

CAUSE RELATED MARKETING: A STUDY OF CONSUMER
NONPROFIT BRAND IDENTIFICATION

by

PATRICK JOSEPH CARR

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Professor Renee Irvin, Chair of the Examining Committee

Date

Committee in Charge: Dr. Renee Irvin, Chair
 Dr. Simona Stan
 Dr. Jim Van Leuven

Accepted by:

Dean of the Graduate School

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Approved: _____
Dr. Renee Irvin

In the past fifty years corporate involvement in the nonprofit sector has gradually changed from a voluntary practice of corporate philanthropy to the current mainstream practice of corporate social responsibility through mutually beneficial partnerships. While these partnerships have become a ubiquitous device in the promotional portfolio of corporate communication departments, the mechanics behind their effectiveness are still not fully understood by practitioners and academics. This thesis sought to better understand how purchase intentions of those active with the nonprofit partner of a cause related marketing program are moderated by consumer-nonprofit identification through a review of academic literature and a survey of graduate students. The results show that nonprofit identification is a good predictor of a volunteer's or a donor's intent to purchase cause related marketing products, and that nonprofit identification is moderated by tenure and frequency of interaction with the nonprofit.

CURRICULUM VITAE

NAME OF AUTHOR: Patrick Joseph Carr

PLACE OF BIRTH: Quesnel, British Columbia, Canada

DATE OF BIRTH: July 29, 1978

GRADUATE AND UNDERGRADUATE SCHOOLS ATTENDED:

University of Oregon

DEGREES AWARDED:

Master of Public Administration, 2005, University of Oregon

Master of Business Administration, 2005, University of Oregon

Certificate in Nonprofit Management, 2005, University of Oregon

Bachelor of Science, 2000, University of Oregon

AREAS OF SPECIAL INTEREST:

Nonprofit/for-profit partnerships

Sustainable Business

Performance Management

Resource Development

PROFESSIONAL EXPERIENCE:

Graduate Teaching Fellow, The Graduate School, University of Oregon, 2004-2005

Graduate Teaching Fellow, Department of Planning, Public Policy, and
Management, University of Oregon, 2003-2004

Kaufman Foundation Summer Fellow, Emerald Kidsports, 2004

Oregon Performance Intern, League of Oregon Cities, 2003

GRANTS, AWARDS AND HONORS:

Allied Art & Administration Foundation, University of Oregon: Al Frazier Award,
October 2004

University of Oregon Graduate School: Graduate Service Award, May 2004

University of Oregon: Leon Culbertson Scholarship, April 2004

Oregon Student Assistance Commission: Dorothy Flegel Scholarship, April 2004

Lundquist Center for Entrepreneurship: Kaufman Foundation Social and
Entrepreneurial Fellow, June 2004

University of Oregon: Joseph K. Starr Scholarship, April 2003

Oregon Student Assistance Commission: Dr. Franz and Katherine Stenzel
Scholarship, April 2003

PUBLICATIONS:

Irvin, Renee & Carr, Patrick. (Forthcoming in Summer 2005). "The Emerging Role
of Philanthropy in Local Government Finance." *Journal of Public Budgeting &
Finance*..

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Raising for Local Governments. *League of Oregon Cities Public Service Report*.

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CHAPTER I

INTRODUCTION

Over the past 100 years the role of corporate social responsibility in the business sector has evolved in its definition, scope, and initiatives. Many historians credit reformers such as progressive politician Theodore Roosevelt for introducing the public to corporate social responsibility through government regulations intended to curb business abuses in the 1900s and 1910s (Whetten, Rands, Godfrey, 2002). Since this first round of public safeguards was installed, the discussion of business' role in society has maintained a presence in public policy and legal circles, its place justified by Whetten, Rands, and Godfrey who state, "Given the widespread evidence that market forces and moral persuasion are not sufficient to curb the harmful externalities results from business leaders' myopic focus on short term earnings, government regulations and laws have been historically seen as a necessary buffer between business and society."

The issues at which these buffers have taken aim have changed over the years, mirroring the demands placed upon legislators and the courts by special interest groups and citizen demands. Thus, a diverse set of issues has each had its allotment of national exposure, including prohibition, women's suffrage, race relations, equality in the workforce, environmental justice, cancer, and HIV/AIDS. Early in the 1900s voluntary associations, the mass media, and the federal government were most often the primary stakeholders best organized to address these societal issues. But, since WWII the lineup of primary

stakeholders has changed, as the private sector's role in the average citizen's everyday life has expanded and companies have been increasingly called upon to address societal issues as a primary stakeholder (Paisley, 2001). By adopting the role of primary stakeholder in communities' problems, businesses have become more engaged in societal issues, and consequently corporate organizational processes have adjusted to meet these demands. These changes have caused the focus of corporate organizational social performance to adjust over time, changing from corporate philanthropy in the 1960s, to community relations, social auditing, public affairs, advocacy advertising in the 1970s, to cause-related marketing, strategic philanthropy, corporate governance in the 1980s, and most recently to employee volunteerism, environmental audits, corporate ethics codes, diversity management, whistle blower protection in the 1990s (Whetten, et al., 2002).

Information access via the internet about business activities has added to the legal and policy pressures for increased corporate responsibility. The ease of accessing information has also been a factor in increasing private sector engagement in public debates, especially if a company's products or services align with the societal issue gaining the most press in the media discourse (Paisley, 2001). Examples of issues that are well covered in blogs, online chats, and new stories include the pairings of wood product and mining companies with the environmental movement, apparel companies with third world worker rights, and alcohol manufacturers with drunk driving awareness. Contrary to forced engagement is when businesses voluntarily align themselves with a societal issue that is gaining significant media coverage, e.g. Yoplait's long-term partnership with the Susan G. Komen Foundation. Yoplait's choice to align their brand with a nonprofit organization which fights breast cancer has been a wise strategic business move, as it has mirrored the rise

of cancer as a societal issue during the 1990s, when it became the most common public issue discussed in U.S. magazine articles, as 1% of all articles from 1991-1998 concerned cancer (Paisley, 2001). Yoplait's method of supporting breast cancer shows how companies address a societal issue through cause related marketing (CRM).

Cause Related Marketing

Defined as the “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,” cause related marketing creates an exchange relationship between the consumer and the business, “when customers engage in revenue providing exchanges that satisfy organizational and individual objectives” (Varadarajan & Menon, 1988). This exchange relationship provides explicit information of the donation made, allowing consumers to donate in exchange for purchasing the company's product. Varadarajan and Menon were the first scholars to write extensively on the subject, but it was American Express (Amex) who is often credited with initiating the first CRM program, in which Amex made donations to local arts programs in San Francisco (Kelley, 1991; Smith, 1994). Because of the success of the San Francisco program Amex took the promotion national in 1983 with the intention of raising money for the renovation of the Statue of Liberty in New York City (Davidson, 1997). Not only did the promotion raise \$1.7 million for the renovation, but it also increased new cardholders by 45 percent and card usage by 28 percent during the promotion (Varadarajan & Menon, 1988; Davidson, 1997; Ptacek & Salazar, 1997).

CRM programs are increasingly common for brands such as Yoplait who choose to address societal issues through, as CRM has become a ubiquitous method for businesses to

support nonprofits. For businesses, cause related marketing programs (CRMs) are an ideal method to give back to the communities in which they sell their products or services. Not only do they provide a evaluation metric, the measurable change in sales (or lids redeemed for Yoplait) during the cause related promotion, but they have also been shown to provide corporate benefits including improved image, increased publicity, increased sales, and improved employee morale (Barone, Miyazaki, & Taylor, 2000; Ptacek & Salazar, 1997). Additionally, they provide a shield against shareholders critical of corporate philanthropy, as they are a marketing tactic with a measurable outcome of increased sales (Conlin, Hempel, Tanzer, & Polek, 2003; Andreasen, 1996). Because of these advantages CRMs have become the most visible method of business engagement with social issues, but are not the only way for businesses to support social causes.

Alternatives to Cause Related Marketing

Cause related marketing programs are just one of the many methods through which businesses can engage in social causes. A continuum of alternatives identified by Drumwright and Murphy demonstrate the many options available to businesses. They include philanthropy, strategic philanthropy, sponsorships, company advertising with a social dimension, cause-related marketing, licensing agreements, social alliances, corporate volunteerism, strategic corporate volunteerism, and enterprises as possible methods (Drumwright & Murphy, 2001). Kotler and Lee offer a more condensed list of options, paring the list down to include cause promotions, cause-related marketing, corporate social

marketing, corporate philanthropy, community volunteering, and socially responsible business practices as the six options available for business who wish to pursue social engagement (Kotler & Lee, 2005).

At one end of this continuum of social engagement is philanthropy, which is purely altruistic in nature but has become less common in the corporate sector since the 1980s (Smith, 1994). At the other end is cause related marketing, which like all the methods has an altruistic effect, but in practice includes tangible self-interest benefits for business. Figure 1.1 demonstrates this stratification as the six initiatives are organized by levels of altruism, with cause related marketing serving as the most self interested method, as its use has proven to be the most measurable increaser of sales for business. The table also shows where businesses have increasingly focused their support of social causes, leaning toward the right side of the continuum, as sponsorship and cause related marketing have become the most common method for business engagement with social causes (Polonsky & Wood, 2001). As Kotler and Less discuss in their book, cause related marketing and sponsorship are often part of an integrated marketing campaign, thus most campaigns will have an aspect in each of the six initiatives in their activation, but companies will not typically provide equal resources for each initiative area and instead will focus resources on areas where the most tangible benefit can be found, often coming in the form of cause related marketing.

when she states that the pins could have a “halo effect” on Avon’s image, but “that’s not why the company is doing it, it’s just part of the Avon culture to do this, to give back to society” (Cooperman, 2005). This insistence of corporate benevolence is not confined to Avon representatives, as 7-Eleven, Starbucks, and Pfizer commented on their tsunami relief donations by stating respectively, “there is no motive other than the fact that this is the right thing to do,” “[w]e have always, since day one, given back to the community, it’s expected that we do things like this,” “[p]hilanthropy is an integral part of our business model” (Cooperman, 2005). These statements underscore why corporate philanthropy is placed in the middle of the corporate social responsibility continuum of initiatives, as it has become much more strategic than corporate philanthropy pre-1990s (Smith, 1994). While corporations publicly state their support and commitment to social causes, history provides evidence that the gifts to the tsunami relief efforts will be allocated from a static overall corporate giving budget, as corporate giving levels have remained between 1.3 percent and 1.5 percent of pretax profits for the past twenty years (Cooperman, 2005). Thus, while corporations wish to appear to be making philanthropic gifts which rise and fall with community needs, a more predictable measure of giving is to monitor changes in corporate profits.

Nonprofit Sector Growth

While corporate social responsibility initiatives have increased in recent years, businesses do not typically provide charitable goods to the end user, a duty often fulfilled by an intermediary. This intermediary role most often falls to organizations in the nonprofit sector, which serve their constituents while working toward the fulfilling the mission of their

organization. This role in the U.S. has been enhanced in recent years as the sector has expanded in scope and size, growing at a 37% rate since 1992 (ACT, 2004).

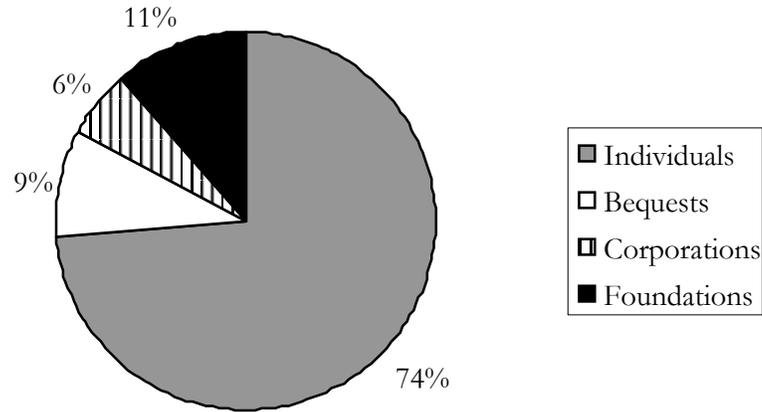
Many factors have contributed to the nonprofit sector's growth, including its increasing relevance in public policy debates (Salamon, 1999) and the percentage of the sector characterized as religious organizations and entrepreneurial in nature, both which fit with the current federal administration's policies related to "faith based initiatives" and an "ownership society" (McAteer, 2004; Dallek, 2004; Geewax, 2004). A more theoretical reason for the nonprofit sector's growth is related to evidence which indicates citizens will voluntarily contribute to supplemental services when the minimum service level does not meet their expectations (Weisbrod, 1977). For example, a citizen who wishes for their child to participate in youth sports in community that does not have a youth sports program may champion a program to the local government, or work with other parents to establish their own organization. Lastly, the increasing distrust in government and the accompanying cuts in government social services programs have shifted social burdens to the nonprofit sector, trends not likely to shift given the impending retirement of the baby boomers and their need for health care and social security (Brodhead, 2004; Bradley, Jansen, & Silverman, 2003).

This growth in the nonprofit sector as a provider of charitable services necessitates that nonprofits match higher service level expectations with the necessary amount of resources to address the issues with which they were chartered to address. While some segments within the nonprofit sector have seen diminished funding over the past thirty years, e.g. the arts (Salamon, 1999), many nonprofits have remained solvent despite increased competition for donor allocations from other nonprofits and the recent recession (Conlin, Tanzer, & Polek, 2004). In fact, as the nonprofit sector has grown into its role as a more

important provider of charitable services, funding is once again approaching its all-time high of 2.3% of gross domestic product (GDP) reached in 2000, with donations in 2003 equaling \$240 billion, or 2.2% of GDP (Giving USA, 2004).

While overall funding to the nonprofit sector has increased, the sector's fragmented nature, the recent growth of the number of nonprofits, and the increasing competition from private sector in areas such as hospitals, long-term care, and transportation have all contributed to the need for nonprofits to diversify their revenue streams (Weisbrod, 1998). As shown in graph 1.1, most contributions come from individual donors, with six percent, or \$13.46 billion received through corporate giving. This demonstrates the importance of nonprofits maintaining fundraising strategies which focus on individual giving, especially with the impending generational wealth transfer (The Economist, 2004), but also gives credence to the importance of supplemental revenue which could be generated from corporate giving. In addition, this does not account for the non-monetary benefits nonprofit organizations can gain through interactions with nonprofits, e.g. increased volunteerism and brand image enhancement (Lafferty, Goldsmith, & Hult; 2004; Wagner & Thompson, 1994; Picker, 2001).

Graph 1.1. 2003 Contributions: \$240 Billion Shown by Source of Contributions



Source: Giving USA (2004)

Identity and Identification

Given the prevalence and longevity of CRMs in the marketplace, understanding the process through which they moderate consumer choice is important to both nonprofit and corporate practitioners. A better understanding of the factors which influence consumer choice in CRMs could help practitioners more clearly communicate points of importance during the promotions, more effectively target consumers and potential donors which fit each organization's brand identity, and lead to partnerships between organizations with a better fit in terms of image and target market. Current research in marketing related to identity and identification may provide a method which to help better elucidate the process through which consumers respond to CRMs, helping meet these goals.

Organizational identity and identification are basic concepts that have been long discussed and analyzed in our society's history. Identity is what is distinctive about an organization or individual, while identification is the extent to which people incorporate key organizational or individual identities in their own identity (Dutton, Dukerich, & Harquail, 1994). Organizational identification in the corporate context was first analyzed by Albert & Whetten (1985) and Ashforth and Mael (1989) who discussed the importance of identity and identification in terms of how individuals in organizations perceive themselves as members of a group, organization, or the larger community (Ravasi & Rekom, 2003). Since Albert & Whetten's seminal article, identity and identification theories have been applied in other business contexts, with scholars from management and marketing theorizing that real or perceived sharing of common traits with an organization, identity overlap, heightens the attractiveness or sense of self enhancement individuals receive from their association with the organization (Ashforth, 1998; Bhattacharya, Rao, & Glynn, 1995; Elsbach, 1998; Sen & Bhattacharya, 2001). The value of identification has been found in studies demonstrating the positive relationship between individual's identification with a sponsored nonprofit and their intent to purchase a sponsor's products or services (Cornwell & Coote, 2004). Additionally, it has been theorized that CRM programs positively impact identity overlap when consumers are presented with information about a company's corporate social responsibility initiatives (Sen & Bhattacharya, 2001).

Research Question

The fundamental question addressed in this study is whether nonprofit brands behave in a similar manner as for-profit brands in terms of customer identification. This basic question leads to more complex issues regarding the interaction of various factors which influence individual's intent to purchase from the corporate partner as well as intent to provide additional support to the nonprofit partner. In this study it is assumed that individuals will possess a more heightened sense of identification with the nonprofit partner presented in the survey, as respondents were instructed to select a nonprofit for whom they had either volunteered, or to whom they had donated in the past five years.

CHAPTER II

REVIEW OF LITERATURE

The following sections outline the significance of a study in cause related marketing and how it will help bring new knowledge to the fields of public policy, nonprofit management, and marketing.

Doing Well by Doing Good

Doing well by doing good is a frequently cited axiom used to describe businesses which individually provide social benefits through their operations, or do so with a nonprofit partner (Reinhardt, 2004; Wickenheiser, 2004; Johnson, 2004; O'Dwyer's, 2003). These actions often come under the umbrella term of corporate social responsibility (CSR) initiatives (Vernon, 2004; Henricks, 1991). In the United States CSR initiatives have evolved over the past fifty years from a voluntary sense of corporate philanthropy to the currently utilized mainstream practice of CSR as mutually beneficial partnerships (Porter & Kramer, 2002; Burlingame, 2001; Mullen, 1997; Varadarajan & Menon, 1988).

This change is credited by many as a corporate response to rising consumer perceptions defining community involvement on a wider scale (MacMillan, 2003; Quinn, 2000; Mullen, 1997; Benezra, 1996; Scott, 1995; Smith, 1994). A recent GolinHarris poll conducted on the state of corporate responsibility corroborated these assertions, showing that 52% of respondents were inclined to start or increase their business with companies due

to their corporate citizenship (GolinHarris, 2004). The GolinHarris report followed a 2002 Cone/Roper report which indicated 91% of consumers would consider switching products or services if negative publicity surfaced about the company in question (Cone/Roper, 2002). Eighty-nine percent of respondents in this study also stated it was more important than ever for businesses to be socially responsible, especially in the wake of the Enron and Worldcom scandals (Cone/Roper, 2002). The Enron, Tyco, Health South, and Worldcom scandals have also been suggested as reasons for the increasing number of societal issues which are discussed in board rooms, such as compliance with the Sarbanes-Oxley Act, (The Economist, 2004; Bloomenthal, 2002), as well as a motive for changing business school curriculum, such as the Kellogg School of Business at Northwestern University's inclusion of a major in Business and its Social Environment, focused around the concept of "doing well by doing good" (Kellogg, 2002).

Corporate Public Statements

Chief executive officers of major U.S. companies have also taken notice and some have voiced their opinions in favor of business involvement in social issues. Hasbro Chairman Alan Hassenfeld provided a statement which crystallizes how some companies have reacted to questions of businesses' responsibility in regards to social issues. Responding to a question about whether conservative economist Milton Friedman was correct in his belief about not giving away shareholders' money Hassenfeld stated, "I don't know if he ever understood the dynamics of a global company on a global basis. Also, our reputation is one of a company with a heart. We care" (Hempel & Gard, 2004). William Perez, the CEO replacing longtime Nike founder and CEO Phil Knight, followed a similar path by

responding to a question about his stance on community involvement during his tenure with S.C. Johnson & Son Inc. by stating, “I know business people are often reluctant to get involved and yes, from my own experience, I admit you will get the occasional raised eyebrow, the questioning of a business person’s motives for getting involved. But don’t let that stop you. You’re a member of this community. You have an obligation to take responsibility for its future (Pulaski, 2004).” Jeffrey Swartz, president and CEO of The Timberland Company, also commented on the relationship between business and community by stating, “We believe that companies have the power and the responsibility to effect positive and lasting change in the world. When you layer in community organizations and individuals who share this passion, the vision for what we can achieve together is limitless” (Kotler & Lee, 2005). Besides public statements made by CEOs, corporations are also increasing their annual reporting on corporate responsibility, as in 2002 45% of the Global Fortune Top 250 companies issued environmental, social, or sustainability reports, compared with 35% in the same survey conducted three years earlier (Kotler & Lee, 2005).

Increased Spending

In addition to public statements, companies have also increased spending to promote the idea of their firms being socially responsible. This is evidenced by an expected 7.5% increase from the previous year in worldwide cause related sponsorship spending to \$991 million in 2004 (Levy, 2004). While cause sponsorship still only accounts for 9% of the \$28 billion expected to be spent on sponsorship rights worldwide in 2004, it is viewed as being markedly different in the market, because as William Chipps, a senior editor with the IEG Sponsorship Report states, “it really connects companies on an emotional level to a

consumer” (Brand Strategy Briefing, 2004; Levy, 2004). From the partnering company’s standpoint cause marketing promotions, “create the impression among consumers that you’re really a terrific store” as stated by Curt Weeden, President of the Contributions Academy, a training organization for corporate giving officials, when asked about Home Depot’s partnership with National Wildlife Federation (Schwinn, 2003).

While cause related activities have become more prevalent, they have also trended toward “smart giving” or strategic philanthropy, which is meant to benefit the company’s financial standing as well as provide resources for social causes (Porter & Kramer, 2002; Mullen, 1997; Andreasen, 1996, Smith, 1994). This movement toward a bottom line approach of performance measurement for corporate responsibility also favors expenditures in CRMs versus corporate giving or sponsorship, as these programs can be evaluated in terms of sales generated directly from the promotion. A recent business week survey examined this trend and found that all but four of the 218 S&P 500 companies interviewed agreed they have a social responsibility, but the majority indicated in practice it comes in a way which merges charity with the needs of the corporation (Conlin et al., 2003).

Cause Related Marketing

CRMs differ from sponsorships primarily due to their overt presentation of a business donation when an individual purchases a product, versus a sponsorship’s purpose of providing access to consumer’s attention while the customer attends or views the sponsored event. These differences are evident in their formal definitions, as CRM is defined 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

customers engage in revenue providing exchanges that satisfy organizational and individual objectives” (Varadarajan & Menon, 1988). Compared to CRMs sponsorships are more indirect in their influencing tactic and are defined as “an investment, in cash or in kind, in an activity, in return for access to the exploitable commercial potential associated with that activity” (Meenaghan, 1991).

The use and frequency of CRMs have grown significantly since Varadarajan and Menon’s seminal paper on the subject, as CRMs are now ubiquitous in consumer product marketing. This is especially true during the month of October when National Breast Cancer Awareness month helps transform the symbol of a pink ribbon into products for sale on store shelves. Breast Cancer Awareness promotions, in particular those put forth by Susan G. Komen Foundation’s and their corporate partners, cover a wide swathe and include promotions for online video game tournaments, hotel stays, and video rentals (WorldWinner, 2004; Wyndham, 2004; Blockbuster, 2004).

While some agreements such as Susan G. Komen Foudations’s are cause specific, a generational trend has been postulated that today’s young people have, compared to previous generations, been predisposed to elevated amounts of community service during their adolescence, leaving them more inclined to support businesses which give to the community (Gard, 2004). Support for this assumption is based on a survey conducted by a youth marketing firm showing that 60% of teenagers surveyed said they are more likely to buy brands that support charitable causes (Alloy, 2001). While anecdotal in terms of causal evidence, the notion that young people have had more exposure to nonprofits has strong prima facie evidence, as in 1992 the number of exempt organizations in the U.S. was just under 1.2 million, but by 2004 it was 1,640,949, with 964,418 of these granted 501(c)(3)

status as either public charities or private foundations (ACT, 2004). 501(c)(3) status is formally defined in the appendix. Thus, while the population in the U.S. has grown 16% from 253 million in 1992 to 295 million in 2004, the number of exempt organizations has increased by 37% during the same time period (US Census, 2004). This trend supports the assumption that someone who is 26 years old in 2004 was more likely to have interaction with nonprofits between ages 14 and 26 (1992-2004) than a 48-year old between ages 14 and 26 (1962-1974).

Nonprofit Growth as a Provider of Charitable Goods

The following section outlines the rise of the nonprofit sector as a provider of charitable goods in the U.S. Discussion will cover the aspects which have increased the role and size of the nonprofit sector, the environmental factors which favor its continuing importance and why the sector is uniquely positioned to provide social services in comparison to the for-profit and government sectors.

There are many factors which have contributed to the nonprofit sector's growth as a provider of charitable goods. First, the nonprofit sector's impact on policy and the provision of charitable goods continues to rise, increasing the sector's relevancy in public policy debates (Salamon, 1999). Because the nonprofit sector is often cited as a correction mechanism for market and government failure, nonprofit organizations continue to prosper due to their flexibility and responsiveness to citizen needs (Salamon, 1999). As John Stuart Mill wrote, "Government operations tend to be everywhere alike. With individuals and voluntary associations, on the contrary, there are varied experiments, and endless diversity of experience (Mill, 1912)." Second, nonprofit organizations' perception as entrepreneurial

entities and the importance of religious organizations in the nonprofit sector, accounting for 62% of donations according to Indiana University's Center on Philanthropy Panel Study (The Economist, 2004), mesh with the current federal administration's policies related to an "ownership society" and "faith based initiatives" (McAteer, 2004; Dallek, 2004; Geewax, 2004). Both of these policies are controversial and have their critics (Spitzer, 2004; Belcher, Fandetti, & Cole, 2004), but given the balance of power in the federal government they are likely to be enacted in further detail during President Bush's second term in office (Walsh, 2004).

Institutional Incentives for Action

Third, for those social services outside "faith based" definitions there are institutional factors which provide for maintenance of all causes valued by citizens. In general, donors will voluntarily provide a supplement to the government provision when they recognize a mismatch between their view of charitable service provision and the median voter level of government provision of services (Weisbrod, 1977). That is, when citizens have different preferences for the public good, some will be dissatisfied due to their perceived view of an under-provision of the good. Thus, if this group of dissatisfied citizens has sufficient financial capacity to address the perceived social concerns, nonprofit organizations will have access to capital and the ability to provide services.

Shifting Responsibility of Service Provision

Fourth, the United States has a recent history of increasing distrust in government, symbolized by Ronald Reagan's quote on his inauguration day that "government is not the solution to our problem; government is the problem" (Reagan, 1981). Reagan's fight against big government helped signal in an era of increasing distrust in government, which has been accompanied by the increasing role of the nonprofit sector, the apparent "beneficiary" of these trends (Brodhead, 2004). Fifth, Reagan's leadership also prompted accompanying cuts in government spending, helping to shift social burdens to nonprofits, a trend not likely to change with the impending retirement of the baby boomers which will further constrain government as they attempt to provide larger resources to health care and social security (Bradley et al., 2003). In addition, the current federal administration's policies are likely to mirror the approach followed during Reagan's tenure, further solidifying this trend. Thus, given these five conditions, it is probable the nonprofit sector will continue to increase its role as charitable good providers.

Nonprofit Funding

Another factor which supports the maintenance of a healthy nonprofit sector is a stable funding source. While some service areas in the nonprofit sector have seen funding levels decrease over the past thirty years, e.g. the arts (Salamon, 1999), many have maintained funding in the face of federal cuts, despite increasing competition from other nonprofits and the recent recession (Conlin et al., 2004). Many of these same organizations have actively positioned themselves as the beneficiary of the current generational distribution of

wealth (Havens & Schervish, 2003; Wolff, 1999). This generational transfer of wealth is expected to be the largest in history, estimated to occur between 1998 and 2052, falling somewhere between \$41 trillion and \$136 trillion (The Economist, 2004).

Additionally, because nonprofit organizations have faced funding challenges due to the recent economic downturn in the U.S., many have had to find alternative streams of revenue, and consequently proactive groups are now well diversified in their revenue sources and more stable financially. Unrelated business income is an example of an alternative source of revenue that Eugene, Oregon, based St. Vincent de Paul has leveraged extensively and now serves as an example for many nonprofits. St. Vincent de Paul of Lane County, for example, generates revenue from affordable housing projects, reselling of used furniture and clothes, selling refurbished products, and reselling donated cars (St. Vincent de Paul, 2004). As a result of these projects, their 2003 annual revenue was \$11,825,582, of which 37% was accounted for by entrepreneurial ventures (GuideStar, 2004). Interestingly, St. Vincent de Paul seems to have been created with the intent of leveraging alternative sources of revenue, as their mission statement states a purpose of assisting “the poor and those in need of consolation, seeking out and utilizing any resource” (St. Vincent de Paul, 2004).

Finally, individual donor incentives to give, such as “impure altruism,” the experience of a “warm glow” as a part of the giving experience (Andreoni, 1989; Andreoni, 1990), and the influence of social recognition associated with giving (Harbaugh, 1998), provide evidence that funding by individual donors will continue. These two examples demonstrate the exchange relationship integrated into the donation process, as donors are rewarded for their donations through tangible and intangible benefits.

Why Not the Government?

In addition to reasons demonstrating why the nonprofit sector will continue to attract funding from donors, enabling its role as a provider of charitable goods, reasons exist indicating why nonprofit organizations are more effective in delivering charitable goods than government. First, because there is increased homogeneity of citizen preferences at the local level (Tiebout, 1956), and because nonprofits are generally smaller in size than governmental organizations, they should be able to adapt more quickly to local needs than state or federal government programs. Contributing to this is a tendency of state and federal governments to serve citizens with a singular provision protocol, often spread over many diverse communities. This does not allow state and federal governments to operationalize adaptation to client needs across diverse and spatially distributed populations. Additionally, governments are further handicapped because they often lack information about consumer demands and because their decision makers face incorrect incentives when attempting to correct the private market's failure (Weisbrod, 1977).

Lastly, historical factors favor the nonprofit sector maintaining relevance in the U.S. Because communities formed before governments in the U.S., citizens who desired public goods organized voluntary organizations such as schools and fire departments (Salamon, 1999). These citizens chose to organize these associations as voluntary and community based entities, as they were fearful of a recently defeated monarchy and thus had an aversion to the formation of governments (Salamon, 1999). As governments were eventually organized the delivery of many of these services was usurped by these emerging governments, but the

reluctance related to the return of a monarchy contributed to the remaining presence of voluntary organizations, which continued to deliver many services which were traditionally delivered by the government in other countries.

Why Not Business?

If nonprofits are preferable to government for provision of charitable goods, what about for-profit companies? They are entrepreneurial by nature, efficient by necessity, and responsive to customer needs, all seemingly important characteristics for an organization serving the public. But, there are reasons why the nonprofit form of organization is preferable to for-profits for the provision of charitable goods. First, where monitoring of the goods' provision is incomplete, nonprofit managers have less opportunity to circumvent the contract and channel the donated funds into distributed profits (Fama & Jensen, 1983; Hansmann, 1980).

Second, business' primary objective is to maintain profits, and their performance is easily judged through their financial statements. In contrast, nonprofits are mission based, meaning their performance measurements are grounded in meeting non-financial goals. Thus, the first responsibility of a nonprofit is its mission, while the first responsibility for a business is its profits. This clear demarcation demonstrates why nonprofit organizations have more incentive to provide the best possible services to their clients, avoiding the "skimming of the cream" tendency of for-profits operating in social service markets. Lastly, because nonprofits do not exist principally to earn profits, consumers who are subject to contract failure, or information asymmetry, will seek a service provider they can trust (Hansmann, 1980). For example, consider the situation donors encounter when selecting an

overseas aid organization. The choice of the overseas aid organization is difficult because they do not directly receive the services, or are even able to witness the benefits felt as a result of their donations. Because nonprofit organizations are not subject to competitive incentives, which could incent misappropriation of the donor's funds, the donor is likely to feel more comfortable donating to a nonprofit organization operating overseas relief efforts. Given this set of circumstances nonprofits are often the preferred providers because they are not subject to the same competitive incentives as businesses (Salamon, 1999).

Why Nonprofits?

Therefore, the nonprofit sector is likely to maintain its importance as a provider of charitable goods because of three factors. First, it has institutional advantages related to changes in environmental factors and generational trends. Second, these environmental factors and generational trends contribute to the nonprofit sector's increased financial stability. Third, the nonprofit sector has advantages over both the government and business sectors as a social service provider.

Efficiency and Efficacy

These factors in turn require the nonprofit sector improve its efficiency and efficacy standards in order to provide the most social services possible. Some estimates of potential operational efficiency gains in the nonprofit sector have reached \$100 billion dollars (Bradley et al., 2003), contributing to the debate of how to best address efficiency challenges. Bradley et al. suggest an increase of a more businesslike approach to management of nonprofits, but this co-mingled approach to management philosophy can also lead to challenges. The

challenges of integrating business and nonprofit orientations lead to competing incentives. Portland State nonprofit management professor Linda Golaszewski discussed this point while reflecting on the increasing pressure for nonprofits to take a more businesslike approach. She stated, "You can expect a nonprofit to be run well, but once we expect nonprofits to be run like businesses, what's to stop them from acting like the Enrons of the world?" (O'Malley, 2004).

While concerns exist about the merging of business and nonprofit practices, some of the efficiency gains called for in Bradley's article could be generated simply by siphoning off a small percentage of the impending generational transfer of wealth into the nonprofit sector (The Economist, 2004). If benefactor restrictions associated with these donations were flexible, the increased capacity provided by this funding could allow organizations to expand their services, and improving their economies of scale, which should contribute to enhanced service efficiency. But, the transfer of wealth to the nonprofit sector is not a guarantee. Thus, other efficiency initiatives should be undertaken.

Drawing from other successful collaborative relationships between organizations, social alliances provide the opportunity for synergy to emerge between the sectors and in the process improve efficiencies (Berger, Cunningham, & Drumwright, 2004). CRMs provide one of the best opportunities for social alliances to form, as businesses have trended toward this type of partnership recently and nonprofits will continue to need to maintain a diversification of revenue streams for stability in funding. This places a high level of importance on the comprehension of how CRMs impact a consumer's decision to purchase products, as success at this level of partnership could motivate the furthering of a partnership to the collaborative stage, in which social alliances form (Austin, 2000). Thus, if

a nonprofit organization is more aware of how to leverage their intangible assets in a CRM, they can improve partnership performance in the form of increased revenue for both partners, increasing the possibility of moving up the collaborative ladder with the for-profit partner.

The collaborative ladder is outlined by Austin to include three stages of cross sector relationships, (1) philanthropic, (2) transactional, and (3) collaborative (Austin, 2000). Nonprofits aspire to rise from philanthropic to the transactional stage primarily for financial incentives, as marketing budgets are much larger than community relations and include the added incentive of “free” promotion for their organization through the marketing promotion. As Samantha Conlan of Wildlife Conservation Society in New York City states, “The benefit is greater when the dollars come from the marketing side. When we get a \$200,000 gift, the donor might not want to hear about it again. But if it’s a \$200,000 sponsorship, they might put another \$200,000 into the marketplace for promotions, advertising and bringing other partners to the table” (IEG, 2004). Movement from transactional to collaborative stages occurs when “the partners’ missions, people, and activities begin to experience more collective action and organizational integration” (Austin, 2000).

Austin admits that the collaborative stage has been reached by very few nonprofits or companies, but those who have are gaining significant benefits (Austin, 2000). Thus, while the collaborative stage seems to be the ideal destination for a nonprofit, the process is iterative, requiring organizations to follow the sports axiom of “winning one game at a time” by initially focusing on successful donations and transactional partnerships. Additionally, as Austin discussed, very few nonprofits have reached the collaborative stage and consequently

most nonprofits will continue to engage in donation and transactional relationships with businesses as their primary interactions. Thus, understanding how consumers interpret partnerships in the transactional stage, e.g. CRMs, is valuable to nonprofits because this knowledge can help improve the implementation of these programs. With improved implementation of CRMs a nonprofit can better position their organization for a collaborative relationship.

Corporate Perspective

The growth of CRMs has led to numerous studies which examine the effect of partnerships on consumers' beliefs about partnered companies and their products (Irwin, Lachowetz, Cornwell, & Clark, 2003; Yechiam, Barron, Erev, & Erez, 2002; Madrigal, 2000; Barone et al., 2000; Berger, Cunningham, & Kozinets, 1999; Brown & Dacin, 1997; Ross, Patterson, & Stutts, 1992). Each of these studies examined the effect of partnerships in the minds of consumers, analyzing elements of the agreements and the benefits companies glean from them. The following section will discuss the results of these and other studies, describing their relevance to corporate and nonprofit concerns.

Beneficial to Business?

Research has shown that well-constructed CRM programs provide many benefits for businesses. For example, Yoplait's Save Lids to Save Lives campaign with the Susan G. Komen Foundation had the best response rate of any General Mills consumer promotion in 2004, even higher than those which offered direct benefits, e.g. prizes, to customers (IEG, 2004). General Mills believes the association is such a strong brand asset that they now plan

to use the cause's logo on lids year round (IEG, 2004). Research has also been cited showing that CRMs have increased the redemption rates of cents off coupons tied to charities (Irwin et al., 2003) and have helped improve attitudes toward partnered companies (Berger et al., 1999; Ross et al., 1992). CRMs have also been shown to improve attitudes about partnered companies' products (Yechiam et al., 2002; Berger et al., 1999) as well as positively impact beliefs and purchase intentions toward the partnered business (Irwin et al., 2003).

In addition to the consumer perspective, research on CRMs has been shown to benefit employee pride (Cone/Roper, 2002), improve sales force relations (Rigney & Steenhuisen, 1991), improve job attractiveness (Conlin et al., 2004), and help break through advertising clutter (Oldenburg, 1992). CRMs are also believed to help companies better meet public expectations, as the approach is viewed as more trustworthy and relevant to society (Duncan & Moriarty, 1997). As these studies demonstrate, CRMs can be powerful marketing tools that can positively impact a company's reputation, providing differentiation in the marketplace and a competitive advantage over companies in the same business category (Bronn & Vrioni, 2001).

Business Critical Perspective

While the benefits of CRM to business are widely cited, varying from employee retention to increased sales, the involvement of corporations with causes has its critics. One of the most influential critics, the economist Milton Friedman wrote in a 1970 New York Times Magazine article that the only "social responsibility of business" is to "increase its profits (Friedman, 1970)." Friedman wrote separately that any deviation from making, "as much money for their stockholders as possible" is a trend that could "undermine the very

foundation of our free society” (Friedman, 1962). In regards to philanthropy he stated, “If the corporation makes a contribution, it prevents the individual stockholder from himself deciding how he should dispose of his funds” (Freidman, 1962). Thus, Friedman contends that corporate philanthropy is not a proper use of corporate funds and any profits generated should be dispersed by individual stockholder choice, not the corporate executive decision. Interestingly, CRM is likely an acceptable use of corporate funds from Friedman’s perspective, as CRM expenditures are typically viewed as a marketing tactic and funds for these promotions are allocated from marketing budgets (Conlin et al., 2003; Andreasen, 1996).

Nonprofit Perspective

As previously mentioned, nonprofit organizations are increasingly being called on to provide charitable services while concurrently adjusting to changes in funding and increased competition from a growing number of competing nonprofits. These factors have prompted many nonprofit organizations to examine their revenue platform and investigate the possible benefits of innovative corporate partnerships. The following sections describe the potential benefits and costs often discovered when a nonprofit investigates these relationships.

Beneficial to Nonprofits?

From a nonprofit organization perspective, corporate support through CSR activities is valuable if the nonprofit can leverage for-profit business’ ability to promote its cause to a wider audience (Henricks, 1991) and help reach a previously unsolicited donor base through a wider product distribution base. Other valued contributions include supplemental revenue

through CRM generated income, and improved stature and credibility with other funders, diversify revenue sources (Wagner & Thompson, 1994). Lastly, CRM programs can lead to non-cash benefits such as volunteers and board member recruitment (Picker, 2001; Wagner & Thompson, 1994), and provide a measurable positive third party effect for nonprofit partners in the form of consumers' increased likelihood to donate to the cause, post CRM exposure (Lichtenstein, Drumwright, & Braig, 2004).

In addition to the short term benefits of a CRM promotion, these partnerships can lead to longer term benefits of "cause branding," for which the purpose is to create a stronger association in consumers' and employees' minds between the brand and the cause (Burlingame, 2001). An example of this type of alliance is Timberland's long-term partnership with City Year, a youth service corps that works with disadvantaged urban youth (Lichtenstein et al., 2004). Davidson views these long-term extensions of CRMs as cause-brand alliances, whose objective is to form a deeper bond with the customer (Davidson, 1997). Evaluation of these relationships has shown attitudes toward both partners can be enhanced as a consequence of the alliance, contingent upon favorable consumer perception of the alliance (Lafferty et al., 2004). Interestingly this study also showed that while both organizations benefited in terms of a more positive assessment of the organizations following the CRM, it was the nonprofit partner who benefited to a greater extent than the company brand, as their favorability rating increased more than the company's brand (Lafferty et al., 2004).

Nonprofit Critical Perspective

While CRMs have proven beneficial on many levels, these agreements can also be controversial and have been criticized by organizations such as Breast Cancer Action in their Think Before You Pink campaign for hypocrisy, obscurity in advertising message, and for unstructured funding allocation by corporate partners (Breast Cancer Action, 2004; Alameda Times-Star, 2004). One of these assertions has been validated by research showing that regardless of educational background, consumers are likely to overestimate the amount they are donating by purchasing CRM products (Olsen, Pracejus, & Brown, 2003).

In addition to the potential negative public relations, the percentage of total giving that businesses provide gives nonprofits reason to proceed carefully when investigating CRMs. While the proven benefits of business partnerships can be valuable for charities, business donations still provide only a fraction of the total giving in the United States. For example, in 2003 private individuals accounted for 83.5% of giving in the U.S., while corporations contributed 5.6%, and foundations 10.9% (Giving USA, 2004). Compared to seven years earlier, these percentages have shifted only slightly, less than 1% for each category, but total private giving has grown from \$138.9 billion in 1996 (Salamon, 1999) to \$240.8 billion in 2003 (Giving USA, 2004).

An example is provided by the Susan G. Komen Foundation, an organization well known nationwide for CRM programs and which derived 43% of their 2002-2003 total revenue from corporate support in the form of sponsorships (Komen, 2004). The Susan G. Komen categorizes their 62 CRM programs which are promoted in the month of October as corporate contributions separate from Race for the Cure sponsorships. In 2002-2003 these CRMs contributed \$6.4 million, or 5% of total revenue (Komen, 2004). Therefore, while

CRM programs can be beneficial to nonprofits in both financial and non-financial terms, their priority in the hierarchy of fundraising should always match the percentage of donations derived from these agreements.

CHAPTER III

RESEARCH QUESTION

While CRM has been studied extensively in the academic literature and is now prompting seminars on how to best manage partnerships (Orange County AMA, 2004), many aspects of CRM programs remain unexplored (Irwin et al., 2003). Therefore, in a quest to add to the knowledge already possessed about CRM, the question addressed in this study is;

Do nonprofit brands behave in a similar manner as for-profit brands in terms of customer identification with the brand?

Identity and Identification

As previously noted in chapter one organizational identity and identification are still evolving concepts that stem from various academic disciplines and have been increasingly tested in areas such as marketing (Ravasi & Rekom, 2003). The outgrowth of the currently utilized theory can be linked back to the work of philosophers such as Socrates, Plato, and Aristotle, who asked questions about the individual and what defined us (Gioia, 1998). These philosophers provided a foundation for modern academics, including sociologists, social scientists, and psychologists, who worked through the early part of century to frame the concept of personal identity (Gioia, 1998). This work has helped better organize the concept

of identity, leading to Tajfel and Turner to conclude that identity is fundamentally a relational and comparative concept, generated from social interactions with our environment (Tajfel & Turner, 1985). They state that identity is connected most closely to social group self reference, perceived or real, which guides individual identification in social terms, primarily through relational and comparative group comparisons (Tajfel & Turner, 1985). For example, a teacher at a high school and whose students excel academically and who primarily continue on to college could find much of their identity in the comparisons with a school located close by, or one whose students excel at a similar rate.

Tajfel and Turner also point out that identity direction, positive or negative, is often framed by the comparison group one uses, with higher esteem generated by comparisons to groups who do not excel at similar rates of the comparison metrics used (Tajfel & Turner, 1985). The essential point from this body of research is that identity is what makes a person a person (Gioia, 1998). While theories and conversations about identity originally focused the individual, “Who am I?”, researchers have gradually evolved its use to include groups and organizations. The first corporate application is linked to the seminal articles of Albert and Whetten (1985) and Ashforth and Mael (1989). These authors described the importance of identity and identification in terms of how individuals in organizations perceive themselves as members of a group, organization, or the larger community (Ravasi & Rekom, 2003).

Identity and identification are unique but related concepts, with identity defined as what is central, distinctive, and enduring about an organization (Albert & Whetten, 1985) and identification defined as the extent to which members of an organization incorporate key organizational identities into their identity (Dutton et al., 1994). Albert & Whetten’s

reframing of identity recently underwent another evolution as scholars in marketing have started to utilize identity and identification as measurement of consumer motivation to purchase products (Bhattacharya & Sen 2003; Sen & Bhattacharya 2001). These authors theorize that individuals identify with organizations through common traits, or the perception of common traits, heightening their attractiveness and the sense of self-enhancement they receive from their association with the organization. (Ashforth 1998; Bhattacharya, Rao, & Glynn 1995; Elsbach 1998; Sen & Bhattacharya 2001).

Lichtenstein et al. article outlines a theory of self conceptualization through corporate identity, which relates to consumer-corporate identification, or the overlap between individuals self concept and his or her perception of the corporation (Dutton et al., 1994), This is important in CRM studies as research has shown that corporate social responsibility initiatives positively influence corporate identification of consumers, as consumers find additional points of overlap with their definitions of personal and corporate values (Sen & Bhattacharya, 2001). Lichtenstein's study analyzed the third party effect experienced by the nonprofit partner in terms of the consumer's likelihood to donate and how a positive identification with the for-profit partner increased the likelihood of donating to the nonprofit (Lichtenstein et al., 2004). Their study theorizes and provides support that, "corporate social responsibility induced consumer-corporate identification leads not only to customer support for the corporation but also to increased support for the nonprofits that the corporation supports" (Lichtenstein et al., 2004).

Nonprofit-Consumer Identification

While these findings are valuable from a nonprofit perspective, potentially increasing leverage when negotiating CRMs, their study does not acknowledge the direct nonprofit-consumer identification which may occur as a result of CRMs. Instead it analyzes consumer-corporate identification by a consumer, with the nonprofit partner as an ancillary piece which improves the consumer's perceived overlap of common traits with the nonprofit partner, as they attribute the nonprofit traits to the corporation (Lichtenstein et al., 2004). This method assumes consumers have stronger ties, or that more points of identity overlap, with corporations than they do with the corporation's partner, the nonprofit.

Intuitively the belief that corporations would have more points of identity overlap with consumers makes sense because corporations have greater exposure to individuals through mass media outlets, and with increased exposure consumers have been shown to engender positive affect toward the corporation they are exposed to (Zajonc, 1968). What this assumption does not account for are individuals with high nonprofit identification and whose loyalty to the nonprofit brand overrides other loyalties, e.g. the company brand. Thus, a consumer who either donates to or volunteers for a nonprofit may have more identity overlap with the nonprofit partner, so much that the affect transfer or "rub off" effect marketers seek with CRMs does not happen. This may be especially true with less well-established brands who partner with well-established nonprofit brands. For example, if American Cancer Society partnered with a pasta manufacturer for a CRM program it seems

logical that the primary association consumers would make would be with American Cancer Society. This phenomenon would seem to also be exacerbated in commodity type markets such as packaged consumer goods like pasta.

Branding Explained

The concept of branding is an often utilized term in marketing, thus before additional examination of the example of an individual highly identified with a nonprofit, it is important to have a conceptualization of branding and its application in the for-profit and nonprofit sectors. The term brand is the name and symbol that gives an identity to a product, service or company, positioning it in the consumers' eyes against competing products, services, and companies and is commonly used in a way to describe a company's image. Brands derive meaning from bits of information which are held in individual's minds and these bits are referred to as brand associations (Madrigal, Bee, & LaBarge, 2004). These bits of information can be both product and non-product related attributes and contribute to overall evaluation or attitude about the brand, commonly referred to as the brand's image (Keller, 1993). While brand image is the set of external associations, brand identity is internal set of associations a company intends to produce with its marketing activities (Aaker, 1996).

Brand Equity

It is through these activities that marketers of products and services attempt to create favorable images for their company and gain what is termed brand equity, which equals brand assets, e.g. customer awareness and loyalty, reputation for quality, market leadership, minus brand liabilities, e.g. environmental problems, lawsuits, product/service failures,

complaints. Brand equity is often discussed in business studies and mainstream media now uses it as a comparison measure for companies, leading to the introduction of a Business Week annual brand rankings, which ranked Coca-Cola as the most valuable brand in 2003 and 2004, valued at approximately \$667 billion (Business Week, 2004).

A positive valuation becomes important when consumers infer the quality of a product based on the brand equity the company possesses. This equity transfer in the consumer's mind occurs when the associations to the brand, the primary and secondary bits of information consumers possess (e.g. celebrity endorsers, country of origin, price, experience with product, etc.) help determine whether or not to purchase a product or service. It has been shown that when the motivation or ability to process brand information is low, consumers will increasingly base their purchase decision on the secondary bits of information, celebrity endorsers, country of origin, etc instead of primary bits of information, such as previous experiences with the product or service (Madrigal et al., 2004). This is especially applicable for goods that are easily substitutable, e.g. Pepsi vs. Coke, Albertson's vs. Safeway, as consumers' have less motivation to exert themselves cognitively due to the regularity of the purchase decision made, e.g. the weekly trip to the grocery store, and the limited financial expenditure each option requires, e.g. buying a cola for one dollar.

Nonprofit Branding

While nonprofit branding is currently not as mainstream as for-profit brand evaluation, the same principles can be applied to organizations in this sector and are now being utilized by some nationally recognized nonprofits to determine the value of their brand to help determine consistent pricing for sponsorships and gain power in negotiating alliances

with corporations (Quelch, Austin, & Laidler-Kylander, 2004). By finding a valuation of their name and logo, nonprofits are able to increase their expertise of their own value, in a form which is understandable by for-profit partners. Interbrand, a consulting company who produces the annual business brand rankings for Business Week magazine has used their valuation method, included in the appendix, to establish brand equities for some national nonprofit brands (Quelch et al., 2004). While not directly investigated in this study, the concept of nonprofit brand evaluation is an interesting one and could gain more traction if CSR initiatives continue to maintain their popularity and effectiveness for businesses.

Highly Identified Nonprofits

The importance of the nonprofit brand is also of concern when evaluating the reaction to a CRM by an individual with high nonprofit brand identification and whose loyalty to the nonprofit overrides other loyalties, e.g. a company's brand. Individuals fitting this description, especially younger volunteers who have yet to accumulate sufficient assets to donate to the nonprofit they identify with, are an extremely important target market for nonprofits to cultivate. As this segment of nonprofit supporters evolve in their relationship with the nonprofit they could be vulnerable to cognitive inconsistencies if the nonprofit they support partners with a company contrary to their beliefs. An example of this is an individual who observes a CRM partnership between their highly identified nonprofit and a company whose policies they disagree with.

Hypotheses Tested

The behavior of highly identified individuals when confronted with a CRM program between the nonprofit they support and a company X leads to many interesting questions about the mediating effect of identification on other behaviors. The first relationship examined investigated the association between tenure and identification. Previous organizational behavior research has found a positive correlation between organizational tenure and identification (Kreiner & Ashforth, 2004; Wan-Huggins, Riordan, & Griffeth, 1998; Schneider, Hall & Nygren, 1971). Based on these findings, this study assumed a similar relationship would exist in a nonprofit/donor-volunteer association. This belief is assumed because individuals are likely to remain as donors or volunteers with nonprofits they resonate with and over time become more psychologically identified with the nonprofit. Thus,

H1: Consumer nonprofit brand identification will be positively related to support of the nonprofit in the form of volunteering/donating tenure and frequency.

The following three hypotheses tested are related to nonprofit identification and the assumed impact on nonprofit support and purchase intent. Each investigated the connection between organizational identification and the intent of enhanced to support to the corporation and nonprofit.

H2: Consumer corporate brand identification will be positively related to purchase intent regarding products sold by the corporate partner.

H3: Consumer nonprofit brand identification will be positively related to intended purchase of products sold by the corporate partner.

H4: Consumer nonprofit brand identification will be positively related to planned support of the nonprofit partner in a CRM relationship.

The example of a highly identified nonprofit supporter confronted with a CRM partnership between the nonprofit and a company they do not support may cause them to adjust their opinion of one or both organizations. Conversely, it is assumed that if an individual finds several commonalities between a corporation and a nonprofit in a CRM program their opinion of the nonprofit will remain constant, but the corporate partner may be subject to an “up pull” effect. Measurement of an “up pull” effect is theorized to be exhibited by enhanced purchase intent and consistent nonprofit support. This leads to the following hypothesis,

H5: Nonprofit identification will be positively correlated with CRM purchase intent, but the increase in corporate support will exceed the additional support expressed towards the nonprofit.

Aspirational traits, traits which people aspire to be defined by, could be valuable for corporations engaged in CRMs because individuals who aspire to possess or be perceived as possessing certain traits can cognitively purchase or borrow those traits from a nonprofit for

a nominal fee, the price of a CRM product or service. By choosing a yogurt with a pink ribbon over a yogurt without one, a conscious choice is made by a consumer to support a cause through their purchase decision, potentially driven in part by their aspirational identity traits overlap with the nonprofit identity traits. Because as Aronson states, most individuals attempt to preserve a sense of self that is (1) predictable, consistent, and stable; (2) competent; and (3) morally good, it is assumed that nonprofit identification judged by aspirational traits will be a better predictor of purchase intent and future nonprofit support than the overall nonprofit identification measure which includes all traits (Aronson, 1992). Thus, keeping with Aronson's aspirational sense of self, it is theorized that seven traits, capable, expert, compassionate, fair, high quality, sincere, and sensitive, are better predictors of purchase intent and future nonprofit support. Stated more formally,

H6: Aspirational trait identification with the nonprofit brand will be positively related to purchase intent of products sold by the corporate partner, as well as planned support of the nonprofit partner.

Sen and Bhattacharya found that if consumers believe a significant tradeoff is made to operate in a socially responsible manner, then company sales will be hurt by CSR initiatives (Sen & Bhattacharya, 2001). They found this especially applicable when the company in question produces high quality products and customers do not believe CSR initiatives will enhance the company's ability to improve the product or service (Sen & Bhattacharya, 2001). This phenomenon may seem less relevant in a CRM relationship because the company is making a donation to a nonprofit, not necessarily altering corporate

business practices, but because a CRM program could be considered a proxy of all corporate social responsibility initiatives the same phenomenon may be present. Thus, consumer support of CRMs could be indicative of their approval of other corporate CSR initiatives.

H7: CSR views will be positively related to purchase intent of CRM goods.

Prior research has also demonstrated a linkage between organizational prestige and organizational identification (Cornwell & Coote, 2005; Bhattacharya et al., 1995) and as Cornwell and Coote state, “individuals are more likely to identify with a nonprofit when the organization is perceived to be prestigious.” Thus, to confirm this earlier research the following hypothesis is offered.

H8: Perceived nonprofit prestige as judged by the respondent is positively related to nonprofit identification.

CHAPTER IV

METHODOLOGY

Given the focus of the research question an individual level analysis was undertaken to examine the impact of identification with a nonprofit brand. To address the research question an online sampling procedure was initiated. The following section will discuss the population selected to test the hypotheses, the method of data collection, the study design, and the appropriateness of the measures used.

Sample Population

The sample population consisted of graduate students from two departments at a large public university in the Pacific Northwest region of the U.S. This sample population was selected because as explained earlier, a younger sample population is more likely to have had interaction with nonprofits, thus it could be assumed they have a more defined identity of the nonprofits they have been in contact with. Conversely, because an older sample population would have an opportunity to become more tenured with the nonprofit they support, a slightly older sample may provide the ideal group to survey. Fortunately, the sample population provides both of these benefits. First, graduate students are on average older than undergraduate students, as the median age of graduate students at this public university is 28.5 versus 21.2 for undergraduate students (University Registrar, 2005). Second, they are younger in comparison to the average U.S. citizen age of 36.2 (U.S. Census,

2005). In addition, graduate students were selected for parsimony reasons, as they are more easily accessible to survey than undergraduate students.

In addition, because the survey population is on average older than undergraduates, they have had a longer period of time to crystallize their own identities. This means graduate students are likely to be more certain of the traits defining them, as most students are certain of their career path and professional aspirations, especially in graduate programs surveyed, which have more tightly confined career paths than other graduate programs. Besides a more defined personal identity, graduate students typically have more defined identities of nonprofit organizations, as those who attend college are often subject to community service obligations associated with high school graduation requirements, college application requirements, and once on campus the presence of service learning pressures (Randall, 2004; Young, 2003). Given these factors, graduate students provide an ideal population to test the hypotheses described earlier.

Data Collection

The survey instruments were created using Websurveyor software and published on a secure server for online access. Graduate students from the two campus departments received an online survey on February 28, 2005 consisting of 19 questions and were asked to complete the survey in 10 days. Students selected received one follow up e-mail if the survey was not returned in within 7 days, with text requesting they complete the survey in the coming days. To motivate responses a \$50 Bookstore gift certificate was offered to a randomly drawn graduate student. The introduction e-mail text, follow e-mail text, survey questions, and frequency counts of the survey are included in the appendix. Of the 223

graduate students e-mailed the survey link, 113 clicked on the link and completed the survey, yielding a 50.67% response rate. Of the 113 responses, one was unusable due to omitted responses, leaving 112 for analysis.

Fifty-three percent of the respondents were female; 43% from the business school, 40% from the planning, public policy, and management department, and 17% choosing to remain unidentified by department. The average age was 29.31 years ($SD=5.97$) and 86% of respondents indicated they are residents of the Eugene, Oregon, with the remaining indicating residence in close regional proximity to Eugene. To ensure that no statistically significant differences existed between the full population of graduate students in the two departments and the sample multiple single sample t tests were conducted.

The first single sample t test compared the mean graduate department score of the sample, 1.48 ($SD=.50$) to the population value of 1.49. The difference was not significant ($t(92) = -.118, p > .05$). A second single sample t test compared the mean gender score of the sample, 1.53 ($SD=.50$) to the population value of 1.45. The difference was not significant ($t(112) = 1.62, p > .05$). A final single sample t test compared the mean age of the sample, 29.31 ($SD=5.98$) to the population value of 28.5. The difference was not significant ($t(111) = 1.44, p > .05$). For the final test, mean age of the sample, the average age for all graduate students at the university was used, as data on the mean age for each department was unavailable. A full copy of the survey results for the respondents are provided in the appendix, further demonstrating the representative nature of the sample in respect to the full population of graduate students.

Study Design

To effectively measure respondents' identification with a nonprofit they selected, the survey utilized two tactics to elicit a concrete identity. First, the nonprofit measured for identification was self-selected based on respondents' interaction with the nonprofit as a donor, volunteer, passive observer, or consumer. To ensure the options available were well known to respondents, a criterion was established which took into account national image, financial capacity, and spatial characteristics when selecting nonprofits. These criteria helped objectively identify nonprofit organizations likely to have both the capacity and media presence to have established themselves perceptually in respondent's minds. Because much of the nonprofit sector operates locally or regionally, the option of selecting a nonprofit not included on the list was also given to respondents. This option was included because many nonprofits do not have the capacity to operate beyond their local territory, have members who are local or regional, or were chartered to address issues that are regional in nature, e.g. a local river preservation group. This process allowed each respondent to more easily describe their feelings about the nonprofit selected in Q2 or Q5, as their familiarity with the nonprofit brand was likely already established.

Nonprofit Selection Protocol

Using www.guidestar.org as a search platform, operating nonprofits, not foundations, were identified in Washington D.C., Illinois, New York, Texas, California, Oregon, Washington, and Idaho. These locations were selected because of their regional association to Eugene, Oregon, (Oregon, Washington, and Idaho), and because these states contain many of the largest cities in the country, (New York City, Los Angeles, Dallas,

Houston, Chicago, etc.), as well as the U.S. capitol. The later two reasons were incorporated as access to political representatives and major population centers are both factors which impact location of national nonprofit headquarters. Exempted from the search were foundations, e.g. United Way and Susan G. Komen Foundation, as well as religious organizations and universities. These organizations were originally considered, but pulled from the selection set due to issues related to the length of survey and a desire to focus the study on one class of the nonprofit sector; organizations providing direct charitable services to constituents. Once nonprofit organizations were identified in these states they were further segmented based on annual revenue, with organizations with over \$20 million in annual revenue advancing to the next consideration set. The final selection criterion was national image presence, measured by two outside reviewers who helped narrow the final consideration set through an assessment of the organization's national public reach. These lists were compared and differences were reconciled, leading to the final 20 organizations appearing in the survey. Interestingly, only Portland's Mercy Corps is from the Oregon, Idaho, and Washington region, as it was the lone nonprofit identified from this region with a national public reputation and significant financial capacity.

For-profit Selection Protocol

Similar to the selection of nonprofits, selection of for-profit companies was based on the likelihood of respondents being able to provide a concrete identity of the company. Thus, a category of companies was selected which respondents were likely to have regular interaction with, a staple good available in grocery and convenience stores, cola/juice. This product category was also selected because choosing a soda/juice typically requires low

cognitive elaboration as it is a low priced good. Thus, as described earlier in the branding explanation section, consumers are less motivated to exert themselves mentally and consequently may more often base their decisions on the secondary bits of information which make up the companies' brand image. Conversely, it could be stated because graduate students are generally not earning a high income they will base their decisions on more primary bits of information, such as price. To address this mediating factor a question was added to the survey asking respondents to rank the importance of factors which guide their soda purchase decision. Options included the variables which typically impact product choice, availability, corporate responsibility, frequency of promotions, price, product quality, taste, and quality of promotions. A question was also included which measured the frequency of product purchase, another potential mediating factor which could impact purchase intent of soda and juice products.

Identification Measure

To measure nonprofit identification, corporate identification, and nonprofit corporate fit a modified version of the methodology utilized in the work of Sen & Bhattacharya (2001) and Lichtenstein et al. (2004) was employed. Adopted by Sen and Bhattacharya from person-organization fit research (Kristof, 1996), the measure was calculated as the distance between respondent's perceived character profile of the nonprofit and themselves (NP Identification), the company and themselves (Corporate Identification), and the company and the nonprofit (NP Fit). The personality traits selected for the survey, see the appendix, were adjusted based on a pretest to fit the online survey method and population tested. The identification measure focused on the personality component of

character, as respondents indicated their opinion of each character trait for the nonprofit selected, themselves, and the soda/juice brand. A Likert type response scale was used, 1=Strongly Disagree to 5=Strongly Agree, and respondents indicated the extent they believed each of the 19 traits assessed applied to each entity. A secondary measure of nonprofit identification was included and was adopted from previous studies on organizational identification (Cornwell & Coote, 2004; Bhattacharya et al., 1995; Mael & Ashforth, 1992). Table 4.1 shows the secondary measure of identification used for this study.

Table 4.1
Secondary Identification Measure

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
9) Please select the statement which best fits your feelings about THE NONPROFIT selected in questions 3 or 6:					
• When someone criticizes the nonprofit selected it feels like a personal insult.					
• I am very interested in what others think about the nonprofit.					
• When I talk about the nonprofit, I usually say "we" rather than "they".					
• The successes of the nonprofit are my successes.					
• If a story in the media criticized the nonprofit, I would feel embarrassed/angered.					
• When someone praises the nonprofit, it feels like a personal compliment.					

Other Measures

Commitment to the nonprofit selected in the survey was measured through Q1, Q2, Q4, and Q5, which asked respondents the level of their philanthropic and volunteer activity over the past five years with the nonprofit. The response scale for Q1 and Q2 ranged from 0=none at all to 4=regular volunteering or donating. Questions four and five further elaborated on the endurance of the nonprofit/donor-volunteer relationship and measured

the number of years involved with the nonprofit and the frequency of their interactions on a monthly basis, measured by hours volunteered per week. The organizational prestige measure was adopted from previous research (Cornwell & Coote, 2005; Bhattacharya et al., 1995; Mael & Ashforth, 1992). Question eight addressed this measure and table 4.2 shows the specific wording and response options.

Table 4.2
Organizational Prestige Measure

	1	2	3	4	5
9) Please select the statement which best fits your feelings about THE NONPROFIT selected in questions 3 or 6:	The organization is first class in comparison to other nonprofits	The organization is well thought of in the local community	The organization is comparable to other nonprofits	The organization is not quite as important as other nonprofits	The organization is not first class in comparison to other nonprofits

The measure of respondent's corporate social responsibility viewpoint was adopted from prior research by Sen & Bhattacharya (2001). Question 17 measured respondents' beliefs about the trade-offs, or lack of trade-offs, a company makes between corporate social responsibility and the company's ability to deliver and produce their product at the highest level of quality. The final measures serve as dependent measures, purchase intent and future nonprofit support, Q15 and Q16, which are shown in table 4.3. Question 15 was left ambiguous in terms of the type of donation made, as previous studies have found high levels of consumer misinterpretation when attempting to calculate the amount of a CRM donation (Olsen et al., 2003). In attempt to blunt misinterpretation a more inclusive wording was used to describe the CRM donation amount, as it was assumed this would capture the more general motivations of respondents, versus their response to specific giving methods.

Table 4.3
CRM Support

	1	2	3	4	5
15) If the NONPROFIT and the PRODUCT you selected earlier were to partner for a promotion and A PERCENTAGE OF EVERY PURCHASE was donated to the nonprofit, how would it affect your likelihood to purchase the product?	Much more likely to purchase the product	More likely to purchase the product	No change in behavior	Less likely to purchase the product	Much less likely to purchase the product
How would it affect your support of the nonprofit partner?	Much more likely to volunteer or donate	More likely to volunteer or donate	No change in behavior	Less likely to volunteer or donate	Much less likely to volunteer or donate

Data Analysis

As previously discussed the variables were selected based their ability to serve as measures to address the hypotheses tested in this study. To demonstrate the sectional nature of the data, frequency counts of responses are organized in the appendix based on their grouping. The first section includes question one and two, which measure philanthropic and volunteer activity of respondents over the past five years. Also included in the first section are questions four and five, measuring the length and frequency of involvement for those who have supported a nonprofit organization in the past five years. Combined, these measures provide a picture of a respondent's relationship with the nonprofit selected in the survey.

Section two is comprised of nonprofit supported by the respondent, or if respondents do not actively support a nonprofit, the organization they would be most likely to support. These measures were captured by questions three and six. Section three is made

of measures which attempt to measure identification with the nonprofit, self, and the corporation. Question seven measured nonprofit identity, question nine measured nonprofit identification using an alternative method, question ten measured personal identity characterization, and question twelve measured corporate identity. Section four measures perceived organizational prestige of the nonprofit, captured by question eight. Section five includes questions eleven through fourteen and measures juice or soda preferences, as well as factors impacting purchase decisions and frequency of juice or soda acquisition. Section six serves as the dependent variable for much of the analysis in this study, measuring the proposed CRM impact on purchase intent and additional nonprofit support. Socially responsible business views are measured by survey question seventeen and assessed the support of socially responsible business practices by respondents. Responses are shown in section seven. Finally, section eight shows demographic information, including gender, zip code, and university department for respondents.

For analysis purposes some data computation was necessary. First, nonprofit identification measure 1 index was created by computing the difference between the personal identity characterization, question 10, and nonprofit identity, questions 7. If negative, the difference score was made positive and once all scores were positive, each one was recoded. Scores were recoded so that the most identified answer for each trait was four and the least identified was zero. Finally, each personality trait difference was summed and the summed score was divided by the number of traits measured, nineteen, to reach the final nonprofit identification measure 1. This same procedure was followed to create the

nonprofit/corporation fit index, the difference between nonprofit identity, question 7, and corporate identity, question 12, and the corporation identification index, the difference between personal identity and corporate identity.

Second, the support index was created by summing questions one, two, four, and five and dividing by four. These four questions were used for this index because volunteer and philanthropic activity, coupled with years tenured as a supporter and time committed on a regular basis, are good measures of the overall organizational commitment respondents have to the nonprofit. Including a support index for just questions one and two or four and five was considered, but internal consistency results were not adequate for either index. Weighting considerations were also taken, as with the procedure used places additional influence on questions four and five, as the scale reaches a higher number. This additional influence was warranted because questions four and five were deemed to be more precise measures of organizational involvement, thus the larger range is tolerable. For reference, the questions used for the support index are shown in table 4.4.

Table 4.4
Support Index Questions

	1	2	3	4	5
1) Describe the extent of your philanthropic activity, (giving money), over the past 5 years?	None at all	I have made one donation to a nonprofit	I have made several donations to a nonprofit	I regularly make donations to a nonprofit	
2) Describe the extent of your volunteer activity, (giving time), over the past 5 years?	None at all	I have volunteered once for a nonprofit	I have volunteered several times for a nonprofit	I volunteer regularly for a nonprofit	
4) If yes, how many years have you been involved with the organization?	Less than 1 year	1-3 years	4-6 years	7-9 years	Over 9 years
5) If yes, how many hours per month have you spent volunteering for the organization in the past year?	Less than 5 hours	6-10 hours	11-15 hours	16-20 hours	Over 20 hours

Third, a CSR viewpoint index was created by taking the responses from the six segments of question seventeen and averaging them to create one index. Data was recoded for the first five parts of the CSR viewpoint question, while the last remained consistent with the survey data. Table 4.5 shows the questions used to compute CSR viewpoint.

Table 4.5
CSR Viewpoint Questions

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
17) Please respond to each statement below by rating your level of agreement varying from strongly agree to strongly disagree					
•	Socially responsible behavior detracts from companies' ability to provide the best possible products				
•	Socially responsible behavior by firms is often a cover-up for inferior product offerings				
•	Socially responsible firms produce worse products than do firms that do not worry about social responsibility				
•	All else equal, a socially responsible firm is likely to have lower technological expertise than a firm that is not socially responsible				
•	Firms that devote resources towards socially responsible actions have fewer resources available for increasing employee effectiveness				
•	A company can be both socially responsible and manufacture products of high value				

Fourth, to measure the comparison between aspirational traits influence on CRM purchase intent and CRM nonprofit support seven traits were selected to indexes for nonprofit identification, corporate identification, and nonprofit/corporation fit. Seven traits; capable, expert, compassionate, fair, high quality, sincere, and sensitive, were selected and the process followed the same procedure as used to create the other indexes. Lastly, some data required recoding to ease the understandability of the data during the analysis and presentation process. Thus, CSR views, support index, organizational prestige, purchase intent, and NP support intent were recoded so all variables used in the regression models were consistent in their direction.

CHAPTER 5

FINDINGS

Means, standard deviations (S.D.), and correlations (Pearson Correlation Coefficient) are presented in table 5.1. These measures were tested for reliability with Cronbach's Alpha, a measure of internal consistency. NP Identification 1 scale has an alpha of .84 and NP Identification 2 scale has an alpha of .79, comparable to Cornwell's et al. (2005) report of .82 for cancer race participants, Ashforth's (1990) report of .83 for a sample of managers, and Mael's (1988) .81 for a sample of employed business and psychology students (Mael & Ashforth, 1992). Other internal consistency scores measured include corporate identification with an alpha of .81, nonprofit/corporate fit with a .82, CSR views with a .86, and support index with a .41.

Table 5.1 demonstrates a strong correlation between Nonprofit/Corporate Fit and Corporate Identification ($r(96) = .99, p < .01$), indicating a significant linear relationship between the two variables. Thus, the higher identified respondents were with the corporation, the more they tended to have higher nonprofit/corporate fit. Thus, individuals who had larger differences between their identity characterization and the corporation's were also likely to have larger differences between their characterization of the nonprofit when compared to the corporation. An example of how this would apply is a donor who views a corporation as completely opposite from the nonprofit in terms of personality, while also viewing themselves as more similar to the nonprofit than the corporation. This point

demonstrates the value nonprofits can bring to CRM programs, as individuals find a greater overlap in identity, or see more of themselves in the nonprofit than they do in the a corporation. This finding also implies an individuals' opinion of corporate fit depends primarily on corporate identity perceptions, as the nonprofit identity is more likely to be close to an individuals own identity. Thus, if fit is important to the success of the promotion, leveraging the nonprofit identity in a CRM promotion can help bridge the gap between consumer identity and corporate identity.

Table 5-1.
Means, SD, and Correlations for Model Variables

	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9
1) CRM Purchase Intent	3.97	.76	1.00								
2) CRM NP Support Intent	3.18	.64	.26**	1.00							
3) NP Identification 1	3.33	.39	.09	-.14	1.00						
4) NP Identification 2	3.04	.79	.29**	.12	.09	1.00					
5) Organizational Prestige	4.21	.78	.13	-.02	-.06	-.02	1.00				
6) CSR Views	3.87	.45	.17	-.11	.26**	-.03	.02	1.00			
7) Corporate Identification	2.94	.39	-.01	.20*	.09	-.02	-.24*	-.03	1.00		
8) NP-C Fit	2.94	.40	.01	.20*	.09	-.02	-.24*	-.03	.99**	1.00	
9) Support Index	2.50	.64	.09	-.05	-.07	.35**	-.09	-.24*	.08	.10	1.00

** Correlation is significant at the .01 level (2-tailed)

* Correlation is significant at the .05 level (2-tailed)

Additional points of interests include a moderate positive correlation found ($r(108) = .29, p < .01$), between Nonprofit Identification Measure 2 and CRM Purchase Intent and a moderate positive correlation ($r(95) = .35, p < .01$), between Support Index and Nonprofit Identification Measure 2. This indicates a significant linear relationship between

the two variables, meaning more identified individuals tend to provide more support to CRM programs and to support the nonprofit more in general. Statistically significant weak positive correlations also existed between CRM Nonprofit Support Intent and CRM Purchase Intent, CRM Nonprofit Support Intent and Corporate Identification, Nonprofit-Corporate Fit and CRM Nonprofit Support Intent, and CSR Views and Nonprofit Identification Measure 1. Statistically significant weak negative correlations existed between Support Index and CSR Views, Organizational Prestige and Corporate Identification, and Organizational Prestige and Nonprofit-Corporate Fit.

Regression Models

A series of regression models tested the hypotheses proposed in chapter four. Each of these models includes two control variables, dichotomous variables gender and location of the nonprofit supported, local or non-local. These two dummy variables were included because previous research in organizational behavior has found that personal factors may impact organizational identification (Wan-Huggins et al., 1998) including such variables as tenure, job level, gender, and race. Campus department was also considered as a control variable, but was excluded as it was not significant statistically in any of the regression models and previous research did not cite its importance.

Models one and two test the effect of identification on support of the nonprofit partner in a CRM program, which is measured by the amount of volunteering/donating and the frequency and tenure of these activities. The results are shown in table 5.2 and 5.3. It should be noted that two separate regression models were used in tests unless noted otherwise. This allowed both methods of evaluating nonprofit identification to be tested and

compared. Two methods were used in the survey in accordance with two separate lines of research Cornwell & Coote, 2005; Bhattacharya et al., 1995; Mael & Ashforth, 1992 and Lichtenstein et al., 2004; Sen and Bhattacharya, 2001.

Table 5.2
Least Squares Regression Model 1 Testing for Hypothesis 1

Dependent Variable: Support Index

R = .534 R² = .285 Adjusted R² = .211

F = 3.835 Significance = .001 N=85

Independent Variables	Coefficients		Standardized Coefficients		Signif.
	B	Std. Error	Beta	T	
(Constant)	4.216	1.048		4.022	.000
NP Identification 1	-.115	.162	-.074	-.711	.479
Female	.357	.135	.279	2.649	.010*
Local Nonprofit	.339	.127	.261	2.666	.009**
NP-C Fit	2.325	1.478	1.510	1.573	.120
Corporate Identification	-2.328	1.496	-1.493	-1.556	.124
Organizational Prestige	-.140	.081	-.180	-1.720	.090
CSR Views	-.414	.155	-.286	-2.680	.009**
Age	.019	.010	.193	1.946	.055

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Table 5.3
Least Squares Regression Model 2 Testing for Hypothesis 1

Dependent Variable: Support Index

R = .570 R² = .325 Adjusted R² = .253

F = 4.515 Significance = .000 N=83

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	3.162	.982		3.219	.002
NP Identification 2	.189	.084	.235	2.256	.027*
Female	.316	.134	.245	2.351	.021*
Local Nonprofit	.225	.134	.173	1.675	.098
NP-C Fit	1.940	1.488	1.234	1.304	.196
Corporate Identification	-1.925	1.501	-1.215	-1.283	.204
Organizational Prestige	-.135	.080	-.172	-1.684	.096
CSR Views	-.404	.148	-.280	-2.730	.008**
Age	.020	.009	.204	2.118	.037*

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Nonprofit Identification and Support

H1: Consumer nonprofit brand identification will be positively related to support of the nonprofit in the form of volunteering/donating tenure and frequency.

The regression model shown in table 5.2 did not support H1, but the regression model shown in table 5.3 did support H1. A significant regression equation was found ($F(8,75) = 4.515, p < .001$), with a R² of .325. This shows that nonprofit identification was a significant predictor of prior nonprofit support. In addition to nonprofit identification other variables proved significant as female gender, age, and local nonprofit all had strong positive relationships with the support index while CSR views had a strong negative relationship.

This last result was surprising, as it indicates the more favorable of corporate social

reasonability in business practices; the more apt respondents were to have prior nonprofit support. This provides evidence that nonprofit service does not necessarily equal a favorable viewpoint on socially responsible business practices. Gender was also considered in these regression models and the results show female gender is a strong predictor of nonprofit support, as females have a much higher propensity to serve more than males. Age followed a similar pattern, as being older was a good predictor of a longer tenured or more active volunteer or donor with the nonprofit they support. The final significant result was a strong positive relationship between local proximity and support. This is an intuitive result, as more tenured or more frequent volunteers are likely to be based close to the nonprofit and locally based volunteers are more likely to be longer tenured and more frequent in their support. Another relationship which was not significant, but worth discussing was organizational prestige, which was moderately negatively related to support in both models, meaning the less prestigious respondents viewed the organization, the more support they provided. This result is counterintuitive and could stem from some methodological differences with previous studies which are discussed in the final chapter.

Table 5.4
Least Squares Regression Model 1 Testing for Hypothesis 2 and 3

Dependent Variable: CRM Purchase Intent

R = .294 R² = .086 Adjusted R² = -.023
F = .788 Significance = .628 N=84

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	2.256	1.425		1.583	.118
NP Identification 1	.216	.201	.129	1.077	.285
Female	.170	.174	.122	.975	.333
Local Nonprofit	.081	.165	.058	.492	.624
Support Index	.029	.141	.027	.204	.839
NP-C Fit	.510	1.856	.307	.275	.784
Corporate Identification	-.452	1.878	-.269	-.241	.810
Organizational Prestige	.125	.103	.148	1.214	.228
CSR Views	-.083	.200	-.053	-.414	.680
Age	.018	.012	.167	1.433	.156

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Table 5.5
Least Squares Regression Model 2 Testing for Hypothesis 2 and 3

Dependent Variable: CRM Purchase Intent

R = .422 R² = .178 Adjusted R² = .077
F = 1.760 Significance = .091 N=82

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	2.189	1.252		1.748	.085
NP Identification 2	.315	.103	.366	3.047	.003**
Female	.125	.167	.091	.751	.455
Local Nonprofit	-.076	.164	-.054	-.465	.644
Support Index	-.080	.138	-.075	-.580	.564
NP-C Fit	-.291	1.797	-.173	-.162	.872
Corporate Identification	.324	1.812	.191	.179	.859
Organizational Prestige	.114	.098	.135	1.161	.249
CSR Views	-.021	.186	-.013	-.112	.911
Age	.019	.012	.183	1.650	.103

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

CRM Purchase Intent

H2: Consumer corporate brand identification will be positively related to purchase intent in regards to products sold by the corporate partner.

H3: Consumer nonprofit brand identification will be positively related to purchase intent in regards to products sold by the corporate partner.

Multiple linear regressions were calculated predicting respondent's CRM purchase intent based on the independent variables included in table 5.4 and 5.5. Neither regression equation was significant ($F(9,75) = .788, p > .05$) and ($F(9,73) = 1.760, p > .05$). Thus, H2 was not supported as a significant linear relationship could not be established with the regression models tested. Although the regression equation was not significant, H3 was given partial support in the regression model and further tests on the relationship between nonprofit identification and CRM purchase intent provide evidence justifying support of the hypothesis. The discussion of H5 provides additional commentary on this relationship.

Table 5.6
Least Squares Regression Model 1 Testing for Hypothesis 4

Dependent Variable: CRM Nonprofit Support Intent
 R = .514 R² = .265 Adjusted R² = .176
 F = 3.000 Significance = .004 N=84

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	3.610	1.292		2.793	.007
NP Identification 1	-.165	.182	-.097	-.905	.368
Female	.240	.158	.171	1.516	.134
Local Nonprofit	.194	.149	.136	1.296	.199
Support Index	-.303	.128	-.277	-2.371	.020*
NP-C Fit	.643	1.683	.383	.382	.704
Corporate Identification	-.255	1.703	-.150	-.150	.882
Organizational Prestige	-.031	.093	-.037	-.335	.739
CSR Views	-.385	.181	-.242	-2.121	.037*
Age	.040	.011	.371	3.547	.001**

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Table 5.7
Least Squares Regression Model 2 Testing for Hypothesis 4

Dependent Variable: CRM Nonprofit Support Intent
 R = .524 R² = .275 Adjusted R² = .185
 F = 3.070 Significance = .004 N=82

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	2.799	1.205		2.323	.023
NP Identification 2	.133	.100	.151	1.338	.185
Female	.213	.160	.150	1.329	.188
Local Nonprofit	.119	.157	.083	.755	.452
Support Index	-.342	.133	-.311	-2.573	.012*
NP-C Fit	.242	1.730	.141	.140	.889
Corporate Identification	.149	1.744	.086	.086	.932
Organizational Prestige	-.027	.094	-.032	-.291	.772
CSR Views	-.414	.179	-.261	-2.317	.023*
Age	.042	.011	.392	3.766	.000**

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Nonprofit CRM Support Intent

H4: Consumer nonprofit brand identification will be positively related to planned support of the nonprofit partner in a CRM relationship.

Although two significant regression equations were found ($F(9,75) = 3.000, p < .01$), with a R^2 of .265 and ($F(9,73) = 3.070, p < .01$), with a R^2 of .275, H4 was not supported as no significant linear relationship existed between nonprofit identification and CRM nonprofit support intent. While the H4 was not supported, some results did emerge from the regression models used. First, aging is a strong predictor of additional support to the nonprofit engaged in CRM, as age had a negative strong positive relationship with CRM nonprofit support intent. Second, a strong negative relationship exists between those do not believe companies make a tradeoff when making social responsible business decisions and additional support to the nonprofit engaged in a CRM program. This relationship mirrors the results of tables 5.2 and 5.3, showing corporate social responsibility beliefs do not positively correlate with nonprofit support. Third, a strong negative relationship was shown to exist between prior nonprofit support and additional support towards the nonprofit if engaged in a CRM program. This result indicates that already committed volunteers or donors, evidenced by their higher support index scores, may reach an upper limit of available support and can not give any more time or money. Another possible explanation is current donors may not be swayed in their support by a CRM program, in fact those who are more supported may be put off by a CRM program, causing them to diminish their support of the nonprofit as a result.

Table 5.8
Least Squares Regression Model 1 Testing for Hypothesis 5

Dependent Variable: CRM Purchase Intent

R = .136 R² = .019 Adjusted R² = -.011

F = .629 Significance = .598 N=103

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	3.477	.592		5.878	.000
NP Identification 1	.141	.178	.079	.792	.430
Local Nonprofit	.100	.141	.070	.707	.481
Female	.104	.139	.075	.750	.455

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Table 5.9
Least Squares Regression Model 2 Testing for Hypothesis 5

Dependent Variable: CRM Nonprofit Support Intent

R = .182 R² = .033 Adjusted R² = .004

F = 1.146 Significance = .334 N=103

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	3.944	.553		7.137	.000
NP Identification 1	-.253	.166	-.151	-1.519	.132
Local Nonprofit	.149	.132	.111	1.124	.264
Female	.066	.130	.051	.511	.611

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Table 5.10
Least Squares Regression Model 3 Testing for Hypothesis 5

Dependent Variable: CRM Purchase Intent

R = .305 R² = .093 Adjusted R² = .067
F = 3.563 Significance = .017 N=107

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	3.091	.289		10.680	.000
NP Identification 2	.311	.096	.325	3.250	.002**
Local Nonprofit	-.143	.154	-.093	-.926	.357
Female	.003	.142	.002	.020	.984

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Table 5.11
Least Squares Regression Model 4 Testing for Hypothesis 5

Dependent Variable: CRM Nonprofit Support Intent

R = .131 R² = .017 Adjusted R² = -.011
F = .613 Significance = .608 N=108

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	2.892	.254		11.405	.000
NP Identification 2	.084	.084	.104	1.000	.320
Local Nonprofit	.066	.135	.051	.489	.626
Female	.018	.124	.014	.146	.884

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Support Comparison

H5: Nonprofit identification will be positively correlated with CRM purchase intent, but the increase in corporate support will exceed the additional support expressed towards the nonprofit.

A significant regression equation was found ($F(3,104) = 3.563, p < .05$), with an R^2 of .093. Thus, H5 was supported, as a significant positive relationship between nonprofit identification and CRM purchase intent is evidenced by table 5.10. Nonprofit identification measure 2 was a significant predictor of CRM purchase intent. Part two of H5, that corporate support will exceed additional support towards the nonprofit was tested with a paired sample t test. The mean score for CRM purchase intent was 3.97 ($SD=.76$) and the mean score for CRM nonprofit support intent was 3.18 ($SD=.64$). A significant difference between the two measures of support was found ($t(110) = 9.671, p < .001$). This provides evidence supporting part two of H5, as intent for additional support to the business through a CRM purchase outweighed the intent for additional support to the nonprofit. Additionally, while nonprofit identification was significantly related to CRM purchase intent, nonprofit identification was not related to CRM nonprofit support intent in any of the regression models tested.

While this finding is significant, some of this effect could be explained by donations the nonprofit would receive from the CRM program. Therefore, because a donor or volunteer may feel they are already providing additional support to the nonprofit through purchasing a CRM product, this implied donation may nullify any motivation for additional support to the nonprofit. Because the survey sample contained a high percentage of nonprofit volunteers or donors, 93% of respondents, much of those sampled could find themselves in such a position.

Table 5.12
Least Squares Regression Model 1 Testing for Hypothesis 6

Dependent Variable: CRM Purchase Intent

R = .268 R² = .072 Adjusted R² = -.024

F = .747 Significance = .650 N=85

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	2.820	1.313		2.147	.035
Aspirational NP Identification	.075	.168	.052	.447	.656
Female	.213	.173	.152	1.232	.222
Local Nonprofit	.055	.166	.039	.331	.741
Support Index	.031	.135	.028	.226	.822
Aspirational Corporate Identification	.021	.151	.016	.136	.892
Organizational Prestige	.114	.099	.134	1.150	.254
CSR Views	-.057	.209	-.035	-.272	.786
Age	.015	.012	.141	1.238	.220

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Table 5.13
Least Squares Regression Model 2 Testing for Hypothesis 6

Dependent Variable: CRM Nonprofit Support Intent

R = .512 R² = .262 Adjusted R² = .186

F = 3.421 Significance = .002 N=85

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	3.727	1.168		3.189	.002
Aspirational NP Identification	-.210	.150	-.147	-1.407	.164
Female	.223	.154	.160	1.453	.150
Local Nonprofit	.177	.148	.126	1.198	.235
Support Index	-.266	.121	-.248	-2.210	.030*
Aspirational Corporate Identification	.306	.135	.234	2.275	.026*
Organizational Prestige	-.024	.088	-.028	-.273	.785
CSR Views	-.322	.186	-.198	-1.733	.087
Age	.037	.011	.343	3.375	.001**

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Aspirational Identification

H6: Aspirational trait identification with the nonprofit brand will be positively related to purchase intent of products sold by the corporate partner, as well as planned support of the nonprofit partner.

Table 5.12 does not show a significant linear relationship, ($F(8,77) = .747, p > .05$), and while table 5.13 does show a significant regression equation, ($F(8,77) = 3.421, p < .001$), with a R^2 of .262, H6 is not supported. Table 5.13 does demonstrate again that aging is a good predictor of additional support to the nonprofit engaged in CRM, as a strong positive relationship exists. This keeps with previous regression models show in tables 5.6 and 5.7, which show a similar relationship. Also consistent with previous regression models, see tables 5.6 and 5.7, table 5.13 shows a strong negative relationship between support index and CRM nonprofit support intent. A new result is a strong positive relationship between aspirational corporate identification and CRM nonprofit support intent. Thus, the greater the corporate identification on aspiration traits, the more likely additional support is provided to the nonprofit in a CRM program.

Table 5.14
Least Squares Regression Model 1 Testing for Hypothesis 7

Dependent Variable: CSR Views

R = .472 R² = .223 Adjusted R² = .140
F = 2.690 Significance = .012 N=83

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	4.749	.554		8.575	.000
NP Identification 2	-.015	.064	-.027	-.234	.815
Female	.362	.095	.405	3.818	.000**
Local Nonprofit	-.005	.102	-.006	-.050	.961
Support Index	-.224	.082	-.323	-2.730	.008**
NP-C Fit	.053	1.119	.049	.047	.962
Corporate Identification	-.111	1.128	-.101	-.098	.922
Organizational Prestige	-.079	.060	-.145	-1.313	.193
Age	.003	.007	.041	.387	.700

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Table 5.15
Least Squares Regression Model 2 Testing for Hypothesis 7

Dependent Variable: CSR Views

R = .505 R² = .255 Adjusted R² = .177
F = 3.291 Significance = .003 N=85

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	3.922	.679		5.775	.000
NP Identification 1	.206	.112	.191	1.835	.070
Female	.320	.092	.363	3.466	.001**
Local Nonprofit	-.023	.094	-.026	-.249	.804
Support Index	-.206	.077	-.298	-2.680	.009**
NP-C Fit	-.296	1.058	-.278	-.279	.781
Corporate Identification	.227	1.071	.211	.212	.832
Organizational Prestige	-.068	.058	-.126	-1.171	.245
Age	.005	.007	.071	.681	.498

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

CSR Viewpoint

H7: CSR views will be positively related to purchase intent of CRM goods.

Tables 5.6 and 5.7 demonstrate a strong negative relationship between CRM nonprofit support intent and CSR views, but as demonstrated in tables 5.4 and 5.5 H7 is not supported as a relationship does not exist with CRM purchase intent. Additional regression models were created to test the relationships between CSR views and the other variables and are shown in tables 5.14 and 5.15. Two significant regression equations were found ($F(8,75) = 2.690, p < .05$) with an R^2 of .223 and ($F(8,77) = 3.291, p < .01$), with an R^2 of .255. They demonstrate a strong positive relationship between female and CSR views, as being a female is a strong predictor of approving of CSR inclusion in corporate decision making. A strong negative relationship was also found between the nonprofit support index and CSR views. This demonstrates that a lack of prior nonprofit support is a good predictor of a propensity to believe that tradeoffs do not exist for companies making socially responsible business decisions.

Table 5.16
Least Squares Regression Model 1 Testing for Hypothesis 8

Dependent Variable: Nonprofit Identification 1
 R = .385 R² = .148 Adjusted R² = .059
 F = 1.671 Significance = .119 N=85

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	2.957	.735		4.025	.000
Female	.104	.098	.126	1.058	.293
Local Nonprofit	.059	.093	.071	.632	.529
Support Index	-.057	.080	-.088	-.711	.479
NP-C Fit	1.407	1.040	1.423	1.352	.180
Corporate Identification	-1.369	1.054	-1.368	-1.300	.198
Organizational Prestige	-.046	.058	-.091	-.788	.433
CSR Views	.204	.111	.219	1.835	.070
Age	-.009	.007	-.142	-1.290	.201

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Table 5.17
Least Squares Regression Model 2 Testing for Hypothesis 8

Dependent Variable: Nonprofit Identification 2
 R = .472 R² = .223 Adjusted R² = .140
 F = 2.686 Significance = .012 N=83

Independent Variables	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Signif.
(Constant)	2.352	1.370		1.717	.090
Female	.119	.185	.075	.646	.520
Local Nonprofit	.464	.174	.286	2.661	.010**
Support Index	.336	.149	.271	2.256	.027*
NP-C Fit	1.378	1.999	.705	.689	.493
Corporate Identification	-1.397	2.016	-.710	-.693	.490
Organizational Prestige	.051	.109	.052	.467	.642
CSR Views	-.048	.207	-.027	-.234	.815
Age	-.009	.013	-.074	-.701	.485

** = Significant at the $p < .01$ level

* = Significant at the $p < .05$ level

Nonprofit Prestige

H8: Perceived nonprofit prestige as judged by the respondent is positively related to nonprofit identification.

H8 was not supported as a significant linear relationship was not found in the two regression models tested, tables 5.16 and 5.17. Table 5.17 does show significant strong positive relationships between Nonprofit Identification Measure 2 and Local Nonprofit, and Nonprofit Identification Measure 2 and Support Index, ($F(8,75) = 2.686, p < .05$), with a R^2 of .223. Thus, both prior support and the location of the nonprofit supported, local or non-local, are good predictors of the level of nonprofit identification.

Other Findings

An independent samples t test was calculated comparing the mean nonprofit identification score, NP Identification 1, of respondents who identified themselves as females, to the mean nonprofit identification score of subjects who identified themselves as male. A significant difference was found between two groups ($t(103) = -1.45, p < .05$). The mean score for females showed they were more highly identified ($m=3.39, SD=.24$) than males ($m=3.28, SD=.50$).

Independent samples t tests were then calculated for the other indexes investigated, CRM Purchase Intent, CRM NP Support Intent, NP Identification 1, NP Identification 2, Organizational Prestige, CSR Views, Corporate Identification, NP-C Fit, and Support Index using gender, department, nonprofit support, and local/non local nonprofit location as sampling factors. All tests were not significant save two exceptions. First, a significant

difference was found, ($t(95) = -3.494, p < .05$), between the mean support index score of subjects who identified themselves as supporting a local nonprofit and those who identified themselves as supporting a non-local nonprofit. The mean support index score for those who support a local nonprofit was significantly higher ($m=2.76, SD=.66$) than the mean score for those who support a non-local nonprofit ($m=2.32, SD=.56$). Intuitively this result makes sense as the ease of supporting a local organization is less daunting because events and organizational activities are local and local nonprofits are generally smaller, thus more accessible. In addition, the cause may resonate more with individuals who live in the same place where the nonprofit directs its focus.

The second significant difference found was, ($t(81) = 1.725, p < .05$), between the mean corporate identification score of business and public policy, planning, and management students. Business students had significantly higher levels of corporate identification ($m=3.03, SD=.33$) with the corporation they selected than public policy, planning, and management students ($m=2.91, SD=.46$). This result is valid on its face, as a business student's curriculum is likely to paint corporations in a more favorable light, as they are the primary organization evaluated, which could potentially influence a more positive perception of corporations in general. This would be consistent with previous studies in which increased exposure has been shown to engender positive affect toward the entity exposed to (Zajonc, 1968). Conversely, this finding could be a result of the self selection which occurs when choosing a graduate program to attend, as individuals with more positive feelings towards corporations are likely to gravitate towards business programs more than those which center on government related issues.

Product Related Variables

Product preference, factors influencing brand preference were examined, and frequency of purchase. Graph 5.1 demonstrates the product preference of respondents, showing the fragmented nature of the soda and juice market which manufacturers and distributors face.

Graph 5.1: Juice and Soda Product Preferences

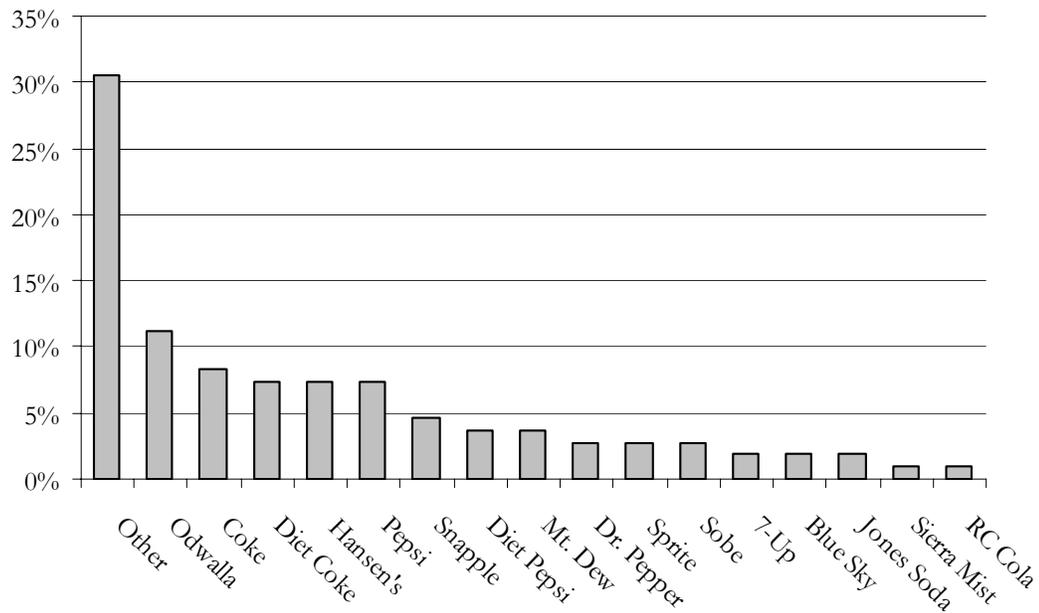


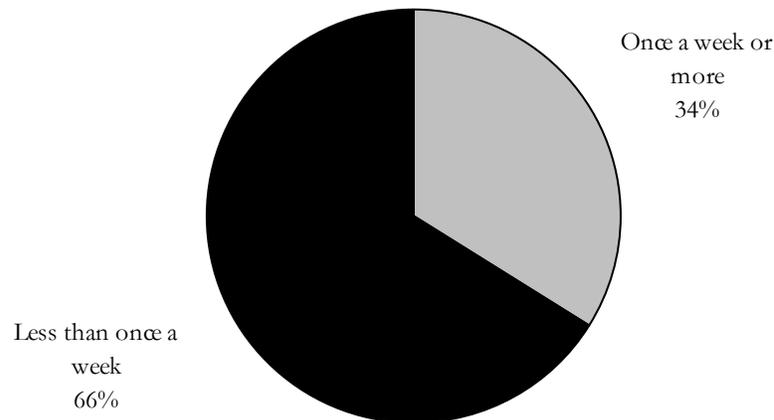
Table 5.18 shows the ranking of factors influencing brand preference of respondents. This table demonstrates taste and product quality are overwhelming the most important factors of brand preference to respondents. It is likely these two factors are somewhat interrelated, as are the factors ranked as least important, promotion frequency and quality. This assumption is evidenced by an alpha of .60 for the pairing of taste and product quality and .78 for frequency and quality of promotions.

Table 5.18
Brand Preference Influencers

Factor Ranking	Mean
1) Taste	1.39
2) Product Quality	1.63
3) Availability/Convenience	2.66
4) Price	2.73
5) Corporate Responsibility	2.94
6) Frequency of Promotions (e.g. prizes)	4.23
7) Quality of Promotions (e.g. prizes)	4.32

Frequency of product purchase was also examined to examine the impact of frequent purchase of the product on other variables. Graph 5.2 shows that 34% of respondents indicated they purchased a juice or soda product once a week or more, while 66% purchase the product less than once a week. Half of the respondents in the later category indicated they still purchased the product on a regular basis, specifying purchase of the product every other week.

Graph 5.2: Purchase Frequency



Numerous independent samples t-tests were calculated to examine the relationship between other variables examined earlier. The first tests examined the relationship between gender and product influencers and gender and purchase frequency. A significant difference was found between the two groups ($t(106) = -1.136, p < .05$) for one of the product influencers, availability/convenience, but the remaining influencers and purchase frequency did not show any significant differences. The mean score for males showed they placed more importance on availability convenience ($m=2.53, SD=1.049$) than females ($m=2.78, SD= 1.257$). This did not impact the overall order of influencer ranking for males, as the ranking kept the same order; Taste, Product Quality, Availability/Convenience, Price, Corporate Responsibility, Frequency of Promotions (e.g. prizes), and Quality of Promotions (e.g. prizes). But, based on the mean ranking for females, price showed more importance in decision making for a soda or juice purchase than availability/convenience, as females placed higher importance on this variable than males in a hierarchical evaluation.

The second test examined the campus department and product influencers and purchase frequency, with multiple significant differences found. The first significant difference found ($t(87) = -1.908, p < .01$) business students place higher importance on availability/convenience ($m=2.43, SD=.927$) as a product choice influencer than public policy, planning, and management students ($m=2.88, SD= 1.310$). The second significant difference found ($t(87) = -.621, p < .05$) business students place higher importance on price ($m=2.60, SD=.948$) as a product choice influencer than public policy, planning, and management students ($m=2.74, SD= 1.211$). The third significant difference found ($t(87) = -2.659, p < .01$) business students place higher importance on taste ($m=1.23, SD=.428$) as a product choice influencer than public policy, planning, and management students ($m=1.55,$

$SD = .670$). The fourth significant difference found ($t(85) = -3.216, p < .05$) business students place higher importance on the quality of promotions ($m = 4.00, SD = 1.103$) as a product choice influencer than public policy, planning, and management students ($m = 4.63, SD = .586$). Table 5.19 shows the difference in hierarchical ranking of product influencers between business and public policy, planning, and management students.

Table 5.19
Product Influencers Separated by Department

Business	Mean	Public Policy, Planning, and Management	Mean
Taste	1.23**	Taste	1.55**
Product Quality	1.57	Product Quality	1.65
Availability/Convenience	2.43**	Corporate Responsibility	2.40
Price	2.60*	Price	2.74*
Corporate Responsibility	3.43	Availability/Convenience	2.88**
Frequency of Promotions	3.96	Frequency of Promotions	4.35
Quality of Promotions	4.00*	Quality of Promotions	4.63*

** = Difference significant at the $p < .01$ level

* = Difference significant at the $p < .05$ level

A Pearson correlation coefficient was calculated for the relationship between campus department and the product influencer variables. A strong correlation between campus department and corporate responsibility was found ($r(88) = -.42, p < .01$), indicating a significant linear relationship between the two variables. Moderate correlations were also found between campus department and quality of promotions ($r(87) = .329, p < .01$), campus department and taste ($r(89) = .274, p < .01$), and campus department and frequency of promotions ($r(89) = .252, p < .05$).

The third independent samples t-test calculated compared weekly juice and soda purchasers to less than weekly juice and soda purchasers on product preference influencers. The test found one significant difference, ($t(105) = -2.806, p < .001$) as more frequent purchasers place higher importance on taste ($m=1.19, SD=.397$) as a product choice influencer than less frequent purchasers ($m=1.50, SD=.608$). The other variables did not exhibit significant differences. A Pearson correlation coefficient was also calculated showing a strong correlation between purchase frequency and importance of taste ($r(107) = .264, p < .01$), corroborating the independent samples t-test results. These results demonstrate as purchase frequency increases the importance of taste increases as a determinant of product selection.

A final independent samples t-test compared the purchase frequency, weekly or non-weekly, on corporate identification. The test found a significant difference, ($t(100) = 1.561, p < .01$) as more frequent purchasers exhibited higher levels of identification with the corporation ($m=3.03, SD=.21$) than less frequent purchasers ($m=2.90, SD=.46$). This is consistent with the suggestion that longer tenured employees will become more identified with their employer over time and that volunteers/donors will become more identified with the nonprofit they support over time. While the independent samples t-test demonstrated a significant difference, a Pearson correlation was calculated measuring this same relationship showing a strong relationship that was not significant ($r(100) = .359, p < .05$). These results are inconsistent, but the correlation was significant at the $p > .10$ level, indicating partial support for correlation between the variables.

Review of Hypotheses

As shown in table 5.20, the data demonstrated support for hypothesis 1, partial support for hypothesis 3, and support for hypothesis 5, while two, four, six, seven, and eight were not supported.

Table 5.20
Summary of Hypotheses

Hypotheses	Result
H1: Consumer nonprofit brand identification will be positively related to support of the nonprofit in the form of volunteering/donating tenure and frequency.	Supported
H2: Consumer corporate brand identification will be positively related to purchase intent in regards to products sold by the corporate partner.	Not Supported
H3: Consumer nonprofit brand identification will be positively related to purchase intent in regards to products sold by the corporate partner.	Partial Support
H4: Consumer nonprofit brand identification will be positively related to planned support of the nonprofit partner in a CRM relationship.	Not Supported
H5: Nonprofit identification will be positively correlated with CRM purchase intent, but the increase in corporate support will exceed the additional support expressed towards the nonprofit.	Supported
H6: Aspirational trait identification with the nonprofit brand will be positively related to purchase intent of products sold by the corporate partner, as well as planned support of the nonprofit partner.	Not Supported
H7: CSR views will be positively related to purchase intent of CRM goods.	Not Supported
H8: Perceived nonprofit prestige as judged by the respondent is positively related to nonprofit identification.	Not Supported

Review of Other Findings

Table 5.21 through table 5.27 summarizes the other findings discovered through this study. The tables are segmented based upon relevance to a specific variable. Some findings repeat themselves and are included to confirm the validity of the findings.

Table 5.21
Corporate Identification Relationships Identified

Variables	Relationship	Importance
Nonprofit/Corporate Fit Corporate Identification	Strong Positive Correlation	Individual differences with the corporation determine the perception of fit between the nonprofit and corporation in a CRM
Corporate Identification CRM Nonprofit Support	Weak Positive Correlation	Nonprofit gains additional support from those who have high corporate identification when presented with a CRM program
Nonprofit/Corporate Fit CRM Nonprofit Support	Weak Positive Correlation	Same result as above
Corporate Identification Organizational Prestige	Weak Negative Correlation	A favorable opinion of the nonprofit in comparison to other nonprofits in the community is related to a low corporate identification in a CRM program context
Nonprofit/Corporate Fit Organizational Prestige	Weak Negative Correlation	Same result as above
Corporate Identification Graduate Department	Comparison of Means	Business students had significantly higher levels of identification with the corporation than public policy, planning, and management students
Corporate Identification Purchase Frequency	Comparison of Means	More frequent purchasers of juice or soda products have higher levels of corporate identification than less frequent purchasers

Table 5.22
CRM Purchase Intent Relationships Identified

Variables	Relationship	Importance
CRM Purchase Intent Nonprofit Identification 2	Moderate Positive Correlation	Intent to purchase the product in a CRM program is related to identification with the nonprofit partner in the CRM
CRM Purchase Intent (Dependent) Nonprofit Identification (Independent)	Strong Positive Linear Relationship	Nonprofit identification is a good predictor of purchase intent for a CRM product
CRM Purchase Intent CRM Nonprofit Support	Weak Positive Correlation	Intent to support a CRM is related to additional nonprofit support following a CRM program
CRM Purchase Intent CRM Nonprofit Support	Comparison of Means	CRM purchase intent is significantly higher than CRM nonprofit support intent

Table 5.23
Nonprofit Identification Relationships Identified

Variables	Relationship	Importance
Nonprofit Identification 2 (Dependent) Local Nonprofit (Independent)	Strong Positive Linear Relationship	Supporting a nonprofit based locally is a good predictor of high levels of identification with the nonprofit
Nonprofit Identification 2 (Dependent) Support Index (Independent)	Strong Positive Linear Relationship	Prior support with a nonprofit is a good predictor of high levels of identification with the nonprofit
Nonprofit Identification 2 Support Index	Moderate Positive Correlation	Same as above
Nonprofit Identification 1 CSR Views	Weak Positive Correlation	Positive opinions of CSR in business is related to nonprofit identification in a CRM program
Nonprofit Identification 1 Female	Comparison of Means	Females have significantly higher levels of identification with the nonprofit

Table 5.24
Support Index Relationships Identified

Variables	Relationship	Importance
Support Index (Dependent) CSR Views (Independent)	Strong Negative Relationship	Low opinions of CSR in business decisions is a good predictor of high levels of prior nonprofit service
Support Index CSR Views	Weak Negative Correlation	Same as above
Support Index (Dependent) Local Nonprofit (Independent)	Strong Positive Linear Relationship	Those who support local nonprofits tend to have higher levels of prior nonprofit support
Support Index Local Nonprofit	Comparison of Means	Same as above
Support Index (Dependent) Female (Independent)	Strong Positive Linear Relationship	Females are more likely to have higher levels of prior nonprofit support
Support Index (Dependent) Age (Independent)	Strong Positive Linear Relationship	The older the person the more likely they are to have higher levels of prior nonprofit support

Table 5.25
Nonprofit Support Relationships Identified

Variables	Relationship	Importance
CRM Nonprofit Support (Dependent) Age (Independent)	Strong Positive Linear Relationship	Aging is good predictor of additional support given to a nonprofit engaged in a CRM program
CRM Nonprofit Support (Dependent) CSR Views (Independent)	Strong Negative Linear Relationship	Negative views of CSR business practices are a good predictor of intent to support a nonprofit engaged in a CRM program
CRM Nonprofit Support (Dependent) Support Index (Independent)	Strong Negative Linear Relationship	Low levels of prior support of a nonprofit is a good predictor of high levels of intent to provide additional support to the nonprofit engaged in a CRM
CRM Nonprofit Support (Dependent) Aspirational Corporate Identification (Independent)	Strong Positive Linear Relationship	High levels of aspirational corporate identification is a good predictor of CRM nonprofit support intent

Table 5.26
CSR Opinion Relationships Identified

Variables	Relationship	Importance
CSR Views (Dependent) Support Index (Independent)	Strong Negative Linear Relationship	Low levels of prior support of a nonprofit is a good predictor of supportive viewpoints in relation to CSR business practices
CSR Views (Dependent) Female (Independent)	Strong Positive Linear Relationship	Being a female is a good predictor of favorable views in regards to CSR business practices

Table 5.27
Product Related Relationships Identified

Variables	Relationship	Importance
Availability/Convenience Gender	Comparison of Means	Males place more importance on convenience than females when selecting a juice or soda product
Availability/Convenience Graduate Department	Comparison of Means	Business students place more importance on convenience than public policy, planning, and management students when selecting a juice or soda product
Price Graduate Department	Comparison of Means	Business students place more importance on price than public policy, planning, and management students when selecting a juice or soda product
Taste Graduate Department	Comparison of Means	Business students place more importance on taste than public policy, planning, and management students when selecting a juice or soda product
Taste Graduate Department	Moderate Positive Correlation	Same as above
Taste Purchase Frequency	Comparison of Means	More frequent purchasers of juice or soda products place more importance on taste than less frequent purchasers
Taste Purchase Frequency	Strong Positive Correlation	Same as above
Quality of Promotions Graduate Department	Comparison of Means	Business students place more importance on quality of promotions than public policy, planning, and management students when selecting a juice or soda product
Quality of Promotions Graduate Department	Moderate Positive Correlation	Same as above

Variables	Relationship	Importance
Frequency of Promotions Graduate Department	Moderate Positive Correlation	Importance of the frequency of promotions is related to the graduate department of respondents when selecting a juice or soda product
Corporate Responsibility Graduate Department	Strong Positive Correlation	Importance of corporate responsibility is related to the graduate department of respondents when selecting a juice or soda product

CHAPTER 6

SUMMARY AND IMPLICATIONS

Since the early twentieth century consumer choice, market forces, and government intervention have prompted businesses to become more aware of corporate responsibility as an integral aspect of their business operations. As outside influences have prompted businesses to increase their social involvement, environmental factors have also shepherded the rise of corporate responsibility. Factors include the increase of the nonprofit sector in size, scope, and significance, the decrease of social service funding from government agencies, and the heightened expectations of consumers in regards to business ethics and corporate responsibility. Besides outside intervention and changing environmental factors, corporate social involvement has also been impacted by societal shocks such as 9/11, Enron, Worldcom, and the tsunami of December 2004. Taken together these factors have not only prompted businesses to become more publicly active with causes, but have also entrenched consumer expectations and norms that are likely to maintain corporate and nonprofit intermingling in the years ahead.

The potential exists for this maintained interaction to eventually lead to the “independent” sector becoming the “partnered” sector, leaving speculation about the potential ramifications to organizations in the nonprofit sector. Not only could this systemic shift change the way nonprofits operate internally, it could also have a profound effect on the external communications of partnered organizations. Given the importance of external

communications in donor relations, volunteer solicitation, membership maintenance, and advocacy efforts, the impact of increased partnering with businesses could significantly influence those who receive communication from a nonprofit. In particular, primary stakeholders could be subject to dissonance if corporate partnerships are counter to their perception of the nonprofit. Given the serious implications of nonprofit stakeholder dissonance and its potential to impact stakeholder relations, this study focused on a ever expanding partnership option between the two sectors, cause related marketing. Within the context of cause related marketing programs this study sought to better understand how individuals interact with nonprofit brands in terms of identification with the nonprofit and how this relationship moderates intended future support of the nonprofit and CRM purchase intent.

While the sample was representative of graduate students and provides evidence transferable to a general population, the survey population differed greatly from the general population in one important aspect, the percentage of individuals who actively support a nonprofit. Approaching the study it was assumed a large percentage of respondents would indicate their support of a nonprofit because of the environmental factors associated with attending an institution of higher education (Randall, 2004; Young, 2003). These factors increase the likelihood of collegiate involvement with a nonprofit, as those who attend college will likely give time or money to a nonprofit as part of their university experience. While high levels of involvement were expected, the percentage involved in the sample, 87% giving money and 86% volunteering, exceeded expectations. The results were also above average in comparison to the percentage of donors and volunteers in the U.S., where 89% of households give charitable contributions and 44% volunteer (Independent Sector, 2002).

Thus, while individuals sampled are consumers, the most definitive results from this study pertain to relationships with nonprofit stakeholders, as this was the most represented group sampled. Consequently, results will discuss consumer implications, but will also discuss relations with nonprofit stakeholders, defined for the purposes of this study as those who donate to or volunteer with a nonprofit organization.

Supporters and Latent Supporters Approve

The study provided overwhelming evidence that consumers, when presented with a CRM program, will be more likely to purchase the product if a nonprofit they support or admire receives a donation as a result of the CRM. Thus, as a stakeholder of the nonprofit it is likely purchase choice in a commodity market like soda or juice will be based on a CRM association. This was evidenced by the fact that 76% of respondents indicated they would be more likely, or much more likely to purchase a CRM product if a donation was made to the nonprofit they support or admire. Interestingly, there was not a significant difference between respondents who were active with a nonprofit in the past five years, either as a donor or volunteer, and those who were not. Not only did both groups express a similar intent to purchase CRM goods, but there was a non-significant difference in their purchase intent score, ($M=4.00$, $SD=.76$) for those not supporting a nonprofit for the past five years, and ($M=3.97$, $SD=.76$) for those who have.

These results demonstrate CRM programs are supported not only by nonprofit stakeholders, but also by consumers who admire a nonprofit organization and are not active supporters. This group, termed latent supporters, is where CRM programs seem to draw their strength, as most individual nonprofits lack a broad national stakeholder network, but

any nonprofit can be admired for their work in the community. Thus, a nonprofit that maintains a regular presence in news coverage for their good work, but does not have a large membership base can be a compelling purchase influencer for latent supporters, who admire the cause but choose not to commit through volunteering or donating.

While it is clear CRM programs are actively supported by consumers, both nonprofit stakeholders and latent supporters, the cognitive process leading to differing levels of support or opposition of a CRM program is less clear. To attempt to better understand this process multiple statistical tests were calculated. By examining shared traits the study was able to examine how identity overlap with a nonprofit moderated other decisions in concert with other variables investigated. The following section discusses each variable investigated and how the findings fit within a proposed model of CRM support for nonprofit stakeholders.

Support Index

It was assumed nonprofit stakeholders with organizational tenure or frequent organization interactions would be more likely to have high nonprofit brand identification. This was verified by the findings, but some other interesting findings emerged about those with high levels of prior support. First, age, female gender, and close location of the nonprofit were correlated with high levels of prior support. Second, prior support of a nonprofit was negatively related to positive views on corporate social responsibility, although this finding is somewhat misleading, as only 1.8% of all respondents had viewpoints that could be viewed as negative towards corporate social responsibility. While few negative viewpoints about CSR existed, the findings showed a higher opinion of CSR was a good

predictor of a lesser amount of previous service to a nonprofit. Prior support was also negatively related to additional support of the nonprofit partnered in the CRM agreement and while it was a good predictor of nonprofit identification, it was not a good predictor of CRM purchase intent. Thus, prior support, as influenced by age, gender, and the proximity to nonprofit supported, seems to influence the creation of nonprofit identification, but taken alone is not enough to impact CRM purchase intent.

Corporate Identification and Nonprofit-Corporate Fit

Corporate identification and nonprofit-corporate fit were not significant influencers of CRM purchase intent, countering assumptions that a fit of image of would provide increased support for CRM purchase intent as a result of a attitude balance between the two organizations (Basil, 2002). While corporate identification was not significant in regards to CRM support, an interesting result emerged from the analysis of product related variables. The findings showed those who purchased soda or juice more frequently had higher levels of corporate identification than those who purchased soda or juice less frequently. While study limitations keep use from stating that because of more frequent use the higher corporate identification exists, this finding does provide some evidence that frequent brand usage narrows the gap between an individual's identity and the brand's identity. Providing additional evidence of this phenomenon is an independent samples t-test showing those who volunteer more than five hours of time per week have significantly higher nonprofit identification ($M=3.36$, $SD=.80$) than those who do not ($M=2.95$, $SD=.74$). So, it is possible

that increased interaction positively relates to identification on an organizational level, work or volunteer relationship, as well as a smaller scale, e.g. the purchase of a soda or juice product.

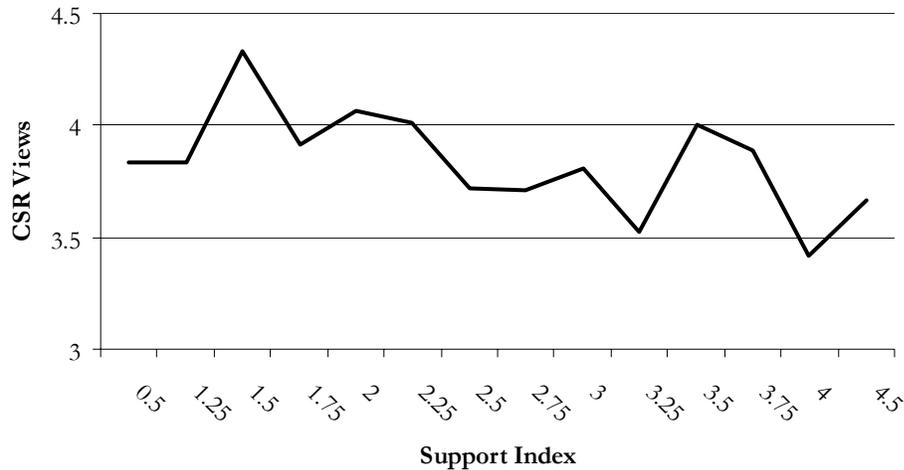
Aspirational Traits

The aspirational traits selected for analysis did not prove to be significant influencers of CRM purchase intent. This could be related to the selection of traits included, as guided by Aronson's contention of individual preservation of their self image. A more rigorous selection of traits could aid future research on whether a difference exists between aspirational and general traits.

CSR Views

CSR views provided some of the most interesting results as they were contrary to expected outcomes. It was assumed that CSR views would be positively related to nonprofit service, but a negative result emerged from the analysis. This demonstrates that service to a nonprofit does not relate to beliefs of corporate responsibility. Additionally, results showed the highest opinions of CSR may actually originate from individuals giving the least amount of their time to social causes through nonprofit service. Graph 6.1 provides evidence of this assertion with a visual representation of the relationship between CSR views and nonprofit support.

Graph 6.1: CSR Views and Nonprofit Support



Organizational Prestige

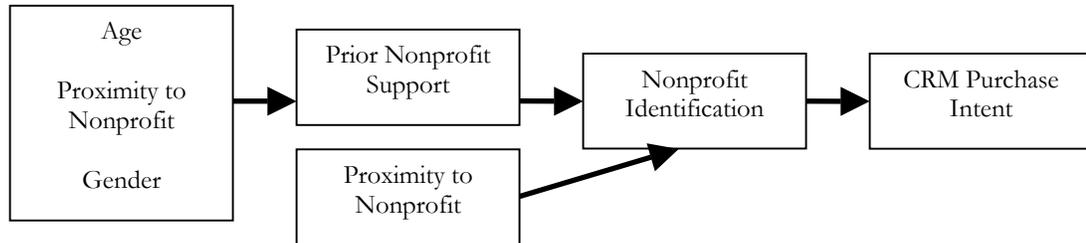
Unexpectedly, neither identification measure was significantly related to organizational prestige. This result could be explained by a difference in measurement instruments, as this study used a single question as a prestige indicator while previous studies have used multiple questions with Likert type scale responses (Cornwell & Coote, 2005; Bhattacharya et al., 1995). Given the methodological differences it is difficult to state whether the difference is related to the type of organization sampled, or the use of a different measurement instrument. Bhattacharya et al. evaluated members of an art museum and Cornwell and Coote evaluated participants of cause related race, while this study focused on donors and volunteers from many different nonprofits. It is possible membership organizations such as art museums would appeal to a segment of the population in which the exclusivity element of the product is a primary motivating factor, prompting organizational prestige to be more important. This would be similar to membership in a

country club and possibly contrary to the experience of buying soda/juice from a grocery store. Those who attend a cause related race may also have differing prestige motivations as the sample populations was from one membership group, versus the varied nonprofit experiences found from this sample.

Nonprofit Identification

Nonprofit identification was shown to be a significant predictor of CRM purchase intent. This result was consistent with previous research regarding nonprofit identification and demonstrates the importance of nonprofit identification in predicting behavior of consumers when presented with a cause partnership (Cornwell & Coote, 2005). Given the sample population, this study also helps develop a theoretical path to CRM support for nonprofit stakeholders as shown in figure 6.1. The relationships between variables show that age, proximity to nonprofit operations, and gender all influence nonprofit support. Prior nonprofit support is a significant predictor of nonprofit identification, as is proximity to nonprofit operations, although each seems to operate on different constructs. Prior support to the nonprofit seems to draw more directly from the variables in the first box, with each influencing the level of prior support. Finally, CRM purchase intent is influenced by the level of nonprofit identification, with nonprofit stakeholders indicating more support as nonprofit identification rises.

Figure 6.1: Nonprofit Supporters Path to CRM Purchase Intent



Implications and Recommendations for Nonprofits

As more businesses understand the value of CRM programs the number of nonprofit organizations partnering with corporations is likely to grow. While additional revenue for cash strapped nonprofits may always seem like a positive, there are many factors which should give nonprofits reason to carefully examine all benefits and costs before partnering. These factors are discussed in the following section and include recommendations of how nonprofits can effectively address each issue.

First, because each nonprofit depends on different sources to finance operations, an analysis of the potential incremental gain with a CRM program should be undertaken. If the nonprofit is like most in the U.S. the vast majority of revenue is likely to originate from individual donations (Giving USA, 2004). Thus, because corporate giving is tied to pre tax profits (Cooperman, 2005) it is unlikely corporate giving will match the gains which could be felt as a result of the impending wealth transfer from individual donors (The Economist, 2004). Consequently, the prospect of increased planned giving is likely to be a more cost effective fundraising method as compared to CRM programs. This does not mean every organization will receive more benefits from planned giving than a CRM program, just that

the costs of starting such a CRM program should be compared to other potential fundraising mechanisms prior to implementation, or if both are already in operation how resources are allocated to these two giving programs to plan for both short term and long term financial obligations.

Second, the pricing of a CRM program and the amount of staff time required should be considered by nonprofits. According to IEG many nonprofits in the U.S. do not charge enough money of companies when entering into joint marketing agreements (Hall, 2004). Including employee time, service fees, and minimum donation limits in an agreement will diminish a nonprofit's exposure to risk, and will also ensure an equitable exchange of nonprofit goodwill for the donation. In regards to time spent on a CRM program, nonprofit executives should measure effectiveness in a manner similar to fundraising special events, e.g. charity auctions, which also utilize high levels of staff time and are often justified by their value as a communication vehicle to the local community and attendees. CRM programs can provide these same benefits and are especially attractive to lesser known nonprofit organizations which benefit to a greater extent than more familiar nonprofits in terms of enhanced attitudes about the nonprofit (Lafferty & Goldsmith, 2005).

Third, as corporate giving continues to shift from corporate philanthropy to more strategic giving (MacMillan, 2003), nonprofits will need to improve their arguments for corporate dollars. New Jersey Performing Arts Center executive director Sue-Ellen Wright describes the shift from corporate philanthropy to sponsorship and CRM programs when she commented on corporate donations by stating, "We don't always want to convert companies to sponsors; it's more expensive for us, but the reality is donor dollars are going away" (IEG, 2004). To better meet corporate requirements nonprofits will need to rely more

on specific measurements of the tangible benefits provided by the partnership, e.g. change in public image, changing consumer spending habits, and employee satisfaction, and less on intangibles which are not measurable (IEG, 2004). Performance measurement in the nonprofit sector is likely to become increasingly critical as both corporations and donors increase their expectations of a social return on investment. This relates directly to the popularity of CRM programs, as they are measurable given their direct impact on sales.

Fourth, nonprofits need to be aware of benefits accrued from a partnership and have a method of measuring success internally. This is important as the findings demonstrate that individuals give more additional support to the business partner in a CRM than they do the nonprofit partner. This is evidenced by a comparison between the incremental support expressed towards the nonprofit and CRM purchase intent. A paired sample *t* test compared the mean results for each variable showing purchase intent was 3.97 (*SD* = .76), and additional nonprofit support was 3.18 (*SD* = .64), with a significant difference found ($t(109) = 9.671, p < .001$). While those who indicated they would provide more support to the nonprofit outnumbered those who indicated they would decrease support, 20% to 5%, the majority, 75%, stated the CRM program would have no impact on their support of the nonprofit. While the measurable difference in support intent is important and provides reasoning for implementation of internal monitoring systems for CRM programs, there are some potential issues with this conclusion.

Three reasons provide arguments of why the difference found in this study is not significant, each relating to the high percentage of respondents who support a nonprofit. First, the law of diminishing returns may apply to this sample, as respondents who volunteer or donate may have already engaged with a nonprofit at a level that fits their maximum

allotment of support in the form of contributions or volunteerism. Thus, even though they may wish to give more support as a result of a CRM program their incremental gifts of time or money will become smaller and smaller each time approached. Second, survey respondents selected the nonprofit, thus respondents already had an established giving or volunteering pattern, which might not be impacted by awareness of a theoretical CRM program.

Third, it is likely a CRM purchase could evoke feelings of a “no strings” donation, allowing donors and volunteers to conclude that by buying the product they have done their part, thus decreasing their inclination to provide additional support to the nonprofit. Providing contrary evidence to the first and second reasons is the non-significant relationships between both nonprofit tenure and number of hours volunteered with the organization and additional support of the nonprofit and CRM purchase intent. Thus, the length and frequency of service to the nonprofit were not factors in both additional nonprofit support and CRM purchase intent, meaning low-level supporters had additional room for donations or volunteer time, but still selected to not provide the nonprofit additional support.

Key Managerial Considerations

Regardless of how the issue is approached and analyzed, CRM equity is an important concern and relates to the key factors of CRM success from a nonprofit perspective, whether it helps generate additional revenue, increase awareness of the organization,

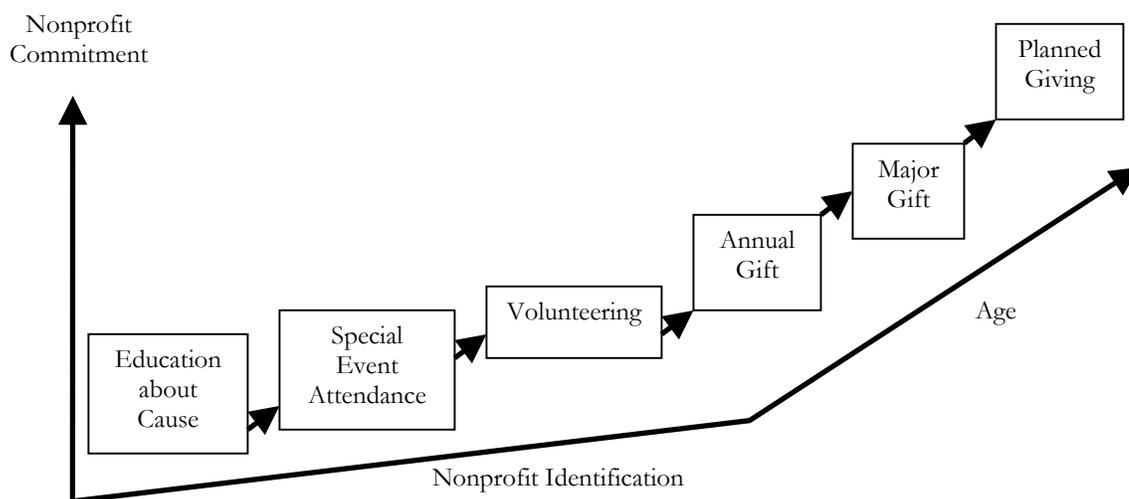
improve identification with the nonprofit brand, and engender increased commitment of latent supporters. The following section discusses how nonprofits can address each of these key factors to ensure a successful CRM program as well as an equitable partnership.

As mentioned previously the correct pricing of CRM packages is important as a nonprofit who engages in a CRM program should be rewarded for the risk they assume by lending their positive brand image to a company. Nonprofit managers should ensure pricing accounts for staff time, production costs, and the equivalent licensing rights rate which would be associated with a straight licensing agreement. In addition, a minimum donation limit should be included in the contract, as well as assurances of language which specifies donation protocol in the consumer promotional material, as CRM consumer confusion has been shown to exist regardless of educational background (Olsen et al., 2003). Also, promotional material language should consider mentioning prior donation amounts or expected donations. This is advised as a situational decision because research has been offered both perspectives on the issue, that donation amounts are of important concern to consumers (Dahl & Lavack, 1995) and that they are not significant (Holmes & Kilbane, 1993).

The remaining three key factors are each related to the concept of commitment as awareness, identification, and increased commitment among latent supporters each feed into the proposed path to nonprofit commitment shown in figure 6.2. This conceptual drawing shows the boundary element of age and nonprofit identification, each which if positive influences on an individual help push the levels of commitment upward. These boundary elements could be thought of as guides toward higher levels of commitment to the nonprofit. The left side of the figure shows the level of nonprofit commitment, which

corresponds with the individual action boxes, showing interactions which demonstrate nonprofit commitment. The figure also demonstrates the linkage between activities and how nonprofits can slowly build a base of supporters for their activities as they position individuals for the next step of support. It also shows the importance of identification building during initial interactions with the organization and how time and age impact an individual's growth as a committed supporter of a nonprofit. An important point with this model is that it is not applicable to all situations, as some nonprofit supporters may be impacted by life changing events which prompt immediate commitment at a high level, e.g. a family member diagnosed with cancer. The proposed model deals with a gradual increase in commitment as experienced by those who initiate interactions with a nonprofit and steadily increase their support over time.

Figure 6.2: Path to Nonprofit Commitment



Increasing awareness of the nonprofit as a result of a CRM program is an important aspect of building commitment, as it can serve as the initial spark for individual awareness of an issue, leading to education about the cause. For organizations whose cause is less familiar this is especially important as studies have demonstrated attitude toward unfamiliar causes can be significantly improved in a CRM program with a familiar brand, as they gain more attitudinal shift than familiar causes (Lafferty & Goldsmith, 2005). Thus, unfamiliar nonprofits should attempt to ally with brands which are familiar, as brand attitudinal change was shown to be positive regardless of the familiarity of the cause (Lafferty & Goldsmith, 2005).

This could be a great method for local nonprofits, e.g. Birth to Three, to gain corporate partners as they are justifiable if the corporation's CRM goal is attitudinal shift. If a less familiar nonprofit is able to partner with a corporation they should take steps to ensure consumer's heuristics do not lead to misattribution of a familiar nonprofit in place of their organization. This could limit the ability of a stair stepping process to occur, as newly educated individuals may express volunteer desires with the more familiar nonprofit instead of the smaller nonprofit. An example of this could occur when consumers mistakenly identify a regional nonprofit focused on cancer prevention as the American Cancer Society. For more familiar causes, e.g. American Cancer Society, there is always a need to educate a new generation of the importance of their cause, thus CRM programs which reach a youth target market could be advantageous in starting the process of education and potentially spurring an early movement to volunteerism.

As demonstrated by this study, nonprofit identification is a good predictor of CRM support. As such the nonprofits which have built the most identified group of active and latent supporters will have the most bargaining power when negotiating CRM programs, helping to generate the most revenue from these partnerships. An example of this type of high identification can be found in the world of sports in which NASCAR commends the higher than average sponsorship prices, often attributed to their highly identified fans who exhibit amazing examples of reciprocity by purchasing sponsors products (Lefton, 2004, King, 2004, King, 2003). This type of highly identified fan is also more apt to BIRG, (Bask in Reflected Glory), as their self worth is intrinsically tied to the success of the sports property (Madrigal, 2004; Cialdini, Borden, Thorne, Walker, Freeman, & Sloan, 1976). Fans in this state of dependence have also been shown to have much higher levels of reciprocity towards the properties sponsor than less highly identified fans, which places sports properties such as NASCAR in an advantageous position when seeking sponsorships (Madrigal, 2004).

Granted, sports and causes are fundamentally different, but nonprofits could still benefit from improving the way they measure brand identification and as NASCAR has, continually work to improve identification with their active and latent supporters. Examples of measures which nonprofits can implement to improve identification include a young professional project board of directors, the use of CRM programs to educate latent supporters on easy methods for involvement, and communication messages which praise the success of the nonprofit projects by linking supporter's contributions to the organization's

success. These are just a few of the endless list of creative initiatives that could enable nonprofits to keep supporters stating “we” when talking about a nonprofit as they move up the commitment ladder.

An assessment of the current nonprofit identification measures of the nonprofits selected by respondents is shown in table 6.1. While the number of respondents for each organization does not allow tests of specific differences between nonprofits, a one-way ANOVA computation comparing nonprofit identification scores found a significant difference among the nonprofits ($F(17,84) = 1.723, p < .05$). Tukey’s HSD was not applicable for determining the nature of differences as some nonprofits had fewer than two respondents. Earlier tests did show a significant difference between identification of local nonprofits and non local nonprofits, with local groups having higher levels of identification. Combined with the information from table 6.1, these findings demonstrate the importance of national organizations focusing on connectivity with supporters locally, so they feel more tied to the national headquarters.

Table 6.1: Nonprofit Identification

Nonprofit	NP Identification 1	NP Identification 2	Combined Ranking
Mercy Corps	3.68	3.33	1
Planned Parenthood	3.55	3.25	2.5
Amnesty International	3.54	2.89	5
Other	3.35	3.33	6
Special Olympics	3.42	3.00	6
Goodwill Industries	3.39	2.89	7.5
Humane Society	3.32	3.21	8
American Cancer Society	3.50	2.56	8.5
Legal Aid Society	3.37	2.83	9
Defenders of Wildlife	3.24	3.25	9.5
American Red Cross	3.39	2.72	9.5
American Heart Association	3.47	1.33	11.5
National Public Radio	3.29	2.72	12.5
Natural Resources Defense Council	3.00	2.80	14
March of Dimes	3.32	2.25	14
Boy Scouts of America	3.16	2.50	15
YMCA	3.29	2.00	15.5
Sierra Club	3.03	2.50	16

An analysis also investigated whether nonprofit identification varied based on the focus area of the nonprofit. Salamon's categorization of nonprofit organizations into six classifications, Education, Social Services, Arts, Culture, and Recreation, Health Care, Religion, and Advocacy, Legal Services, and International Aid, was used to segment groups and mean identification scores were calculated (Salamon, 1999). No significant difference was found between the groups using a one-way ANOVA, ($F(9,91) = .926$), $p > .05$). Table 6.2 shows the mean results, which demonstrates the strength of education identification and the need for further research on subject. Anecdotally it appears education could be the most identified segment, a result which would not be surprising considering the sample population

and their level of schooling. Further research could help determine if institutional factors exist which currently limit or enhance identification with nonprofits in certain segments of the nonprofit sector.

Table 6.2: Nonprofit Identification by Type of Cause

Cause Focus Area	NP Identification 1	NP Identification 2	Combined Ranking
Education	3.45	3.63	1
Social Services	3.35	3.01	3
Arts, Culture, and Recreation	3.32	3.05	3.5
Health Care	3.34	2.93	4
Religion	3.19	3.42	4
Advocacy, Legal Services, and International Aid	3.30	2.92	5.5

Implications and Recommendations for Businesses

The unequivocal support of CRMs by practitioners demonstrates the level of acceptance they have gained from consumers, as their application has mushroomed since American Express's introduction of CRMs as a mainstream marketing tactic the early 1980s. Academic analysis has also demonstrated CRMs positive influence on consumer's attitude toward the firm, attitude toward the product involved, attitude toward the non-profit, and brand and retail switching (Berger et al., 1999; Ross et al., 1992; Smith & Alcorn, 1991). This twin acceptance demonstrates the usefulness of CRMs as a marketing tactic, but also points to the need for additional understanding of the mechanics prompting its success. Additionally, because CRMs are everywhere in the marketplace a saturation effect could require firms to more overtly emphasize points of differentiation from CRM competitors and to become more strategic in their selection of nonprofit partners. To accomplish this task,

marketing practitioners need to understand how consumers interpret CRM partnerships and what drives their acceptance and purchase intent. This study attempted to shed light on this issue, investigating how consumers interpret and react to CRM programs through the lens of organizational identification. The following section details the implications of the research findings on marketing strategy and offer recommendations of how professionals can act on these findings so CRMs continue to meet business goals.

Based on the findings, it is apparent nonprofit identification positively impacts CRM purchase intent for both types of nonprofit supporters, active and latent. The findings also demonstrate corporate identification occurs at a lower level than nonprofit identification, although it appears corporate identification improves as frequency of product use increases. While individuals showed high levels of nonprofit identification, ($M=3.32$, $SD=.39$), the majority of respondents had low levels of identification with the juice or soda manufacturers, ($M=2.94$, $SD=.40$). There was a significant difference between the two measures of identification, as evidenced by a paired sample t test ($t(98) = 7.206$, $p < .001$). Table 6.3 exhibits the individual brand identification.

Table 6.3: Corporate Identification

Brand	Corporate Identification
Hansen's	3.22
Odwalla	3.18
Blue Sky	3.16
Sobe	3.14
Snapple	3.02
Dr. Pepper	3.02
Jones Soda	3.00
Other	2.99
Sprite	2.95
7-Up	2.92
Diet Pepsi	2.89
Sierra Mist	2.89
Coke	2.87
Mt. Dew	2.67
Pepsi	2.64
Diet Coke	2.63
RC Cola	2.53

Given the study's findings firms wishing to benefit from CRM programs should give careful consideration to the selection of a nonprofit partner. The selection of a nonprofit can be broken into a sequential process, with examples of potential steps explained as follows. First, because CRM programs can have multiple goals, e.g. increase sales, improve company image, reach specified target market, etc., the initial step should be the choice of an overarching CRM program goal, followed by the strategic selection of a nonprofit partner. The second step, nonprofit selection, should begin with an internal analysis of current customer's corporate identification and discovery of the intangible identifiers that make up the company's brand DNA. This type of analysis should create a better-segmented market of potential and current customers, helping to understand the personality traits of customers

currently serviced and the traits of unrealized and targeted customers. This is an important step as while corporate-nonprofit fit was not deemed significant in this study, previous research studies have found it a significant influencer of CRM acceptance (Basil, 2002).

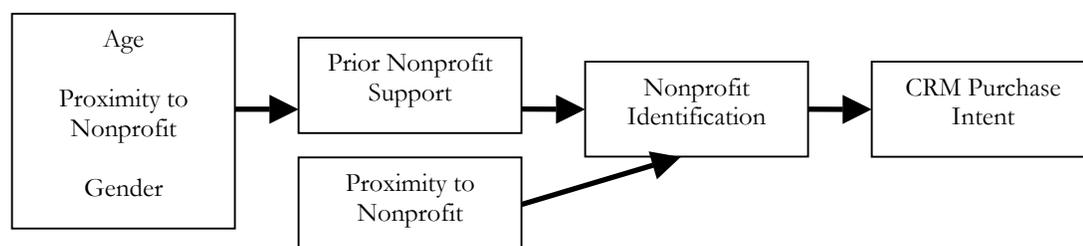
Once this information is gathered, the search for a partner should become easier as a firm now has psychographic information of current and targeted customers. The strength of identification occurs in the next step, matching nonprofit brand identity with the customer or targeted group identity, which helps narrow the selection pool of nonprofits. The size of the initial pool to narrow from should be wide, including both local and national nonprofits. Some limitations should be considered for strategic and practical reasons, for example local firm and national nonprofit may not be a good match unless the nonprofit operates a local office or event. Once a pool of potential partners is identified further investigation should be conducted to determine nonprofit's membership numbers, current partnerships, donors, programs currently under operation, and most importantly the level of nonprofit identification of targeted customers, latent nonprofit supports, and active nonprofit supporters.

As demonstrated by the findings and shown in figure 6.3, latent supporters path to CRM purchase intent seems to start with proximity to the nonprofit, which relates to higher nonprofit identification. Previous research provides support for this assertion as low cause importance customers were found to be more supportive of CRMs supporting local nonprofits and those which focused on a cause which was important to them (Landreth, 2002). High cause importance customers in this same study expressed CRM support for both national and local donations as long as the cause was important to them (Landreth,

2002). These results fit with the findings from this study, as low cause importance customers are similar to latent supporters and high cause importance customers are similar to highly identified supporters.

Thus, when selecting from the pool of nonprofit partners a firm should be careful to consider the identification of targeted customers, latent and active nonprofit supporters, and be sure the nonprofit characteristics fit with the target group. For example, consider if Hansen's were analyzing the merits of a CRM program with Mercy Corps, the nonprofit with the highest identification score, in which they hoped to reach a new customer base. Through their research Hansen's would be aware of Mercy Corps' high identification scores, which for Mercy Corps supporters seem related to the fact that cause importance overrides the nonprofits' lack of local initiatives. The final check would be that the targeted group of consumers had similar awareness of and levels of identification with Mercy Corps, as latent and active supporters of just Mercy Corps would not likely provide a significant customer base to justify a CRM program. Conversely, if Hansen's were considering a partnership with the Sierra Club, the nonprofit with the lowest identification score, they would need to be assured that Sierra Club programs operate in the same market as their target customers.

Figure 6.3: Path to CRM Purchase Intent



Identification is a helpful tool when selecting a nonprofit partner, but for companies with poor social responsibility records there are other considerations to deliberate about when selecting a partner. If the firm has a poor corporate social responsibility record, it is recommended they partner with a nonprofit whose cause relates directly to the area of criticism, as it shows an intention to address area of concern (Lichtenstein et al., 2004). The qualifier for this recommendation is that the CRM must be interpreted as a genuine, thus a simple communication message will likely fail without more substantial corporate adjustments, signaling legitimate intentions to improve in the area of criticism.

Once the nonprofit partner has been selected, there are some recommendations related to identification and how to successfully leverage it while managing a CRM partnership. First, ethical considerations are imperative in the selection of a nonprofit partner, the internal management of the CRM program, and resulting donation. The growth of the nonprofit sector and lack of similar growth in the IRS enforcement unit assigned to nonprofits has left many nonprofits unchecked for years, thus due diligence should be conducted by any corporation examining a nonprofit partner (ACT, 2004). From a corporate perspective any abuse of CRM programs is likely to result in a quick backlash for all programs, as Polonsky and Wood (2001) suggest when discussing the possibility of corporate malfeasance, “consumers will ultimately catch on to corporate abuses of CRM, resulting in all programs losing credibility. This point relates directly to the third issue, pricing clarity. Consumer confusion has been shown to exist at all levels of education, thus corporations need to ensure donation amounts are not overstated or deceptive (Olsen et al., 2003).

Second, the use of the identification information gleaned during the nonprofit selection process should be referenced when crafting the communication message, as it can serve as a useful guide to ensure the message is on target with perceived organizational identity. Clarity in the message could be aided by focusing on the traits that individuals most identified with themselves and the nonprofit partner. For example, this study showed respondents felt most strongly about seven traits when describing the nonprofit, as capable, sincere, compassionate, a leader, cooperative, fair, high quality, and expert each had a mean score over 4.00, (1=strongly disagree, 5=strongly agree). When describing themselves respondents felt most strongly about the following traits, sincere, fair, compassionate, cooperative, capable, high quality, sensitive, and progressive. Thus, focusing on the traits that overlapped in significance, sincere, fair, compassionate, cooperative, capable, and high quality, could aid message clarity. This exercise could be conducted at a nonprofit-individual level, allowing for a message targeted specifically to their identity overlap.

The final issue for firms considering a CRM program is their industry structure, as CRM programs seem to be ideally suited for consumer product commodity markets. This is why the study focused on a product category considered a commodity market, juice and soda. Because soda and juice products have small variations in price, taste, quality, and availability, the importance of intangible aspects of the product increases. As the importance of intangibles increases, the brand and what it represents becomes more valuable as it can serve as the differentiating factor in consumer product selection. A CRM program has the ability to positively influence product and firm perceptions (Berger et al., 1999), thus adding another small differentiating factor to the brand identity. As Liz Howard, director of the Center for Nonprofit Management at Northwestern University's Kellogg School of

Management states, “Consumers with a basically equal product will pay a little bit more for the product produced by the company that is perceived as a good corporate citizen” (Stock, 2004).

The final qualifier for a successful CRM partnership seems to be a long-term alliance between the firm and the nonprofit, in which the brand identity of the corporation can start to take on some of the positive traits of the nonprofit partner. It is recommend to contact for a minimum of three years, as it allows consumers to cognitively match the association of the nonprofit and the company and can help companies move towards a mutually beneficial social alliance (Austin, 2000). Cause-related marketing consultant Lisa Miller comments on companies who believe CRMs are a quick fix by stating, “A cause-related partnership is like a marriage, it's not a one-night stand” (Cranston, 2003). The longer time frame not only provides long-term benefits to the nonprofit, but can also help build competitive advantage for corporations as it creates additional points of differentiation from competitors (Lichtenstein et al., 2004). In addition, because commoditization is increasingly common in consumer product markets the use of CRM programs is not likely to diminish in future years. When used strategically CRM programs can provide an additional point of differentiation, helping create competitive advantage for firms that use it adeptly.

Study Limitations

As with any experiment several limitations exist in regards to the study. First, because this study used a cross sectional quasi experimental design determining causality was not possible, but elaboration on the significant relationships identified are valid as proper protocols were followed in regards to internal reliability and validity of the sample

(O'Sullivan, Rassel, & Berner, 2003). Second, the use of a quasi experimental research design limits the ability to generalize about a broader population with certainty, as the sample was chosen for reasons of parsimony in addition to its relevance to the research question. A student population, especially those with advanced business education, is likely to be better educated on corporate motivations of CRM programs, potentially influencing their responses in comparison to other consumer groups. Third, the online survey method is not comparable to a realistic purchase environment in which consumers would be confronted with a CRM program. Analysis of actual purchase behavior, e.g. Lichtenstein et al. 2004, would provide more certainty of the study's external validity.

The final limitation is related to the behavior of the two separate variables used to capture nonprofit identification, which were not significantly correlated. This limitation is more critical to findings related to corporate identification than nonprofit identification, but is noted because some ancillary findings are based on the corporate identification and corporate/nonprofit fit variables. Since the primary recommendations offered were based on a more direct method of data analysis, nonprofit identification measure two, they are considered more reliable. Corporate identification, nonprofit identification measure one, and corporate/nonprofit fit used an indirect method of identification scoring and because of the inconsistencies found in nonprofit identification should be refined additionally for use in future research. The indirect method of analysis did provide some intuitive results, e.g. business students and frequent users of juice/soda products have higher levels of corporate identification, but a direct approach of assessing corporate identification, similar to nonprofit identification measure two, should be developed to ensure consistency.

Implications for Further Research

The research resulting from this study was developed due to the growing relevance of identity and identification in the marketing literature. It built upon the theory of CRM purchase intent being related to nonprofit identification. Previous research focused on the influence of a nonprofit partner on corporate identification, while this study separated the identification measures, measuring both corporate identification and nonprofit identification separately. The results yield important insights on how nonprofit identification influences CRM purchase intent, as well as influencers leading to more identified nonprofit supporters. Valuable to both nonprofit and marketing managers, the findings also point to areas of future research, as many uncertainties still exist and will require additional analysis to better understand the motives of consumers and nonprofit supporters when presented with a CRM.

First, nonprofit-corporate fit did not yield a significant result as an influencer of CRM purchase intent, contrary to prior studies (Basil, 2002). This result is likely due to a difference in measurement, as respondents in the study were not presented with the CRM partnership until after assessing each organization's identity. Because the study did not measure attitude change, only perceptions of organizational identity, the impact of a CRM on attitudinal change was not captured and could be investigated in future research. Second, organizational prestige was not a significant predictor of CRM purchase intent, contrary to prior research (Cornwell & Coote, 2005; Bhattacharya et al., 1995). It is assumed this is either a result of a difference in measurement or differences between sample populations.

This should prompt further investigation of whether organizational prestige is only important for specific memberships, or if its value is universal as a significant influencer of organizational commitment.

Third, as Lichtenstein et al. demonstrated the next frontier of CRM research should focus on analyzing actual purchase behavior. One area in that may prove rewarding is an evaluation of the difference between CRM shopping in public bricks and mortar locations versus the presence of CRM programs in online shopping locations. A recent study by Dr. Brian Hare and Dr. Terry Burnham may provide direction on this type of research, as they recently found in an experiment that individuals were more likely to donate when they were being watched compared to when they were left alone to make donation decisions (Woods, 2005). Their study provides insight into the potential differences that may exist between online CRM and bricks and mortar CRM, as consumers in physical locations may instinctively feel like someone is watching them when they make a purchase due to presence of other shoppers. This could prompt them to preference a CRM good over a non-CRM good when making a purchase decision. Finally, this study focused on what could be described as a frivolous product, juice and soda, while prior research has showed consumers have more favorable attitudes of CRM when the product was frivolous, e.g. hot fudge sundae, as opposed to utilitarian, e.g. laundry detergent (Strahilevitz & Myers, 1998). Future researchers may consider investigating whether nonprofit identification varies with the type of product benefits experienced by the consumer, and if product differences impact CRM purchase intent.

APPENDIX A

E-MAIL TEXT

Subject Line: Request for Thesis Help

Hello fellow PPPMer (or MBAer). My name is Patrick Carr, I'm a graduate student in business and public policy and have a favor to ask. As part of my graduate requirements I must write a thesis, which I'm currently working on. Completing a thesis requires independent research and it turns out graduate students are a great sample population for my study. Thus I'm hoping you could take 10 minutes to complete this quick and easy survey.

As a reward for completing the survey you will be automatically entered into a random drawing for a \$50 GIFT CERTIFICATE at the University of Oregon Bookstore. Odds of winning are good as only two departments on campus are being polled, and both have fewer than 125 students enrolled.

The focus of my research is aimed toward better understanding the interactions between businesses and nonprofit organizations, in an effort to gain further knowledge of how to best structure these partnerships.

To complete the survey all you need to do is click on the web site link below and complete the short questionnaire, which should take less than 10 minutes. If you do not wish to participate, simply discard this e-mail. Responses will be completely anonymous; your name will not appear anywhere in the report. Completing and returning the questionnaire constitutes your consent to participate. If you choose to participate, please COMPLETE THIS SURVEY BY MARCH 11TH, 10 days from now, which will help me graduate on time. This will also give you a good procrastination activity as you prepare for final exams.

CLICK HERE TO COMPLETE SURVEY:

<http://naboo.uoregon.edu/ws/wsb.dll/pcarr/UO.htm>

If you prefer, you can keep this e-mail for your records. If you have any questions regarding the research, please contact Patrick Carr, at the Public Policy, Planning, & Management Department/Lundquist College of Business, pcarr@uoregon.edu or my faculty advisor, Professor Renee Irvin, at the Public Policy, Planning, & Management Department, rirvin@uoregon.edu. If you have any questions regarding your rights as a research subject, please contact the Office of Human Subjects Compliance at the University of Oregon at (541) 346-2510. Thank you again for your help.

Sincerely,

Patrick Carr

APPENDIX B

SURVEY QUESTIONS

A growing number of nonprofits are using corporate partnerships as an integral part of their fundraising portfolio. In an effort to better understand nonprofits and businesses partnerships this study has been undertaken. If you have any questions or comments about the survey, please contact Patrick Carr at pcarr@uoregon.edu. Thank you for your participation.

1) Describe the extent of your philanthropic activity, (giving money), over the past 5 years?

- 1-None at all
- 2-I have made one donation to a nonprofit
- 3-I have made several donations to a nonprofit
- 4-I regularly make donations to a nonprofit

2) Describe the extent of your volunteer activity, (giving time), over the past 5 years?

- 1-None at all
- 2-I have volunteered once for a nonprofit
- 3-I have volunteered several times for a nonprofit
- 4-I volunteer regularly for a nonprofit

3) If you HAVE volunteered for or donated money to a nonprofit, which of the following national nonprofit organizations have you donated money to, or volunteered for in the past 5 years? (Select only one; choose the nonprofit which you have supported the most over the past five years)

- 1-American Cancer Society
- 2-American Red Cross
- 3-American Heart Association
- 4-Amnesty International
- 5-Boys & Girls Club
- 6-Boy Scouts of America
- 7-Defenders of Wildlife
- 8-Goodwill Industries
- 9-Humane Society
- 10-Legal Aid Society
- 11-March of Dimes
- 12-Mercy Corps
- 13-National Audubon Society
- 14-National Geographic Society
- 15-National Public Radio

- 16-Natural Resources Defense Council
- 17-Planned Parenthood
- 18-Sierra Club
- 19-Special Olympics
- 20-YMCA
- 21-Other (please specify)

If you selected other, please specify:

4) If yes, how many years have you been involved with the organization?

- 1-Less than 1 year
- 2-1 – 3 years
- 3-4 – 6 years
- 4-7 – 9 years
- 5-Over 9 years

5) If yes, how many hours per month have you spent volunteering for the organization in the past year?

- 1-Less than 5 hours
- 2-6 – 10 hours
- 3-11 – 15 hours
- 4-16 – 20 hours
- 5-Over 20 hours

6) If you HAVE NOT volunteered for or donated money to a nonprofit, to which of the following national nonprofit organizations would you be most likely to donate, or volunteer for? (Select only one)

- 1-American Cancer Society
- 2-American Red Cross
- 3-American Heart Association
- 4-Amnesty International
- 5-Boys & Girls Club
- 6-Boy Scouts of America
- 7-Defenders of Wildlife
- 8-Goodwill Industries
- 9-Humane Society
- 10-Legal Aid Society
- 11-March of Dimes
- 12-Mercy Corps
- 13-National Audubon Society
- 14-National Geographic Society
- 15-National Public Radio

- 16-Natural Resources Defense Council
- 17-Planned Parenthood
- 18-Sierra Club
- 19-Special Olympics
- 20-YMCA
- 21-Other (please specify)

If you selected other, please specify:

7) Describe THE NONPROFIT selected in question 3 or 6 by matching the attributes below along dimensions of agree and disagree.

Options: 1-Strongly Disagree, 2-Disagree, 3-No Opinion, 4-Agree, 5-Strongly Agree

- "Activist" accurately describes nonprofit selected:
- "Capable" accurately describes nonprofit selected:
- "Dishonest" accurately describes nonprofit selected:
- "Innovative" accurately describes nonprofit selected:
- "Enlightened" accurately describes nonprofit selected:
- "A leader" accurately describes nonprofit selected:
- "Expert" accurately describes nonprofit selected:
- "Progressive" accurately describes nonprofit selected:
- "Compassionate" accurately describes nonprofit selected:
- "Fair" accurately describes nonprofit selected:
- "Risk averse" accurately describes nonprofit selected:
- "Conservative" accurately describes nonprofit selected:
- "High quality" accurately describes nonprofit selected:
- "Sincere" accurately describes nonprofit selected:
- "Cooperative" accurately describes nonprofit selected:
- "Inconsiderate" accurately describes nonprofit selected:
- "Sensitive" accurately describes nonprofit selected:
- "Democratic" accurately describes nonprofit selected:
- "Inefficient" accurately describes nonprofit selected:

8) Please select the statement which best describes THE NONPROFIT selected in question 3 or 6:

- 1-The organization is first class in comparison to other nonprofits
- 2-The organization is well thought of in the local community
- 3-The organization is comparable to other nonprofits
- 4-The organization is not quite as important as other nonprofits
- 5-The organization is not first class in comparison to other nonprofits

9) Please select the statement which best fits your feelings about THE NONPROFIT selected in questions 3 or 6:

Options: 1-Strongly Disagree, 2-Disagree, 3-No Opinion, 4-Agree, 5-Strongly Agree

When someone criticizes the nonprofit selected it feels like a personal insult.

I am very interested in what others think about the nonprofit.

When I talk about the nonprofit, I usually say "we" rather than "they".

The successes of the nonprofit are my successes.

If a story in the media criticized the nonprofit, I would feel embarrassed/angered.

When someone praises the nonprofit, it feels like a personal compliment.

10) Describe YOURSELF by matching the attributes below along dimensions of agree and disagree.

Options: 1-Strongly Disagree, 2-Disagree, 3-No Opinion, 4-Agree, 5-Strongly Agree

"Activist" accurately describes me:

"Capable" accurately describes me:

"Dishonest" accurately describes me:

"Innovative" accurately describes me:

"Enlightened" accurately describes me:

"A leader" accurately describes me:

"Expert" accurately describes me:

"Progressive" accurately describes me:

"Compassionate" accurately describes me:

"Fair" accurately describes me:

"Risk averse" accurately describes me:

"Conservative" accurately describes me:

"High quality" accurately describes me:

"Sincere" accurately describes me:

"Cooperative" accurately describes me:

"Inconsiderate" accurately describes me:

"Sensitive" accurately describes me:

"Democratic" accurately describes me:

"Inefficient" accurately describes me:

11) Which juice or soda PRODUCT do you most often purchase for yourself or family?

1-7-Up

2-Blue Sky

3-Coke

4-Diet Coke

5-Diet Pepsi

6-Dr. Pepper

- 7-Hansen's
- 8-Jones Soda
- 9-Mt. Dew
- 10-Odwalla
- 11-Pepsi
- 12-Snapple
- 13-Sprite
- 14-Sierra Mist
- 15-Sobe
- 16-RC Cola
- 17-Nantucket Nectars
- 18-Other (please specify)

If you selected other, please specify:

12) Describe THE BRAND selected in the previous question by matching the attributes below along dimensions of agree and disagree.

Options: 1-Strongly Disagree, 2-Disagree, 3-No Opinion, 4-Agree, 5-Strongly Agree

- "Activist" accurately describes the brand:
- "Capable" accurately describes the brand:
- "Dishonest" accurately describes the brand:
- "Innovative" accurately describes the brand:
- "Enlightened" accurately describes the brand:
- "A leader" accurately describes the brand:
- "Expert" accurately describes the brand:
- "Progressive" accurately describes the brand:
- "Compassionate" accurately describes the brand:
- "Fair" accurately describes the brand:
- "Risk averse" accurately describes the brand:
- "Conservative" accurately describes the brand:
- "High quality" accurately describes the brand:
- "Sincere" accurately describes the brand:
- "Cooperative" accurately describes the brand:
- "Inconsiderate" accurately describes the brand:
- "Sensitive" accurately describes the brand:
- "Democratic" accurately describes the brand:
- "Inefficient" accurately describes the brand:

13) How often do you purchase THE BRAND selected?

- 1-Over 3 times per week
- 2-2-3 times per week
- 3-1 time per week
- 4-Every other week
- 5-Once a month or less
- 6-Never, don't drink juice or soda

14) Please respond to each factor listed below by choosing the option (most important to least important) that best describes its importance to you when picking a soda or juice.

Options: 1-Most Important, 2-More Important, 3-No Opinion, 4-Less Important, 5-Least Important

- Availability/Convenience
- Corporate Responsibility
- Frequency of Promotions (e.g. prizes)
- Price
- Product Quality
- Taste
- Quality of Promotions (e.g. Prizes)

15) If the NONPROFIT and the PRODUCT you selected earlier were to partner for a promotion and A PERCENTAGE OF EVERY PURCHASE was donated to the nonprofit, how would it affect your likelihood to purchase the product?

- 1-Much more likely to purchase the product
- 2-More likely to purchase the product
- 3-No change in behavior
- 4-Less likely to purchase the product
- 5-Much less likely to purchase the product

16) How would it affect your support of the nonprofit partner?

- 1-Much more likely to volunteer or donate
- 2-More likely to volunteer or donate
- 3-No change in behavior
- 4-Less likely to volunteer or donate
- 5-Much less likely to volunteer or donate

17) Please respond to each statement below by rating your level of agreement varying from strongly agree to strongly disagree

Options: 1-Strongly Disagree, 2-Disagree, 3-No Opinion, 4-Agree, 5-Strongly Agree

Socially responsible behavior detracts from companies' ability to provide the best possible products

Socially responsible behavior by firms is often a cover-up for inferior product offerings

Socially responsible firms produce worse products than do firms that do not worry about social responsibility

All else equal, a socially responsible firm is likely to have lower technological expertise than a firm that is not socially responsible

Firms that devote resources towards socially responsible actions have fewer resources available for increasing employee effectiveness

A company can be both socially responsible and manufacture products of high value

18) Gender:

1-Male

2-Female

19) Age:

20) Zip Code:

21) Thank you for completing this survey. Your assistance is greatly appreciated.

If you would like to be eligible for the \$50 dollar University of Oregon Bookstore gift certificate please submit your e-mail address below. The winner will be notified by March 28th.

APPENDIX C

FOLLOW UP E-MAIL TEXT

Hello again. I just wanted to offer a quick reminder that you are eligible to enter a contest for a \$50 gift certificate at the University of Oregon Bookstore. To enter yourself all you need to do is take 10 minutes to complete a quick and easy survey. In addition to the potential reward, you will also be assisting me in graduating on time, a goal I'm sure all of you can relate to.

To complete the survey all you need to do is click on the web site link below and complete the short questionnaire at the linked website, which should take less than 10 minutes. Responses will be completely anonymous; your name will not appear anywhere in the report. Completing and returning the questionnaire constitutes your consent to participate.

CLICK HERE TO COMPLETE SURVEY:

<http://naboo.uoregon.edu/ws/wsb.dll/pcarr/UO.htm>

Thank you again for your help.

Sincerely,

Patrick Carr

APPENDIX D

NONPROFIT BRANDING METHOD

The following method was used by Interbrand to establish Habitat for Humanity's brand value (Quelch, Austin, & Laidler-Kylander, 2004):

1. Calculated the percentage of 2002 contributions to Habitat for Humanity that were passed to beneficiaries and projected the growth of this revenue for the next seven years;
2. Determined what factors (such as Habitat for Humanity's tax-free status) drive this revenue, what percentage of revenue from each is due to the brand, and, from this, the expected brand-attributable cash flow; and
3. Calculated a discount rate for future brand-related cash flows using Interbrand's standard for-profit valuation criteria. That 7.5% discount rate translated into a brand valuation of \$1.8 billion. This compares to a \$667 billion valuation for Coca-Cola in 2004.

APPENDIX E

501 (C)(3) DEFINITION

UNITED STATES CODE ANNOTATED
 TITLE 26. INTERNAL REVENUE CODE
 SUBTITLE A--INCOME TAXES
 CHAPTER 1--NORMAL TAXES AND SURTAXES
 SUBCHAPTER F--EXEMPT ORGANIZATIONS
 PART I--GENERAL RULE

→§ 501. Exemption from tax on corporations, certain trusts, etc.

(a) Exemption from taxation. --An organization described in subsection (c) or (d) or section 401(a) shall be exempt from taxation under this subtitle unless such exemption is denied under section 502 or 503.

(b) Tax on unrelated business income and certain activities. --An organization exempt from taxation under subsection (a) shall be subject to tax to the extent provided in parts II, III, and VI of this subchapter, but (notwithstanding parts II, III, and VI of this subchapter) shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes.

(c) List of exempt organizations.--The following organizations are referred to in subsection (a):

(1) Any corporation organized under Act of Congress which is an instrumentality of the United States but only if such corporation--

(A) is exempt from Federal income taxes--

(i) under such Act as amended and supplemented before July 18, 1984, or

(ii) under this title without regard to any provision of law which is not contained in this title and which is not contained in a revenue Act, or

(B) is described in subsection (1).

(2) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt under this section. Rules similar to the rules of subparagraph (G) of paragraph (25) shall apply for purposes of this paragraph.

(3) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

Source: I.R.C. § 501(c)(3)

APPENDIX F
SURVEY RESULTS

Section 1: Philanthropic or Volunteer Activity

Describe the extent of your philanthropic activity, (giving money), over the past 5 years?

	None at all	I have made one donation to a nonprofit	I have made several donations to a nonprofit	I regularly make donations to a nonprofit
Percentage	13.4%	16.1%	51.8%	18.8%
Count	15	18	58	21

Describe the extent of your volunteer activity, (giving time), over the past 5 years?

	None at all	I have volunteered once for a nonprofit	I have volunteered several times for a nonprofit	I volunteer regularly for a nonprofit
Percentage	14.3%	14.3%	46.4%	25%
Count	16	16	52	28

If you have volunteered or donated money to a nonprofit, how many years have you been involved with the organization?

	Less than 1 year	1-3 years	4-6 years	7-9 years	Over 9 years
Percentage	18.4%	47.6%	19.4%	4.9%	9.7%
Count	19	49	20	5	10

If you have volunteered or donated money to a nonprofit, how many hours per month have you spent volunteering for the organization in the past year?

	Less than 5 hours	6-10 hours	11-15 hours	16-20 hours	Over 20 hours
Percentage	65.6%	17.7%	5.2%	4.2%	7.3%
Count	63	17	5	4	7

Section 2: Nonprofits Supported

If you HAVE volunteered for or donated money to a nonprofit, which of the following national nonprofit organizations have you donated money to, or volunteered for in the past 5 years? (Select only one; choose the nonprofit which you have supported the most over the past five years)

Nonprofit	Count
National Public Radio	6
Natural Resources Defense Council	6
Humane Society	4
Planned Parenthood	4
Special Olympics	4
YMCA	3
American Cancer Society	3
American Red Cross	3
Amnesty International	3
Goodwill Industries	3
Defenders of Wildlife	2
March of Dimes	2
Sierra Club	2
American Heart Association	1
Boy Scouts of America	1
Legal Aid Society	1
Boys & Girls Club	0
Mercy Corps	0
National Audubon Society	0
National Geographic Society	0
Other	53

Other Nonprofits Selected:

American Baptist Churches in the USA	Metropolitan Museum or Art
American Diabetes Association	Nature Conservancy
Arthritis Foundation	Nonprofit in India
Bear Creek Watershed Education Partners	NRO (local np-on board), SMART, NARAL
Birth to Three	ONRC, CWP, Nearby Nature, other local en
Church of Jesus Christ of Latter Day	Oregon entrepreneurs forum
Crohns and Colitis Foundation	Oregon Festival Choirs
Cure Parkinson's Program	(2) OSPIRG
Danish Business Association	Cascadia Wildlands Project
domestic violence council	PAWS- Pet Adoption Welfare Society
Eugene Mountain Rescue	peace corps
FOOD for Lane County	Rehabilitation Center of Michigan
Friends of Trees in Portland, OR	Save the Children & locally-based groups

(4) Habitat for Humanity
 (2) Human Rights Campaign
 KBOO community radio, Portland
 KRVM radio station
 Lane County Food Policy Council
 LDS Church Humanitarian Fund
 League of Conservation Voters
 (2) local church
 local homeless shelter, Portland OR
 local organizations only
 Local, not national nonprofits
 Margham, Inc. (www.margham.org)

Sexual Assault Support Services
 Shavers Fork Coalition
 Snohomish County Health and Safety
 Society of Environmental Journalists
 St, Vincent De Paul, Various Church
 Statewide Nonprofit
 Student Conservation Association
 Susan G. Koleman Breast Cancer
 (4) United Way
 United Way, WOW hall, paralyzed vets USA
 Willama Restoration Project

If you have NOT volunteered for or donated money to a nonprofit, to which of the following national nonprofit organizations would you be most likely to donate, or volunteer for? (Select only one)

Nonprofit	Count
National Public Radio	3
Amnesty International	1
Goodwill Industries	1
Humane Society	0
American Red Cross	0
Planned Parenthood	0
Sierra Club	0
Boy Scouts of America	0
Boys & Girls Club	0
Special Olympics	0
YMCA	0
American Cancer Society	0
Natural Resources Defense Council	0
Defenders of Wildlife	0
March of Dimes	0
American Heart Association	0
Legal Aid Society	0
Mercy Corps	0
National Audubon Society	0
National Geographic Society	0
Other	3

Other Nonprofits Selected:

- Breast Cancer
- Head Start
- Oregon Public Broadcasting

Section 3: Identification Exercises

Respondents matched the attributes provided below based on their opinion of the nonprofit they have supported in the past 5 years or were most likely to support.

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Activist	13.4%	28.6%	17.9%	25%	15.2%
Capable	1.8%	2.7%	4.5%	49.5%	41.4%
Dishonest	77.7%	16.1%	2.7%	.9%	2.7%
Innovative	1.8%	10.7%	20.5%	48.2%	18.8%
Enlightened	.9%	4.5%	23.2%	47.3%	24.1%
A Leader	.9%	5.4%	9.8%	48.2%	35.7%
Expert	.9%	7.2%	10.8%	52.3%	28.8%
Progressive	3.6%	6.3%	14.3%	46.4%	29.5%
Compassionate	.9%	3.6%	12.5%	36.6%	46.4%
Fair	.9%	3.6%	11.7%	55.9%	27.9%
Risk Averse	7.1%	25%	48.2%	16.1%	3.6%
Conservative	22.3%	29.5%	23.2%	21.4%	3.6%
High Quality	1.8%	2.7%	10.7%	57.1%	27.7%
Sincere	.9%	.9%	8.0%	46.4%	43.8%
Cooperative	.9%	1.8%	17.9%	47.3%	32.1%
Inconsiderate	63.4%	27.7%	6.3%	1.8%	.9%
Sensitive	1.8%	6.3%	22.3%	43.8%	25.9%
Democratic	0%	4.5%	35.7%	45.5%	14.3%
Inefficient	29.5%	47.3%	14.3%	7.1%	1.8%

Please select the statement which best fits your feelings about the nonprofit selected:

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
When someone criticizes the nonprofit selected it feels like a personal insult	4.5%	22.7%	24.5%	35.5%	12.7%
I am very interested in what others think about the nonprofit	6.3%	17.1%	29.7%	32.4%	14.4%
When I talk about the nonprofit, I usually say "we" rather than "they"	19.1%	44.5%	17.3%	12.7%	6.4%
The successes of the nonprofit are my successes	8.2%	30.9%	21.8%	30.9%	8.2%
If a story in the media criticized the nonprofit, I would feel embarrassed/angered	8.2%	19.1%	16.4%	46.4%	10%
When someone praises the nonprofit, it feels like a personal compliment	9%	31.5%	21.6%	32.4%	5.4%

Respondents matched the attributes provided below based on their opinion of themselves.

THE PERSONAL Attribute Matching Exercise

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Activist	8%	39.3%	13.4%	33%	6.3%
Capable	0%	0%	1.8%	67%	31.3%
Dishonest	71.4%	25.9%	.9%	1.8%	0%
Innovative	0%	3.6%	20.7%	66.7%	9%
Enlightened	0%	0%	15.2%	73.2%	11.6%
A Leader	0%	4.5%	14.3%	59.8%	21.4%
Expert	1.8%	17%	29.5%	46.4%	5.4%
Progressive	.9%	2.7%	10.7%	61.6%	24.1%
Compassionate	0%	2.7%	5.4%	48.2%	43.8%
Fair	0%	0%	3.6%	58.6%	37.8%
Risk Averse	5.4%	36.6%	20.5%	35.7%	1.8%
Conservative	29.5%	39.3%	11.6%	17%	2.7%
High Quality	0%	0%	13.4%	63.4%	23.2%
Sincere	0%	.9%	3.6%	54.5%	41.1%
Cooperative	0%	.9%	3.6%	60.7%	34.8%
Inconsiderate	46.8%	46.8%	5.4%	.9%	0%
Sensitive	0%	4.5%	10.7%	58.9%	25.9%
Democratic	.9%	2.7%	14.5%	61.8%	20%
Inefficient	35.7%	50.9%	7.1%	5.4%	.9%

Respondents matched the attributes provided below based on their opinion of the brand they selected as the juice or soda product they are most likely to purchase.

THE BRAND Attribute Matching Exercise

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Activist	13.2%	21.7%	48.1%	14.2%	2.8%
Capable	3.8%	1.9%	41.5%	48.1%	4.7%
Dishonest	18.9%	35.8%	40.6%	2.8%	1.9%
Innovative	3.8%	8.5%	36.8%	40.6%	10.4%
Enlightened	2.8%	13.2%	50%	27.4%	6.6%
A Leader	3.8%	5.7%	33%	42.5%	15.1%
Expert	2.8%	5.7%	52.8%	28.3%	10.4%
Progressive	2.8%	14.2%	40.6%	34.9%	7.5%
Compassionate	5.7%	15.1%	58.5%	18.9%	1.9%
Fair	5.7%	7.6%	65.7%	17.1%	3.8%
Risk Averse	5.7%	21.7%	60.4%	9.4%	2.8%
Conservative	10.4%	21.7%	50.0%	13.2%	4.7%
High Quality	.9%	2.8%	23.6%	34.9%	37.7%
Sincere	1.9%	10.4%	64.2%	18.9%	4.7%
Cooperative	2.8%	5.7%	78.3%	10.4%	2.8%
Inconsiderate	12.3%	27.4%	57.5%	1.9%	.9%
Sensitive	4.7%	12.3%	70.8%	9.4%	2.8%
Democratic	4.7%	8.5%	75.5%	9.4%	1.9%
Inefficient	16%	30.2%	52.8%	.9%	0%

Section 4: Nonprofit Organizational Prestige

Please select the statement which best describes the nonprofit you have selected:

	Percentage
The organization is first class in comparison to other nonprofits	39.3%
The organization is well thought of in the local community	46.4%
The organization is comparable to other nonprofits	10.7%
The organization is not quite as important as other nonprofits	3.6%
The organization is not first class in comparison to other nonprofits	0%

Section 5: Juice and Soda Preferences

Which juice or soda product do you most often purchase for yourself or family?

Soda/Juice Product	Percentage
Odwalla	11.1%
Coke	8.3%
Pepsi	7.4%
Diet Coke	7.4%
Hansen's	7.4%
Snapple	4.6%
Diet Pepsi	3.7%
Mt. Dew	3.7%
Dr. Pepper	2.8%
Sprite	2.8%
Sobe	2.8%
7-Up	1.9%
Blue Sky	1.9%
Jones Soda	1.9%
Sierra Mist	.9%
RC Cola	.9%
Nantucket Nectars	0%
Other (please specify)	30.6%

Other Juice or Soda Products Selected:

- Aquafina
- Arizona
- brisk ice tea raspberry
- Diet Sierra Mist
- EVA Artesian Water
- Filtered tap water and organic juices
- Fresca
- Genesis Juice
- Henry's Root Beer
- horizon organic orange juice
- Juice Squeeze
- Knudsen Spritzer
- Minute Maid frozen concentrate
- (1.9%) Mug Root Beer
- Nanas organic juice
- Natural Brew Ginger Ale!
- (4.6%) none
- Organic Valley Juices
- Pepsi One
- San Pellegrino
- Santa Cruz
- Talking Rain Seltzer (or other brand)
- Tree Top Apple Juice
- (1.9%) Tropicana orange juice
- Virgils Root Beer
- (3.7%) Water
- western family oj

How often do you purchase THE BRAND selected?

Frequency	Percentage
Over 3 times per week	2.8%
2-3 times per week	12.8%
1 time per week	18.3%
Every other week	27.5%
Once a month or less	33%
Never, don't drink juice or soda	5.5%

Purchase factor importance when selecting a soda or juice

	Most Important	More Important	No Opinion	Less Important	Least Important
Availability/ Convenience	9.3%	53.7%	7.4%	21.3%	8.3%
Corporate Responsibility	10.3%	35.5%	15.9%	26.2%	12.1%
Frequency of Promotions (e.g. prizes)	0%	10.2%	7.4%	31.5%	50.9%
Price	8.3%	48.1%	10.2%	28.7%	4.6%
Product Quality	46.2%	47.2%	4.7%	.9%	.9%
Taste	63.9%	34.3%	.9%	.9%	0%
Quality of Promotions (e.g. prizes)	1.9%	2.8%	11.3%	29.2%	54.7%

Section 6: CRM Impact on Purchase Intention and Nonprofit Support

If the NONPROFIT and the PRODUCT you selected earlier were to partner for a promotion and A PERCENTAGE OF EVERY PURCHASE was donated to the nonprofit, how would it affect your likelihood to purchase the product?

	Much more likely to purchase the product	More likely to purchase the product	No change in behavior	Less likely to purchase the product	Much less likely to purchase the product
Frequency	23.6%	52.7%	21.8%	.9%	.9%

How would the promotion impact your support of the nonprofit partner?

	Much more likely to volunteer or donate	More likely to volunteer or donate	No change in behavior	Less likely to volunteer or donate	Much less likely to volunteer or donate
Frequency	4.5%	15.3%	75.7%	2.7%	1.8%

Section 7: Socially Responsible Business Views

Opinion of Socially Responsible Business Practices

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Socially responsible behavior detracts from companies' ability to provide the best possible products	63.4%	29.5%	3.6%	2.7%	.9%
Socially responsible behavior by firms is often a cover-up for inferior product offerings	33.3%	41.5%	13.5%	11.7%	0%
Socially responsible firms produce worse products than do firms that do not worry about social responsibility	57.7%	32.4%	8.1%	.9%	.9%
All else equal, a socially responsible firm is likely to have lower technological expertise than a firm that is not socially responsible	53.6%	33%	10.7%	1.8%	.9%
Firms that devote resources towards socially responsible actions have fewer resources available for increasing employee effectiveness	49.1%	30.4%	11.6%	8%	.9%
A company can be both socially responsible and manufacture products of high value	0%	0%	1.8%	20.5%	77.7%

Section 8: Demographic Information

Gender	
	Percentage
Male	47.3%
Female	52.7%

Department	
	Percentage
Lundquist College of Business	42.9%
Planning, Public Policy, & Management	40.2%
Did not indicate	17%

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