs on key business stakeholders, which this survey study attempts to address. Analysis of Variance results indicate respondents possessed positive opinions about the corporation's CRSM efforts, with significant differences existing between respondents with direct decision-making authority and those with limited or no decision-making authority on key items. Additionally, respondents expressed a more positive opinion toward continuing their business relationship with the corporation, or, for those respondents who were prospective clients, beginning a business relationship with the corporation.*

**Keywords:** sport marketing, marketing strategy, social responsibility, cause related marketing (CRM), corporate marketing, business stakeholders, CRM impact

For years, corporate marketers walked into budget meetings like neighborhood junkies. They couldn't always justify how well they spent past handouts or what difference it all made but they just demanded more money – for flashy TV ads and big-ticket events, for, you know, getting out the message and building up the brand. But those heady days of blind budget increases have been replaced with a new mantra: responsibility and accountability. With profits plummeting as

a result of consumers harnessing spending habits and altering behavioral patterns management is pushing to cut costs and maximize efficiency while the general public is applying greater pressure for companies to be fiscally as well as socially responsible.

More than a quarter of a century ago it was stated that the fundamental responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of

organizations (Carroll, 1979). While a company's economic responsibilities include producing and selling goods and services that society wants at a profit, a company's legal responsibilities include operating within the appropriate business laws and regulations, and its ethical responsibilities are defined by behaviors and activities that are not necessarily codified into law but nevertheless expected of business by society. Discretionary corporate responsibilities, on the other hand, are purely voluntary, guided by the company's desire to engage in social roles not mandated or required by law, nor expected in an ethical sense.

Matten and Moon (2008) refer to these voluntary, discretionary responsibilities, as 'explicit' corporate responsibility, defined as programs and strategies initiated by corporations that combine social and business value and address issues perceived as being part of the overall social responsibility of the company.

In order to justify support of nonprofits many companies refocused social responsibility programs to include cause-related marketing (Hempel & Gard, 2004), particularly during these difficult economic times (Lefton, 2009). Cause-related marketing has been defined by Pringle and Thompson (1999) as a strategic positioning and marketing tool which links a company or brand to a relevant social cause or issue, for mutual benefit. Inherent in this definition is the expectation of a marketing exchange taking place between the company and the cause. This is consistent with Adkins' (1999) conceptualization of CRM when 'a company promotes its image, product, and services in conjunction with a good cause, raising money for the cause...' (p. xvii). Therefore, CRM is different than corporate philanthropy, where there is little expectation of return on investment on behalf of the corporation.

## CAUSE-RELATED SPORT MARKETING (CRSM)

Today, cause-related sport marketing (CRSM) campaigns can be found in all areas of the sport industry with many corporations aligning

themselves with sporting properties that have charitable initiatives. For instance, a sport property can proactively donate a portion of its proceeds to a charity such as commonly occurs in U.S. professional golf where the Professional Golfers' Association (PGA) Tour mandates that each of its tournaments have a charity affiliation. An increasingly prevalent form of CRSM is found through innovative 'community relations' initiatives proactively undertaken by nearly all U.S. sport leagues, their member teams, and players. For example, Major League Baseball has created a reading program in conjunction with the American Library Association, and the National Hockey League's 'Hockey Fights Cancer' strives to create opportunities to fund cancer research. The National Football League (NFL) recently launched 'Play 60' (previously called 'What Moves U'), a nation-wide, web-based physical fitness program created in collaboration with the American Heart Association.

Additionally, teams and players have their own CRSM initiatives in place. As a reflection of key social issues confronting communities in the United States localized community outreach initiatives activated by North American professional sport franchises have generally been associated with challenges facing youth, primarily education, recreation and health (Irwin, Sutton, & McCarthy, 2008; Roy & Graeff, 2003).

These activities have continued despite the worldwide recession, and in some instances, professional sport leagues have convinced sponsors that instead of cutting traditional sponsorship spending, the dollars should be redirected toward CRSM initiatives. For instance, MLB enlisted corporate sponsors' help to not only make the All-Star game in St. Louis one of the most effective CRSM events in the league's history, but also to position sponsors as caring organizations in the eyes of consumers (Fisher, 2009; Lefton, 2009). This approach has also been in practice for several years at the NFL, where the league uses its resources to help address important social issues in Super Bowl host cities (Babiak & Wolfe,

2006). In both examples, sponsors embraced the CRSM efforts as a way of strengthening relationships with key customer bases as well as boosting or maintaining the sponsors' image.

Focusing cause marketing efforts on the sport industry is relevant given the intangible nature of the sport business (i.e., consumers experience an event) and the high degree of affinity consumers have with these entities. Lacking tangible features, brand development via the creation of emotional connections with customers is a critical component of a marketing strategy, particularly for service brands (Underwood, Bond, & Baer, 2001). Further, and as Underwood et al. (2001) have argued, sport teams engender the highest level of identification or emotional involvement. Unique to the sport setting, some of the emotional involvement/identification with the sport organization or event could actually be transferred to the non-profit campaign beneficiary. Lachowetz and Gladden (2002) propose a theoretical framework containing the following four antecedents fundamental to the creation, enhancement, or reinforcement of brand associations through cause-related sport marketing initiatives: (1) resonance of cause with organization's target market and belief system; (2) organizational commitment to the CRSM program; (3) tangible exchange between the cause and the organization; and (4) promotion of the CRSM program.

An impressive body of literature highlights the merits of cause-related marketing and its impact on consumer attitudes (e.g. Hoeffler & Keller, 2002), beliefs (e.g. Arnold, 2001; Chaudhuri & Holbrook, 2001) and behaviors (e.g. Barone, Miyazaki, & Taylor, 2000; Hempel & Gard, 2004; Mason, 2002). While mainstream marketing has focused attention toward the assessment and effectiveness of CRM programs, limited research has been conducted to assess the effectiveness of CRSM programs. Similarly, most analyses have been conducted with a business-to-consumer (B2C) perspective with minimal academic information generated assessing the

effectiveness of CRSM on business-to-business (B2B) relationships. To that extent, this paper seeks to determine the effect CRSM involvement will have on a company's business-to-business (B2B) relationships with those individuals influencing, or directly responsible for, purchasing their company's services.

## METHOD

A survey instrument previously confirmed to possess face and content validity validated by the authors to ascertain sport event consumer CRSM beliefs, attitudes, and behaviors (Irwin, Lachowetz, Cornwell, & Clark, 2003) was used to collect data. The previous instrument was slightly revised to include the original 5-point Likert Scale comprised of measures to assess the respondent's attitude toward cause-related marketing (1 = strong disagreement with CRSM statement and 5 = strong agreement with CRSM statement) as well as a sponsoring company (FedEx), the event (St. Jude Classic) and, the CRSM beneficiary (St. Jude Children's Research Hospital). Due to the focus of this research the respondent's role in selecting express shipping carriers on behalf of their employer was requested. Based on input from express shipping company representatives categories of 'employee with no express shipping decision input,' 'employee that provides express shipping feedback/offer options,' and 'company express shipping decision-maker' were used to accurately reflect the respondent's role in the workplace environment. The revised instrument was reviewed by a panel of experts and deemed appropriate for use.

A data collection team, adequately trained in convenient sampling procedures, was strategically positioned throughout the golf course, distributing approximately 500 St. Jude Classic Event Patron Questionnaires to event patrons eighteen years of age or older at the event held at TPC Southwind in Memphis, Tennessee. Four hundred and twenty-two (422) surveys were returned and deemed usable by the research team; for a response rate of eighty-eight percent

(88%). One hundred and seventy-six (176) of the respondents were the primary express shipping decision maker for their employer whereas 144 provided input but were not the primary decision maker and 122 were had no involvement with their employer's express shipper selection process. All statistical analyses were conducted using the Statistical Package for the Social Sciences (SPSS).

Factor analysis with Varimax rotation yielded a unidimensional scale with a Cronbach's Alpha of 0.93. Using analysis of variance (ANOVA) with a Tukey's post hoc test the resulting scale was then used to compare responses based on express shipping vendor selection involvement (see Table 1).

## RESULTS AND DISCUSSION

Results indicate mean statistical differences exist between those employees with no decision input,

those employees who provide feedback / offer options and those employees categorized as a company decision-maker, for seven of the nine survey items (Table 1). When responding to 'Cause marketing should be a standard part of a company's activities,' decision-makers responded with a mean score of 4.18 versus 3.88 for those with no decision input ( $F = 4.506$ ,  $p$ -value = 0.012). Furthermore, decision-makers' mean score was 4.47 versus 4.20 ( $F = 3.890$ ,  $p$ -value = 0.021) for those with no input when responding to 'Cause-related marketing creates a positive company image.' When responding to 'I am impressed with a company that commits to a cause for more than a year,' decision-makers' mean score was 4.57 versus 4.32 ( $F = 5.804$ ;  $p$ -value = 0.0030) for those employees with no input into the decision, and 3.95 for those employees providing some input into the decision to purchase FedEx services.

**TABLE 1: COMPARATIVE MEAN SCORES AND ONE-WAY ANALYSIS OF VARIANCE (ANOVA) RESULTS FOR CAUSE-RELATED MARKETING BELIEFS BY LEVEL OF RESPONDENT EXPRESS SHIPPING VENDOR DECISION INVOLVEMENT**

Survey Statement	Express shipping			F-value	p-value
	Decision involvement				
	None	Provide input	Decision maker		
1. Cause-related marketing creates a positive company image	4.20	4.14	4.47	3.890	.021
2. I would be willing to pay more for a service that supports a cause I care about	3.89	3.55	4.06	3.431	.033
3. Cause marketing should be a standard part of a company's activities.	3.88	3.73	4.18	4.506	.012
4. I am impressed with a company that commits to a cause for more than a year	4.32	3.95	4.57	5.804	.003
5. FedEx's sponsorship of tournament improves my impression of the company	4.04	3.64	4.28	5.223	.006
6. Based on its support of tournament, I will be more likely to use FedEx services	3.80	3.59	4.03	2.907	.056
7. Based on its support of St. Jude, I will be more likely to use FedEx services	3.96	3.64	4.22	4.703	.010
8. I like to see companies supporting meaningful causes	4.45	4.00	4.56	3.944	.020
9. Cause marketing relationships are a positive thing in businesses today	4.27	3.91	4.36	2.453	.081

Finally, when responding to 'Based on its support of St. Jude, I will be more likely to use FedEx services,' decision-makers had a mean score of 4.22 versus 3.64 ( $F = 4.703$ ,  $p$ -value = 0.010) for those employees providing input into the shipping decision.

Among key company decision-makers, cause-related sport marketing appears to be a persuasive marketing tactic. Similar to findings from previous studies (Irwin, Lachowetz & Clark, 2003; Irwin et al., 2003; Lachowetz & Gladden, 2002) revealing consumers were positively affected by a company's involvement in CRSM, the results of this study suggest CRSM has a similar effect on company decision-makers.

As previously noted, Lachowetz and Gladden (2002) developed a framework that can be used to evaluate the effectiveness of CRSM programs in the spectator sport industry. The framework points out conditions that must be present for a CRSM program to be optimally implemented. Depending on the degree to which the necessary conditions are achieved, brand associations will be created, enhanced, or reinforced, potentially leading to brand loyalty and/or brand switching (Lachowetz & Gladden, 2002). The results of this investigation provide support for the existence of multiple conditions delineated within the framework.

### **RESONANCE OF CAUSE WITH ORGANIZATION'S TARGET MARKET AND BELIEF SYSTEM**

Within the current study, survey items three, eight, and nine purport to measure the association between the CRSM program and a decision-makers belief system (i.e., does the St. Jude Classic resonate with this target segment) a necessary condition put forth by Lachowetz and Gladden (2002). Seventy-nine percent of the respondents agree or strongly agree that cause marketing should be a standard part of a company's activities. Likewise, responses for items eight and nine again indicated that the CRSM program resonates with the target segment of

decision-makers. Ninety-one percent of respondents agreed or strongly agreed with item eight, while 89% agreed or strongly agreed with item nine. The findings revealed that the beliefs and attitudes of decision-makers were positively affected regarding FedEx due to the company's sponsorship of the event and support of the meaningful cause.

According to Quenqua (2002), when selecting a cause, the sport organization or corporation attempting to use sport must ensure that the cause resonates with its target market. As such, this is similar to Hoeffler and Keller's (2002) contention that a CRM program will be more successful if the cause has a strong personal impact on the consumer. To help ensure a successful impact, numerous studies have suggested the importance of a good fit (i.e., resonance) between sponsor and event (Cornwell, 1995; Gwinner & Eaton, 1999; Speed & Thompson, 2000). The results of items three, eight, and nine indicate that FedEx is meeting the expectations of their target segment – company decision-makers.

### **Organizational commitment to the CRSM program**

The long term relationship between FedEx and the St. Jude Classic clearly demonstrates a high degree of sincerity and relevance while the magnitude of contribution further illustrates the sponsor's earnest intent to support the cause. Furthermore, the event's director has stated with respect to managing tournament expenses, 'Every dollar we save is another dollar for the kids at St. Jude,' demonstrating genuine interest from the event to aid the beneficiary. According to the FedEx sponsorship marketing manager, the company takes every effort to see that event production and management costs are streamlined in order to enhance the event's contribution to St. Jude. This may best be reflected by the large volume of FedEx employees who work as event volunteers during tournament week. In fact, FedEx's support of the program

has permeated the organization, evident by the incentives of increased vacation days provided to employees that volunteer at the tournament, the level of internal promotion at FedEx about the tournament, and the amount of money FedEx has donated to the cause over the years (Irwin et al. 2004). In terms of the current study, item 4 suggests respondents recognized the level of commitment FedEx makes to the cause, as 90% of respondents agreed or strongly agreed with the statement.

Evaluating the respondent attitudes reveals strong evidence that the FedEx CRSM program is achieving the desired results, particularly among express shipping decision makers. Items 1, 3, and 5 can all be linked to an enhanced brand image of FedEx, as 91%, 80%, and 83% of respondents agreed or strongly agreed with the statements, respectively. Items 2, 6, and 7 relate to enhanced brand loyalty of the organization incorporating a CRSM program. Likewise, 74%, 72%, and 80%, respectively, of respondents agreed or strongly agreed with the statements indicating that perhaps FedEx is influencing the loyalty of shipping decision makers. Loyal customers are also more resistant to the overtures of competitors and less prone to switching behavior (Gordon, 1998), thereby providing evidence for outcome three.

## Conclusions

The findings have practical utility for FedEx. Of primary import is the evidence that the CRSM program positively influences shipping decision-makers, which, in a time of tight corporate marketing budgets, justifies the expense for FedEx's involvement in the tournament. FedEx sales representatives should avail themselves of the opportunity to capitalize on these positive attitudes in their prospective/current customers shortly after the tournament concludes in an attempt to gain new business or generate incremental revenue from current customers. Moreover, the St. Jude tournament provides FedEx management with a model on which to pattern further CRSM programs.

Since proper implementation and execution of CRSM programs result in enhanced loyalty toward the sport organization resulting in increased consumption patterns (Funk, Haugtvedt, & Howard, 2000), it is imperative that sport properties seeking CRSM partnerships employ a systematic approach similar to that theorized by Lachowetz and Gladden (2002) and found to exist at the St. Jude Classic. Similarly, benefactors and beneficiary alike are cautioned against entering into a campaign with an inadequate level of knowledge regarding consumer interest and support of the CRSM relationship as well as a sound plan containing goals and objectives of the CRSM program in congruence with those of key consumer groups. Absent such a formula, the anticipated positive outcomes may never be achieved, and may quite possibly be replaced by severe negative consequences.

## FUTURE RESEARCH

Future research focusing on the impact of CRSM programs on buyers' attitudes should seek to examine companies across industry sectors and different platforms of CRSM activities. Due to the name recognition of St. Jude Children's Hospital and its mission, it is conceivable that the benefit realized by FedEx's involvement in the tournament is more strongly related to St. Jude than it would be if FedEx centered its CRSM efforts on another, lesser-known entity. Moreover, since the current research examined only decision-makers' attitudes, follow-up research should attempt to gauge actual purchase behavior, both in terms of new and incremental business for the company employing the CRSM strategy. This type of measure would be a more concrete evaluation of CRSM efforts in the business-to-business environment. Lastly, the current research provides a hint that the CRSM framework developed by Lachowetz and Gladden (2002) warrants the addition of a condition relating to evaluation.

## References

- Adkins, S. (1999). *Cause related marketing: Who cares who wins?* Oxford: Butterworth Heineman.
- Arnold, M. (2001, July 19). CRM shows its winning ways. *Marketing*, 19.
- Babiak, K., & Wolfe, R. (2006). More than just a game? Corporate social responsibility and Super Bowl XL. *Sport Marketing Quarterly*, 15(4), 214–222.
- Barone, M. J., Miyazaki, A. D., & Taylor, K. A. (2000). The influence of cause-related marketing on consumer choice: Does one good turn deserve another? *Journal of the Academy of Marketing Science*, 28, 248–262.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 4(4), 497–505.
- Chaudhuri, A., & Holbrook, M. B. (2001). The chain effects from brand trust and brand affect to brand performance: The role of brand loyalty. *Journal of Marketing*, 65(2), 81–93.
- Cornwell, T. B. (1995). Sponsorship-linked marketing development. *Sport Marketing Quarterly*, 12(4), 13–24.
- Fisher, E. (2009). St. Louis sets new tone for All-Star game. *Street & Smith's Sports Business Journal*, 12(11), 3, 27.
- Funk, D. C., Haugtvad, C. P., & Howard, D. R. (2000). Contemporary attitude theory in sport: Theoretical considerations and implications. *Sport Management Review*, 3(2), 124–144.
- Gordon, I. (1998). *Relationship Marketing*. Etobicoke, ON: John Wiley & Sons Canada Ltd.
- Gwinner, K., & Eaton, J. (1999, Winter). Building brand image through event sponsorship: The role of image transfer. *Journal of Advertising*, 28, 47–57.
- Hempel, J., & Gard, L. (2004, November 29). The corporate givers. *Business Week*, 100–104.
- Hoeffler, S., & Keller, K. L. (2002). Building brand equity through corporate societal marketing. *Journal of Public Policy & Marketing*, 21(1), 78–89.
- Irwin, R., Lachowetz, T., & Clark, J. (2003). Cause-related sport marketing: How should it work? *International Journal of Sport Management*, 4(3), 173–178.
- Irwin, R., Lachowetz, T., Cornwell, T. B., & Clark, J. (2003). Cause-related sport sponsorship: An assessment of spectator beliefs, attitudes, and behavioral intentions. *Sport Marketing Quarterly*, 12(3), 131–139.
- Irwin, R., Lachowetz, T., Cornwell, T. B., Clark, J., Cannon, P., & Drinkard, D. (2004, November). *Cause-related sport sponsorship: Assessing beliefs, attitudes and behavioral intentions of targeted corporate decision makers*. Paper presented at the Second Annual Sport Marketing Association Conference, Memphis, Tennessee.
- Irwin, R., Sutton, W., & McCarthy, L. (2008). *Sport promotion and sales management*. Champaign, IL: Human Kinetics.
- Lachowetz, T., & Gladden, J. M. (2002). A framework for understanding cause-related sport marketing programs. *International Journal of Sports Marketing and Sponsorship*, 4(4), 205–225.
- Lefton, T. (2009). Among charity efforts, plenty of room to activate. *Street & Smith's SportsBusiness Journal*, 12(11), 27.
- Mason, T. (2002, January 4). Good causes deliver for brands. *Marketing*, 11.
- Matten, D., & Moon, J., (2008) 'Implicit' and 'explicit' CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of Management Review*, 33(2), 404–424.
- Pringle, H., & Thompson, M. (1999). *Brand spirit: How cause related marketing builds brands*. Chichester, England: John Wiley & Sons.
- Quenqua, D. (2002, January 28). Cause and effect: Choosing the right charity: Charitable support has the power to boost a corporate brand to new heights. But tying the company to the right nonprofit is essential. *PR Week*, 16.
- Roy, D. P., & Graeff, T. R. (2003). Consumer attitudes toward cause-related marketing activities in professional sports. *Sport Marketing Quarterly*, 12(3), 163–172.
- Speed, R., & Thompson, P. (2000). Determinants of sports sponsorship response. *Journal of the Academy of Marketing Science*, 28(2), 226–238.
- Underwood, R., Bond, E., & Baer, R. (2001). Building service brands via social identity: Lessons from the sport marketplace. *Journal of Marketing Theory and Practice*, 9(1), 1–3.

Received 30 March 2009 Accepted 01 September 2009

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.