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BACHELOR THESIS

# Cause Related Marketing

## From a Swedish Retail Perspective

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# PREFACE

*This bachelor thesis was written during the spring 2007 at the International Business Programme at the Division of Industrial Marketing at Luleå University of Technology. During this period we have gained a deeper understanding both of how to conduct a research study and within the area of Cause Related Marketing. We would like to thank our supervisor Tim Foster for his help and support during these ten weeks. A special thanks to Peter Wigstein and David Holmstrand at ICA AB who took their time to provide us with significant information. Without their participation this thesis would not have been possible.*

*We hope that this thesis will be a source of inspiration to students and others who want to learn more and are interested within this area.*

*Luleå, May 2007*

*Christoffer Nilsson & Shadi Rahmani*

## ABSTRACT

Today it is popular and even trendy for companies to get involved in and support charity efforts or charitable organizations. Companies today use cause related marketing not only to increase their sales but also to improve their image and reputation on the market and to win the consumers hearts in their decision of which company to support. The relationship between the business and the charity organization can be described as a “marriage“ and these two have to work effectively with each other in order to create a successful cause related marketing campaign. The purpose of this study is to provide a deeper understanding about the use of cause related marketing. In order to reach this objective, research questions focusing on the objectives strived for in cause related marketing and the strategies used by companies in this area to reach those objectives were developed. Following these research questions, a review of the relevant literature was conducted, resulting in a conceptual framework used to guide this study’s data collection. A qualitative, single case study methodology was used using telephone interviews with two respondents at Sweden’s leading food retail chain. The findings show that there are a number of objectives strived for by companies and these can be viewed as being more or less suitable. There are also several different strategies for companies to use in terms of matching the company with its collaborating partners and customers, the implementation of different cause related marketing programs, and the time perspective of the cause related marketing programs. We found that the theories concerning both objectives and strategies overall agree with the empirical data from our case study. This of course deserves further research.

# SAMMANFATTNING

Idag är det populärt och till och med trendigt bland företag att involvera sig i och stödja välgörenhetsorganisationer och deras insatser. Idag använder företag sig av cause related marketing inte bara för att öka deras försäljning men också för att förbättra sin image och sitt rykte på marknaden och för att vinna konsumenternas hjärta i deras val av vilket företag att stödja. Relationen mellan företaget och välgörenhetsorganisationen kan beskrivas som ett ”äktenskap” där båda parter måste arbeta effektivt med varandra för att skapa en framgångsrik cause related marketing kampanj. Syftet med denna studie är att tillhandahålla en djupare förståelse kring användningen av cause related marketing. För att nå detta mål utvecklades forskningsfrågor som fokuserar på de eftersträvda målen i cause related marketing samt strategierna som företagen använder i detta område för att nå dessa mål. Efter forskningsfrågorna utfördes en granskning av relevant litteratur vilket resulterar i en referensram som används för att guida denna studies data insamling. En kvalitativ fallstudie användes där en telefonintervju utfördes med två personer på Sveriges ledande detaljhandelsföretag. Resultatet visar att det finns ett antal mål som företagen strävar efter och dessa kan anses som mer eller mindre lämpliga. Det finns också ett antal olika strategier som företagen använder för att matcha sina företagspartners och kunder, genomförandet av olika cause related marketing program och tidsperspektivet av cause related marketing program. Vi har kommit fram till att teorierna angående både målen och strategierna överlag stämmer överens med de empiriska data i vår fallstudie. Detta förtjänar givetvis att undersökas vidare.

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# 1. INTRODUCTION

*This chapter will present a background of the intended research area. Starting with a broad overview of the topic and important aspects connected to it. Definitions of key concepts will be described. The last part of the chapter will introduce the problem discussion which the purpose and research questions will be based on.*

## 1.1 Background

According to Fellman (1999) today's product and service quality is not the only factor that plays a significant role when customers are choosing between two products. Customers are instead more interested about finding out what the brand stands for and companies that take in consideration factors such as environmental and social have an impact in customers' decision (ibid). If price and quality are equal 75 percent of consumers are willing to abandon the brands they are currently using and choose to rather purchase products from brands that supports a charitable cause (Lorge, 1998). In a consumer survey that was conducted by Cone Inc. (2004) 80 percent of the consumers preferred businesses that support a charitable cause and that it creates a better trust. 86 percent said that if price and quality were equal in a product they would rather switch and buy a cause-supporting product. Another 85 percent thought that social cause also matters when it comes to deciding who to do businesses with in the local community. Mason (1993) claims that businesses that support charity and care about social factors get a better image on the market which leads to a better reputation and higher sales.

The research concerning consumers and their attitudes towards companies who are acting socially responsible all seem to be positive, but why do people care so much about these ethical matters nowadays? Pringle and Thompson (1999) claim that in order to understand the consumer behaviour one must look closer on Maslow's hierarchy of needs theory (see figure 1:1).

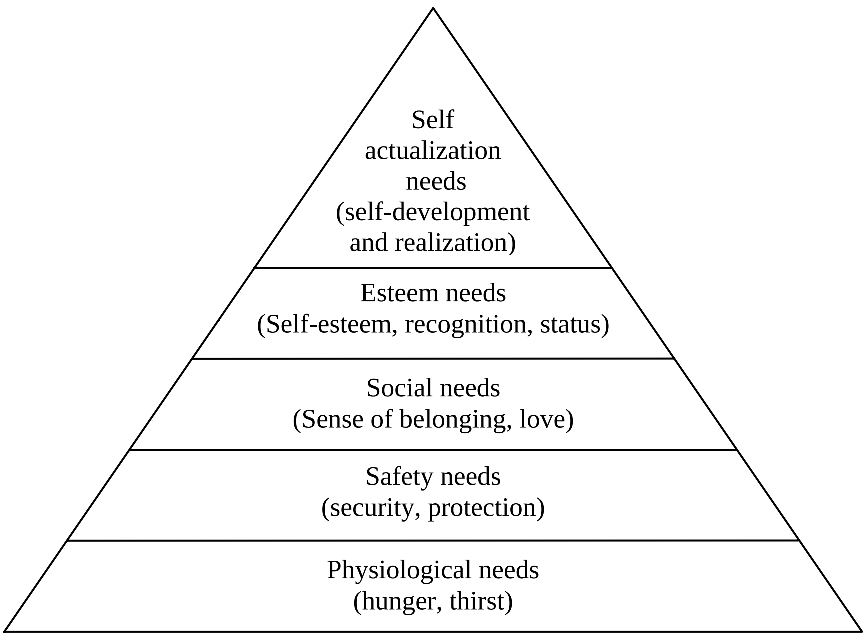


***Figure 1:1.* Maslow's Hierarchy of Needs**
Source: Pringle & Thompson (1999), p. 27

Maslow's theory provides a good base for understanding the human behaviour. Bernstein, Penner and Clarke-Stewart (2003, p 409-410) explain the theory as follows; human needs at the lowest level of the pyramid have to be satisfied at least partially in order to yearn for the satisfaction of needs ranked higher. Robbins (2003, p 156) states that ”There is a hierarchy of five needs -physiological, safety, social, esteem and self-actualisation: as each need is substantially satisfied, the next need becomes dominant.”

Pringle and Thompson (1999, p 26-28) claim that the decreased material gap between white and blue collar workers in Europe and the USA combined with an increased comparative material wealth among low income homes provide good evidence for that the people are climbing up Maslow’s hierarchy of needs pyramid towards the self-actualization step. According to Bernstein et al. (2003, p 410) the peak of the hierarchy of needs, which is self-actualisation have the characteristics of a person trying to reach one’s fullest potential. Relationship building, interests connected to intrinsic pleasure rather than money and status and an interest concerning other people than just themselves are important features of people situated at the top of the hierarchy.

One approach when being concerned about other people than just oneself is to contribute time, money or choice in a way that helps others. I.e. 73% of the respondents in a marketing research thought that their pensions should be invested in ethical funds and 29% said that they would like to have ethical pension funds even if they underperformed (Pringle & Thompson, 1999). Yoon and Canli (2003) present a worldwide survey where 56% of the 25,000 respondents stated that the social behaviour of a company forms their opinions about that company.

Customers are very important to companies but they are not the only group that have interests and expectations in companies. Johnson, Scholes and Whittington (2005, p 179) describe stakeholders as “those individuals or groups who depend on the organization to fulfil their own goals and on whom, in turn, the organization depends.” Stakeholder individuals or groups are according to Johnson et al. (2005, p 179) customers, financial institutions, shareholders, unions, suppliers, local communities and employees. Gourville and Rangan (2004) bring up a number of potential benefits connected to their stakeholders for companies who act socially responsible such as lower absenteeism and better motivated employees, higher attractiveness among prospective employees, a higher degree of commitment between the company and its associates and investors as well as an overall improved impression about the company and their products which all lead to reduced costs for the company.

When the stakeholders of a company experience a change in their attitudes in favour for more ethical business practices an adaptation process in the company toward the same objectives could be seen as positive. As Albaum and Tse (2001) state there is an indirect link between company adaptation and performance due to that adaptation leads to competitive advantage which in turn leads to a performance change. It is in the light of the increased awareness and concern among the company’s stakeholders that have made marketing campaigns with a social dimension a part of the marketing mix. Crosby and Johnson (2006) as well as Yoon and Canli (2003) quoted the CEO of General Electric, Jeffrey Immelt when they said: ”to be a great company, you have to be a good company first” and later when discussing good corporate citizenship they quote: “not only is it a nice thing to do, it is a business imperative.”

When looking closer on the ethical issues from the business perspective the corporate social responsibility (CSR) concept functions well as a broad base before funnelling in into a more specific area under the corporate social responsibility umbrella. The definition of CSR provided by Johnson et al. (2005, p 191-192) say: ”corporate social responsibility is concerned with the ways which an organization exceeds the minimum obligations to stakeholders specified through regulation and corporate governance". Kotler (2005, p 2-3) agrees with Johnson et al. (2005, p 191-192) that CSR can not be stipulated by law and have to be a commitment practiced voluntarily by a company. The commitments stated above are according to Kotler (2005, p 2-3) often issues concerning: community health, safety, education, employment, the environment, community and economic development among others. In order to fulfil the commitments made by the companies different types within CSR can be used either separately or mixed.

The six main types of CSR are according to Kotler (2005, p 22-24) corporate cause promotions, corporate social marketing, corporate philanthropy, community volunteering, socially responsible business practices and finally cause related marketing which is the type that this study focuses on and will hereafter be referred to as CRM. The major difference between CRM and the other five types of CSR is that CRM have a direct connection between consumer action and company contribution levels to a specific cause (Kotler, 2005, p 82). The CRM branch of corporate social responsibility is defined by Varadarajan and Menon (1988, p 60) as: "The process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when costumers engage in revenue-providing exchanges that satisfy organizational and individual objectives."

In 1981 the first CRM campaign was conducted by American Express who sponsored a non-profit organization by donating the profit from the increased use of American Express card to help them promote their fine art (Barnes and Fitzgibbons, 1991). The campaign became very successful and in 1983 another cooperation together with the Statue of Liberty-Ellis Island Foundation took place (ibid). 1.7 million dollars was donated to the Statue of Liberty-Ellis Island Foundation and at the same time American Express increased their sales with 28 percent. Cause related marketing later became a term that American Express registered with the U.S. Patent Office.

## 1.2 Problem Discussion

CRM is exploding in the business world of today. Since 1990 the value of CRM has increased by more than 500% and the total value of CRM was estimated to approximately $630 with no indication of a potential decrease (Endacott, 2004). During the 90s CRM grew rapidly and companies saw this as a marketing tool for success (Smith, 1994). Its popularity continued to increase and after the Tsunami in Asia in 2004, donating money became a trend among companies (Cause and effect, 2005).

CRM is described by Polonsky and Speed (2001) as the donations given to a recipient or cause by a company which is based on the amount of revenue that the company receives through sales. Therefore there is a direct relationship between sales and donations since the donations are on a per transaction basis (Polonsky & Speed, 2001). Varadarajan and Menon (1988) state that: "CRM is a marketing activity-a way for a company to do well by doing good."

The benefits of CRM are described by Endacott (2004) as a win, win, win situation for businesses, good causes and customers. The customers are offered an opportunity to contribute to a specific cause. The causes gain publicity as well as funding and businesses benefit through tangible reasons such as increased sales as well as various intangible reasons such as motivating staff, being considered a good corporate citizen and communicating the company's mission (ibid).

The kind of strategy used by companies involved in CRM can be divided into two separate types according to Douwe van der Brink (2006) and are referred to as either strategic or tactical. He continues to say that when determining whether a company uses a strategic or tactical approach these four dimensions need to be examined closer, congruence, duration, invested resources and management involvement. He also states that a CRM approach does not need to be fully tactical or strategic but only have tactical or strategic characteristics. These four dimensions serve as a good base when looking at the strategy used by companies involved with CRM.

The invested resources dimension of the approach is described by Brink (2006) as the amount of resources invested in the CRM program by the company. The management involvement dimension of the approach deals with the degree of senior level management support and involvement in the CRM approach (Miller, 2002). The congruence dimension of the approach deals with the level of correspondence between the cause and the company according to Brink (2006). When companies choose the beneficiary or cause of the CRM program there are a number of factors that should be taken into consideration. According to Varadarajan and Menon (1988) a systematic approach on the following factors are important when selecting a cause: The match or fit between the cause and the company in terms of customer profile, the image and positioning of the brand, the product's characteristics and the market characteristics.

Brink states that the duration dimension of the approach deals with how long time the CRM campaign runs. One theory that Barnes and Fitzgibbons (1991) present about time frame is that there are two main typologies of CRM campaigns. These are ongoing and one-shot. Both of these two types are joint venture campaigns. The duration of a one-shot campaign can be from one day to a season. The positive aspects of this is that the company has control right from the start and it also has a low risk since it last for a short time and can be seen as a test period of CRM. Another alternative is the ongoing campaign. An advantage with this is that the consumers can associate a company's product with the cause and support it by purchasing their products.

## 1.3 Purpose and Research Questions

Based on the problem discussion, the purpose of this thesis is to *provide a deeper understanding about the use of cause related marketing*. The following research questions were developed in order to reach the purpose.

1. **How can the objectives of cause related marketing be described?**
2. **How can the strategic approach used by companies involved in cause related marketing be described?**

## 1.4 Thesis Outline

There are six chapters in this thesis (see figure1:2). Chapter one presented a background of the intended research area and then introduced the problem discussion which led to the purpose and research questions. Chapter two will continue to present theories that are connected to our research questions and will end with a conceptual framework. Chapter three explains the research methods and data collection that were used and its validity and reliability. The data collected will be presented in chapter four and then followed by an analysis of the data in chapter five. In chapter six the thesis will answer the research questions that were stated and present the findings and conclusions drawn from these questions.

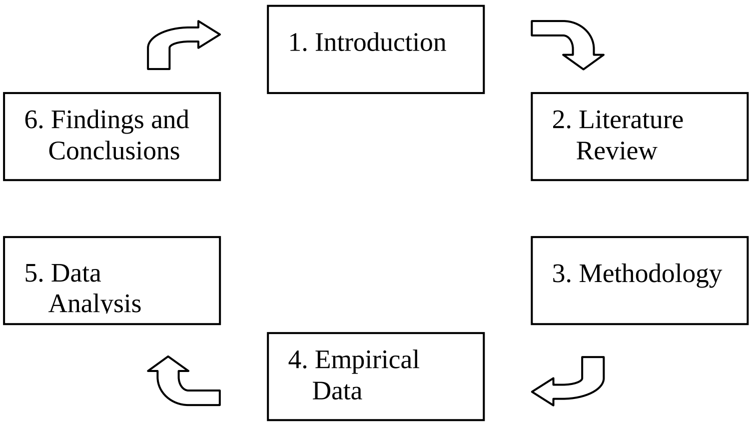


***Figure 1:2.*** **Outline of the Thesis**

# 2. LITERATURE REVIEW

*After finishing the previous chapter with presenting the research questions, this chapter will continue to present theories that are relevant to our research questions. First theories that are related to research question one will be presented followed by the ones connected to the second research question. This chapter will end with a conceptual framework that will guide this study into the next chapter.*

## 2.1 The Objectives of Cause Related Marketing

This section will start with presenting the first research question and continue to discuss theories that are connected to it.

Objectives are described by Berman and Evans (1997) as performance targets wished to accomplish in the long and/or short term and could aim towards such issues as: improved image, profit, sales and satisfaction. The University of South Australia glossary provides a more thorough definition of the term of which the most relevant parts to this study are quoted below: "Objectives are operational statements; that is, they are written in terms which make it evident when they have been achieved. As with goals, they are descriptions of position rather than an action. They are descriptions of a desirable future state. How far in the future is variable. They may imply immediate action or a sequence of activities in the near future."

### 2.1.1 Corporate and Marketing Objectives

When looking at the CRM objectives from a company's perspective in Varadarajan and Menon's CRM article from 1988 a large number of objectives are found. The objectives are collected through scrutinizing previous articles where cases on the CRM topic have been presented. There are six objectives that are given more space and time in the article than the others and these six are described as follows:

*Increase sales* – Which is one of the most fundamental reasons for participating in cause marketing activities.

*Enhancing corporate stature* – Due to association with a respected cause/organization a company may get a better corporate image, improved national visibility and communications toward social responsibility with the public.

*Thwarting negative publicity* – The use of CRM as a response to negative publicity can be an effective weapon.

*Customer pacification* – When companies are threatened by a boycott on their products CRM can act as one part of a more extensive program to calm down the group who are accountable for the boycott.

*Facilitating market entry* – Companies entering a market and at the same time use CRM to smooth the progress of penetration is one objective that is quite common.

*Increase the level of trade merchandising activity for the brand(s) promoted* – Improvements in the number of reorders, sell-throughs and similar measures are important objectives for a large quantity of companies involved in CRM.

Apart from the six main objectives there are a number of other objectives that a company may strive for when using CRM according to Varadarajan and Menon (1988). These objectives are only treated superficially and may overlap, be an element or even be one of the six main objectives above. A total list of the objectives provided by Varadarajan and Menon (1988) is shown in table 2:1 which according to them is not exhaustive but purely illustrative.

**Table 2:1. Corporate and Marketing Objectives**

| | | | | |
|---|---|---|---|---|
| Gaining national visibility | Enhancing corporate image | Thwarting negative publicity | Pacifying customer groups | Generating incremental sales |
| Promoting repeat purchases | Promoting multiple unit purchases | Promoting more varied usage | Increasing brand awareness | Increasing brand recognition |
| Enhancing brand image | Reinforcing brand image | Broadening customer base | Reaching new market segments and geographic segments | Increasing level of merchandising activity at the retail level of the brand |

Source: Adapted from Varadarajan & Menon (1988), p. 60

### 2.1.2 Brand Loyalty

One area that is highly discussed in articles by researchers connected to objectives/benefits, which Varadarajan and Menon (1988) do not bring up specifically but only mention briefly, is the importance of brand loyalty when it comes to using CRM. Dick and Basu (1994) define brand loyalty as: “The relationship between the relative attitude toward an entity (brand/service/store/vendor) and patronage behaviour”. Repeated purchasing alone does not necessary mean that a person is loyal to a brand since that decision can be based on, for example the store’s supply. If the store only offers one brand on that product the customers are forced to a repeated purchasing behaviour which is not connected to brand loyalty. The relationship between a person’s attitude and behaviour is the key when studying brand loyalty, where both parts are required (ibid). In Cone Inc’s (2004) customer survey, 86 percent said that they would switch brands if price and quality were equal and instead buy a cause-supporting product. According to Van den Brink, Odekerken-Schröder and Pauwels (2006) CRM is only effective when it involves a product with low brand loyalty. In contrast using CRM on a product with high brand loyalty will not affect the consumers purchasing behaviour.

### 2.1.3 The Expanded Benefits of Cause Marketing Framework

The expanded benefits of cause marketing framework are divided into the company involved in CRM and the different stakeholders connected to that company (Gourville & Rangan, 2004). The expanded benefits of cause marketing framework do not outspokenly talk about objectives as the managerial dimensions of CRM theory do, but use the word benefit instead, which according to the Oxford English dictionary is described as: “To do good to, to be of advantage or profit to; to improve, help forward” and a company that strive to improve in a particular area in order to reach a desirable future state could therefore use benefits in the way of objectives. The expanded benefits of cause marketing (see figure 2:1) shows the potential benefits connected to the different stakeholders in a CRM relationship.

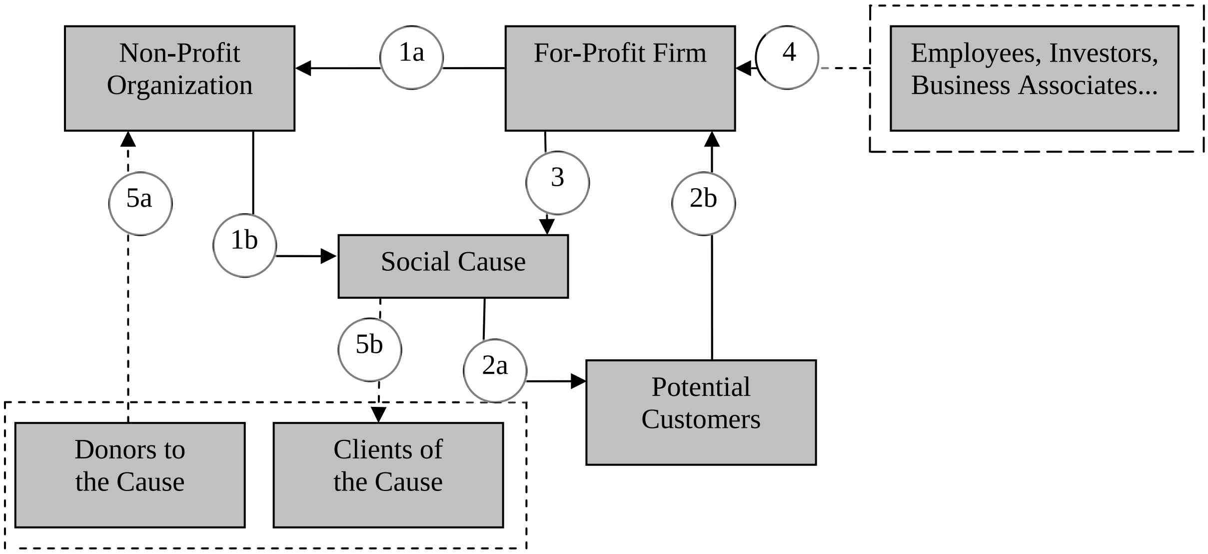


***Figure 2:1.*** **The Expanded Benefits of Cause Marketing**
Source: Gourville & Rangan (2004), p. 43

According to Gourville and Rangan (2004) the all-black arrows in the expanded benefits of cause marketing figure represents the relationships that contribute to first order benefits and the dotted arrows represents the relationships that contribute to second order benefits. Gourville and Rangan (2004) state that the original framework not including the dotted arrows previously limited the focus of CRM benefits to increased sales and alike and neglected benefits that were not as easy to observe. First order benefits are directly monetary benefits such as increased sales while second order benefits are less focused on the direct monetary aspects and the benefits are a result of the fit between the company and its stakeholders (ibid).

Table 2:2 below shows the overall benefits of the cause marketing relationship without going in-depth into the specific benefits perceived by each party in the framework. The arrows 2b and 4 in figure 2:1 are directly linked from the company's stakeholders to the company and will be more thoroughly described from a company perspective below table 2:2.

**Table 2:2. Overall Benefits of Cause Marketing**

| **Arrow/Line** | **First Order Benefits** | **Second Order Benefits** |
|---|---|---|
| **1a** | Monetary donation | |
| **1b** | Monetary donation | |
| **2a** | Increased sales | |
| **2b** | Increased sales (Company benefits) | |
| **3** | Funds for the cause | |
| **4** | | Increased stakeholder loyalty and motivation (Company benefits) |
| **5a** | | Donate directly to the cause (increased donor support) |
| **5b** | | Increased message effectiveness for the cause |

Source: Adapted from Gourville & Rangan (2004), p. 44-45

When looking closer from a company perspective on the expanded benefits of cause marketing framework Gourville and Rangan (2004) say that there are three main groups of stakeholders that can be influenced by the CRM activities. The three groups of stakeholders that can be influenced are firstly the current and potential consumers, secondly the employees and investors and finally the general public which represent the arrows 2b and 4 in the framework above. The potential benefits for the company connected to these stakeholders because of the influence of effective cause marketing activities on them are according to Gourville and Rangan (2004) the following:

*The current and potential consumers* – Increased possibility of a sale and reduced differentiating costs for an offering in the minds of the consumer.

*The employees and investors* – Lower costs in investor and personnel management due to the higher possibility of long term commitment between the parties because of a better match between potential employees, investors and the company as well as the retention of current employees and investors.

*The general public* – Improving the relations with government regulators, local interest groups and the general public.

## 2.2 Strategy for Cause Related Marketing

This section will start with presenting the second research question and continue to discuss theories that are connected to it.

### 2.2.1 Strategy

The Oxford University press broad definition of strategy is: "a specific way in which something is to be done." The more elaborate definition of strategy provided by Johnson, Scholes and Whittington (2005, p 9) say that: "Strategy is the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations". Johnson et al. also gives a more brief explanation of strategy as the organizations' long term direction.

According to van den Brink et al. a CRM program can be described as either strategic or tactical but often it is characterized as a mix of these two (see figure 2:2).

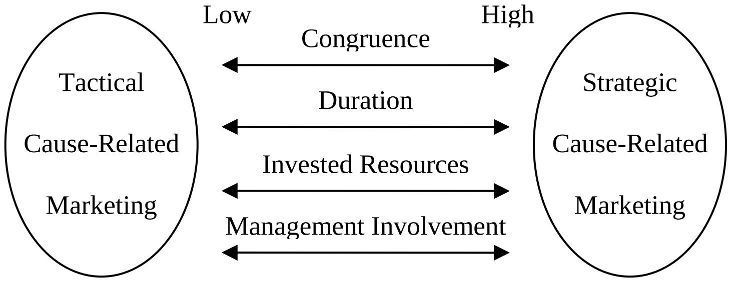


***Figure 2:2.* Schemantic Representation of Strategic and Tactical CRM**
Source: van den Brink et al., p. 16

The level of; *congruence* – how well the company, cause and customer fit, *duration* – the time frame of the program, *invested resources* – financial commitment, *management involvement* – top management commitment, will decide whether a company is using a strategic or tactical strategy (ibid). All of these four factors will be described more in detail later in this chapter.

### 2.2.2 Proximity

One component in the companies overall strategy is the proximity in the relationship between company and cause. Varadarajan and Menon (1988) state that through time the CRM relationships have become more integrated and bring up two main alternative choices when deciding the level of proximity between company and cause, either arms-length relationship or a close interaction relationship. Miller (2002) is more frank about the need for a close proximity relationship when using CRM and says that the primary reason for a company's CRM failure is the lack of support for the cause perceived by the public. She continues to say that the company's level of commitment or support towards the cause will be perceived as higher when: "the company includes the cause as a part of the corporate social responsibility declaration, have visible employee involvement that truly supports the cause, have the executives' observable commitment to the cause and have a long term company commitment to the cause". The following quote from Miller (2002) represents her article about this issue quite well: "if a company cannot deliver the required resources and executive support to successfully create and manage a non-profit partnership, then it should not attempt a cause related marketing program."

### 2.2.3 Quantifiers in CRM

Companies involved in CRM have a great array of choices when deciding what type of quantifier to use in their CRM campaign. Quantifier is the format that the company uses to describe the level of donation to a cause (Pracejus, Olsen & Brown, 2004). There are three main types of quantifiers all of which consist of a large number of subtypes. The first and most common type of quantifier is the abstract quantifier that is characterized by the lack of precise information to the customer of how much that is really donated. Almost 70% of all CRM quantifiers used on the Internet are abstract and usually use the words portion of, part of or percentage of, without specifying the degree. The second and next largest quantifier is the estimable which gives some information to the customer but not all information in order to know the exact amount of donation to the cause. More than one quarter of the quantifiers used are estimable and consist of subtypes such as: x percent of proceeds and all of the net profits proceeds. The last main type of quantifier is the calculable quantifier which also is the least used type with 4% of the total. This type allows the customer to calculate the actual amount of the donation. The entire price goes to and x percent of the sales goes to, are examples of calculable quantifiers (Pracejus et al.).

Prior research have according to Pracejus et al. showed that vague quantifiers such as abstract and estimable are by customers overestimated in terms of money donated to a cause by the company. Pracejus et al. end the article by suggesting the use of calculable quantifiers in CRM campaigns to not confuse the customers. Pracejus et al. are backed up by Welsh and Jerry (1999) the pioneers in CRM responsible for American Express's early CRM successes when they propose the use of calculable concrete quantifiers. Welsh says that:" Consumers are tired of vague promises made by everyone from politicians to weight-loss gurus." when he stresses the importance for companies involved in CRM to be concrete.

### 2.2.4 Company-Cause-Customer Fit

Based on Varadarajan's and Menon's (1988) definition of CRM: "cause related marketing is the process of formulating 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." Gupta and Pirsch (2006) state that in order for companies to take full advantage of the CRM benefits and satisfying their objectives three important variables need to be evaluated. These three variables are “the degree of company – cause fit in the minds of the consumer; the level of customer identification with the company; and the level of customer identification with the selected cause” (ibid). The name used by Gupta and Pirsch (2006) of these three variables grouped together is called the company-cause-customer fit and each of the variables will be described separately below.

*Company-Cause*

The first variable is the fit between the company’s target market, image and positioning and the cause’s target market and image (Gupta & Pirsch, 2006). The compatibility between the company and the cause is stressed and important when looking from a sponsorship perspective Gupta and Pirsch (2006) say and prior research states that there is a positive correlation between fit and consumer attitude. Research made by Gupta and Pirsch (2006) indicates that when company-cause fit is considered high a more positive attitude toward the company-cause fit among customers appeared and that a positive attitude towards company-cause fit increased the likelihood of the company’s cause related products.

*Customer-Company and Customer-Cause*

The second and third variable deal with how customers identify with the company and the cause and whether the congruence between customers and either the company or cause improves the success of CRM activities (Gupta & Pirsch, 2006). Gupta and Pirsch (2006) base their research on customer-company and customer-cause fit on a theoretical framework that consists of two separate branches of research of which both originally have been used to understand employees and the connection to their work organizations.

The first branch is called person-organization fit and focuses on values that are congruent between the organization and the individual (Gupta & Pirsch, 2006). Gupta and Pirsch (2006) continue to say that the extended use of CSR by organizations have increased the perceived fit between companies and the customers.

The second branch uses the social identity theory which tries to understand individuals’ connected to their organizational identification. Gupta and Pirsch (2006) say: ”as consumers learn more about and develop relationships with not just products but also the producing organizations, they may identify with some such organizations even in the absence of formal membership”. Marketing tools are often used by companies to improve the organizational identification. Gupta and Pirsch (2006) here use the social identity theory to give an explanation of the customer-company identification.

Research made by Gupta and Pirsch (2006) to examine whether the degree of fit between the customer and the company/cause changes the purchase intent of the customer have not been conclusive due to two different outcomes in different surveys. Even though the two studies showed discrepancies the authors of the studies propose that the second study that showed positive correlation between high fit between companies-customers and increased purchase intentions is more close to the truth (ibid).

### 2.2.5 Developing a CRM Campaign

According to Pringle and Thompson (1999, p 143-146) a CRM campaign consists of three development stages; commitment, due diligence and contract negotiation. When these stages have been completed a territory is established and the development of the CRM campaign begins.

*Commitment*
In the first stage of the process a company has to assure itself that they want to make a commitment to a CRM campaign. The company has to be aware of both the advantages and disadvantages of CRM and how long this type of marketing strategy should last. One important thing when it comes to applying a CRM campaign is to have the chief executive committed to the idea because of their significant influence to the organization. Support from the executive is not the only thing that matters it is also about involving the rest of the organization into the idea to get a broader support. One should keep in mind that the charity organizations go through the same process and also have to be cautious when they are choosing who to cooperate with since they often also have a strong brand to protect.

*Due Diligence*
The second step is the due diligence process where a company has to decide which charity or cause to cooperate with. In this step it is essential to find a company and a charity with the same values and common interests. Kalligeros (2005) supports this theory and states that the partners must have a common brand image, mission and values so they can focus on the same target market. Nowak and Till (2000) also claim that in the process of selecting your partner the charity's previously engagements in CRM programs should be considered, it is more effective if the charity does not have a history with other brands. Pringle and Thompson (1999, p 147) often compare this step of the process to the marriage because of the criteria in finding your partner. According to Kalligeros (2005) finding your partners can be described as both an art and science. The art is described as the relationship and the science is based on the criteria of finding your partner. Issues to consider in this process according to Kalligeros (2005) are social change, results, target consumers and competitors. Pringle and Thompson (1999, p 147) state that like in marriage you do not only get into a relationship with your partner but also with its network and other involved parties. It is important to be aware of the consequences of these unwanted relationships but at the same time accept them. This requires that both parties do not hide relevant information from one another and that this relationship is based on honesty and trust (ibid).

*Contract Negotiation*
Pringle and Thompson's (1999, p 152) final and most important step is contract negotiation where both parties have to sign an agreement. The agreement should state both financial commitment and duration of the relationship. Both parties should know what to expect from each other and both a minimum financial effort and time period should be specified. Kalligeros (2005) agrees with this and also claims that the negotiation contract should consist of a timetable, areas of responsibilities, wanted results and how to achieve the goal. According to Pringle and Thompson (1999, p 152) it is such a complex process in finding a partner to cooperate with in a CRM campaign so the contract should contain a notice period of at least 6 months. This gives them an opportunity to finish the project in a decent way and start looking for a new partner.

### 2.2.6 Territory
When both parties have gone through the stages as mentioned above the next step in the process is to establish the territory. It is based on three components which are product truth, consumer insight and brand character (Pringle & Thompson, 1999, p 155). The area which these three components have in common will show the company's territory (ibid).

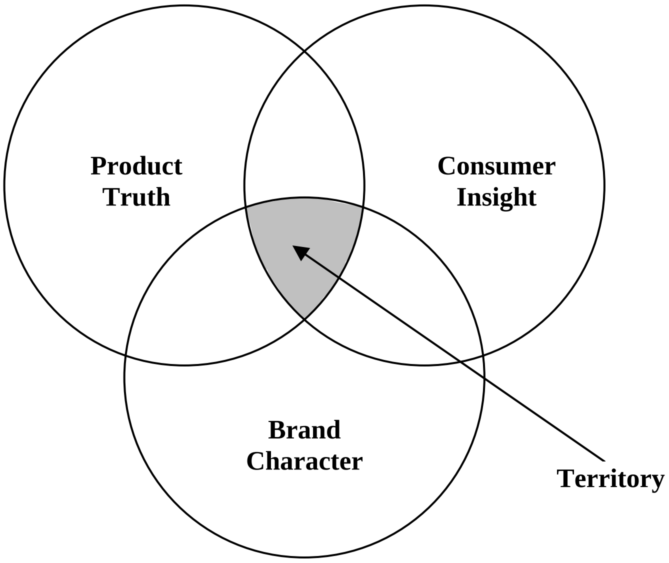


***Figure 2:3.*** **The Concept of Territory**
Source: Pringle & Thompson (1999), p 155

It is essential to establish the territory in order to find the brand's position in the market. A well defined territory will result in a more successful CRM campaign that lasts for a longer period of time (ibid). Larger companies have often gone through the stages in developing their territory while small to medium sized organisations lack that knowledge (Pringle & Thompson, 1999, p 159).

*Product Truth*
Product truth is about putting a lot of time and effort to find the uniqueness of a product or service. There is a lot of information about a brand and firms ought to investigate and analyse this information carefully to find the customers' behaviour and traits of personality. Several factors are studied to become aware of how competitors implement language, casting, setting and symbolism in their advertising and if there are anything that they have failed to notice that can be useful in our campaign. Talking with personnel at different levels in an organization gives different experiences and points of views that can contribute to reveal the product truth (Pringle & Thompson, 1999, p 155-156).

*Consumer Insight*
Consumer insight is to gain an understanding of consumers' feelings and intentions about a product. This is usually very hard to implement by using research methods such as interviews and questionnaires because the answers will probably be mainstream. Think outside the standard research methods and be creative is necessary to get a more honest opinion from the consumers. When the information has been interpreted the connection between the product truth and consumer insight should be made (Pringle & Thompson, 1999, p 156-158).

*Brand Character*
When it comes to creating a new product a brand character needs to be set to match the product truth and the consumer insight. This is easily done to new products rather then existing, since people already have made up their mind about the product in question. When working with existing products it is important to strengthen those characteristics that match the product truth and consumers insight and restrain those that do not match. This can be done by looking into the brand's history and heritage as well as national and regional characteristics from a gender perspective (Pringle & Thompson, 1999, p 158-159).

### 2.2.7 Types of CRM Programs

According to Polonsky and Speed (2001) there are five different types of CRM programs. These are broad-based, limited, market focused, replacement and multi-phase programs. To decide which program to use the following four questions need to be taken into consideration. What type of consumers is targeted? Are there any actions required from the customer besides purchasing the product or service? What financial commitment is the company willing to offer and if there are any leveraging activities required?

Broad-based is the simplest program. Both existing and new consumers are targeted and firms donate a certain amount of each sold product. The only action required from the consumer is the purchasing of the product and there are no limits of how big amount that is donated. When using broad-based CRM programs leveraging activities are needed. These could include advertising, packaging information and sales information.

Limited CRM program is a limited version of the broad-based which also targets all kinds of consumers. The main difference between broad-based and the limited CRM program is that firms donate a certain amount of each sold product but only to a maximum sum. In some cases they also offer to donate a minimum sum to increase the credibility. As in the broad-based program the only required action from the consumer is purchasing the product. Leveraging activities are also the same as in the broad-based program.

Market-focused program targets new types of consumers. There might be an additional requirement from the consumer besides purchasing the product, i.e. submit coupons. The financial commitment can be either unlimited or capped and an amount is donated for all sales of a specific product. Since this program targets a specific market the promotion needs to be adapted to that market and also in some cases informative sales promotion is needed.

Replacement program replaces the ordinary sponsoring with sales based giving. All types of consumers are targeted. The requirements from the consumers are similar to the market-focused program where also a second action may be needed. As in the limited CRM program the financial commitment is also capped which means there will be a limit of how much money that will be donated. Both advertising and information on the package are required leverage activities, i.e. ‘By purchasing this product you have donated a certain amount to a specific cause.’ Additional sales promotions are also commonly used in this program.

Multi-phase program targets all kinds of consumers, both new and existing. Here the consumers have to purchase a product and an additional action is required. It could be submitting coupons or mail in a barcode but the big advantage with this program is that not all customers will make this extra effort and still the company’s gain in consumers’ trust will be the same as if there were no extra requirement. The financial commitment can be either unlimited or capped and an amount is donated for all sales of a specific product. Advertising and information of packages are essential and should inform the consumer of the extra activity that is needed. This can also be complemented with different types of sales promotions.

### 2.2.8 Time Frame Program

Varadarajan and Menon (1988) state that there are three different types of time frame programs. These are long-term, medium-term and short-term. Short-term focus is the most dominating choice even though companies desire to focus on medium-term or long–term. According to case histories of successful programs, short-term has proven itself to have an impact in firms marketing program. One example is when grocery stores promise to donate a certain amount of their profit one day before big holidays such as Thanksgiving and Christmas to help those who can not afford to celebrate it (ibid.) Barnes and Fitzgibbons (1991) refer to these short-term CRM campaigns as one-shot. According to Pringle and Thompson (1999, p 146) short-term have more disadvantages than advantages when it comes to creating trust and belief among the consumers if the support is going to last no longer than a year. Fellman (1999) agrees with this and also mentions the strategic turn that CRM has taken in the late 90's. Before that companies used CRM on a short-term basis but today they focus on long-term relationships.

Longer term programs are more effective than the short-term programs when it comes to create good public relations. In medium-term programs the company can make a contribution from the beginning to an end product and thereby create awareness about their company. For example planning and financing a new hospital through a CRM program or Procter and Gamble financing the Special Olympics for several years (Varadarajan & Menon, 1988). McDonald's is an example of a company that successfully works with ongoing long-term CRM programs. For many years they have supported different charity organizations involving children and environment. A strong and positive image comes from their well known Ronald McDonald house where families can stay while their child is ill (Novak & Till, 2000). Long-term relationships have also shown that consumers recognise the brand and the charity cause if the relationship is strong and take place over a long period of time (Pringle & Thompson 1999, p 145-146). Duration of the relationship is also important. A time period should be set stating how long the cooperation is going to last rather than confusing the consumers thinking that it is a life long relationship (ibid). Kalligeros (2005) claims that the challenge for long-term relationships is to be innovative so that the relationship can prosper.

## 2.3 Conceptual Framework

The previous section of this study presented the theories and models connected to the subject of CRM chosen in general and the two research questions stated in the first chapter of this study in particular. This section will narrow down the exhaustive literature reviewed into a conceptualized framework which will be presented both narrative and graphically. According to Miles and Huberman (1994, p 18) the framework explains: "the main things to be studied-the key factors, constructs or variables-and the presumed relationships among them." The conceptual framework is used to provide improved orientation in the literature reviewed for the area studied according to Miles and Huberman (1994, p 22). The concepts most relevant according to the authors of this study will be chosen to act as the foundation in the data collection, chapter 5.

### 2.3.1 Conceptualization - Objectives in CRM

The corporate and marketing objectives provided by Varadarajan and Menon (1988) will serve as a base and will be complemented by the extended benefits of cause marketing framework with a number of objectives that looks on CRM from a slightly different view. Varadarajan and Menon's (1988) theory is based on the more traditional view of CRM where companies mainly focus on the customer when dealing with CRM. Reasons for using Varadarajan and Menon's (1988) theory are that their specific article is frequently referred to by other authors and the extensive array of objectives gathered from previous studies that facilitates our study.

- Increase sales
- Enhancing corporate stature
- Facilitating market entry
- Increase the level of trade merchandising activity for the brand(s) promoted
- Gaining national visibility
- Enhancing corporate image
- Thwarting negative publicity
- Pacifying customer groups
- Generating incremental sales
- Promoting repeat purchases
- Promoting multiple unit purchasing
- Promoting more varied usage
- Increasing brand awareness
- Increasing brand recognition
- Enhancing brand image
- Reinforcing brand image
- Broadening customer base
- Reaching new market segments and geographic segments
- Increasing level of merchandising activity at the retail level of the brand

The expanded benefits of cause marketing framework described by Gourville and Rangan (2004) will complement the corporate and marketing objectives theory provided by Varadarajan and Menon (1988). The reason for also relying on the expanded benefits of cause marketing framework is that it provides a more holistic view on benefits connected to CRM where stakeholders previously neglected are taken into consideration. The fact that their study was performed quite recently is also a reason for relying on this theory. Gourville and Rangan’s (2004) framework will be relied upon when determining which stakeholders the study will encompass as well as the benefits/objectives connected to those stakeholders. Specifically these areas will be looked into:

The current and potential consumers
- Increased sales
- Reduced costs

The employees and investors
- Decreased costs due to better match

The general public
- Improved relations

### 2.3.2 Conceptualization - CRM Strategy
Strategy was briefly described by Johnson et al. as the long term direction of the company and can therefore encompass a large number of different areas within the term strategy to look into. The theories that will be relied upon in order to describe CRM strategies in this study are to some extent broad in their view and will in sequence include sub-areas within each section in order to grasp the overall strategy that companies involved with CRM uses.

When companies use CRM there is a need for choosing the specific cause to cooperate with and also the factors that influences that choice. Gupta and Pirsch (2006) state that these three variables are important for companies to think about when using CRM in order to achieve their objectives. The theory is relied upon because the intended area is covered in a comprised way and that it was published quite recently.

Degree of company – cause fit in the minds of the consumer
- cause's constituency and image
- company's target market, image and positioning

Level of customer identification with the company
- Person-organization fit
- Organizational identification

Level of customer identification with the selected cause
- Person-organization fit
- Organizational identification

Based on the objectives that the companies have, different types of CRM programs can be used. The limitations concerning CRM programs in the literature made Polonsky and Speed's (2001) theory the one we relied upon. We also believed that this theory could contribute in a good way to answer the research question. The choice of which type to use depends on the company's answer to these four questions: What type of consumers is targeted? Are there any actions required from the customer besides purchasing the product or service? What financial commitment is the company willing to offer and if there are any leveraging activities required? These questions are the base of the five types of CRM programs according to Polonsky and Speed (2001) which are:

Broad-based program
- Existing and new customers
- Only purchasing action from consumer
- No limits on donation
- Need for leveraging activities

Limited program
- Existing and new customers
- Only purchasing action from consumer
- Minimum/maximum donation level
- Need for leveraging activities

Market focused program
- New customers
- Additional activities except from purchasing might be needed
- Donation level might vary
- Market adapted promotion

Replacement program

- Replaces ordinary sponsorship
- Existing and new customers
- Additional activities except from purchasing might be needed
- Limited donation level
- Need for leveraging activities

Multi-phase programs

- Existing and new customers
- Additional activities except from purchasing are required
- Donation level might vary
- Need for leveraging activities

Connected to Polonsky and Speed's (2001) theory about CRM programs Varadarajan and Menon (1988) focus on the time aspect of those programs. Varadarajan and Menon (1988) state that there are three time frame types a CRM program can have short, medium and long-term which provides additional information that could assist Polonsky and Speed's (2001) theory. The theory was often cited by other researchers which could help to verify its usefulness concerning this subject.

Long-term program

- Ongoing duration

Medium term program

- To the delivery of a financial goal/maximum

Short-term program

- One-shot (often single day)

The research questions stated and the theories used are not isolated from one another but are connected to each other as figure 2:4 shows. Depending on how research question one is answered the answers on research question two is likely to be affected. In other words the strategy is expected to be affected by what set of objectives that are stated.

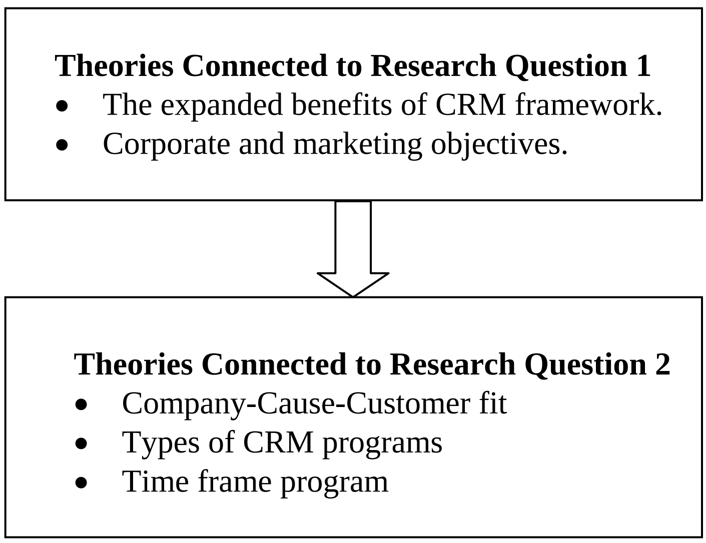


***Figure 2:4.*** **Conceptual Frame of References**

# 3. METHODOLOGY

*This chapter presents the methodology that was used in order to find the answers to the research questions and the purpose of this thesis. This chapter will start with describing the purpose of the research followed by the research approach. Moreover, the research strategy, data collection method and sample selection will be described. Finally this chapter will end with discussing the methodology problems which occurred during the study. A schematic presentation of the methodology is shown in figure 3:1.*

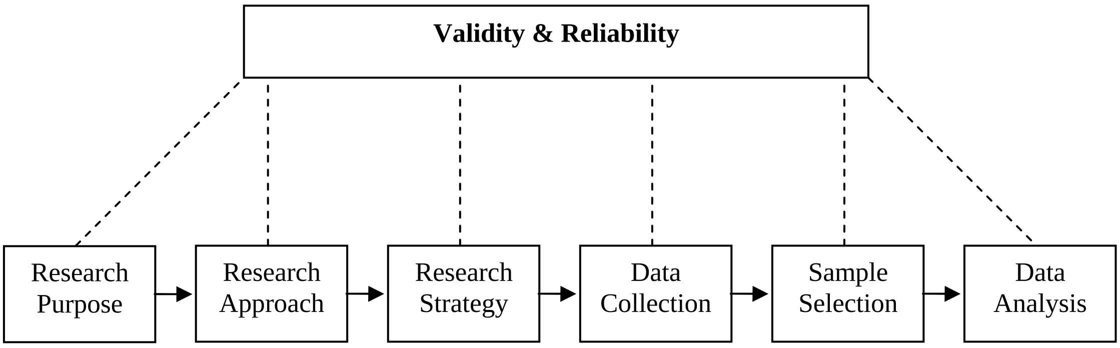


***Figure 3:1.* Methodology for the Thesis**
Source: Adapted from Foster (1998, p 81)

## 3.1 Purpose of Research

Wiedersheim-Paul & Eriksson (1989) bring up a number of different purposes that research can have and of those, three will be described further for the reason that all three chosen affects this study. The main purpose of this thesis is to be *descriptive* as can be seen of the use of the word describe in the research questions but there are also other purposes that needs to be noticed which are *exploratory* and *explanatory*.

The *exploratory* research purpose is described by Saunders, Lewis and Thornhill (2000) as the means to find out ”what is happening; to seek new insights; to ask questions and to assess phenomena in a new light”. Saunders et al. state that there are three primary ways to conduct exploratory research, through examine the literature, talking to experts and carry out focus group interviews. Saunders et al. further describe exploratory research as starting broad and as more knowledge is gained through the research process, the narrower the focus of the study gets.

According to Potter (1996) *descriptive* research is used: “to preserve the form, content, and the context of social phenomena and analyze their qualities, rather than separate them from historical and institutional surroundings.” Potter (1996) continues to say that the role of the researcher when conducting descriptive research is merely to gather and assemble data and not subjectively influence the data found, which he also states is problematic though the researcher need to select what data is to be presented and the sequencing of that data. Saunders et al agrees with Potter (1996) and also stress the object of portraying the phenomena accurately and also agrees with Wiedersheim-Paul & Eriksson (1989) who stress the need of specifying what is to be described by choosing perspective, aspect and level when using descriptive research.

Exactly like descriptive research, *explanatory* research has to be specified in terms of perspective, aspect and level when used properly (Wiedersheim-Paul & Eriksson, 1989). Wiedersheim-Paul and Eriksson (1989) say that this is because every phenomenon can be addressed from different angles and therefore provide different results.

Potter (1996) states that when conducting explanatory research: ”the researcher moves beyond the data to talk about more general patterns”. Saunders et al. also talk about the focus in explanatory research to look at patterns through establishing causal relationships and say: “Studies which establish causal relationships between variables may be termed explanatory studies”.

As stated above in this section as well as formulated in the research questions the overall research purpose of this thesis is of a descriptive character. A primary descriptive focus of this thesis is required to answer the research questions stated. The use of an exploratory research purpose in this study is derived from the research purpose which was “to gain a deeper understanding about CRM”. In the end of this thesis the researchers try to answer to the stated research questions and are because of that to some extent explanatory.

## 3.2 Research Approach

After deciding the purpose of the research a need for establishing the approach of the research was needed. There are two distinctive approaches to choose from, either qualitative or quantitative, with the main difference between them being the assumptions they are built on. On one hand the qualitative approach studies the areas chosen in their natural settings while the quantitative approach tries to control the variables not directly studied. (Newman & Benz, 1998, p.16-18)

The qualitative approach was chosen as the research approach most appropriate for the CRM study based on that the purpose of the research which was to gain a deeper understanding of the area through amongst other ways exploration which is favoured by the qualitative approach (Silverman 2005). Miles and Huberman (1994, p 1) state that qualitative data: “are a source of well-grounded, rich descriptions and explanations of processes in identifiable local contexts”. And also that qualitative data in form of words rather than the quantitative data in the form of numbers can more often lead to unanticipated and new findings. The holistic view of qualitative research was preferred by the researchers due to the uncertainty connected to data gathering based on isolating variables.

## 3.3 Research Strategy

Research strategy is described as the general plan to use in order to answer the research questions (Saunders et al.). The research approach used in this study was qualitative and according to Yin (1994) there are a number of strategies to choose from when performing a qualitative study. The five main types of strategy are experiment, survey, archival analysis, history and case study.

The research questions stated in chapter one is so called “how” questions and could theoretically be answered through the use of experiment, history or case study. The focus on contemporary events which this study in CRM demanded and the impossibility of controlling behavioural events due to the qualitative approach and the need of a more holistic view in the study erases experiment and history from the list and as a result the case study strategy was chosen.

Yin (2004) defines the scope of a case study as the following: “

- Investigates a contemporary phenomenon within its real-life context, especially when
- The boundaries between phenomenon and context are not clearly evident”.

This definition of the case study is highly important because of the concordant direction that this study is striving for. Saunders et al. state that the use of a case study is valuable both when exploring the existing theory as well as challenging the theory which could be beneficial for this study because of the agreement with the research purpose chosen.

## 3.4 Data Collection Method

After deciding the research strategy of the study the choice of method/s used for collecting data was needed. Yin (1994) states that there are six major data collection sources to use and that case studies have the possibility to use all of these sources either separately or complementary. The main sources that can be utilized are: documentation, archival records, interviews, direct observations, participant observations and physical artifacts.

The main data collection source used in this study was interviews and was complemented by documentation. Interviews were used because of its ability to focus specifically on the intended topic and provide insightful data for the researchers even though weaknesses such as potentially biased either from the researcher or the respondent as well as the risk that the respondent provides answers based on what the researcher want to hear. Documentation was used because of its unobtrusive and stable characteristics (Yin, 1994).

The specific type of *interview* used when performing the data collection was the focused interview which according to Yin (1994) is when the period of time of the interview is short and the nature of the interview is somewhat open-ended but based on a pre-thought of protocol which means that the respondent is free to discuss certain issues within given boundaries. A difficulty with this type of interview is to not ask leading questions that will bias the data. A telephone was the tool used in order to perform the focused interview and Jakobsen (1993, p 160) says that depending on the characteristics of the respondent and the researcher that the interview could both be awkward and silent as well as open and trusting. A problem according to Jakobsen (1993) when performing a telephone interview is that the researcher can not be fully aware about the respondents situation. When performing the interviews an interview guide (Appendix B) was used in order to reduce validity problems.

*Documentation* in form of corporate publications were used in this thesis even though they are as Yin (1994) says not necessary unbiased or accurate. Yin (1994) also states that: ”For case studies, the most important use of documents is to corroborate and augment evidence from other sources” which in this particular case the other sources were interviews. Yin (1994) continues to say that documentation can also provide contradictory evidence compared to other sources which gives the researcher specific reason to examine the area deeper. Yin (1994) expresses the importance of using documentation by saying: “documents play an explicit role in any data collection in doing case studies. Systematic searches for relevant documents are important in any data collection plan.”

This study relied on *multiple sources* in the form of interviews and documentation which Yin (1994) refers to as data triangulation and states that:” any finding or conclusion in a case study is likely to be much more convincing and accurate if it is based on several different sources of information, following a corroboratory mode. ”The validity aspect of the thesis is improved when the same phenomena is measured in different ways” (Yin, 1994).

## 3.5 Sample Selection

This section will describe the criteria for the selected company and the respondents in the company. Saunders et al. claim that when working with small samples such as case studies a purposing or judgemental sampling is often used. This sampling technique is based on judgemental decisions which enable you to select a case that is suitable for the purpose and the research questions. Another sampling technique the authors describe is convenience sampling which means selecting a case that is easily accessible and available to retrieve information from. This thesis has used a combination of these two sampling techniques mentioned above.

### 3.5.1 Choice of Respondents

To find the answers to the purpose and the research questions certain criteria were used when choosing which company to study. Since more and more companies engage in CRM it was desirable to study a larger retail chain that already had experience within this area. Other important factors in this decision were the company's willingness to participate in the interview and possess relevant evidence to the purpose and the research questions. The chosen company was ICA AB because they are Sweden's leading food retail company and they have quite broad experience from both conducted CRM campaigns and sponsorship in general. In addition to this they are also well known for their television advertising. They have won "Guldägget" two years in a row for the best television commercial this decade (Svenska Dagbladet Näringsliv, 2003). This indicates that marketing is something they put a lot of time and effort into.

After been in contact with ICA AB both by phone and email we finally were referred to Peter Wigstein who is sponsoring and event manager and David Holmstrand who is customer relationship management analyst. These two respondents were chosen because they are in charge of and work at the departments of the focused area and therefore can provide the most relevant information from ICA AB. The interview with the respondents took place on Tuesday the 24th of April, 2007. Because of the distance the interview was conducted over the phone by using the pre-prepared interview guide. Both respondents were interviewed at the same time using a conference phone. The interview was recorded and it lasted about one hour.

## 3.6 Data Analysis

According to Yin (2003) the process of data analysis should include examining, categorizing, tabulating, testing or recombine the quantitative and the qualitative data into a more explicit set of data. The author further states that a case study should have an analytic strategy that defines what to analyze and why. This will result in a high quality analysis and present all the evidence without any interpretations. The decision on which analytical strategy to use should be made before the data collection. There are three general strategies: relying on theoretical propositions, thinking about rival explanations and developing a case description (ibid). When a strategy is chosen the data analysis begins. Miles and Huberman (1994) define data analysis as three simultaneously flows of activity: data reduction, data display and conclusion drawing/verification.

Data reduction aims to select, focus, simplify, abstract and transform the collected data so conclusions can be drawn and verified. This should not be considered as a separated part from the data analysis since it is an ongoing process until the final report is completed. Data reduction does not have to be quantitative. Qualitative data can be reduced through selection, summary, paraphrase or put in context with a larger pattern. In this activity a within-case analysis is often used which means that the data is compared to the theories.

The second flow of activity is data display. By organizing and compressing the data, a display is created so conclusions can easier be drawn. The display is a tool used to help understanding the content. Based on that understanding, further analyze or taking action is required. This activity is also an ongoing part in the data analysis as the data reduction.

Conclusion drawing and verification is the third activity of the data analysis process. In this activity the data is studied and the regularities, patterns, explanations, possible configurations, causal flows and propositions are noted. Since this is also an ongoing activity it starts from the data collection. The conclusions from the data collection should be drawn carefully so an openness of the final result is maintained. Final conclusions should not be made until the data collection is completed.

This thesis's analytical strategy will rely on the theoretical propositions presented in chapter one and two. The data analysis will be conducted according to Miles and Huberman's (1994) definition.

## 3.7 Validity and Reliability

Wiedersheim-Paul and Eriksson (1991) define validity as a measure instrument's ability to determine what is supposed to be measured. Validity is the most important requirement on a measure instrument. Another important requirement is reliability which should give trustworthy and stable results. The methodology choices made by the researchers in this study are derived from their importance concerning the aspects of validity and reliability. Yin (2003) presents four tests that are used to determine the case study's validity and reliability.

**Table 3:2. Case Study Tactics for Four Design Tests**

| Tests | Case Study Tactic | Phase of research in which tactic occurs |
|---|---|---|
| **Construct validity** | • Use multiple sources of evidence<br>• Establish chain of evidence<br>• Have key informants review draft case study report | data collection<br>data collection<br>composition |
| **Internal validity** | • Do pattern-matching<br>• Do explanation-building<br>• Address rival explanations<br>• Use logic models | data analysis<br>data analysis<br>data analysis<br>data analysis |
| **External validity** | • Use theory in single-case studies<br>• Use replication logic in multiple-case studies | research design<br>research design |
| **Reliability** | • Use case study protocol<br>• Develop case study database | data collection<br>data collection |

Source: Yin (2003, p 34)

Construct validity is the first test which "establishes the correct operational measures for the concept being studied" (Yin, 2003, p 34). There are three different tactics to increase the construct validity of a case study: using multiple sources of evidence, establishing a chain of evidence, and to have key informants review draft cases study report (ibid). This thesis has used multiple sources to increase its construct validity by using both documentation and interview which, according to Yin (2003), are two of the six sources of evidence. Its construct validity is further increased since the interview is recorded to ensure that no relevant information is overlooked. Finally the draft of the interview was reviewed by the key informants to make sure that everything was interpreted correctly.

Internal validity is the second test which only concerns explanatory or casual studies. This test tries to determine whether one event lead to another. Since this thesis is only explanatory in the conclusion chapter, the internal validity of this thesis will not be increased by using any of the tactics that are mentioned in table 3:2.

External validity “establishes the domain to which a study’s findings can be generalized” (Yin, 2003, p 34). In a case study Yin (2003) mentions that theory and replication logic can be used to increase the external validity. This thesis will only contain a single case but it will have the theory as a base for the case. Despite this, the external validity could decrease due to the specific context that influences a single case study and reduce the possibility to generalize.

Reliability is the final test which “demonstrates that the operations of a study-such as the data collection procedures-can be repeated, with the same results” (Yin, 2003, p 34). Thus this test will demonstrate whether it is possible to get the same result when doing the same case all over again following the same procedures. This should lead to the same findings and conclusions as in the earlier case. High reliability is desirable because it minimizes errors and biases in a study. There are two tactics to increase the reliability of a case study: use case study protocol, and develop a case study database. To increase the reliability a structured interview guide was conducted. The fact that this interview guide had to be translated into Swedish and the answers then back to English could weaken the reliability, but since the draft of the interview was reviewed by the key informants it is likely that it will not be affected. This review will also prevent different interpretations if the interview is repeated which gives higher reliability. A case study database will also be established were all the raw data such as interview notes and the tapes from the recorded interview will be saved. This will also increase the reliability because all the raw data is available for inspection.

# 4. EMPIRICAL DATA

*This chapter will start presenting the empirical data which was collected through two focused interviews with David Holmstrand and Peter Wigstein from ICA's marketing division and documentation mainly collected via ICA's homepage such as their annual report and corporate social responsibility report. The conceptual framework and the interview guide which are based on the research questions will guide the order of the data presented and make the chapter more understandable.*

## 4.1 Information about the Company

According to ICA's website, In 1917 Hakan Swenson established a so called purchasing center named Hakonbolaget in Sweden. His goal with this was to make it possible and easier for individual retailers to do joint purchases, establish stores and share marketing costs. The idea with this was to increase the economics of scale of individual retailers to the same level as the larger chains. This was later developed into ICA AB which today is one of the leading retail companies in the Nordic regions. The ICA group which is called ICA AB consists of several sales companies like: ICA Sverige, ICA Norge, Rimi, Baltics and Etos and there are about 2,300 retailer-owned stores of which approximately 1,400 are situated in Sweden. 40 percent of ICA AB is owned by Hakon Invest AB which in turns the local retailers in Sweden own by 67 percent. The remaining 33 percent is owned by private shareholders. The other 60 percent of ICA AB is owned by Royal Ahold N.V. that is located in the Netherlands.

**ICA AB's Vision:** We make every day a little easier.
**ICA AB's Mission:** To be the leading retailer with a focus on food and meals.

Human and environmental responsibility is an issue that ICA values high. They think that this is something every company should have in mind. Because of this they have chosen to support the Swedish government's initiative called "Swedish Partnership for Global Responsibility". This means that ICA accepts the Organization for Economic Co-operation and Development's (OECD) guidelines for multinational companies. Another thing they also support is United Nation's "Global Compact" which means that ICA should not "buy or sell goods that are produced by children or adolescents through harmful work".

Since ICA is a well known company among people they want to convey the message of how they do business daily and these are each described in "ICA's good businesses" which consist of seven basic values:

- ICA will be driven by profitability and high ethical standards.
- ICA will listen to customers and always base decisions on their needs.
- ICA will nurture diversity and growth among its employees.
- ICA will maintain an open dialogue internally and with the community.
- ICA will guarantee product safety and quality.
- ICA will promote a healthy lifestyle.
- ICA will adopt sound environment practices to promote sustainable development.

ICA has a philosophy that is based on involvement. They want to contribute to society and environment by participating in sponsoring and charity campaigns as much as they can. The areas that they choose to support by sponsoring or through their campaigns are all somehow connected to food, health and lifestyle in general. These are important subjects to ICA since they are connected to their own activities. Peter Wigstein (sponsoring and event manager) and

David Holmstrand (customer relationship management analyst) who are both the respondents of this case study work at ICA AB's headquarter in Stockholm. They emphasize the importance of ICA's involvement in charity organisations and described their activities more in detail during the interview. Mr Wigstein highlights that it is crucial for a large modern company that wants to exist on the market tomorrow or in twenty years to engage in these types of issues and that it will become more and more important for each day.

### 4.1.1 The Objectives of Cause Related Marketing

ICA's way of working with this type of marketing started in the early eighty's before the concept of CRM was invented and became popular. Therefore they say that they do not outspokenly call these kinds of activities and campaigns that they work with CRM. They prefer using broader terms such as CSR and human sponsoring.

*Increased sales* is not an objective in itself but indirectly increase sales serves as an objective because a maximum level of collection is sought and therefore the link between the amount collected and level of sales is strong. The individual retailers look at the increased sales as an objective in every specific campaign. *Generating incremental sales*, *promoting repeat purchases*, *promoting multiple units purchasing*, *promoting more varied usage*, *increasing the level of trade merchandising of trade merchandising activity for the brand(s) promoted* and *increasing the level of merchandising activity at the retail level of the brand* all goes under the concept of increased sales when the issue of which objectives ICA strives for was discussed with Mr Wigstein and Mr Holmstrand.

*Gaining national visibility*, *increasing brand awareness* and *increasing brand recognition* are not prioritized objectives when Mr Wigstein and Mr Holmstrand discussed these topics. They said that more than 98 percent of the Swedish population already knows about the brand ICA and that the local retailers have a total of over nine and a half million customer visits each week.

ICA wants to *enhance their corporate image* by making the employees involved in the campaigns to spread the word of the responsible corporate citizenship. ICA believes that the employees are important ambassadors since they talk to their friends and relatives which spread the message in a more honest way than conventional marketing which they also use.

Instead of making efforts in *thwarting negative publicity and pacifying customer groups* ICA believes in the contrary and commits actively in the areas where they are seen in a positive light. ICA is instead involved in the areas were they are seen as competitive such as physical activities, health, food and lifestyle where they try to enhance their ideas and communication. It is in the positive areas where both the extra effort and the extra endeavour are put and they do not believe that using an ulterior motive to wipe away negative publicity is a smart path to choose. They further said that they think that the idea to use some kind of cover-up in the marketing can easily be seen through. The reason why ICA uses this perspective is to "make good better."

*Enhancing and reinforcing the brand image* of ICA through the use of informed and involved employees who in turn become important ambassadors for ICA's way of working with these issues when speaking with their relatives, neighbours and acquaintances and this is something that ICA actively works with. The respondents say that the variable of how the customers perceive ICA's social responsibility is something that really affects the sale results and because of that ICA emphasizes on getting the customers to use the expression “we like ICA” and that contributes to create positive vibrations about ICA and enhance the ICA brand.

To some extent the marketing campaigns address the non current customers so the objective of *broadening the customer base* is to some degree taken into consideration. The primarily focus does not lie on the potential customers but on the two kinds of existing ones such as ICA’s card customers and non-card customers. They use customer specific marketing such as advertising in their own magazine called Buffé, direct messages and in-store promotion. The campaigns are directed to both new and existing customers but with a primary focus on the existing ones. Mr Wigstein also added that ICA also of course wants to attract new customers that could eventually become regulars so they are not completely neglected.

*Reaching new market segments, geographic segments and facilitating market entry* are not ICA’s most prioritized areas. Today they already target all ages and geographic regions from Kiruna in the north to Lund in the south.

*Reducing costs* connected to *current and potential consumers* is an objective that ICA emphasizes on much more than most of the objectives mentioned above. Reducing costs by creating goodwill, visibility, understanding and awareness that differentiates them from their competitors among their customers is ICA’s main point. Mr Wigstein further mentioned that the reducing costs objective has a starting point in ICA’s corporate social responsibility agenda and do not need to be based solely on CRM .

The objectives connected to the *employees and investors* are according to Mr Wigstein not primarily to *decrease costs due to a better match* between ICA and its investors and employees but serves as a tool to fulfil other objectives. ICA focuses mainly on the employees when making the national campaigns known in the company internally. ICA firstly informs the employees by running the campaigns in-house and starting the campaigns in the larger workplaces before the official start of the campaign. One objective connected to the employees when using CRM is to make them feel proud over the organisation that they are working for by showing the cooperation visible to the employees. An example of this was when ICA had the princess Madeleine actively involved in the internal inauguration of the cooperation between ICA and Childhood Foundation.

The objective connected to the *general public* is mainly to *improve the relationship* between them and ICA, which is highly important according to Mr Wigstein. He stated that the general public is the second most important stakeholder group to influence and that ICA tries to use directing marketing messages to leaders of the public opinion and specific important public groups to influence them.

One objective that Mr Wigstein talked about, that was not brought up by the interviewers, was the objective of future existence. The society requires social responsibility and will do so even more in the future until companies are forced to comply in order to survive.

### 4.1.2 Strategy in Cause Related Marketing

The degree of company-cause fit is based on ICA’s core values which are: food, health, physical activity and lifestyle. Based on these core values ICA chooses the charity organization to cooperate with. Mr Wigstein explained their thoughts about how ICA selects the organizations which they cooperate with by the following example: Nobody is born with cancer. It is a disease that comes from today’s high standard of living which is strongly connected to how people live their lives today when it comes to lifestyle and food consumption. The cooperation with Cancerfonden (The Cancer Foundation) is based on the congruence between the factors that can increase the risk of cancer and ICA's core values and it is therefore not based from the starting point of cancer research.

The respondents also discussed the importance of "doing what you preach". Since the environment is also an important factor, ICA promotes the more environmental friendly paper bag over the plastic bag. Approximately five Swedish öre per paper bag sold goes to charity contrary to one of their competitors who donates three öre for each of the less environmental friendly plastic bag sold. This will increase the consumers' perception of ICA's corporate responsibility. Further more Mr Wigstein explained that ICA cooperates with three organisations on a strategic level which are the Childhood foundation, the Red Cross and the World Wild Life Foundation. It is not a coincident that these organizations were chosen, it is the other way around. ICA looks critically on how actively the organizations work in Sweden and abroad and on the congruence between the cause's values and their own values. ICA is terrified to have a passive collaboration with its charity partners. To avoid this they participate in monthly meetings with the organizations to become aware of the organizational activities and pick up ideas suitable for ICA and their customers.

The level of *person and organization fit* between ICA and its costumers is high because ICA has an interest in their own core values and these are based on their customers' values and ethics. Food, health, lifestyle, physical activity, the environment and caring are areas that ICA's customers are either interested in or areas that ICA wants their customers to get involved and engaged in. To eat right, to eat good and to have an active lifestyle are examples of areas that ICA want their customer to think about. Mr Wigstein stated that environmental issues are very important for ICA. Recently they stopped a campaign where ICA's own brand of bottled mineral water would become the product of a CRM campaign. It was stopped due to the large amounts of carbon dioxide discharge that comes from the production and transport of these products. If the campaign would have been implemented the core values of ICA would have been destroyed in the eyes of the customers.

*The organizational identification* is important to ICA and in order to communicate their values, the marketing efforts in these kinds of campaigns are extensive. Mr Wigstein used the following Swedish expression when he described the immense amount of marketing activities used: "shooting away the whole battery" which translates to using everything that they got in terms of media channels. The media channels for sending the company's values out to the customers are editorial and possibly articles in ICA's own magazine Buffé that goes out to ICA's card customers. Paying-in forms come along with the magazine in order to show commitment to the cause. Different kinds of direct advertising are used such as customer specific marketing letters which are provided to the important customers by the local retailers. ICA is also mentioned in the cooperating organizations member magazine. Internet is also used in these campaigns together with occasional public relation activities such as press releases. Cooperation with and internal information to all of the local retailers is also an important tool for ICA to communicate their values to both its current and potential customers. ICA is currently looking into the possibility to communicate these and similar messages by the use of SMS (short message service) messages via mobile phones.

ICA's values resemble the values of their customers and based on these value criteria when choosing the cause collaboration the degree of *person and cause organization fit* is to some extent taken into consideration.

ICA's ways to increase the customers' *organizational identification* with the selected cause are through the use of communication tools such as those mentioned above and complemented by additional promotional activities. The cooperating organization is offered space in Buffé to write a longer article about themselves and their work to ICA's customers. Press conferences are also held where both ICA and the organization are represented.

The ICA representatives say that the *broad-based program* often suits ICA's way of working pretty well with the exception of the *unlimited level of donation* connected to the broad-base program. Due to the fact that ICA have so high product volumes it is not possible to keep the campaign running for a longer period of time and therefore the donation level is limited to some extent. The high product volumes require high level of effort in the areas of distribution, article, display and information when it comes to these kinds of campaigns. In some way ICA uses an unlimited program because even though the "real CRM campaign" is limited in time and therefore the donation level is limited to some extent, the overall CSR campaign still runs due to the fact that paying-in forms were distributed to their customers. Hence the customers can donate money when they want to. Mr Wigstein stated that pay-in inform donations often come in as late as six month after the dispatch. The respondents fully agreed with the remaining criteria of the broad-based program *targeting existing and new customers, only purchasing action from consumers and need for leveraging activities*.

The interviewees said that the *limited program* have been used at least once recently. Just like in the broad-based program ICA *targeted both new and existing customers and did not require any additional activities* from the consumers besides purchasing the product they also used *leveraging activities*. The most recent example of the *minimum/maximum donation level* was when they cooperated with SOS Barnbyar (SOS children's villages) in the Christmas bread campaign where the donated money was used to build up a children's village in Valmiera in Latvia. The duration of the campaign was three weeks and resulted in almost six million Swedish crowns. Even though the campaign was limited the cooperation with SOS Barnbyar did not cease to exist. Currently ICA is considering following up the campaign after the completion of the build up with a similar program to maybe fund a children's hospital or a school in the village. Mr Wigstein stated that even though the campaign was limited in time and was earmarked to a specific project the amount of collected money almost broke the record of donated money in the ICA history.

*Market focused program* is something that ICA is sceptical to since one of the company's core values is simplicity and the need of *additional activities except from purchasing* for the consumers is too complicated. The respondents stated that multiple steps and not only pure purchasing activity probably reduces the monetary result of a campaign like this that could reduce ICA's trust. Both *new customers as well as existing are targeted* in ICA's overall marketing so a total focus on solely new customers is not ultimate for them.

The respondents view on the *replacement program* were that for ICA's sake it is very rare or that it has possibly never occurred in the lifetime of the company that a *sponsoring deal have been replaced* by a CRM campaign. All collaborations under the CSR umbrella is based on a general sponsorship agreement were ICA guarantees the charity organizations a certain amount of money and within the frameworks new separate contracts can be established such as CRM program contracts.

The similarity to the limited program is the need of *additional activities except from purchasing* which was on ICA's drawing board. The differences between the *multiphase* *program* and the market focused program is that the multiphase program better suits the company's target market which is *both new and existing consumers*. Even though ICA demonstrates scepticism against the multi-phase program they are not neglecting it totally because a similar program is presently on ICA's drawing board which may or may not become a reality. Mr Wigstein says that the use of a market focused program is based on the specific aim of the intended program and should be seen as an exception for ICA.

Mr Holmstrand also mentioned that there are fourteen hundred local ICA retailers which have the possibility to extend and enlarge the ICA corporation's guidelines and contracts with CRM programs on their own. Mr Wigstein continued to say that the organization's special construction is not integrated and therefore makes it possible for the retailers to make their own decisions. He further stated that each local retailer have between five and fifteen individual sponsoring contracts.

*Long-term programs* with an ongoing duration of the programs are something Mr Wigstein said that the company does not really use theoretically. Both parties have some kind of contract with obligations and rights that can cancel the relationship if they are not fulfilled and each contract have a limited time length that needs to be renegotiated every time a contract expires. Although a long term focus in their relationships is important according to the respondents who stated that their collaboration with their three strategic partners has all been going on for several years. The cooperation with Cancerfonden and World Wildlife Foundation have been running for over twenty years and their newest strategic partner Childhood Foundation has been going on since the Queen of Sweden, Silvia founded the organization in 1991.

The approach of a *medium-term* CRM program that seeks to fulfil a financial goal is something that the respondents felt that ICA should consider to work with again after the previous successful collaboration with SOS Barnbyar in Latvia. ICA's way of working with this approach in the past has been to combine the financial goal with a limited time period which Mr Wigstein refers to as some kind of one-shot program due to the specific aim of the collection to an explicit project.

A strictly one-shot, *short-term* program is nothing that is stressed by ICA because they focus on collaborating in a more long term perspective. This is due to the importance of creating trust and awareness among the customers towards ICA and their CSR activities as well as the importance of collecting a substantial amount of money to the selected causes that creates credibility. This in turn leads to creating trust for customers that ICA is in fact really concerned about the issues and does not simply try to exploit the causes for their own sake.

The time frame of the programs is based on the importance of the issues that each organization works with. The reoccurrences of the campaigns are also based on these issues and non current issues can be put aside for the time being just to return when the issue is found suitable.

# 5. DATA ANALYSIS

*In the last chapter the empirical data was presented and will in this chapter be compared to the conceptual framework which was presented in chapter two. This chapter will therefore present an analysis of the data gathered. The order of the analyzed material will follow the order in the conceptual framework and interview guide. It starts with the theories presented concerning research question one compared to the empirical data gathered followed by the theories concerning research question two and the empirical data connected to those theories. A single case study was performed and as a result the use of within-case analysis was preferred to utilize in this thesis.*

## 5.1 Objectives in Cause Related Marketing

Varadarajan and Menon (1988) say that there exists a number of objectives when using CRM from a company's perspective and are amongst others: *increase sales, enhancing corporate stature, thwarting negative publicity, customer pacification, facilitating market entry and increase the level of trade merchandising activity for the brand(s) promote.*

Both Varadarajan and Menon (1988) and Gourville and Rangan (2004) bring up *increased sales* as one of the major objectives used when dealing with CRM. When discussing the increased sales objective with the respondents these following objectives were included by the respondents in the more wider term of increased sales: *generating incremental sales, promoting repeat purchases, promoting multiple units purchasing, promoting more varied usage, increasing the level of trade merchandising activity for the brand(s) promoted* and *increasing the level of merchandising activity at the retail level of the brand.* Regarding the wider objective of *increased sales,* the corporation ICA does not have this as a direct objective. They consider this as an indirect objective that is a result of maximizing the collected amount to the charity cause. An increase in the total amount collected will automatically lead to an increase in sales while the individual retailers look at the objective of increased sales in every specific campaign. The theory used partially complies with the empirical data collected.

*Gaining national visibility, increasing brand awareness* and *increasing brand recognition* are objectives that Varadarajan and Menon (1988) collectively refer to as being under the *enhancing corporate stature* umbrella of objectives due to association with a respected cause/organization. Mr Wigstein and Mr Holmstrand of ICA does not either completely separate the three objectives from each other but the respondents do not agree with Varadarajan and Menon (1988) to the point of calling these three objectives. The respondents refer to them as non prioritized objectives due to the already high awareness and visibility among their customers nationally. The theory used somewhat agrees with the empirical data.

*Enhancing the corporate image* objective is included in the wider objective of enhancing corporate stature according to Varadarajan and Menon (1988). ICA has an objective to enhance their corporate image. By making the employees involved in the campaigns they will spread the word of the responsible corporate citizenship. The employees are important ambassadors for ICA since they talk to their friends and relatives which spread the message in a more honest way than conventional marketing that they also use. The theory completely agrees with the empirical data collected.

Varadarajan and Menon (1988) also bring up *reaching new market segments, geographic segments* and *facilitating market entry* as possible objectives. Reaching new market segments and geographic segments as well as *facilitating market entry* are not one of ICA's objectives in CRM. They already target all ages and cover all of Sweden geographically which is their primary market and that is the reason why this is not one of ICA's objectives and not because they disagree with the objective in itself. The theory does not fully with the empirical data collected.

Two more objectives that are brought up by Varadarajan and Menon (1988) and that ICA does not have in their campaigns are *thwarting negative publicity* and *pacifying customer groups*. They believe that wiping away negative publicity is not something you can get away with since cover-up marketing can easily be seen through. Instead ICA gets involved in the areas were they are seen as being competitive in issues such as physical activities, health, food and lifestyle where they try to enhance their ideas and communications. The theory and empirical data opposes each other.

The objectives of *enhancing and reinforcing the brand image* are not explicitly discussed by Varadarajan and Menon (1988) but *enhancing and reinforcing the brand image* are according to them objectives that were used by companies found in prior research. The respondents said that the objectives of enhancing and reinforcing the ICA brand was highly important because the customers perceived level of ICA's corporate social responsibility image had a direct correlation to ICA's sales. The data collected is in accordance with the theory.

The objective that Varadarajan and Menon (1988) call *broadening the customer base* is one of the superficially treated objectives that they present. The respondents claim that ICA to some extent takes this objective into consideration when using CRM. The primary focus lies on the existing customers and not on new customers even though some of their marketing activities are addressed to both. *Broadening the customer base* is not an outspoken objective for ICA. The theory does partially correspond with the empirical data.

Something that the respondents added themselves when discussing the objectives in CRM was *the objective of future existence* which is not brought up in the theory reviewed but are according to Mr Wigstein of ICA an objective that will be more and more important in the future due to the demands put on companies by the society.

To easier comprehend the empirical data collected and compared with Varadarajan and Menon's (1988) objectives' theory that was discussed above, table 5:1 is presented below.

**Table 5:1. Objectives in CRM**

| **Varadarajan and Menon's (1988) Objectives in CRM Theory** | **Empirical Data Verifies/Falsifies** |
|---|---|
| Increase sales | O |
| Enhancing corporate stature | O |
| Facilitating market entry | O |
| Increase the level of trade merchandising activity for the brand(s) promoted | O |
| Gaining national visibility | O |
| Enhancing corporate image | + |
| Thwarting negative publicity | - |
| Pacifying customer groups | - |
| Generating incremental sales | O |
| Promoting repeat purchases | O |
| Promoting multiple unit purchases | O |
| Promoting more varied usage | O |
| Increasing brand awareness | O |
| Increasing brand recognition | O |
| Enhancing brand image | + |
| Reinforcing brand image | + |
| Broadening customer base | O |
| Reaching new market segments and geographic segments | O |
| Increasing level of merchandising activity at the retail level of the brand | + |

Codification: + The empirical data support the theory
- The empirical data does not support the theory
O The empirical data somewhat support the theory

Gourville and Rangan (2004) say that there are three main groups that can be influenced by CRM activities and these groups are: *current and potential consumers, the employees and investors* and finally the *general public*.

The potential benefits connected to *current and potential consumers* are firstly according to Gourville and Rangan (2004) the benefit of increased sales which was discussed in the beginning of this chapter and is referred to. Reducing costs connected to differentiation is another potential benefit according to Gourville and Rangan (2004). ICA states that this objective is placed higher on the agenda than the objective of increased sales. Goodwill, visibility, understanding and awareness among its customers toward their corporate social responsibility programs help them to differentiate and reduce costs which they claim is their main objective. The theory used partially complies with the empirical data.

*The employees and investors* are other important stakeholder groups that can be influenced by the use of CRM and. The matching between a company, its investors and its employees helps to create longer relationships and reduce the costs (Gourville & Rangan, 2004). ICA does not primarily use this as an objective but they consider this as a tool to fulfil other objectives. The focus lies on the employees and they make the campaign known internally first to make them feel proud over the organization, which is an objective in itself for ICA and could lead to reduced employee costs. A large share of ICA AB is owned by ICA's own retailers who do not need to be matched to the same extent as other investors. The theory used and the empirical data collected do not fully comply.

The benefits connected to *the general public* when dealing with CRM are improved relations with government regulators, local interest groups and the general public (Gourville & Rangan, 2004). This is a very important aspect according to ICA and they said that the general public is the second most important stakeholder group to influence. The use of direct marketing messages to important public opinion leaders and specific public groups are used. The theory used is in line with the empirical data collected.

To easier comprehend the empirical data collected and compared with Gourville and Rangan's (2004) benefit theory that was discussed above table 5:2 is presented below.

**Table 5:2. Benefits in CRM**

| **Gourville and Rangan's (2004) Benefits of CRM Theory** | **Empirical Data Verifies/Falsifies** |
|---|---|
| Current and potential customers | |
| • *Increased sales* | O |
| • *Reduced costs* | + |
| Employees and investors | |
| • *Reduced costs employees* | O |
| • *Reduced costs* investors | - |
| General public | |
| • *Improved relations* | + |

Codification: + The empirical data supports the theory
- The empirical data does not support the theory
O The empirical data somewhat support the theory

## 5.2 Strategy in Cause Related Marketing

Gupta and Pirsch (2006) claim that when companies engage in CRM three important variables need to be evaluated in order to take full advantage of the benefits to satisfy the company's objectives. The degree of *company – cause fit in the minds of the consumer; the level of customer identification with the company; and the level of customer identification with the selected cause* are the variables referred to and these three variables goes under the name of the company-cause-customer fit according to Gupta and Pirsch (2006).

*Company-cause* is the first variable and the fit between the company's target market, image and positioning and the cause's target market and image. The level of fit correlates with consumer attitude according to prior research and is an important variable according to Gupta and Pirsch (2006). ICA's *company-cause fit i*s based according to them on their core values: food, health, physical activity and lifestyle which also work as a criterion for choosing the collaborative organization. ICA is for example working with Cancerfonden and the starting point of that collaboration lies not in the research but in the congruence between the factors that influence the development of cancer and the core values of ICA. They also state that "doing what you preach" is important for the perceived company-cause fit to increase the company's credibility in these issues. Due to the fear of passive collaborations ICA actively participates in the different organizations meetings. The customers perceived fit between company-cause through corresponding messages. The theory partially agrees with the empirical data collected.

*Customer-Company and Customer-Cause* are the second and third variable which Gupta and Pirsch (2006) discuss and that deals with how customers identify with the company and the cause and whether the congruence between customers and either the company or cause improves the success of CRM activities. There are two branches of research that Gupta and Pirsch (2006) rely on in this area. These are: the person-organization fit and the social identity theory. The first one focuses on values that are congruent between the organization and the individual and the second one focus on individuals and the connection to their organizational identification through communication.

ICA's *customer-company fit* when looking from the person-organization viewpoint is according to the respondents considered high due to that ICA's core values are based on the values of their customers. The areas of CRM that ICA is involved in are areas where their customers are either already interested in or areas that ICA wants them to become interested and involved in. These areas are mainly food, health, lifestyle, physical activity, the environment and caring. ICA has to be and also tries hard to be an example to its customers in these areas not to ruin the core values of ICA and destroy the customer-company fit. The theory agrees with the empirical data collected.

The social identity theory and organizational identification is highly important for ICA and the communication in these campaigns are extensive in order to display and improve the *customer-company fit*. ICA uses the Swedish expression: "shooting away the whole battery" which means that ICA uses all their possible media channels available for these campaigns. The tools used by ICA to its current customers are: editorial and possibly articles in ICA's own magazine Buffé, paying-in forms included in the magazine, direct advertising through customer specific marketing letters provided by local retailers. The tools used by ICA to its current and potential customers are: editorial and/or articles in the cooperating organization's member magazine, advertisement on the Internet, press releases and other public relation activities, good cooperation with the local retailers in terms of training and information sharing. ICA is currently contemplating whether to use SMS messages to communicate their values to their customers in the future. The theory within customer-company fit is in line with the empirical data collected.

ICA's way of thinking about the *customer-cause fit* is that to some extent the match between customer and cause is already taken into consideration because ICA bases its own core values on their customers which also are the criterion when choosing the collaborative cause. The theory agrees with the empirical data collected.

ICA uses the communication tools presented above as well as a couple of complementary marketing activities to increase the *customer-cause fit*. Press conferences held together with the collaborating organization is one tool used and the possibility for the collaborating organization to promote themselves and the cooperation in ICA's magazine is another. The theory used complies with the empirical data collected.

To easier comprehend the empirical data collected and compared to Gupta and Pirsch's (2006) Company-Cause-Customer theory that was discussed above table 5:3 is presented below.

**Table 5:3. Company-Cause-Customer Fit**

| Gupta and Pirsch's (2006) Company-Cause-Customer Fit in CRM Theory | Empirical Data Verifies/Falsifies |
|---|---|
| Company-Cause fit<br>• *Match between company's target market, image and positioning and cause's target market and positioning* | O |
| Customer-Company fit<br>• *Person-organization fit*<br>• *Organizational identification (Social identity theory)* | +<br>+ |
| Customer-Cause fit<br>• *Person-organization fit*<br>• *Organizational identification (Social identity theory)* | +<br>+ |

Codification: + The empirical data supports the theory
- The empirical data does not support the theory
O The empirical data somewhat support the theory

Polonsky and Speed (2001) state that there are five different types of CRM programs which are *broad-based, limited, market focused, replacement and multi-phase program.* Deciding which program to use the following four questions need to be taken into consideration: What type of consumers is targeted? Are there any actions required from the customer besides purchasing the product or service? What financial commitment is the company willing to offer and if there are any leveraging activities required?

The first program is according to Polonsky and Speed (2001) *broad-based* program which targets and focuses on:

- Existing and new customers
- Only purchasing action from consumer
- No limits on donation
- Need for leveraging activities

ICA said that the *broad-based program* suits ICA's way of working except the unlimited level of donation. High product volumes makes it impossible to keep the campaign running for a longer period of time and therefore the donation is limited in time and as a consequence also to some extent limited in the level of donation. ICA somehow uses an unlimited program because even though the "real CRM campaign" is over the customers still have the opportunity to donate money through paying-in forms that were distributed and no maximum level is stated by ICA. Targeting existing and new customers, only purchasing action from consumers and need for leveraging activities are all criteria that correspond to ICA's way of working. The theory agrees with the empirical data.

The second program is the *limited program* which targets and focuses on:

- Existing and new customers
- Only purchasing action from consumer
- Minimum/maximum donation level
- Need for leveraging activities

*Limited program* suits ICA's way of working in some of their campaigns. The criteria for the limited program are similar to those mentioned above except of the donation level. The program has been used at least once when they collaborated with SOS barnbyar and a maximum donation level was strived for. The campaign lasted for a limited period of time and consisted of selling Christmas bread and the donated money was used to build up a children's village in Latvia. The empirical data and the theory correspond to each other.

The third CRM program is named *market-focused program* which targets and focuses on:

- New customers
- Additional activities except from purchasing might be needed
- Donation level might vary
- Market adapted promotion

ICA tries to avoid working with *market focused program* since one of the company's core values is simplicity. They believe that additional activities except from purchasing are too complicated for the consumers. They also believed that if multiple steps and not only pure purchasing activity is used the donation results of a campaign might decrease and deteriorate ICA's trust and credibility. ICA does not focus only on new customers in their marketing instead both existing and new are targeted. The theory opposes the empirical data.

The fourth type of CRM program is the *replacement program* which targets and focuses on:

- Replaces ordinary sponsorship
- Existing and new customers
- Additional activities except from purchasing might be needed
- Limited donation level
- Need for leveraging activities

ICA does not use *replacement program* at all since a sponsoring deal have never been replaced by a CRM campaign. All collaborations have a sponsoring contract as the base of the cooperation and CRM campaigns derives from that contract. The theory and the empirical data do not correspond with each other.

The last CRM program is the *multi-phase program* which targets and focuses on:

- Existing and new customers
- Additional activities except from purchasing are required
- Donation level might vary
- Need for leveraging activities

Since this program also requires additional activities besides purchasing the product ICA tries to avoid this kind of program. As mentioned earlier ICA is not totally unfamiliar with using a donation level that can be varied, for example when trying to fulfil a financial goal, and this program would fit them better than the market focused program since it targets both existing and new customers. The respondents explained that even though ICA tries to avoid this type of program there are preliminary ideas to execute such a program. The theory partially corresponds to the empirical data.

To easier comprehend the empirical data collected and compared Polonsky and Speed's (2001) CRM programs theory that was discussed above table 5:4 is presented below.

**Table 5:4. CRM Programs**

| **Polonsky and Speed's (2001) CRM Programs Theory** | **Empirical Data Verifies/Falsifies** |
|---|---|
| Broad-based program | + |
| Limited program | + |
| Market focused program | - |
| Replacement program | - |
| Multi-phase program | O |

Codification: + The empirical data supports the theory
- The empirical data does not support the theory
O The empirical data somewhat support the theory

Varadarajan and Menon (1988) state that there are three main types of time frame a CRM program can have: *long, medium* and *short-term.* To better define the time frame types long-term programs are seen as often having an ongoing duration, medium-term as often trying to fulfil a financial goal and short-term as often being a one-shot campaign according to Barnes and Fitzgibbons (1991) and Varadarajan and Menon (1988). They further say that short-term programs are the most common form even though medium and long-term programs are more effective in improving public relations. Pringle and Thompson (1999, p 146) agree and say that to create trust and belief among the customers the program should run for over a year.

*Long-term programs* with an ongoing duration is something that ICA does not use theoretically because of the limited time lengths of each cooperation contract, but ICA say that they still have a long-term focus when working with their three strategic partners. Their strategic partners Cancerfonden and World Wildlife Foundation have been partnering up with ICA for over twenty years and their newest strategic partner Childhood Foundation have been collaborating since they established in 1991. The theory complies with the empirical data collected.

*Medium-term programs* that try to fulfil a financial goal are something that ICA has done when cooperating with SOS Barnbyar in Latvia to build up a children's village. This program was except of trying to fulfil a financial goal also running under a limited period of time. The respondents said that the success of the program have made them to consider working with the same type of program again. The theory complies with the empirical data collected.

*Short-term programs* or so called one-shot campaigns are not prioritized according to the respondents who say that creating trust and awareness among ICA's customers is much more important. Longer term programs gather more money to the selected causes which in turn show that ICA honestly cares about the causes and this creates trust for their customers. The theory does not comply with the empirical data collected.

The respondents add that the time frame of each program is based on the importance of that program and that campaigns also are based on their importance. Campaigns and programs can reoccur and be put aside depending on how suitable it is for the moment.

To easier comprehend the empirical data collected and compared with Varadarajan and Menon's (1988) time frame type theory that was discussed above table 5:5 is presented below.

**Table 5:5. Time Frame Types of CRM Programs**

| **Varadarajan and Menon's (1988) Time Frame Types of CRM Programs** | **Empirical Data Verifies/Falsifies** |
|---|---|
| Long-term program (Ongoing duration) | + |
| Medium-term program (Financial goal) | + |
| Short-term program (One-shot) | - |

Codification: + The empirical data supports the theory
- The empirical data does not support the theory
O The empirical data somewhat support the theory

# 6. FINDINGS AND CONCLUSIONS

*This final chapter will contain the main findings and recommendations based on the previous five chapters of this thesis. The research questions stated in chapter one will be answered in the form of presenting the main findings first and then the recommendation for each research question. After answering the research questions implications for management, implications for theory and implications for future research will be presented.*

## 6.1 How Can the Objectives of Cause Related Marketing be Described?

The study found that there are several types of objectives that are important in CRM. We found that the objectives stated also need to take different stakeholders into consideration other than the customers. Another important aspect when discussing objectives is that depending on where in the company's value chain one look, different objectives can be measured and prioritized.

*Increased sales* as an objective where the sample included a number of more narrow objectives (see second section 5.1) were not as central as the theory stated since increased sales in some way can be seen as the effect of satisfying other objectives even though some organizational levels treat increased sales as an objective. The broad objective of e*nhancing corporate stature* is to some extent considered important depending on what is specifically sought. *Increasing brand awareness/recognition* and *gaining national visibility* were not important because of the specific conditions where the mentioned objectives already were satisfied in the sample and therefore not considered as objectives. On the other hand e*nhancing the corporate image* was highly important and used both traditional marketing as well as the employees to spread the intended message. The corporate image and the *brand image* were closely attached in the sample selection and therefore *enhancing and reinforcing the brand image* were also important objectives. This is due to the direct correlation between good corporate social responsibility image and sales according to the respondents.

*Reaching new market segments*, *geographic segments* and *facilitating market entry* were not sought objectives because of their current presence on their intended markets. *Broadening the customer base* is not an objective because the focus in the CRM campaigns lies on the existing customers that the sample selection already felt rather satisfied about. The campaigns are mainly directed to the already existing customers but the non existing customers can also take part of some of the information. Objectives that are not at all congruent with the theory are the ones of *thwarting negative publicity* and *pacifying customer groups.* The use of CRM to cover-up any negative publicity can be seen through and therefore CRM is used the other way around to bring up what you are good at and show your expertise areas.

*Reducing costs* connected to *current and potential customers* are an extremely important objective when using CRM. Differentiate oneself from other companies by using a corporate social responsibility perspective that is special and improves the corporate and brand image in a less expensive way than conventional marketing is considered a main objective in CRM. Customers are considered the most valuable stakeholder group to influence in CRM.

*Reducing costs* connected to *employees and investors* are not considered as important as reducing costs connected to customers. Reduced costs for employees are in the sample selection an objective if there is positive correlation between pride over the company and less employee turnover. This would then lead to reduced costs and fulfil the objective stated reducing costs connected to employees by Gourville and Rangan (2004). The reducing costs objective connected to investors is according to the sample not really taken into consideration but this finding should not be over generalized due to the specific ownership structure found in the sample selection.

*Improved relations with the general public* are to be seen as very important by companies involved in CRM and possibly be considered as the second most important stakeholder group to influence after the customers. The aim to influence public opinion leaders as well as specific public groups is stressed.

Based on the research, figure 6:1 shows the relative importance of stakeholder groups to influence through objectives in the sample selection. Customers are the most important stakeholder group to influence followed by the general public and the employees. Due to the special ownership structure of the sample selection no convincing data could be found to generalize the importance.

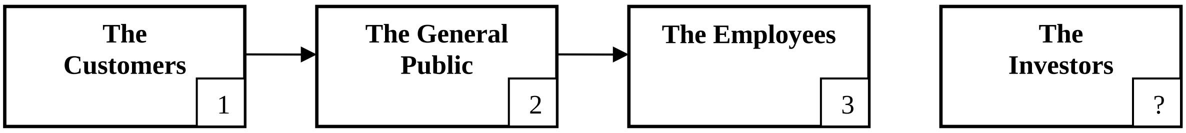


***Figure 6:1.*** **Stakeholder-Objective Importance**

Another objective that we found important, which the theory did not bring up, was *the objective of future existence*. Companies will have to adapt to the society's requirements in order to flourish or even survive.

**Regarding research question one, the following conclusions were found:**

The following primary objectives were:

- Enhancing corporate image
- Enhancing brand image
- Reinforcing brand image
- Reduce costs connected to current and potential customers
- Improving the relations with the general public
- Increasing the level of merchandising activity at the retail level of the brand
- Future existence

The following secondary objectives were:

- Increase sales
- Enhancing corporate stature
- Increasing the level of trade merchandising activity for the brand(s) promoted
- Generating incremental sales
- Promoting repeat purchases
- Promoting multiple unit purchases
- Promoting more varied usage
- Reduce costs connected to the employees
- Facilitating market entry
- Gaining national visibility
- Increasing brand awareness
- Increasing brand recognition
- Reaching new market segments and geographic segments

Additional conclusions to research question one:

- Pacifying customer groups and thwarting negative publicity are objectives that are avoided.
- CRM objectives can differ in different parts of a company's value chain.
  (Without investor consideration):
- Objectives connected to the customers were considered as being the most important.
- Objectives connected to the general public were considered as being the second most important.
- Objectives connected to the employees were considered as being the third most important.

## 6.2 How can the strategic approach used by companies involved in cause related marketing be described?

*The fit between company and cause* is considered highly important as it also is in the theory. This study finds that the criteria for choosing the right collaborative organization does not need to be based on the congruence between the two cooperation partners target market, image and positioning but in a slightly reformed way which to some extent overlaps Gupta and Pirsch's (2006) theory. The use of core value as the most important guideline to follow instead of target market, image and positioning when cooperating does not necessary falsify Gupta and Pirsch's (2006) theory but just look at it from another point of view using the parts considered most suitable. Figure 6:2 below shows how the company looks at the customer-company-fit when the overall focus in the relationship is values.

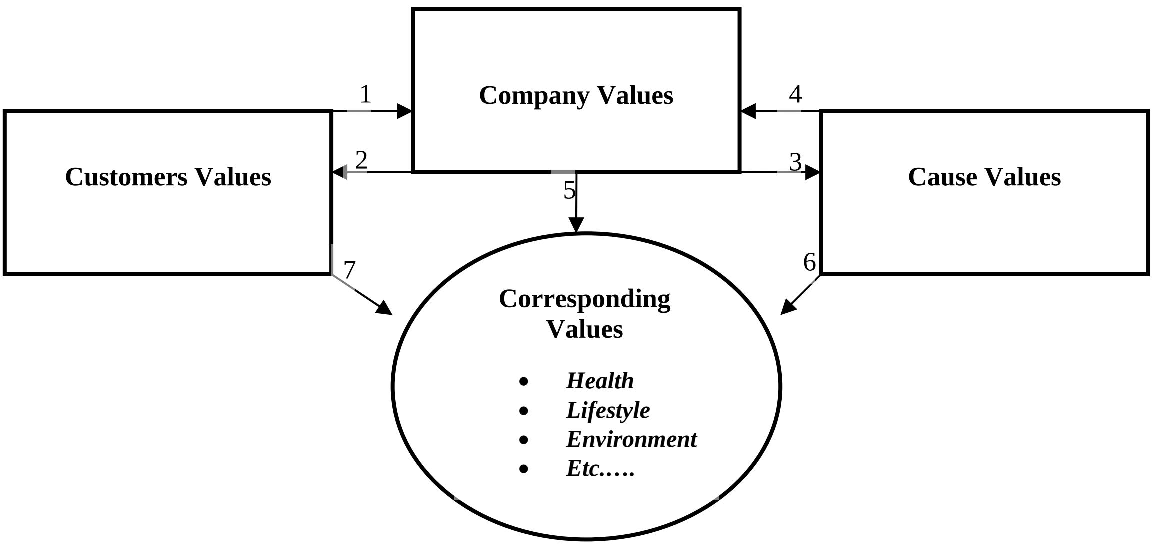


***Figure 6:2.*** **Company-Cause-Customer Value Fit**

The company actively looks for a cause with similar values and tries to collaborate in ways that best suit them (3). The cause influences the company due to the limited set of charitable causes for the company to work with (4).

*The fit between customer and company* are also of high importance where both the theory and empirical data agree but unlike the company-cause fit the customer-company fit are also concurrent on the point of what to assess the fit on. The degree of value congruence is the crucial aspect in the customer-company fit. The level of communication that displays and influence the customers are also of high significance and very extensive when it comes to the marketing area (2). The existing values of the customers' influence the company and its own values since the market and the sample selection to a large extent are customer oriented (1).

The last variable to take into consideration when discussing fit is the *fit between customer and cause* which the study found important when CRM was used. The same criteria as in the company-cause fit and customer-company fit above works as the base when looking on the level of customer-cause fit which were values or core values. The link between customer and cause goes mainly via the company (1), (2), (3) and (4) and the customers and cause's exchanges with the company.

When the company's values (5), cause's values (6) and the customers' values agree, (7) the fit is considered high and collaboration is appropriate.

*Limited programs* are the kind of program that is best suited for CRM if the time length of the collaboration between the company and the cause is limited and explicit help to specific projects is stated. *Broad-based programs* are also useful when companies engage in CRM, but this is mainly implemented when the time perspective of the program is longer. Additionally the length of broad-based programs is often long term but when it comes to their campaigns they are often limited and reoccurring.

*Multi-phase programs* can be used in specific cases where a particular objective is strived for but not as the foundation of the entire CRM program. *Market focused programs* are not used due to the complexity of multiple steps in the purchasing process together with the focus on new customers which will reduce the amount donated and decrease the company's credibility. *Replacement programs* are not implemented either when using CRM because the need to replace current sponsorship programs does not occur in this study.

In findings regarding time frame we believe that the *long-term program* is essential because it creates trust among customers and the aim is to show that the collaboration is taken seriously with the organization and that the company is concerned about the issues in the society.

The *medium-term program* is another essential program because there is often a minimum/maximum financial goal set. That financial goal will show what the donated money will go to a specific cause and the result can be shown and is easy to follow up.

*Short-term programs* are not programs that are commonly used by companies compared to other programs because it might create a lack of trust and suspiciousness among the customers. The main goal is to show to the customers that companies are concerned about important issues and this can not be shown by doing a rapid one-shot campaign and then cease the collaboration.

**Regarding research question two, the following conclusions were found based on the findings:**

- The fit between company-cause, customer-company and customer-cause is highly important in CRM.
- Congruent values are the most important criteria when assessing fit between company-cause-customer.
- Limited programs are implemented in CRM when focus lies on fulfilling a financial goal and the time perspective is not long-term.
- Broad-based programs are implemented in CRM when the time perspective is long-term.
- Multi-phase programs are occasionally implemented in CRM.
- Long-term programs are used to create trust and credibility.
- Medium-term programs are used by companies' when trying to fulfil a specific goal.
- Short-term programs are avoided due to the fear of loosing trust and credibility.
- When objectives connected to image are sought after longer-term programs are mainly used.

## 6.3 Implications for Management

- Avoid objectives such as thwarting negative publicity and pacifying customer groups when using CRM because they can easily be seen through and give your company even more negative publicity.
- Choose a collaborate partner that resembles your company either by looking at corresponding values or similarities in target market, image and positioning.
- Aim for congruence in the essential values of your company and its customers when dealing with CRM as well as in the essential values between your cooperative partner and your customers.
- Focus on objectives that deal with enhancing and reinforcing image and do this in the areas where your company is considered competitive or qualitative.
- Focus not only on your customers when using CRM your company's other important stakeholder groups also needs to be considered.
- Do not use additional activities except from purchasing if it is not considered absolutely necessary.
- Use CRM in either a medium-term or long-term perspective in order to create trust among your customers.

## 6.4 Implications for Theory

The purpose of this study was to provide a deeper understanding about the use of CRM within a Swedish retail company. In order to explore the purpose of this study, two research questions were stated and their issues were described as the objectives and the strategies of companies involved in CRM. While answering our research questions we began to explain the empirical generalizations that were made. We have come to the conclusion that our study overall strengthens the theories in most areas. The areas that weaken the theories are the ones not used at all due to contrary empirical data collected. Some elements in the theories are partially used or not used due to the satisfaction in those areas by the company in the case study and could neither strengthen nor weaken the theories used. Hence more research within the areas partially used by the sample selection in the case study should be taken into consideration in the future.

## 6.5 Implications for Future Research

During this study, areas of research have arisen that were either not treated at all due to the scope of this thesis or areas treated superficially, both of which additional research would be valuable for a deeper and better understanding of CRM.

- Additional research about the stakeholder-objective importance due to the inconclusive result in this study.
- The investor influence over companies’ objectives in CRM where the ownership structure is considered normal.
- Research about CRM objectives in different parts of a company’s value chain.
- Additional research on the objective of future existence, if it can be seen as valid.
- Further research on whether value as the criteria for assessing the company - cause fit is used by companies and if that is the case.
- Is the company - cause - customer value fit figure applicable on those companies?
- Further research on Swedish companies´ implementation of CRM due to the limited knowledge in this area.
- Research in the areas of the theory that could neither strengthen nor weaken the theory due to partial use of the area within the theory or the non use of the area within the theory due to company satisfaction.

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**Interview**

Holmstrand, David. Customer Relationship Analyst, ICA AB. April 24, 2007.
Wigstein, Peter. Sponsoring and Event Manager, ICA AB. April 24, 2007.

## APPENDIX A
Interview Guide - English Version

Name of the respondents
Position of the respondent in the company
Information about the company

**RQ1 How can the objectives of cause related marketing be described?**

1. How can the objectives connected to the current and potential consumers be described?
   - Increased sales
   - Reduced costs

   Why/why not?

2. How can the objectives connected to the employees and investors be described?
   - Decreased costs due to better match

   Why/why not?

3. How can the objectives connected to the general public be described?
   - Improved relations

   Why/why not?

4. What objectives are there to strive for?
   - Increase sales
   - Enhancing corporate stature
   - Facilitating market entry
   - Increase the level of trade merchandising activity for the brand(s) promoted
   - Gaining national visibility
   - Enhancing corporate image
   - Thwarting negative publicity
   - Pacifying customer groups
   - Generating incremental sales
   - Promoting repeat purchases
   - Promoting multiple unit purchasing
   - Promoting more varied usage
   - Increasing brand awareness
   - Increasing brand recognition
   - Enhancing brand image
   - Reinforcing brand image
   - Broadening customer base
   - Reaching new market segments and geographic segments
   - Increasing level of merchandising activity at the retail level of the brand

   Why/why not?

5. Is there anything else you would like to add?

**RQ2 How can the strategy of companies involved in cause related marketing be described?**

6. How can the degree of company-cause fit in the minds of the consumer be described?
   - cause’s target market and image
   - company’s target market, image and positioning

   Why/why not?
7. How can the level of customer identification with the company be described?
   - Person-organization fit (corresponding values)
   - Organizational identification (communicate the values, verbally and non-verbally through ads, logos, mascots, information sessions etc.)

   Why/why not?

8. How can the level of customer identification with the selected cause be described?
   - Person-organization fit (corresponding values)
   - Organizational identification (communicate the values, verbally and non-verbally through ads, logos, mascots, information sessions etc.)

   Why/why not?

9. Is there anything else you would like to add?

10. What type of CRM program is implemented* Why/Why not?

Broad-based program
- Existing and new customers
- Only purchasing action from consumer
- No limits on donation
- Need for leveraging activities

Limited program
- Existing and new customers
- Only purchasing action from consumer
- Minimum/maximum donation level
- Need for leveraging activities

Market focused program
- New customers
- Additional activities except from purchasing might be needed
- Donation level might vary
- Market adapted promotion

Replacement program
- Replaces ordinary sponsorship
- Existing and new customers
- Additional activities except from purchasing might be needed
- Limited donation level
- Need for leveraging activities

Multi-phase programs

- Existing and new customers
- Additional activities except from purchasing are required
- Donation level might vary
- Need for leveraging activities

11. Is there anything else you would like to add?

12. What is the time frame of the CRM program?
    - Long-term (ongoing duration)
    - Medium-term (financial goal)
    - Short-term (one-shot)

    How, why/why not?

13. Is there anything else you would like to add?

* (Assisting questions to question 10)
What type of consumers is targeted?

- Existing/new/mix, why?

Are there any actions required from the customer besides purchasing the product or service?

- Only purchasing
- Additional activities

How, which, why/why not?

What financial commitment is the company willing to offer?

- Unlimited/Limited
- Minimum/Maximum
- Varied

How, why/why not?

## APPENDIX B
Intervjuguide - svensk version

Respondentens namn
Respondentens titel
Företagsinformation

**FF1 Hur kan cause related marketing målen beskrivas?**

1. Hur kan man målen kopplade till nya och potentiella konsumenter beskrivas?
   - Ökad försäljning
   - Minskade kostnader

   Varför/Varför inte?

2. Hur kan man målen kopplade till anställda och investerare beskrivas?
   - Minskade kostnader på grund av bättre matchning

   Varför/Varför inte?

3. Hur kan man målen kopplade till allmänheten beskrivas?
   - Förbättrade relationer

   Varför/Varför inte?

4. Vilka mål finns det att sträva mot?
   - Ökad försäljning
   - Förstärka koncernens framtoning
   - Underlätta marknadsinträde
   - Öka nivån av säljfrämjande aktiviteter för marknadsförd/a varumärke/n
   - Öka den nationella synligheten
   - Förbättra företagets image
   - Motarbeta negativ publicitet
   - Pacificera kundgrupper
   - Generera ökad försäljning
   - Främja återkommande köp
   - Främja köp av flera enheter
   - Främja mer varierad användning
   - Öka medvetenhet om varumärket
   - Öka igenkännandet av varumärket
   - Förbättra varumärkets image
   - Förstärka varumärkets image
   - Utöka kundbasen
   - Nå nya marknadssegment och geografiskasegment
   - Öka nivån av säljfrämjande åtgärds aktiviteter på detaljhandelsnivå för varumärket

   Varför/Varför inte?

5. Är det någonting ytterligare ni vill tillägga?

**FF2 Hur kan strategin för företag involverade i cause related marketing beskrivas?**

6. Hur kan graden av passform för företag – cause från konsumentens perspektiv beskrivas?
   - Målgrupp och image för cause
   - Företagets målgrupp, image och positionering

   Varför/Varför inte?

7. Hur kan graden av konsument identifikation med företaget beskrivas?
   - Person-organisation passform (överensstämmande värderingar)
   - Organisatorisk identifikation ( kommunicera värderingar, verbalt/icke verbalt genom reklam, logotyper, maskotar och informations möten mm.

   Varför/Varför inte?

8. Hur kan graden av konsument identifikation med företaget beskrivas?
   - Person-organisation passform (överensstämmande värderingar)
   - Organisatorisk identifikation ( kommunicera värderingar, verbalt/icke verbalt genom reklam, logotyper, maskotar och informations möten mm.

   Varför/Varför inte?

9. Är det någonting ytterligare ni vill tillägga?

10. Vilken typ av CRM program tillämpas * Varför/Varför inte?

Bredbaserat program
- Nuvarande och nya konsumenter
- Endast inköps aktiviteter av konsument
- Ingen donations begränsning
- Behov av hävstångsaktiviteter

Begränsat program
- Nuvarande och nya konsumenter
- Endast inköps aktiviteter av konsument
- Minimum/maximum nivå på donationer
- Behov av hävstångsaktiviteter

Marknadsfokuserat program
- Nya konsumenter
- Tillägsaktiviteter utöver inköpsaktiviteter kan vara nödvändigt
- Varierande donations nivå
- Marknadsanpassad marknadsföring

Ersättnings program
- Ersätter ordinarie sponsring
- Nuvarande och nya konsumenter
- Tillägsaktiviteter utöver inköpsaktiviteter kan vara nödvändigt
- Begränsad donations nivå
- Behov av hävstångsaktiviteter

Multi-fas program

- Nuvarande och nya konsumenter
- Tillägsaktiviteter utöver inköpsaktiviteter är nödvändigt
- Varierande donationsnivå
- Behov av hävstångsaktiviteter

11. Är det någonting ytterligare ni vill tillägga?

12. Hur kan tidsaspekten på CRM program beskrivas?
    - Långsiktig (löpande varaktighet)
    - Medellång sikt (finansiellt mål)
    - Kortsiktig (engångsföreteelse)

    Varför/Varför inte?
    Är det någonting ytterligare ni vill tillägga?

13. Är det någonting ytterligare ni vill tillägga?

*(assisterande frågor kopplat till fråga 10)
Vilka slags konsumenter siktar ni på?

- Nuvarande/nya/blandning

Varför/Varför inte?

Krävs det andra aktiviteter förutom köp av produkten/services?

- Endast köp
- Tilläggsaktiviteter

Vilka, Varför/Varför inte?

Vilket finansiellt åtagande är företaget villigt att erbjuda?

- Obegränsat/Begränsat
- Minimum/Maximum
- Varierat

Vilka, Varför/Varför inte?