Cause-related marketing, brand loyalty and corporate social responsibility: A cross-country analysis of Italian and Japanese consumers

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(Article begins on next page)
Cause-related marketing, brand loyalty and corporate social responsibility
A cross-country analysis of Italian and Japanese consumers
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Abstract
Purpose – The purpose of this paper is to investigate consumer’s attitude towards cause-related marketing (CRM). In detail, it aims to assess the relationship between CRM and consumer’s brand loyalty, and whether this relationship is moderated by consumer’s perception of corporate social behaviours. Moreover, the research looks for differences in the above relationship on two samples of consumers born and living in different countries and therefore with different cultural backgrounds.
Design/methodology/approach – The research adopts a quantitative methodology using a survey conducted among Italian and Japanese consumers. Ordinary least square regressions models are developed to test the hypotheses.
Findings – The findings of this paper indicate a positive relationship between the consumers’ perception of CRM and their brand loyalty perception, regardless the country of origin. Accordingly, the authors found a similar pattern of CRM perception among Italian and Japanese consumers. In addition, the authors found that CRM and the consumers’ perception of corporate social behaviours are not complementary, in the sense their joint effect does not affect consumer’s brand loyalty.
Originality/value – This is one of the first studies addressing the issue concerning the CRM perception of people with in different cultures. In this regard, this study suggests that CRM impacts on brand loyalty regardless the country of origin (Italy and Japan), and consumers’ characteristics such as age, gender, background. In addition, the study indicates that the perceived corporate social responsibility does not increase the effect of CRM on brand loyalty.
Keywords Corporate social responsibility, Brand loyalty, Cause-related marketing
Paper type Research paper

Introduction
This research finds its pillars within the context of cause-related marketing (CRM) and the consumption approach that has been shifting in current years (Christofi et al., 2013; Scuotto, Del Giudice, Della Peruta and Tarba, 2017). This shifting is due to information that is globally available and the growing importance of corporate social responsibility (CSR) that is modifying the way of doing business, as well as consumers’ behaviours (Varadarajan and Menon, 1988; Papasolomou and Vrontis, 2006; Christofi et al., 2014; Singh et al., 2019). In this context, CRM activities are considered to be a new type of corporate philanthropy that helps organizations to make a profit and provides a pragmatic contribution to social problems (Howie et al., 2018). From another perspective, these factors also affect customers’ decisions about purchases and products choices (Papasolomou and Vrontis, 2006; Vrontis et al., 2009; Franceschelli et al., 2018), creating a new generation of ethical and socially responsible consumers. Accordingly, ethical consumers are those who are socially responsible in their buying decisions and who are driven by the “feel good factor” (Bonetto, 2014). These are consumers who feel better when they purchase something that is ethically correct and in line with the principles of sustainability that are more and more strongly
driving political sentiment in the current era (Carayannis et al., 2017). This, in turn, has led to a new CSR function within companies (Bresciani et al., 2016; Tardivo et al., 2017; Franceschelli et al., 2019), which has become an important factor that ties the company to its stakeholders. This function also focuses on international CRM campaigns, which can affect a company’s image and perception of consumers (Barone et al., 2000). In this regard, CSR has received considerable attention in recent years (Waller and Lanis, 2009; Demetriou et al., 2010; Gangi et al., 2019), as it may have an impact on companies’ competitiveness and on society, which is considered here as a system composed of organizations, people and communities (Kramer and Porter, 2011).

As a consequence, CSR has received growing attention among scholars and practitioners in the last several decades, especially by marketing managers (Chen and Huang, 2016; Chatzoglou et al., 2017), particularly from a CRM campaigns perspective. CRM is based on a donation of part of companies’ profits to charities or NGOs (Krishna, 2011; Grolleau et al., 2016). As a consequence, companies contribute to socially or environmentally concerned causes by donating part of their sales, which derive from cause-related products (Saleh and Harvie, 2017).

Today, global brands are more and more aware of CRM strategies, suggesting that such strategies are effective (Koschat-Fischer et al., 2012; Robinson et al., 2012; Andrews et al., 2014), especially for achieving higher levels of brand loyalty and increasing overall performance (Chaudhuri and Holbrook, 2001). As such, studies suggest that CRM initiatives may have an impact on brand loyalty, as the consumer feels involved in the process of contributing to social problems (Van den Brink et al., 2006). However, CRM strategies themselves sometimes are not enough, as they are not able to guarantee the loyalty of consumers. As suggested by Grolleau et al. (2016), initiatives by organizations to connect socially responsible projects to their products might have negative side effects when the product has a socially irresponsible aspect. This means that CRM strategies must be accompanied by other CSR strategies. In other words, it is reasonable to infer that CRM strategies and policies would not work when a company does not operate socially responsibly (Leonidou et al., 2018). As a consequence, in this paper we hypothesize that CRM motivates purchase decisions and increases brand loyalty especially when the company integrates sustainable processes and activity in its core business. Our research is motivated by the fact that, despite the recent interest in CRM by scholars, there is a scarcity of studies assessing the relationship between CRM and socially responsible behaviours of companies, especially from the consumers’ perception perspective.

Moreover, despite the increased interest in studying policies, tactics and strategies among companies, there has been less interest in CRM from a consumer’s perspective, especially when considering different types of consumers (Choi et al., 2016). In this regard, people in different countries may have different attitudes towards CRM strategies because of varied learning experience and behaviour among different cultures (Littrell et al., 1993). Therefore, cultural differences can be a vital variable in international marketing strategies (Emslie et al., 2007), which signifies that “these (CSR/CRM) efforts may not be effective for all consumers or in all countries” (Choi et al., 2016, p. 82). However, there is very little research involved in “comparing and contrasting [...] socially responsible campaigns and how their strategies differ depending on the culture. It is important for companies dedicated to maintaining socially responsible practices to understand these differences and be aware of the nuanced phasing, appeals, and target markets” (Laroche, 2017, p. 5). In this regard, a few papers attempted to explore the attitudes of consumers towards CRM strategies, but some gaps still remain. For example, Chéron et al. (2012) explored the effect of brand-cause fit and campaign duration on company and brand image, commercial objectives and buying intention as perceived by Japanese consumers. The authors found that a high brand-cause fit elicited more positive attitudes towards the CRM programme than the campaign. However, the authors only focussed on one country, that is Japan. A valuable contribution in this regard is provided by Lavack and Kropp (2003), who examined consumer attitudes
towards CRM in four countries: Canada, Australia, Norway and Korea, to find that attitudes towards CRM differ significantly across countries.

This paper, thus, aims to investigate the dynamics of CRM from a consumer’s perspective, trying to understand whether there are differences among different countries with different cultures (one individualist country and one collectivist country), but focusing on two countries that have never been investigated in comparison so far, which are Italy and Japan. Moreover, the paper aims to understand whether there is a positive and significant relationship between CRM and CSR perceived by consumers, and whether this relationship affects consumers’ brand loyalty. Thus, we aim to fill a gap given that the relationship between CRM attitudes and CSR perception was never explored, especially considering different countries. To do so, we have chosen one individualist country and one collectivist country in order to highlight the differences (Hofstede and Fink, 2007; Vaidyanathan et al., 2013).

To reach this goal, the research adopts a quantitative methodology using a survey conducted among Italian and Japanese consumers, and applying ordinary least squares (OLS) regression models (Khlif and Guidara, 2018). The research contributes to the field in two ways. First, it confirms a positive relationship between the consumer’s perception of CRM and consumer’s brand loyalty perception (Dean, 2003; Nan and Heo, 2007), regardless of the country of origin and consumers’ characteristics such as age, gender, background. Accordingly, we found a similar pattern of perception of CRM among Italian and Japanese consumers, despite belonging to two very distant and different countries from a cultural point of view. Second, the study suggests that CRM and the consumers’ perception of corporate social behaviours are not really complementary, in the sense their joint effect does not affect consumers’ brand loyalty.

The rest of the paper is organized as follows. The next section presents the literature on CRM and proposes the research hypotheses. Then, the study presents the research methodology along with variables employed in the econometrics models. Finally, findings are discussed along with implications for theory and practice.

Literature review and hypothesis development

Cause-related marketing

CRM is a type of CSR initiative, fundraising innovation and interactive corporate mechanism (Varadarajan and Menon, 1988; Christofi, Leonidou and Vrontis, 2015). It is seen as a trade-off between the consumer, the company and the social problem (Hyllegard et al., 2010; Christofi et al., 2017, 2018). In this trade-off, while the companies reach the desired profit, consumers buy the products they need and the social problem gets the expected benefit (Chang and Cheng, 2015). Furthermore, while the social problems that the consumers are interested in get support, companies meet their traditional marketing targets (Smith and Alcorn, 1991). By having a company, product or brand sponsoring a cause for a period of time, CRM requires consumers’ participation through purchase behaviours (Docherty and Hibbert, 2003). As a consequence, CRM can be seen as a CSR strategy that connects the social value to the marketing goals of the firm (Thomas et al., 2011; Fiandrino et al., 2019). This process is also facilitated by the digitalization, in which consumers around the world are getting closer and closer thanks to the use of social media, the spread of news around the world and the ease of travelling around the world (Scuotto, Santoro, Bresciani and Del Giudice, 2017; Caputo et al., 2019).

From a company perspective, successful CRM not only shapes consumers’ behaviours, such as purchase intention, brand choice and willingness to pay (Strahilevitz and Myers, 1998; Koschatz-Fischer et al., 2012; Robinson et al., 2012), but also has a long-term positive effect on brands, such as improving brand image (Dean, 2003; Nan and Heo, 2007). In this context, the value is created by involving the customer in the last activities of the company’s value chain (Santoro, Bertoldi, Giachino and Candelo, 2018; Santoro et al., 2019).
CRM can lead to several advantages, such as that it ensures an economic return for organizational charitable activity because the amount of donation is based on sales (Kuo and Rice, 2015). Then, CRM increases consumers’ good feelings that are generated from helping a worthy cause (Strahilevitz and Myers, 1998; Christofi, Leonidou, Vrontis, Kitchen and Papasolomou, 2015), a result which is also consistent with the idea of creating and increasing the value for consumers (Kramer and Porter, 2011).

Despite these advantages, CRM programmes have encountered criticism and scepticism, especially related to the corporate motivation for the activity. For instance, in the case of high-priced products, consumers tend to perceive that the company is exploiting the cause to increase revenues (Nowak and Clarke, 2003; Boenigk and Schuchardt, 2013), as it is connected to sales flows (Altuntas et al., 2017). Scepticism is also related to the usually small amount of donation by CRM or by requiring a product/service transaction (Grau and Folse, 2007; Saisi and Ryan, 2007). Critics claim that consumers should donate directly to the non-profits rather than through the purchasing of products. Studies also suggest that sometimes the value of CRM does not justify its cost, at least in terms of short-term sales (Pracejus and Olsen, 2004). However, CRM continues to be one of the fastest growing practices of marketing (Hawkins, 2012), especially in certain countries.

Past research in CRM has reported that consumers mostly have positive attitudes towards CRM, companies supporting social causes, and charities sponsored by CRM (e.g. Youn and Kim, 2008; Chéron et al., 2012; Boenigk and Schuchardt, 2013; Galan Ladero et al., 2015). For example, Ross et al. (1991, 1992) showed that almost half of their sample had purchased a product or service because of their desire to support a cause. These favourable attitudes may impact consumer purchases for particular companies and products and create awareness for a particular social cause (Bigne-Alcañiz et al., 2012; Human and Terblanche, 2012).

Scholars have conducted experiments in assessing cause proximity (Anuar and Mohamad, 2011), word-of-mouth promotions (Thomas et al., 2011) and donation magnitude (Human and Terblanche, 2012) to understand consumers’ CRM response. For instance, using a sample of 110 Malaysian college students, Anuar and Mohamad (2011) showed that cause proximity “only” influences women, who prefer to support local, rather than international, causes in a CRM campaign.

Research has also shown that strategically aligned CRM relationships can result in positive word of mouth (Thomas et al., 2011). Nan and Heo (2007) showed that an advertisement with a CRM message elicited more favourable attitudes towards the company than those exposed to a message without CRM. Demetriou et al. (2010) surveyed 820 people in Cyprus, reporting that the majority of consumers still expect companies to be actively involved in CSR and, more specifically, CRM. Chéron et al. (2012) explored the effect of brand-cause fit and campaign duration on company and brand image, commercial objectives and buying intention as perceived by Japanese consumers, to find that a high brand-cause fit elicited more positive attitudes towards the CRM programme than the campaign. Chang and Cheng (2015) investigated whether and how psychological antecedents and gender differences influence consumer scepticism towards advertising in a CRM context. They found that a utilitarian orientation and an individualistic mindset are positively related to scepticism towards advertising, while a hedonic orientation and a collectivistic mindset are negatively related to scepticism towards advertising. Gender differences are also found in the aforementioned relationships. By trying to understand factors that influence consumers’ perceptions of CRM, Galan Ladero et al. (2015) demonstrated that attitudes towards CRM are influenced by sociodemographic characteristics. Personal values, such as sense of belonging and self-fulfilment, act as a mediator of gender on attitudes towards CRM.
Hypotheses

As stated, CRM campaigns offer several benefits to companies (Barone et al., 2000; Chéron et al., 2012). Overall, as anticipated in the previous section, studies have shown that CRM campaigns are generally perceived favourably by consumers and ultimately offer benefits for the brand, including more favourable brand attitudes and increased purchase intentions, brand choice and loyalty (Barone et al., 2000).

The purchase intention variable is a pivotal and popular construct that has been routinely used by advertising scholars and practitioners to measure the intent of buying (Spears and Singh, 2004), including in CRM studies (Hajjat, 2003; Lafferty, 2009; Bigné-Alcañiz et al., 2012). Purchase intention is an antecedent of buying behaviour. It refers to customers’ intention to conduct a purchase or a commitment by customers to respond in a certain way, that is, a tendency or likelihood to buy (or not to buy) products (Vrontis et al., 2006), in this case sponsored by CRM programmes.

In the CRM context, consumers’ intent and buying behaviour are more likely to occur when there is a CRM-linked offering (Grau and Folse, 2007; Boenigk and Schuchardt, 2013). Past studies report that consumers are more inclined or have the intent to buy products from companies that are considered to be good corporate citizens (i.e. aligned with a cause; i.e. Kropp et al., 1999; Boenigk and Schuchardt, 2013; Vilela and Nelson, 2016). Additionally, some scholars (i.e. Youn and Kim, 2008; Wymer and Samu, 2009) showed increased purchase intentions for products associated with CRM, especially when consumers think that the cause is relevant to their lives. Indeed, CRM campaigns can positively influence consumers’ buying decisions and behaviours (Chéron et al., 2012; Galan Ladero et al., 2015), ultimately increasing the loyalty to a brand.

Following the above discussion, we can propose the baseline hypothesis:

**H1.** CRM perceived by consumers has a positive effect on consumer’s brand loyalty.

As anticipated, it has been suggested that, in some cases, initiatives by an organization to connect socially responsible projects to their products might have negative side effects, for example, when the product contributes to pollution or when the organization does not respect human rights (Grolleau et al., 2016). In fact, it has been observed that consumers could replace the products and services of the brands and retailers who are not socially responsible with the ones they find socially responsible (Smith and Alcorn, 1991; Barone et al., 2007; Tully and Winer, 2014). The positive effect of the donation can be negated, for example, by the environmental degradation that may result from an excessive purchase of the cause-related product, and by a reduction in global donations (Bresciani and Oliveira, 2007). Indeed, because of cognitive and behavioural biases, consumers can behave in ways that can lead to counter-intuitive results. Moreover, in some cases and for a subset of products, cause-related products can lead to adverse and unanticipated effects. Accordingly, while the positive effects of CRM have been confirmed by the literature (Berglind and Nakata, 2005; Basil et al., 2008), there has been less well-documented cases of CRM having adverse effects. For example, Stole (2008) argues that CRM practices are mainly “window dressing, a way to improve public image while detracting attention from a business’s own role in undermining the public safety net”.

Departing from the popular viewpoint that cause-related products are a win-to-win strategy, as anticipated, they can lead to counter-productive results when the product has a socially irresponsible feature (Erkutlu and Chafra, 2017). Environmental degradation (or other detrimental effects) may occur, along with a decrease in the efficiency of non-profit organizations because of lower funds. These outcomes can be due to various combinations of several effects, namely, increase in the consumption of the entire product category, crowding-out of direct donations and labelling of cause-related products that confuse consumers and create an inflated perception of the donation (Grolleau et al., 2016). In this regard,
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Vaidyanathan and Aggarwal (2005) found that US consumers who are actively committed to an environmental cause have a higher willingness to buy a product linked to that cause. Accordingly, our view is that companies find benefit in establishing CRM strategies when they also are careful about socially responsible initiatives and are aware of current social and environmental problems. For example, we expect a non-significant effect of CRM on brand loyalty for companies that are not ethically and socially respectful of their employees (in terms of rights, work conditions, etc.), and environmental issues such as pollution (Singh et al., 2011).

For these reasons, it is reasonable to infer that consumers’ brand loyalty is affected by their CRM perception and moderated by consumers’ CSR perception. Therefore, we can hypothesize that:

H2. CRM has a positive effect on consumer’s brand loyalty, when there is a high level of corporate social behaviours perceived by the consumer.

Methodology

Data, sample and variables

We chose a quantitative methodology involving a survey approach to test our research hypotheses. It is important to specify that we have developed two general hypotheses and that they are equal for both samples. In this regard, we have chosen one individualist country, Italy, and one collectivist country, Japan, in order to highlight the differences between two culturally distant countries (Hofstede and Fink, 2007; Vaidyanathan et al., 2013). It has been suggested that people in individualist cultures (such as in USA and UK) are more likely to hold a self-view implying the “inherent separateness of distinct persons’, where ‘the normative imperative is […] to become independent from others and to discover and express one’s unique attributes” (Markus and Kitayama, 1991, p. 226). By contrast, collectivist countries are those in which family and group work are emphasized more than individual needs or desires (e.g. Japan, China, Korea). Moreover, Italy and Japan are considered appropriate for this study because they represent two distant cultures regarding consumption, religion, activities and mannerisms (Hofstede, 2001), and therefore they provide an opportunity to understand CRM approach of consumers in different countries, following the call of Choi et al. (2016).

Data were collected using an online platform because it is easy to use and makes it possible to reach distant respondents living in Japan, given that the author responsible for sending the questionnaire is located in Europe. Before sending the questionnaire, a pre-test in Italy with a random sample of ten people who accepted to participate in such a test was done. The same thing was done in Japan, which was organized and developed by one of the authors who physically went to Japan. Accordingly, the questionnaire was amended to make all the questions clearer. However, it is important to note that all the questions and variables were taken from the literature (Table AI). Then, the questionnaire was sent via e-mail and through social media to different areas of the countries in order to find a heterogeneous sample.

In total, we received 154 responses from Italian consumers and 116 responses from Japanese consumers between April 2018 and June 2018. The questionnaire was developed in Italian for Italian respondents and in two languages (Japanese and English) for Japanese respondents. Japanese respondents were able to choose the preferred language for giving responses. The Japanese questionnaires were translated by a professional proof reader who knows Japanese and English before sending. Moreover, responses in Japanese were then translated into English. We therefore employed the translation-back translation procedure suggested by Van de Vijver et al. (1997) to ensure consistency between the English and Japanese versions.

In the questionnaire, we asked respondents to provide general personal information such as age, gender and educational background. Then we asked specific questions related to CRM, with scales taken from the study of Koschate-Fischer et al. (2012). In detail, we asked participants to evaluate the following two statements through a seven-point Likert scale: I
would feel good if I bought charity-linked product; I would “spread it around” if I bought a charity-linked product. For the variable CSR customer’s perception, we adapted scales used by Brown and Dacin (1997) in the context of product to a context of whole firm, by asking: I prefer products sold by socially responsible firms; I usually buy products from firms that are more socially responsible than others. Brand loyalty is adapted from scales of the variables brand loyalty and attitudinal loyalty used by Chaudhuri and Holbrook (2001), with the following items: I usually keep purchasing the same brand; I am usually committed to a brand; I would usually be willing to pay a higher price for a brand that I like.

We explained that responses had to be provided regarding the everyday buy decision concerning all products such as food, clothes and fast-moving consumer goods in general.

Finally, we included several control variables, such as respondents’ age, gender and educational background, which were taken from the literature (Balabanis and Siamagka, 2017). Table I describes the variables of the study.

It is noteworthy that we developed two different analyses with two different samples, one for each country, in order to highlight potential differences. However, the structure of the regressions models is the same, with a dependent variable (brand loyalty), an independent variable (CRM), a moderating variable (CSR) and several control variables (age, gender, educational background) (Figure 1).

We then implemented OLS models to test the hypotheses (Khelif and Guidara, 2018; Papa et al., 2018). Various methodological approaches have been employed by previous studies in the CRM context. We opted for OLS regression models because they are effective for testing moderating effects (Dawson, 2014; Ferraris et al., 2018).

Before testing the hypotheses, it is important to note that the samples are very similar in terms of age, gender and educational background distribution (Tables III and V), leading to a more accurate analysis.

Preliminary assessments of scales for the Italian sample
It is highly desirable for any scale to possess high levels of measurement invariance, in order to allow findings based on the measures to be compared across nations. Accordingly, the items were assessed for validity via confirmatory factor analysis (CFA) using SPSS software.

For all the variables, we used a one to seven Likert scale for consistency with other variables of our model. We ran a CFA using principal component extraction with varimax rotation. For the variable CRM, the CFA generated one factor with the items CRM1 and CRM2, explaining a total of 71.949 per cent of the observed variance. Consequently, we calculated a composite measure of the CRM variable by averaging the scores. Moreover, we assessed the correlation matrix through the KMO, and Bartlett’s test resulted in an acceptable level of KMO statistic (0.600); additionally, a significant p-value was obtained for Bartlett’s test of the construct. Cronbach’s α was 0.709. The CFA for the variable CSR generated one factor with the items CSR1 and CSR2, explaining a total of 89.341 per cent of

<table>
<thead>
<tr>
<th>Variable</th>
<th>Explanation</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM</td>
<td>2 items/7-point Likert scale</td>
<td>Koschat-Fischer et al. (2012)</td>
</tr>
<tr>
<td>CSR</td>
<td>2 items/7-point Likert scale</td>
<td>Brown and Dacin (1997)</td>
</tr>
<tr>
<td>BL</td>
<td>3 items/7-point Likert scale</td>
<td>Chaudhuri and Holbrook (2001)</td>
</tr>
<tr>
<td>Age</td>
<td>0 if the age is between 1 and 18; 1 if the age is between 19 and 26; 2 if the age is between 27 and 35; 3 if the age is between 36 and 50; 4 if the age is more than 50</td>
<td>Balabanis and Siamagka (2017)</td>
</tr>
<tr>
<td>Gender</td>
<td>0 if female; 1 if male</td>
<td>Balabanis and Siamagka (2017)</td>
</tr>
<tr>
<td>Educational background</td>
<td>0 if he/she is not graduated; 1 if he/she is graduated or has a doctorate</td>
<td>Balabanis and Siamagka (2017)</td>
</tr>
</tbody>
</table>

Table I. Variables
the observed variance. Again, we calculated a composite measure of the CSR variable by averaging the scores. Moreover, we assessed the correlation matrix through the KMO, and Bartlett’s test resulted in an acceptable level of KMO statistic (0.620); additionally, a significant p-value was obtained for Bartlett’s test of the construct. Cronbach’s α was 0.880. Finally, the CFA for the variable brand loyalty generated one factor with all the items BL1, BL2 and BL3, explaining a total of 79.108 per cent of the observed variance. Consequently, we calculated a composite measure of the BL variable by averaging the scores. Moreover, we assessed the correlation matrix through the KMO, and Bartlett’s test resulted in an acceptable level of KMO statistic (0.735); additionally, a significant p-value was obtained for Bartlett’s test of the construct. Cronbach’s α was 0.868 (Tables II and III).

Figure 1.
Conceptual model

<table>
<thead>
<tr>
<th>CRM</th>
<th>CSR</th>
<th>BL</th>
<th>Age</th>
<th>Gender</th>
<th>Educational background</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM</td>
<td>1</td>
<td>0.684**</td>
<td>0.694**</td>
<td>0.147</td>
<td>−0.094</td>
</tr>
<tr>
<td>CSR</td>
<td>0.684**</td>
<td>1</td>
<td>0.772**</td>
<td>0.215**</td>
<td>−0.075</td>
</tr>
<tr>
<td>BL</td>
<td>0.694**</td>
<td>0.772**</td>
<td>1</td>
<td>0.104</td>
<td>0.044</td>
</tr>
<tr>
<td>Age</td>
<td>0.147</td>
<td>0.215**</td>
<td>0.104</td>
<td>1</td>
<td>−0.081</td>
</tr>
<tr>
<td>Gender</td>
<td>−0.094</td>
<td>−0.075</td>
<td>0.044</td>
<td>−0.081</td>
<td>1</td>
</tr>
<tr>
<td>Educational background</td>
<td>0.011</td>
<td>−0.018</td>
<td>0.077</td>
<td>−0.177*</td>
<td>0.021</td>
</tr>
</tbody>
</table>

Table II.
Correlation matrix for the Italian sample

Notes: *p < 0.05; **p < 0.01
Source: Own elaboration

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM</td>
<td>154</td>
<td>1.00</td>
<td>7.00</td>
<td>3.9156</td>
<td>1.52303</td>
</tr>
<tr>
<td>CSR</td>
<td>154</td>
<td>1.00</td>
<td>7.00</td>
<td>4.5261</td>
<td>1.70987</td>
</tr>
<tr>
<td>BL</td>
<td>154</td>
<td>1.00</td>
<td>7.00</td>
<td>4.4423</td>
<td>1.60401</td>
</tr>
<tr>
<td>Age</td>
<td>154</td>
<td>0</td>
<td>4</td>
<td>1.99</td>
<td>1.085</td>
</tr>
<tr>
<td>Gender</td>
<td>154</td>
<td>0</td>
<td>1</td>
<td>0.42</td>
<td>0.495</td>
</tr>
<tr>
<td>Educational background</td>
<td>154</td>
<td>0</td>
<td>1</td>
<td>0.58</td>
<td>0.495</td>
</tr>
</tbody>
</table>

Table III.
Descriptive statistics for the Italian sample
Preliminary assessments of scales for the Japanese sample

We took the same procedures for evaluating the scales regarding the Japanese sample. Therefore, we also ran a CFA using principal component extraction with varimax rotation for the second sample. For the variable CRM, the CFA generated one factor with the items CRM1 and CRM2, explaining a total of 70.146 per cent of the observed variance. Consequently, we calculated a composite measure of the CRM variable by averaging the scores. Moreover, we assessed the correlation matrix through the KMO, and Bartlett’s test resulted in an acceptable level of KMO statistic (0.610); additionally, a significant $p$-value was obtained for Bartlett’s test of the construct. Cronbach’s $\alpha$ was 0.723. The CFA for the variable CSR generated one factor with the items CSR1 and CSR2, explaining a total of 90.080 per cent of the observed variance. Again, we calculated a composite measure of the CSR variable by averaging the scores. Moreover, we assessed the correlation matrix through the KMO, and Bartlett’s test resulted in an acceptable level of KMO statistic (0.720); additionally, a significant $p$-value was obtained for Bartlett’s test of the construct. Cronbach’s $\alpha$ was 0.901. Finally, the CFA for the variable brand loyalty generated one factor with all the items BL1, BL2 and BL3, explaining a total of 74.474 per cent of the observed variance. Consequently, we calculated a composite measure of the BL variable by averaging the scores. Moreover, we assessed the correlation matrix through the KMO, and Bartlett’s test resulted in an acceptable level of KMO statistic (0.713); additionally, a significant $p$-value was obtained for Bartlett’s test of the construct. Cronbach’s $\alpha$ was 0.828 and therefore higher than the recommended threshold (Nunnally, 1978) (Tables IV and V).

Findings and test of the hypotheses

Findings for the Italian sample

We implemented four regressions models to test the hypotheses in a hierarchical manner, starting from the sole control variables in Model 1. Model 2 adds the independent variable CRM which effect on the dependent variable is positive and significant (0.700***), allowing us to accept $H1$ for the Italian sample. In Model 3, we added the variable CSR and in Model 4 the interaction term between CRM and CSR, which is non-significant (0.003), thus $H2$ is rejected for the Italian sample. Therefore, for Italian consumers, while we found a positive

<table>
<thead>
<tr>
<th>CRM</th>
<th>CSR</th>
<th>BL</th>
<th>Age</th>
<th>Gender</th>
<th>Educational background</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.706**</td>
<td>0.487**</td>
<td>0.169</td>
<td>-0.141</td>
<td>-0.010</td>
</tr>
<tr>
<td>CSR</td>
<td>0.706**</td>
<td>1</td>
<td>0.215*</td>
<td>-0.090</td>
<td>-0.006</td>
</tr>
<tr>
<td>BL</td>
<td>0.487**</td>
<td>0.635**</td>
<td>1</td>
<td>0.062</td>
<td>0.012</td>
</tr>
<tr>
<td>Age</td>
<td>0.169</td>
<td>0.215*</td>
<td>0.062</td>
<td>1</td>
<td>-0.052</td>
</tr>
<tr>
<td>Gender</td>
<td>-0.141</td>
<td>-0.000</td>
<td>0.012</td>
<td>-0.052</td>
<td>1</td>
</tr>
<tr>
<td>Educational background</td>
<td>-0.010</td>
<td>-0.006</td>
<td>0.050</td>
<td>-0.195*</td>
<td>-0.042</td>
</tr>
</tbody>
</table>

Notes: *$p < 0.05$; **$p < 0.01$

Source: Own elaboration

Table IV. Correlation matrix for the Japanese sample

<table>
<thead>
<tr>
<th>n</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM</td>
<td>116</td>
<td>1.00</td>
<td>7.00</td>
<td>3.7716</td>
</tr>
<tr>
<td>CSR</td>
<td>116</td>
<td>1.00</td>
<td>7.00</td>
<td>4.2879</td>
</tr>
<tr>
<td>BL</td>
<td>116</td>
<td>1.00</td>
<td>7.00</td>
<td>4.4569</td>
</tr>
<tr>
<td>Age</td>
<td>116</td>
<td>0</td>
<td>4</td>
<td>1.85</td>
</tr>
<tr>
<td>Gender</td>
<td>116</td>
<td>0</td>
<td>1</td>
<td>0.40</td>
</tr>
<tr>
<td>Educational background</td>
<td>116</td>
<td>0</td>
<td>1</td>
<td>0.57</td>
</tr>
</tbody>
</table>

Table V. Descriptive statistics for the Japanese sample
and significant effect of CRM on brand loyalty, we did not find a moderation effect of CSR over the mentioned relationship. The control variables do not show a significant effect on the dependent variable, except for gender, which is significant at the 0.05 level in Models 4 and 5 (Table VI).

Findings for the Japanese sample
We implemented the same regression models with the Japanese sample. Model 1 assesses just the control variables, for which the effects are non-significant. Model 2 adds the independent variable CRM, for which the effect of the dependent variable is positive and significant (0.501***). In Model 3, we add the variable CSR and in Model 4 the interaction term between CRM and CSR, which is negative and not significant (−0.188). Therefore, also for Japanese consumers, while we found a positive and significant effect of CRM on brand loyalty, we did not find a moderation effect of CSR over the mentioned relationship. As a consequence, $H1$ is accepted and $H2$ is rejected in the context of Japanese consumers as well (Table VII).

Implications and conclusions
Discussion of findings
This paper was motivated by the need to deepen our understanding on the relationship between the current concerns about social and environmental behaviours of larger corporations and strategic marketing initiatives such as CRM, which have attracted increasing interest over the past few decades (Grolleau et al., 2016; Saleh and Harvie, 2017). In doing so, we have explored the relationship between consumers’ perception of CRM and

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>0.125</td>
<td>0.022</td>
<td>−0.044</td>
<td>−0.044</td>
</tr>
<tr>
<td>Gender</td>
<td>0.053</td>
<td>0.110</td>
<td>0.112*</td>
<td>0.112*</td>
</tr>
<tr>
<td>EB</td>
<td>0.098</td>
<td>0.071</td>
<td>0.074</td>
<td>0.074</td>
</tr>
<tr>
<td>CRM</td>
<td>0.706***</td>
<td>0.318***</td>
<td>0.316</td>
<td></td>
</tr>
<tr>
<td>CSR</td>
<td>0.574***</td>
<td>0.574***</td>
<td>0.573***</td>
<td></td>
</tr>
<tr>
<td>CRM×CSR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.023</td>
<td>0.401</td>
<td>0.419</td>
<td>0.410</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.003</td>
<td>0.349</td>
<td>0.373</td>
<td>0.369</td>
</tr>
<tr>
<td>$F$-value</td>
<td>1.164</td>
<td>11.192***</td>
<td>14.111***</td>
<td>13.226***</td>
</tr>
</tbody>
</table>

Table VI. Regressions for the Italian sample
Notes: *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$
Source: Own elaboration

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>0.076</td>
<td>−0.007</td>
<td>−0.068</td>
<td>−0.064</td>
</tr>
<tr>
<td>Gender</td>
<td>0.019</td>
<td>0.085</td>
<td>0.077</td>
<td>0.076</td>
</tr>
<tr>
<td>EB</td>
<td>0.066</td>
<td>0.058</td>
<td>0.045</td>
<td>0.041</td>
</tr>
<tr>
<td>CRM</td>
<td>0.501***</td>
<td>0.092</td>
<td>0.210</td>
<td></td>
</tr>
<tr>
<td>CSR</td>
<td></td>
<td>0.592***</td>
<td>0.671***</td>
<td>−0.188</td>
</tr>
<tr>
<td>CRM×CSR</td>
<td></td>
<td>0.247</td>
<td>0.429</td>
<td>0.421</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.008</td>
<td>0.247</td>
<td>0.429</td>
<td>0.421</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>−0.018</td>
<td>0.229</td>
<td>0.393</td>
<td>0.389</td>
</tr>
<tr>
<td>$F$-value</td>
<td>0.311</td>
<td>9.116***</td>
<td>15.879***</td>
<td>13.192***</td>
</tr>
</tbody>
</table>

Table VII. Regressions for the Japanese sample
Notes: *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$
Source: Own elaboration
their brand loyalty perception, and the moderating role of CSR perception. Our findings interestingly indicate a consistency in the results concerning the Italian sample and the Japanese sample. In fact, the relationships between variables follow similar patterns, indicating that the perception of CRM among international consumers currently follows similar logics and apparently is not affected by cultural dynamics, contrasting the suggestions of previous studies (Choi et al., 2016; Laroche, 2017). As a consequence, while we have developed general hypotheses without differentiating among the two countries, we can confirm H1 and reject H2 for both samples. In fact, as our data suggest, in both samples we found a positive and significant relationship between consumer’s perception of CRM and brand loyalty with similar influence in terms of standardized \( \beta \) (0.700 and 0.501, respectively). Moreover, we found a non-significant interaction terms in both samples, indicating that CRM and CSR are not complementary in terms of consumers’ perception of brand loyalty. Despite this, it is interesting to note that the average CRM is a little bit higher for the Italian sample compared to the Japanese one (3.9156 vs 3.7716), meaning that Italian consumers are somewhat more active towards buying charity-linked products.

Other interesting findings regard the role of age, gender and educational background, which have a non-significant effect on the dependent variable. This means that the relationships tested are not affected by individual characteristics, contrasting the findings of previous studies (Chang and Cheng, 2015). For example, the literature has suggested that the demographic age between 18 and 24 has been identified as one of the groups most amenable to cause marketing (Cui et al., 2003). Compared with older generations, young and educated consumers would be more likely to support CRM campaigns (Barnes and Fitzgibbons, 1992; Webb and Mohr, 1998). However, our findings suggest that age does not have an impact on CRM perception.

**Theoretical implications**

This research was driven by the increasing interests in CSR and CRM strategies within both academia and practitioners all over the world (Patel et al., 2017; Vo et al., 2018). Specifically, the aim of the paper was to investigate the dynamics of CRM from a consumer’s perspective, trying to understand whether there are differences among different countries with different cultures (Bresciani et al., 2015; Choi et al., 2016; Laroche, 2017). Moreover, the study aimed to understand whether there is a positive and significant relationship between CRM and brand loyalty, and whether this relationship is moderated by CSR. Our findings help us to provide additional implications for the available theories. First, our data confirm that there is a positive relationship between consumers’ perception of CRM and their brand loyalty perception (Dean, 2003; Nan and Heo, 2007). We add to this body of literature by indicating that there is a positive relationship between consumers’ perception of CRM and their brand loyalty perception regardless of their country of origin. In fact, we did not find differences among Italian and Japanese consumers. In this way, we cannot confirm what the literature has suggested about the role of culture in affecting CRM policies. In particular, the literature suggested that consumers and other stakeholders in different international markets would have dissimilar perceptions about a particular CRM initiative, because of varied learning experience and behaviour among different cultures (Littrell et al., 1993) and that cultural differences play a crucial role in international business, as international markets have culturally broadened horizons (Emslie et al., 2007), which signifies that “these (CSR/CRM) efforts may not be effective for all consumers or in all countries” (Choi et al., 2016, p. 82). Accordingly, we found a similar pattern of perception of CRM among Italian and Japanese consumers, who belong to two very distant and culturally different countries (Hofstede and Fink, 2007; Vaidyanathan et al., 2013). Evidently, CRM strategies follow similar global logics, as they are connected to global products and services. In this regard, the findings of this research contrast those of Lavack and Kropp (2003) who found that attitudes towards
CRM differ significantly across countries. One possible explanation could be that we consider different countries compared to the study of Lavack and Kropp (2003), namely Italy and Japan. Another possible explanation is that today’s consumers live more and more in a globalized world where consumption patterns and products are more and more similar globally (Thrassou et al., 2018).

Second, our findings suggest that CRM and consumers’ perceptions of corporate social and environmental behaviours are not really complementary, in the sense that their joint effect does not affect consumers’ brand loyalty, for both collectivist and individualist countries (Italy and Japan). Therefore, we are not able to confirm what was suggested by Grolleau et al. (2016), who stated that under some plausible circumstances, initiatives by firms to connect socially responsible projects to their products might have negative side effects when the product has a socially irresponsible aspect. Nevertheless, it is important to add that the effect suggested by our results is such on the dependent variable “brand loyalty”. This does not mean that CSR is not important for building and delivering competitive advantage which, of course, have different positive impacts on business management and performance (Santoro, Ferraris and Vrontis, 2018; González-Masip et al., 2019).

Managerial implications
Our findings help us to propose some managerial implications, especially for marketing managers. First, our findings confirm that CRM policies do have an impact on brand loyalty and thus consumers’ attitudes towards charity-linked products are positive. Therefore, it is recommended, especially for companies producing products linked to valuable and recognized brands, to increase CRM budgets and to establish CRM strategies for companies that have not yet done so. Since there are various alternatives in the markets, which are becoming more and more competitive and globalized, it is very hard to make consumers loyal to a brand, given their increased bargain power. Companies should first nurture relationships with their consumers and should gain their trust through being successful and creating powerful brands. In this way, valuable and recognized brands can increase consumers’ brand loyalty by leveraging CRM initiatives. However, these strategies must be linked to an effective communication campaign to let consumers know about what the company is doing for charitable organizations. In this context, firms must be more and more aware of the social needs of local and global communities, linking the strategies at different levels to social dynamics. Second, our findings show that CRM are well perceived by consumers in Italy and Japan, regardless of the individual facets such as age, gender and educational background. This has implications for marketing strategies, with particular regard to the segmentation strategy, suggesting that CRM strategies can be addressed to the mass and not to specific geographical and demographic segments. This means that CRM initiatives can be followed by consistent mass marketing campaigns in different countries, such as Italy and Japan, and this would in turn decrease the overall costs of marketing, advertising and promotion. With ongoing digitalization, consumers around the world are getting closer and closer thanks to the use of social media, the spread of news around the world and the ease of travelling around the world.

Third, despite there being a non-significant effect of the interaction term of CRM and CSR on brand loyalty, our findings indicate that CSR has a positive effect on brand loyalty, meaning that more and more consumers are aware of social and environmental issues. This suggests that companies will have to get to know their consumers more and more and come closer to their expectations. Also, CSR perception is high, according to descriptive statistics. Therefore, more and more consumers are willing to buy products from socially responsible firms. Managers at many levels must recognize this factor, and should re-design activities and processes towards sustainability.

Overall, despite some limitations, it can be stated that CRM strategies and initiatives may be effective in all countries, both collectivist and individualist.
**Limitations and future research directions**

This research should be considered in the light of several limitations, which leave room for future research opportunities. Although the findings among Italian and Japanese consumers appear to very similar, it is noteworthy to state that, for the sample of Japanese consumers, the effect of CRM on brand loyalty seems to decrease when the variable CSR is added into Model 3. This means that \( H1 \) is confirmed for Italian consumers, while it should be carefully considered for Japanese ones. Another limitation of the study regards the subjectivity of the responses given by the surveyed consumers. Despite the anonymity of the responses, some respondents might have answered following cognitive paths and not real personal feelings. Third, since each CRM initiative is different and each company operates in a different manner, it could be interesting to conduct qualitative case studies of large corporations in trying to understand more deeply the relationship between CRM and CSR. Finally, most of the survey participants are under 35. This certainly has an impact on the analyses. In fact, young people live in a very open environment where consumption patterns and products are increasingly globalized. Future research could compare different age groups.

**References**


## Appendix

<table>
<thead>
<tr>
<th>Key constructs</th>
<th>Variable code</th>
<th>Questions</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cause-related marketing</td>
<td>CRM1</td>
<td>I would feel good if I bought charity-linked product</td>
<td>Koschate-Fischer et al. (2012)</td>
</tr>
<tr>
<td></td>
<td>CRM2</td>
<td>I would “spread it around” if I bought a charity-linked product</td>
<td>Koschate-Fischer et al. (2012)</td>
</tr>
<tr>
<td>CSR perception</td>
<td>CSR1</td>
<td>I prefer products sold by socially responsible firms</td>
<td>Brown and Dacin (1997)</td>
</tr>
<tr>
<td></td>
<td>CSR2</td>
<td>I usually buy products from firms that are more socially responsible than others</td>
<td>Brown and Dacin (1997)</td>
</tr>
<tr>
<td>Brand loyalty</td>
<td>BL1</td>
<td>I usually keep purchasing the same brand</td>
<td>Chaudhuri and Holbrook (2001)</td>
</tr>
<tr>
<td></td>
<td>BL2</td>
<td>I am usually committed to a brand</td>
<td>Chaudhuri and Holbrook (2001)</td>
</tr>
<tr>
<td></td>
<td>BL3</td>
<td>I would usually be willing to pay a higher price for a brand that I like</td>
<td>Chaudhuri and Holbrook (2001)</td>
</tr>
</tbody>
</table>

Table AI. Constructs and questions

## Corresponding author
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