Cause-related marketing advertising formats on nonprofit websites: Does a company's donation-amount offer in nonprofit display ads drive purchase intention?

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#### Abstract

Advertisers and marketing professionals target nonprofit web and social media visitors with digital cause-related marketing display advertisements. This study compares two digital cause-related marketing advertising formats—advertisements with an explicit donation amount and an online cause-sponsorship advertising format—in terms of their impact on consumers' purchase intention as well as gender differences. Survey results of 538 U.K. consumers indicate that the overall purchase intention toward explicit donation amount advertising formats is stronger than toward the online cause-sponsorship format, regardless of whether the perceived donation amounts are low or high. Contrary to expectation, gender differences in purchase intention did not show significance across all advertising formats.

## **Management Slant**

- Charity and non-profit digital sites, web and social media accounts, open possibilities for practitioners regarding cause-related marketing ad placement on a niche platform that can generate more compelling responses to their ads.
- Consumers are more in favor of digital cause-related marketing advertising that
  explicitly mentions a donation amount to a non-profit organization/cause, compared
  to online cause-sponsorship advertising that simply makes a declaration of a brand's
  association with a non-profit organization/cause.
- A higher donation offer should bring more benefits for the customer in terms of contributions to the non-profit organization/cause by creating a good feeling, which in turn should lead to a healthier purchase disposition of the brand.
- Gender is not a relevant segmentation, targeting, and profiling element when it comes to digital cause-related marketing advertising design.

#### INTRODUCTION

Worldwide spending on digital advertising is expected to reach \$517 billion by 2023 (Guttmann, 2019), driven by digital display ad formats. Display advertising across internet channels (i.e. social media) and formats (i.e. video) is the only advertising type to grow and be positively affected by COVID-19 (McDonald and Clapp, 2020). Ma and Du (2018) found

that spending advertising dollars on digital outlets positively impacts on the company value. Moreover, as evidenced by Australian study (Brelland and Stanbury, 2020), digital display campaigns "deliver an uplift of 2.7% points in aided brand awareness, while online video accompanied with a banner delivers an average uplift of 4.8%". Compelling interactive and memorable content that 'reaches eyeballs' (Capuchin, 2020), combined with targeting and call to action messaging (Ma and Du, 2018), explain why digital display advertisements are increasingly utilized by firms to engage in cause-related marketing by placing advertisements on non-profits websites. Such cause-related advertisement, in turn, enables businesses to achieve a variety of business objectives while supporting social causes.

Typically, firms use two forms of display advertising formats to communicate cause-related marketing (CRM) offers (see Table 1 for a cross-comparative overview).

## [Table 1: see appendix]

The first option is for the firms to communicate an offer through an explicit donation amount (EDA) to the non-profit organization/cause in question, contingent on purchases made via a display advertisement hyper-linked from the brand's site (Grobman, 2000; Harrison-Walker and Williamson, 2000; Husted and Whitehouse, 2002). The second option is to use online cause-sponsorship (OCS) advertising that makes a declaration of the brand's association with the non-profit organization/cause (Austin, 2000, 2001; Wang, 2015). Both the EDA and OCS advertising placement tactics on non-profit websites operationalize traditional CRM on the internet.

The firms increasingly use the EDA and OCS as part of their social responsibility initiatives as well as for additional commercial benefits. For instance, in 2014 Laithwaites, the UK wine company, placed an advertisement on the National Trust charity website offering a 3% donation for each sale of wine cases through the charity's site. Similarly, Traidcraft offered Christian Aid 10% of the sales of its products advertised on the charity's site. In 2019 WARC reported that in the hair care products category many brands are shifting focus towards OCS programmatic display advertising where the story is centered around social purpose vis-à-vis partnerships with charities linked to such causes as education, mental health and poverty. Moreover, the application of traditional CRM in the digital media context offers the firms such benefits as global viewability and measurability, hence a more extensive outreach and quantifiable bottom-line benefits such as return on investments (Ha, 2008; Segev, Wan, and Fernandes, 2014; Thomas, Ureshi, and Vatavwala, 2019).

In this article, we examine digital display CRM advertising and gender effects to rationalize the proposed hypotheses that primarily compare the impact of the EDA and OCS display formats on consumers' purchase intention. The comparison was based on examining, firstly, a critical for digital or any CRM formats design element – donation amount. Secondly, in line with past research evidencing female consumers being more receptive to CRM (Chéron, Kohlbacher, and Hui, 2018; De Oliveira Duarte and Costa e Silva, 2018; Nelson and Vilela, 2017) and digital display advertising (Bruce, Murthi, and Rao, 2017), we wanted to test the effect of gender on digital CRM formats.

Understanding how digital CRM advertising formats impact online consumers' response is necessary because it spans the two independent areas of digital advertising and CRM that have hitherto not been jointly investigated but are both capturing a growing interest from the managers and marketing practitioners. Although conceptual comparison exists, based on the overview of existing research, empirical evidence is scarce. Our finding around understanding the effect of donation amount and gender on the effectiveness of the digital CRM advertising formats will support managers and marketing practitioners with campaign design decisions. Since advertisers would typically select either the EDA or OCS digital advertising formats, it is important that research must understand the comparative impact on visitors of non-profit websites.

In this respect, our results show that EDA advertising formats are much more effective. When designing any digital CRM campaign, gender-based targeting might be irrelevant as consumers' gender does not impact the response. The findings provide important implications for managers, researchers, and marketing practitioners in decision-making regarding digital display CRM formats and overall digital CRM campaign planning.

# LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

# Effect of design elements in display advertising and behavioral intentions

An outcome variable that has relevance in understanding advertising effects and its impact on consumer behavior is purchase intention. Behavioral intention is an indication of the consumer's readiness to perform a given behavior based on attitude toward the behavior (Ajzen, 1991). Antecedents of purchase intention are also related to changes in consumers' cognition and emotions concerning the totality of the communication of the display ad and leading to the purchase intention to the brand mentioned in the ad. Thus, comparing purchase

intention towards EDA and OCS ad formats should accurately estimate the relative effectiveness of two digital ad formats.

Prior research (Belanche, 2019; Ha and McCann, 2008; Nisar and Yeung, 2018; Segev *et al.*, 2014) provides ample evidence that intrinsic elements (i.e. color, size, animation) and relational factors (i.e. ad-website congruence, advertiser credibility, and consumer involvement), as well as the content of display ads, do change consumers' behavior. In particular, animated adverts compared to static ones are better able to capture viewers' attention and are easier to remember (Cho, 2003; Ha and McCann, 2008; Nisar and Yeung, 2018; Sundar and Kalyanaraman, 2004). Moreover, thematic congruence between the ad and the site content elicits favorable responses in terms of attitudes toward the advert (Choi and Rifon, 2002), purchase intention (Jeong and King, 2010; Segev *et al.*, 2014), more click-throughs (Belanche, 2019; Cho, 2003), customer awareness and more considerable attention and recall (Rieger, Bartz, and Bente, 2015; Zanjani, Diamond, and Chan, 2011), compared to an incongruent advert.

Findings on the influence of advertiser credibility or trustworthiness, in general, provide support to the notion that it moderates responses to the display advert (Guido, Peluso, and Moffa, 2011; Metzger, Flanagin, and Zwarun, 2003; Wathen and Burkell, 2002). Similarly, involvement as a relational variable plays a significant role in moderating and interpreting variable relationships (Belch, Belch, and Dietzel, 2012), affecting the level of excitement and preparedness to approach and view display ad on a website. Furthermore, advert content and relevance to the website enhance brand name recall and intention to click-through (Jeong and King, 2010; Kuisma, 2015; Nisar and Yeung, 2018).

Overall existing studies indicate that display ad effectiveness depends on intrinsic and relational facets, content, and even context of the ad. All of these findings, however, are related to the traditional brand-promoting display advertising formats. Today's rise in the popularity of integrating CSR-related initiatives within communication practices via cause-related marketing (CRM) triggers many companies to consider CRM via digital touchpoints, including display advertising formats (Thomas *et al.*, 2019). A typical case of digital CRM is the brand's ad placement on a non-profit site. Such simultaneous ad placement and CRM practices are quite popular today. However, research investigating how the ad placement on non-profit sites influences consumers is lacking. Besides, little is known of the comparative impact of the various aspects of the digital CRM ad formats on behavior. Hence this study

contributes by examining the comparative impact of the two digital CRM ads formats (discussed in the next section) on consumers' behavioral intention.

# Digital cause-related marketing display ad formats: the donation amount offer and gender effect in EDA and OCS

Broadly defined as "a commercial activity by which businesses and charities form a partnership with each other to market an image, product or service for mutual benefit" (Adkins, 1999, p. 11), the CRM marketing approach includes transactional (representing EDA) and non-transactional (representing OCS) cause sponsorship approaches. Consumers implicitly generate a donation to the non-profit partner by making purchases via the EDA advert format (Varadarajan and Menon, 1988). Alternatively, the OCS ad format entails making a fixed contribution by a firm to a non-profit organization or site for the use of its assets. Thus, the perceived benefit to the consumer and the non-profit partner relating to the firm's display ads represent crucial relational elements that impact behavioral responses towards such advertising formats.

A survey by Delloitte (2019) showed that despite price and quality remaining the main decision factors for global consumers today, purpose-driven businesses that care about global matters and causes would drive consumers decisions – particularly across millennials and Gen Z (Christie, 2020). Additionally, 80% of consumers surveyed by Deloitte (2019) agreed to pay more for their services and products because the brands have increased their prices to be environmentally and socially responsible. From 2012 to 2017, the share of purpose-driven advertising across 100 global brands grew from 2% to 8% (Crisafulli, Singh and Quamina, 2019). Today CRM marketing approaches are growing further in popularity with Unilever reporting a 2.9% increase in sales for 2019 as a result of purpose-driven advertising (Christie, 2020).

Firms typically use traditional, non-digital, EDA and OCS formats to pursue a variety of marketing objectives, including increased sales, attracting new customers, retaining existing customers, increasing market share, gaining a competitive edge, improving customer loyalty, enhancing their corporate image, improving social responsibility, countering negative publicity, increasing brand awareness, and attracting media attention (Chang, chu and Tsai, 2019). Since firms today opt-in for more digital and social media ad formats which can feature EDA and OCS within the digital CRM display ads, it is essential to understand how

the perception of the donation variable in the digital CRM ad design impact on purchase intention.

The benefit of the EDA or OCS ads use in digital shopping is that they integrate support for a cause to pre-existing consumption decisions so that social support is made without requiring any additional activity from the consumer. Visitors of non-profit sites are often involved and interested in the social issues the site addresses, a critical factor in persuasion (Petty, Cacioppo, and Schumann, 1983). As these consumers would want to support a social cause, an important consideration that arises when viewing the EDA or OCS ad is how do they contribute to the non-profit cause. The EDA ad format specifies the contribution to the non-profit cause while the contribution in the OCS is implied.

Researchers (Choi, Lee, and Friske, 2018; Guerreiro, Paulo, and Duarte, 2015; Savas, 2016) have investigated the donation amount and expression formats in traditional non-digital CRM (in-store advertising) and arrived at the conflicting results and interpretation of outcomes. First, the studies (Kleber, Florack, and Chladek, 2016; Vlachos *et al.*, 2016; Sabri, 2018) investigating the impact of an explicit donation amount versus and an implied donation format suggest that an explicit format would be more successful in generating favorable consumer responses. This is due to the fact that an explicit contribution (i.e. "we will donate X amount for each purchase of Y") to the non-profit cause demonstrates a clear commitment of the advertiser to support the cause (Human and Terblanche, 2012). Such openness translates to trust and a more positive evaluation of the advert as opposed to the ad format where the donation amount is not specified (Folse, Niedrich, and Grau, 2010; Human and Terblanche, 2012). An ad with the explicit donation format could raise the important question of whether the amount is small, high or acceptable for the consumers. Earlier studies (Dahl and Lavack, 1995; Webb and Mohr, 1998) indicate that when the donation is perceived as small, a consumer may feel 'cheap' and exploited.

Moreover, consumers viewing the ad with a high donation to the non-profit cause may require that the amount provided as a price discount instead. Holmes and Kilbane (1993) investigated three levels of donations and found no significant difference in the responses or attitudes of consumers towards the message or the store due to donation magnitude. It has also been found that women would prefer an offer with a smaller donation and that a higher donation amount is more effective for hedonic products while small donation offer for utilitarian products (Webb and Mohr, 1998). This leaves researchers wondering whether implicit ad format could provide a favorable middle ground.

Overall, the above-discussed arguments suggest that the donation amount and ad format are essential in traditional, non-digital, CRM campaigns. Therefore, understanding the effects concerning the EDA and OCS ads can be crucial in digital CRM. In this study, we argue that since the consumer does not need to spend any extra out-of-pocket money when shopping online via EDA or OCS ad format, the advertiser should be commended for donating to a cause out of its profit. A perceived higher donation amount offer should provide higher benefit to cause and warm glow feeling to the consumer. Accordingly, we hypothesize that:

H1a: Consumer response in terms of purchase intention would be stronger towards the digital CRM EDA display ad format with a small donation amount than OCS display ad format.

H1b: Consumer response in terms of purchase intention would be stronger towards the digital CRM EDA display ad format with a large donation amount than OCS display ad format.

H1c: The higher the perceived donation amount in digital CRM EDA display ad, the stronger the purchase intention.

In addition, since studies on traditional CRM advertising show the gender differences in perception of the donation amount, we decided to investigate the gender differences in evaluating the persuasiveness of the EDA and OCS ad formats on behavioral intention to purchase as well as on the impact of the donation amount. Theoretical arguments on gender differences are centered on interrelated social-cultural, evolutionary and biological considerations (Meyers-Levy and Loken, 2015; Moosmayer and Fuljahn, 2010). Together these theoretical arguments suggest that men are more self-oriented, objective, and process data more selectively. In contrast, women are more 'others'-oriented, process data comprehensively, and view themselves in terms of 'connectedness and relationships.' Hence women would demonstrate subjective and value-shared views more than men (Gilligan, 1982; Meyers-Levy and Loken, 2015).

Discerning gendered specific responses towards the ads should guide advertisers on how to spend advertising budget if specific gender targets are pursued. Past research (Rodgers and Harris, 2003; Van Slyke, Comunale, and Belanger, 2002; Wolin and Korgaonkar, 2003) indicates that advertising effects are significantly affected by gender. With respect to traditional versus digital shopping, it is documented that men tend to have more favorable

attitudes towards digital shopping than women (Ulbrich, Christensen, and Stankus Ulbrich, 2011).

Given these indications, it is likely that gendered differences will also be apparent in digital CRM advertising formats, EDA, and OCS. In the traditional CRM advertising context studies consistently give support to the assertion that women are more empathetic and in support of the CRM tactic than men (Chéron et al., 2018; Marhana Mohamed and Osman, 2011; Moosmayer and Fuljahn, 2010; Vilela and Nelson, 2016; Webb and Mohr, 1998). Since the design of digital CRM display advertising formats suggests a strong connection with a non-profit cause (specifically a child cause has been selected for this study) we hypothesize that such digital display advertising formats are more likely to activate prosocial instincts in women than men:

H2: Women respondents, relative to men, will report higher purchase intention towards both the digital CRM EDA and OCS display ad formats.

## **METHOD**

#### Stimuli and materials

This study examines consumers' purchase intention regarding digital CRM EDA and OCS display ad formats. Hence, in line with existing work in CRM (Arora and Henderson, 2007; Folse et al., 2010; Koschate-Fischer et al., 2012; Moosmayer and Fuljahn, 2013), and existing studies on digital advertising (Moore et al, 2005; Flores, Chen and Ross, 2014; Myers, Royne and Deitz, 2014) we employed an experimental survey using a post-test questionnaire. The need to manipulate the donation amount (0% OCS, 1% EDA, 10% EDA) suggests that experimentation is appropriate. Figure 1 depicts the experimental-survey design.

## [Figure 1: see appendix]

A key consideration of the study was the selection of a product and brand to test the hypotheses that participants would typically buy online. Otherwise, we would not adequately assess the impact of the digital media effect on the purchase decision. The pre-test results indicated that flight tickets are frequently bought online for the respondent sample (see the next section for the detailed sample profile information). For the specific brand, we selected British Airways, a well-known brand in the UK. Save the Children, a well-known charity in the UK were the charitable beneficiary of the CRM and hosted the brand's (British Airways) banner ad hyperlinked to the brand's landing website page. We considered that using a photo of the website of a popular in the UK charity (Save the Children) and embedding a sample ad

of a well-known brand (British Airways) provided ecological validity and made the study and scenarios more real.

We also selected two EDAs: with a low and high donation amount (EDA of 1% and EDA of 10%) as was confirmed by a pretest – to compare them with the OCS display ad format. Please note that for the EDA experiments, the study participants were randomly assigned to three groups – EDA of 1% and EDA of 10% and OCS with no donation amount (0%) (see Figure 1). Randomization is favored with a large pool of participants and provides strong internal validity to assess the hypotheses (Trochim, 2006). Moreover, we followed previous studies in the traditional CRM context that tested a variation from 'low to high' donation amounts (Arora and Henderson, 2007, p. 527; Koschate-Fischer al., 2012, p. 914), and used a between-group cross-sectional survey of participant's perceptions of the donation amount and their purchase intentions. We opted in for a between-participant survey design because with accessibility to a larger sample and the ability to use web tools, it was very straightforward to assign study participants to different donation levels randomly (Arora and Henderson, 2007).

The donation amount was measured as 'perceived donation amount' following examples of Koschate-Fischer et al. (2012) and Hajjat (2013), which enabled the donation amount to be measured as a continuous variable. The EDAs of 1% and 10% were considered well-spaced out (low to high) as recommended by the literature (Arora and Henderson, 2007; Koschate-Fischer et al., 2012), so that manipulation insensitivity is mitigated. The impact of environmental factors (i.e. time lag in testing between participants) was eliminated by running all the survey questionnaires simultaneously. Exhibits 1 and 2 illustrate examples of the EDA and OCS ad formats we have used in this study. Exhibit 1 is accompanied by two scenario questionnaires that were presented to participants with a) 1% EDA and b) 10% EDA.

[Insert Exhibit 1]

[Insert Exhibit 2]

Following a pretest in designing and running the survey on the Marketest application chosen for the survey, it was found expedient to deliver the ads to the separate participants' groups as it is (without inscribing the amount donated directly on the ad). Instead, we highlighted the manipulation of the 1% and 10% donation amounts in statements and questions immediately following the ads. The approach facilitated the delivery of the ads through the application and helped participants focus on the donation variable of interest. Our approach follows insight

from prior studies investigating effects of specific design and content features of display ads formats such as color (Moor et al., 2005), rich media (Li and Leckenby, 2007; Kuisma, 2015) and congruence (Jeong and King, 2010; Kim and Choi, 2012).

The post-test (post-exposure to an example of one of the tested CRM ad formats) online self-administered survey was given to the three experimental groups with the relevant donation amount stimuli. The choice of the post-test only randomized experimental survey design was because, despite its simple structure, it is one of the best research designs for assessing cause-effect relationships (Trochim, 2006). It was widely used by previous studies on the influence of donation amount and behavioral outcomes in the context of traditional CRM (i.e. Koschate-Fisher et al., 2012; Müller, Fries and Gedenk, 2014). The opposite approach, pretest experimental survey design, presents a significant limitation of participants' sensitization that could introduce a bias into the post-test responses, thereby affecting the validity of the research (Trochim, 2006).

## Participants and design

Since the overall research purpose is to determine consumer responses towards digital CRM regarding EDA and OCS, the theoretical population could be anyone who makes an on purchase and may be exposed to digital CRM. Specifically, the study population is online consumers in the UK. The reason for selecting the UK is that, of its over 63.7 million residents, 82% are internet users who regularly shop online, which is the highest of all the 28 EU member states (IRMG, 2015).

For this study, the sample frame was drawn from a reputable market research agency used for the data collection – Marketest. The frame contented relevant demographic information on individuals, contact details, and map locations (see Figure 2); no individual outside the study population was in the frame and individuals; information was up to date.

A computer program was employed to perform purposeful random sampling based on the requirement of diversity in location and relevant demographic information. The actual sample panel drawn from the sample frame included males and females aged 18 years old and above, of varied educational and occupational backgrounds. Much of the research in CRM, online advertising, and consumer behaviors have often been limited to student populations (Ha, 2008; Koschate-Fischer et al., 2012). This study aimed to go beyond student populations and

to collect data from the broader consumer population, which reflects the current online shopping population. Such an approach is considered a contribution to this area of knowledge.

All participants were above the age of 18 years, and a total of 538 UK-based consumers responded to an email invitation to participate in the study. The panel had an almost equal gender divide. Over 40% of the participants were graduates and close to 50% of the sample spent more than 16 hours per week on the internet, suggesting a good level of experience on the internet. We conducted the survey in groups of 185 (99 men, 86 women); 183 (88 men, 95 women); 170 (75 men, 95 women) participants for the three digital CRM experimental scenarios with the following three conditions: EDA of 1%, EDA of 10% and OCS display ads. Twenty-five percent of the participants had not bought flight tickets in the last two years while 34% had bought up to four times and 41% bought more than four times. Participants were randomly assigned to each of the experimental scenarios where they indicated their purchase intention towards the advertising. Table 2 presents the sample profile for EDA and OCS scenarios, and table 3 – gender distribution across three scenarios (1% EDA, 10% EDA and OCS).

[Table 2: see appendix]

[Table 3: see appendix]

#### **Procedure**

The study employed a professional online survey agency that provided the national (UK) databases of consumers for the research – Marketest, a reputable market research business with an updated proprietary database of consumers who are the UK residents. The participants' panel received an email invitation to participate in the experimental survey and they were randomly assigned to one of the three experimental scenarios. Also, upon the completion of the survey, the participants automatically entered a prize draw and accumulated points that could be converted to e-shopping vouchers. The login page was designed to prevent repeat participation and participants were required to complete the survey within one online session (approximately 10 minutes long) from home or any other computer with internet access and a web browser. Email requests from the agency provided a hyperlink to the study's questionnaire login page, and after logging in participants were randomly assigned to one of the three experimental scenario groups relating to sample photos of three

digital CRM display ad conditions: EDA of 1%, EDA of 10% and OCS (0% of donation) display formats.

After viewing an advert, the participants were asked several questions including their, purchase intentions (as the survey was intended for a wider study). We measured purchase intention as the main outcome variable using four seven-point Likert scale items (Yi, 1993). Participants responded to all questions by clicking on the radio button of the desired answer, and only a completed questionnaire could be submitted by clicking on the end button. Panel participants were thanked for participating in the study after clicking on the end button, and responses were recorded and collated automatically on excel spreadsheets for analysis. A total of 538 participants successfully completed the survey with no missing responses.

#### **RESULTS**

We analysed the data using a one-way analysis of variance (ANOVA) to compare consumers purchase intention across the three scenarios used in the survey. Figure 3 depicts the mean scores for each of the scenarios, as detailed in Table 4.

[Figure 3: see appendix]

[Table 4: see appendix]

The study data showed statistical significance for purchase intention between the ad formats, F(2, 535)=116.361, p <0.0005. Accordingly, follow-up contrast analyses for the means was performed, using the full dataset (OCS: M=3.54, SD=1.77; EDA low: M=3.90, SD=0.75; EDA high: M=5.35, SD=0.91). The contrast analysis showed that purchase intention for EDA (low donation amount of 1%) versus OCS was significant (mean difference: 0.363; SE: 0.126 (CL: 0603 to 0.666), p=0.012) and for EDA (high donation amount of 10%) versus OCS was significant (mean difference: 1.809; SE: 0.127 (CL: 1.505 to 2.112), p=0.0005). As expected, means for the EDA (high donation amount of 10%) and EDA (low donation amount of 1%) were also significantly different (mean difference: 1.445; SE: 0.124 (CL: 1.148 to 1.743), p=0.0005). These results show that hypotheses H1a, H1b and H1c were supported.

In a nutshell, our results demonstrate that consumers have a much more positive response towards the digital CRM EDA ads rather than OCS display ad format and that explicit donation amount is critical in ensuring the effectiveness of the digital CRM display ads.

Moreover, our results indicate that consumers tend to have a higher purchasing intention in the scenario where the EDA is higher.

To test the gender effect, the second hypothesis, we conducted the independent-samples t-tests – to compare purchase intention for men and women across three digital CRM display ad formats: OCS, EDA (low donation amount of 1%) and EDA (high donation amount of 10%). Results indicate that there was not a significant gender difference in the scores for purchase intention across all three ad formats. That is for OCS [male (M=3.49, SD=1.65) and women (M=3.5825, SD=1.77), t (168) = .353, p = .725]; EDA low [male=3.95, SD=.78) and women (M=3.86, SD=.75), t (.788), p=(.432)]; EDA high [male=5.29, SD=.89) and women (M=5.40, SD=.91), t (.834), p= (.406)]. These results suggest that gender does not really influence purchase intention in online CRM display advertising. Hence hypothesis H2 is not supported. The results for the second hypothesis demonstrate that gendered segmentation is not required when it comes to digital CRM display advertising.

#### **DISCUSSIONS**

This study extends the study of CRM on the internet media investigating how the contribution to charity generate an emotional connection to the brand, affecting consumer response in terms of purchase intention. In addition, it continues the important stream of research investigating the impact of a display ad on a high-involving consumer segment. The results suggest that in the context of digital display CRM ad formats the EDA ad type generate stronger purchase intention than OCS irrespective of whether the donation is perceived as small or high. Surprisingly, gender did not indicate any difference in responses regarding the ad formats thus contradicting results of studies investigating the gender factor in CRM context that suggest that women exhibit more prosocial instinct than men (Ross III, Patterson, and Stutts, 1992; Moosmayer and Fuljahn, 2010; Vilela and Nelson, 2016; Webb and Mohr, 1998). In the context of online advertising, the findings also contradict the results of similar studies that indicate that men and women differ in responses at various online advertising elements with men being more favorably responsive than women.

Taken together what our findings indicate is that, firstly, online consumers would like to know how much the non-profit cause in benefitting in the association with the commercial brand. That is an explicit ad offer in EDA ad to the non-profit cause is processed differently from an implicit offer in OCS ad resulting in a more favorable disposition towards EDA than OCS ad format. In addition, a higher donation offer should bring more benefits for the

customer in terms of contributions to the non-profit cause and creating a good feeling, which in turn should lead to a stronger purchase disposition of the brand.

Secondly, the data provide evidence that internet media could have a significant effect on traditional advertising concepts such as CRM tactics. As indicated earlier, the internet possesses unique marketing attributes such as interactivity and global reach compared to traditional offline media. And thirdly, the finding supports observations regarding the narrowing gap of gender differences in the behavioral intention that has dominated marketing history, particularly in western countries in recent years (Halpern, 2000). This study found that in the digital context gender plays no difference when it comes to digital CRM advertising formats and response to these.

# Implications for practice

Charity and non-profit digital sites, web and social media accounts, open possibilities for online advertisers regarding CRM ad placement on a niche platform that can potentially generate more compelling responses to their ads. Digital platforms provide an unprecedented opportunity for segmentation and targeting allowing online advertisers to employ online CRM. This study, however, suggests a few important implications for online advertisers and marketing professionals. First, it indicates that consumers are more in favor of the placement of EDA ads than OCS ads on non-profit sites. This could be due to an EDA ad demonstrating an advertiser's intention to support a charity compared to in an OCS ad. Since consumers would like to know how their shopping via the ad link benefits a charity cause, EDA ads seem to offer increased trust and confidence over an OCS ad format. Secondly, it is evident that when it comes to digital CRM, an EDA ad format generates a stronger appeal to digital consumers, irrespective of their gender, than an OCS ad format. The results show that gender is not a relevant segmentation, targeting, and profiling element for digital CRM advertising design.

#### Directions for future research

This study has specific aim to compare and contrast two digital CRM advertising formats with additional investigation into impact the consumers' gender has on consumer responses to such ads. However, several effects and factors besides those considered in this study can influence cognitive and affective responses towards digital CRM display ads. These factors are consumer dependent (i.e. age, education, internet experience), or related to ad design (i.e. video animation, interactivity) and need to be examined in future research to gain a deeper

understanding of digital CRM display formats on consumer response. Notably, the generational or age differences could be examined by future research following the current study's methodological design. As highlighted by Christie (2020), the millennial and Gen Z consumers are known to be cause-centered, and both generational cohorts are at the forefront of digital media consumption (Warren, 2019; WARC 2020).

Additional studies are required to test the effects of other types of charity cause/advertiser product associations. This research considered only a children's charity as the cause and airline tickets as the ad product. In practice, a vast array of causes and product types are available to engage and examine the effects on consumer responses. Until these associations are understood more fully, the principles which could guide the prospective construction of effective digital CRM display ads will remain elusive. Broadening the investigation into more variable products/cause type to provide a more holistic understanding of consumer responses to digital CRM display ads is crucial, not only for marketing practitioners but for the charities they partner with as well.

In the current study, the panel sample was more of a general representation of UK online consumers and not just those who are interested in the charity cause. Visitors of a charity web or social media sites are believed to be goal oriented and interested in a charity cause. Therefore, in remedying the noted sampling weakness, it would be valuable to conduct any future experiments using a more focused sample from the database of a charity, listing its supporters and volunteers, although data protection law might complicate access to a charity database sample for research purposes.

Finally, our study shows that the perceived benefit of a larger EDA to consumers increased their purchase intent. An individual donor's value through CRM, like traditional donations, should be expected to increase on the donation amount, irrespective of whether the motive is altruistic or egoistic (Bridoux and Stoelhorst, 2016). However, the marginal or incremental benefit per pound or a percentage increase in the donation may not be linear but quadratic (i.e. Chatterjee and McGinnis, 2010; Pittman and Sheehan, 2020). The costs to increase perceived value could be traded off against the purchase intent and increase marginal revenue. For a managerial benefit, further research can, within practical possibility, explore a series of pound/percentage amounts that will yield optimum benefits to the donating firm. Such research would require a large sample size than we have in this study with additional boundary conditions such as demographic limits or both (Andreoni 1989).

#### **CONCLUSIONS**

Digital display ads are on the rise, given their specific appeal in social media marketing. At the same time integrating CSR initiatives is of interests to a wider range of organizations and brands. Given the unique win-win benefits associated with this digital CRM display advertising, it is not difficult to understand why both practitioners and academics suggest that CRM is likely to continue to grow and become a mainstream marketing tactic. This study has empirically demonstrated that an EDA ad can be a more effective tactic in comparison to an OCS ad when it comes to designing and choosing the most effective digital CRM display advertising format. Moreover, digital CRM display ads are effective in targeting consumers across gender profiles, hence, are very much inclusive type of marketing technique that enables brands and organizations to engage in social marketing initiatives in a transparent manner building a social responsibility ecosystem where consumers see themselves as key contributors.

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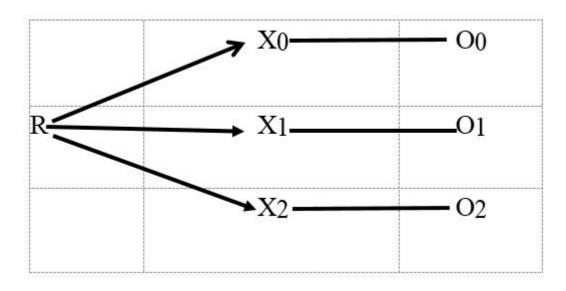
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Table 1. Key features of EDA and OCS ad Formats

Activity	EDA Ad	OCS Ad
Funding	Fixed per transaction & explicit to customers	Fixed per overall ad campaign and implicit to consumers
Assets	Non-profit association	Non-profit association
Use of Assets	Association is used to create a custom offer linked to a non-profit cause	Association is used to change customer attitudes and behavioral intentions
Outcomes	Behaviors (sales), behavioral intentions and attitudes (positioning)	Attitudes (positioning), behavioral intentions and behaviors (sales)
Sales Input	Direct sales impact	Indirect sales impact
Revenue Movement	Divided between the non-profit and the ad sponsor	Exclusively to the sponsor
Non-profit activity	The non-profit actively promotes the brand since donation receipt is in the function of sales volume	Passive in promotional effect as donation gained is fixed per ad campaign

Source: Adapted from Polonsky and Speed (2001, p.1365)

Figure 1. Overview of the experimental survey design



*Note:* X = exposure to the independent variable (Perceived donation amount);

O = measurement of dependent variable (Purchase intention);

 $R = participants \ randomly \ assigned \ to \ each \ group;$ 

X0 – Oo path is the OCS scenario (with no donation amount indicated);

X1-O1 path is the EDA 1% scenario;

X2 - O2 path is the EDA 10% scenario.

Exhibit 1. EDA ad format (explicit donation amounts a) 1% and b) 10% are listed within randomly assigned scenario questionnaire)

British Airways promotes the sale of their tickets on the Save the Children charity website. It costs the same amount to buy a ticket via the banner ad link on the charity site as it would to buy the ticket directly from the British Airways website. When the flight ticket is purchased via the advert on the charity website, the charity receives a donation. Save the Children charity works in the UK and abroad to help provide underprivileged children with better education and healthcare. See an example below and provide answers to the following questions:



a) A Donation Amount of 1% offer to the charity of the overall price of the ticket

Low	1	2	3	4	5	6	7	High
Below Average	1	2	3	4	5	6	7	Above Average
Small	1	2	3	4	5	6	7	Large

How likely would you be to purchase the ticket via the charity website if the donation offer was 1% of the overall price?

Very Likely	1	2	3	4	5	6	7	Unlikely
Very Improbable	1	2	3	4	5	6	7	Very probable
Very Impossible	1	2	3	4	5	6	7	Very Possible

b) A Donation Amount of 10% offer to the charity of the overall price of the ticket

Low	1	2	3	4	5	6	7	High
Below Average	1	2	3	4	5	6	7	Above Average
Small	1	2	3	4	5	6	7	Large

How likely would you be to purchase the ticket via the charity website if the donation offer was 10% of the overall price?

Very Likely	1	2	3	4	5	6	7	Unlikely
Very Improbable	1	2	3	4	5	6	7	Very probable
Very Impossible	1	2	3	4	5	6	7	Very Possible

Note: Survey Participants were told that the donation amount was 1% in one set of survey questionnaire and 10 % in another set of questionnaires

# Exhibit 2. Cause-sponsorship ad format (No explicit donation amount)

British Airways promotes the sale of their tickets on the Save the Children charity website and sponsors the charity. Save the Children charity works in the UK and abroad to help provide underprivileged children with better education and healthcare. See an example below and provide answers to the following question:



How likely would you be to purchase the flight ticket from the British Airways (the ad sponsoring company) if you needed to buy one?

Very Likely	1	2	3	4	5	6	7	Unlikely
Very Improbable	1	2	3	4	5	6	7	Very probable
Very Impossible	1	2	3	4	5	6	7	Very Possible

Figure 2. Geographic location of participants



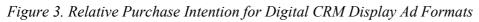
Table 2. Sample profile

Demographics	Variable	EDA Freq.	OCS Freq.	% 538 cases
Gender	M	181	75	47.584
	F	187	95	52.416
Education	<a'l< td=""><td>72</td><td>123</td><td>36.245</td></a'l<>	72	123	36.245
	Undergrad- A'L	50	81	24.349
	Graduate	48	164	39.405
Weekly	5-10hrs	41	21	11.524
Internet Use (hrs)	10-15hrs	36	76	20.818
	16-20hrs	28	75	19.144
	>20hrs	65	196	48.513
Online Shopping	5-10 times	24	41	12.081
(last 2 yrs.)	10-15	17	75	17.1
	16>	129	252	70.81
Air Travel	0 times	46	89	25.093
(in last 2 yrs)	1-4times	54	129	34.014
	5-10times	52	68	22.304
	>10 times	18	82	18.587

Table 3. Sample gender across three experimental scenarios

Experimental groups (Ad Type)	N*	M**	F***
OCS (no donation indicated)	170	75	95
EDA (low) - 1% Donation	185	86	99
EDA (high) -10% Donation	183	95	88

Note:  $N^* = sample \ size$ ,  $m^{**} = male$ ;  $f^{***} = female$ 



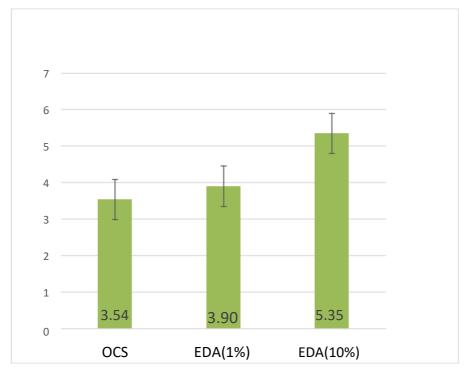


Table 4. Means of the Gender-based Purchase Intention

Ad Type	N*(m, f)	Mean	SD	m**	SD	f***	SD****
OCS (no donation indicated)	170(75, 95)	3.54	1.71	3.4889	1.64	3.5825	1.77
EDA (low) - 1% Donation	185(99, 86)	3.90	.77	3.95	.78	3.86	.75
EDA (high) -10% Donation	183(88, 95)	5.35	.91	5.29	.89	5.40	.91
Total	538						

Note:  $N^* = sample \ size, \ m^{**} = male; \ f^{***} = female; \ SD^{****} = standard \ deviation$