

# Cause Related Marketing and Customer Skepticism: A Study of Situational and Psychological Skepticism

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## Abstract

**Objective:** The primary objective of the present study is to understand the antecedents to Skepticism towards brands involved in Cause Related Marketing and its outcomes. **Methodology:** To attain the above objective, quantitative research method was used to test the cleanliness of the measurement items using CFA and to test the conceptual model using SEM. **Findings:** It was found that two psychological variables, Utilitarianism and Hedonism, moderate the relationship between different Situational variables leading to Skepticism. Skepticism in turn was found to impact customer's future Buying and Patronage Intention. The findings of the study would help academicians and marketers. **Implications:** Academicians will be enriched by the knowledge of various antecedents and moderating variables and their differential impacts on Skepticism. Marketers will be benefited as the insights will help them develop segment-wise positioning strategies for customer's with different orientations for optimum benefits from CRM activities. **Originality:** The contribution of the present work is, studying the integrated impact of situational variables and pre-dispositional variables (due to one's own psychology) on Skepticism and its impact on patronage intention. To the best of our knowledge, no such study is being undertaken so far.

## Keywords

Cause Related Marketing (CRM), Skepticism, Situational Skepticism, Psychological Skepticism, Image, NPO

## 1. Introduction

Intensified competition in the marketplace had compelled the marketers to devise more appropriate and novel differential positioning strategies to help brands

stand out [1]. One such differential positioning strategy is Cause Related Marketing (CRM). As per Stakeholder Theory (ST) companies involvement in CRM is driven by meeting its social (all stakeholders) goals and not economic (profit) goals. Meeting social goal enhances altruistic perception of customers leading to positive attitude towards the brand/company involved in CRM. Hence ST explains why a firm should adopt CRM based positioning. CRM helps customers donate for some social cause, by brands that are involved in CRM [2]. It's a feel good factor for customers and company. However, the success of CRM is determined by the types of perceived motivation attribution as per the Attribution Theory. If the motivation attribution is perceived to be positive indicating the perceived authenticity of the CRM program by the customers, then it leads to success of CRM program and *vice versa* [3]. Therefore, the company is expected to design and communicate its CRM program in such a way that it enhances the altruistic perception of customer and not egoistic perception. Altruistic perception is the positive perception that CRM is for benefitting the society and egoistic perception that it's to mislead the general public as a social cause oriented program, but its real motive is to make economic benefit (firm's profit).

If customer's egoistic perceptions are enhanced by companies involved in CRM then it results in Skepticism [4] [5] [6]. If altruistic perception is enhanced then it improves the customer's attitude towards the brand thus leading to improved brand image perception [1] [3]. Consequently it leads to questioning of, what enhances the egoistic perception making consumers skeptical about CRM?

Overview of the extant literature suggests that, the focus of past research on CRM had majorly been on how companies should design CRM program rather than on the impact of such programs [1] [7] [8]. Despite the significance and importance of consumer Skepticism (egoistic perception) in determining the success of CRM factors that may cause Skepticism were less researched [9].

Few studies have found that the causes of Skepticism could be twofold: 1) Pre-dispositional and 2) Situational. Pre-dispositional Skepticism develops from a very young age and is ingrained in the psychology of the consumer. Situational Skepticism on the other hand develops from the context and content of CRM program; it is independent of the psychographic of the consumers and is researched extensively [10] [11] [12] [13]. On the contrary study on pre-dispositional Skepticism was found to be few [14] [15] [16].

Bae [9] made an attempt to understanding Skepticism towards situational variables and Chang & Cheng [17] made an attempt to understand customer's Skepticism towards CRM, impacted by pre-dispositional variables. The former neglected the role of pre-dispositional variables, the impact of attitudes on actual buying behaviour and the later neglected the impact of situational variable on Skepticism. However both the studies made important contribution in explaining consumer's Skepticism and its impact on their attitude. Skepticism towards CRM programs could be due to consumer's psychology itself (to distrust everything) than to do with the authenticity of the claim. Hence studies need to be

undertaken to understand the dual role of situational and psychological variables in determining Skepticism (egoistic perception) and the impact of Skepticism in future buying behaviour of consumer.

It had been found that most of the research in this area is concentrated around developed countries like US and Europe [18] [19], thus making the findings hard to generalize for other countries. CRM is relatively an old phenomenon in developed nations, its effectiveness as a positioning strategy to build company's image was found to be limited by growing consumer's Skepticism [20]. On the other hand the concept was found to be more impactful in developing countries like India, where consumers can be expected to have favorable views toward CRM [1] [14] [16]. Hence more research on antecedents and consequences of consumer Skepticism should be conducted in developing countries where such studies are scarce [1] [8] [9] [10].

The primary objective of the present study is to understand the antecedents and consequences of consumer's Skepticism since this field is less researched in the context of CRM. The secondary objective is to understand the role of situational and pre-dispositional Skepticism. The next section of the paper builds on a conceptual model, followed by methodology used in the study. Post Methodology the Data Analysis section discussed how the data is analyzed and the final section deals with the conclusion, research implications (both academic as well as practical) and the final section highlights the limitation of the work providing direction for the future work. The finding of the study is expected to help academicians and marketers. Academicians will be enriched by the knowledge of the antecedents and consequence of Skepticism. Marketers will be benefitted by the knowledge of segments of customers who can be made loyal to the firm through its proper CRM based differential positioning which will trigger customer's altruistic perception.

## 2. Conceptual Model and Hypotheses

As per Social Exchange Theory (SET) human behavior/Social interaction is an exchange of activity, to maximize rewards and minimize cost. Companies involved in CRM intends to maximize customer's perception of value through exchange, which will help customer's not only to buy a good brand but also to channelize their contribution towards a social cause [21] [22] [23]. However, if the social exchange is not perceived to be maximizing value? What causes such perception of Skepticism? Skepticism can be a dis-positional Skepticism (Utilitarian and Hedonic), or could be temporary which might be induced by situational factors [24]. Situational variables causing Skepticism are, company-cause fit, cause and consumer fit, perception about the company's motive, perception about the CRM communication, perception about the NPO involved in CRM etc [25] [26] [27] [28]. The conceptual model is build with both the types of Skepticism.

Companies Motivation can be defined as, the consumers' perception of the company's motive to launch a CRM program [26] [27]. Consumer Skepticism

can be reduced if the Company can clearly demonstrate that the underlying motive behind CRM is social welfare and not profit [14] [15]. Profit motives were found to increase consumer's Skepticism [18] [19]. Social welfare motives which are the genuine desire of the Company to serve the society and the needy people is viewed more favorably leading to enhanced altruistic perception [25] [26] [27]. If the CRM motives are not perceived to be social welfare then it enhances their egoistic perception (*i.e.* Skepticism) [6] [7]. Hence it can be concluded that companies motives as perceived by customers' impact their Skepticism. If the motive is perceived to be good then it impacts Skepticism negatively and vice versa. From the above it can be hypothesized that:

**H1: There exists negative relationship between perceived good motives and skepticism**

Customer-cause-compatibility can be defined as, the degree of importance and thus the related relevance which the cause has in the life of the consumer [4] [5]. Companies launching CRM should focus on issues that are perceived to be important and relevant by the segment of customers which the company intends to target [26] [27]. The cause needs to be compatible with the type of consumers Companies are catering to [27] [28] [29]. Compatibility can be defined in terms of the cause relevance, cause importance and cause involvement [18] [19]. Consumer's perception of compatibility with the cause reduces the degree of Skepticism [18] [19]. From the above it can be hypothesized that:

**H2: There exists negative relationship between consumer-cause-compatibility and skepticism**

Company's Image can be defined as, the reflection of the consumer's knowledge structures and consumer's perceptions and beliefs about the identity of the company [30] [31]. Existing image of a company influences consumer's Skepticism towards CRM programs. If a company enjoys favorable image in the minds of customers then the company can expect the same to get transferred to its CRM program as well [12] [15]. Favorable image about a company is negatively related to Skepticism [12] [15] [18] existing favorable image of a company develops strong association and brand resonance between customer and company which can counter Skepticism [17] [18]. From the above it can be hypothesized that:

**H3: There exists negative relationship between perceived favorable image of a company and customer's skepticism**

Customer's Perception about the Image of NPO is defined as, the image in the mind of consumer based on his(r) opinion about the programs supported by the NPO. Skepticism is also found to be impacted by the image of the NPO (Non-Profit Organization) through which the funds raised by the company is often channelized for the cause. Sometime consumers are aware of the NPO facilitating the company to channelize the funds and sometimes they are not. If the NPO is reputed and enjoys favorable image then it's worthwhile that the company promotes this association, as it can reduce Skepticism [30] [31] [32]. If the NPO being promoted by the company does not enjoy favorable image then it can es-

calate consumer's Skepticism. However to maintain transparency it is always desired that the company communicates about the NPO it is associated with, which makes it important for the company in choosing the right partner. From the above it can be hypothesized that,

**H4: There exists negative relationship between perceived favorable image of npo and skepticism**

Customer's Perception about compatibility of the Company and CRM is defined as, the congruency between the CRM program and the company; it is based on the common association which the brand shares with the cause due to functional fit-product dimensions/features, affinity [31] [32] [33]. Causes that the company chooses to address should be done post evaluating the existing capabilities of the company. If a company promotes providing skill to the unemployed youth in the vicinity of its manufacturing plant, however does not have the capacity to absorb them, might leave the customer Skeptical about the company's mission to provide employment and fight poverty. Hence companies capabilities should be matched against the cause that the company intends to promote [33] [34] [35]. Higher fit between cause and company would lead to reduced Skepticism and vice versa [36] [37] [38]. An example was provided by [17] was of KFC's support of the Breast Cancer Research Foundation, which creates a disconnect between the cause and the company, leaving consumers skeptical [18] [19]. Based on the above it can be hypothesized that,

**H5: There exists negative relationship between cause-company fit to consumer's skepticism**

Customer's perception about the CRM communication can be defined as, the perception of the consumer about the manipulative intent of the CRM communication to increase sales. Consumer Skepticism with the CRM programs can only be managed if consumers are clearly communicated without any manipulations [1] [17] [19]. Message content and source of communication of the CRM message also impacts Skepticism [35] [37]. Consumers' do not like bold and conspicuous way of communication of CSR activities [16] [18]. Vague quantifiers in the CRM communication may lead to Skepticism amongst the consumers [34] [37] [38], and impacts the effectiveness of the communications [31]. Therefore it can be concluded that if the CRM communication is perceived favorable by the customers then it reduces their Skepticism and vice versa. Hence based on the above it can be hypothesized that,

**H6: There exists negative relationship between perceived favorable crm communication and consumer's skepticism**

Little empirical research exists demonstrating the role of consumer psychographics on Skepticism [17]. Psychological variables that impact their Skepticism is shopping orientation (Hedonic/Utilitarian) [12] [16] [18]. A hedonistic shopping orientation can be defined as orientation that is related to, the potential entertainment and emotional value of shopping [11]. In contrast, a utilitarian shopping orientation can be defined as practical, task-related, and rational [27] [29]. Both are judgments and two different dimensions and not two ends of a

continuum [18] [19].

Consumers with a utilitarian shopping orientation are more rational, cognitively driven and process information more analytically [21]. Therefore, consumers with Utilitarianism shopping orientation are likely to analytically evaluate CRM program and hence can be expected to be more Skeptical [17] [18]. On the contrary, it had found that, CRM program will be evaluated more positively by hedonic than utilitarian consumers, because hedonic consumption is more likely to arouse both pleasure and guilt [17] [18]. Hence both hedonic/utilitarian orientations impact the degree of Skepticism caused by its antecedents. These orientations can be expected to moderate the relationship between Skepticism and its antecedents. Guilt evoked by hedonic consumption are well complemented by the positive feelings induced from charitable giving by subscribing products of companies involved in CRM [17] [18] [19]. From the above it can be hypothesized that,

**H7: Consumer's hedonism will moderate the relationship between: (a) social motivation (b) fit between cause and company (c) fit between cause and consumer (d) image of the company (e) image of the NPO (f) CRM communication, to Skepticism negatively.**

**H8: Consumer's utilitarianism will moderate the relationship between: (a) social motivation (b) fit between cause and company (c) fit between cause and consumer (d) image of the company (e) image of the NPO (f) CRM communication → Skepticism positively.**

Patronage Intention is defined as, the consumer's patronage of a firm which supports social cause [36] [37]. Companies' motivation to be socially responsible is largely due to the desire to appease its stakeholders, regulators [28] [29] [39]. Consumer's Skepticism was found to impact consumer attitudes and patronage intentions [31] [34]. Consumers appear to provide greater support via WOM, future purchases etc for companies that are perceived socially and environmentally responsible [35] [36] [37] and are Skeptical to companies that are not [21] [22]. Skepticism has a negative impact on the patronage intent of the consumer and also creates an unfavorable attitude towards the company [16] [17] [19] [21]. Based on the above it can be hypothesized that,

**H9: There exists negative relationship between consumer's Skepticism and patronage intention**

### 3. Research Methodology

*Participants and Procedures:* To examine the proposed hypotheses, a survey was conducted in four major metropolitan cities in India (Delhi, Calcutta, Mumbai and Chennai). From each cities a sample of 150 respondents were chosen. From each city two educational institute of national reputation were selected for data collection and total of 75 samples were collected from each educational institutes using random sampling methodology. The demographic age of the participants were between 18 and 24 has been identified as one of the groups most amenable to cause marketing [21] [22]. Compared with older generations, young and edu-

cated consumers were found to be more informed and supportive of CRM campaigns [27] [28] CRM is popularly used to promote low-priced consumer goods *i.e.* FMCG (drinks, shampoo, washing powder, sanitary pads etc.) [17] and these products are affordable and highly familiar to students. Furthermore, college students represent a segment of general public that shows Skepticism toward advertising with supposed unethical consequences [18] [19] [24].

The field work was conducted during 2017. Total sample size was 600 of which 53% were male and 47% were females and as per the Census report (2011) the percentages at national level are 52% (male) and 48% (female). The final data was comparable. As cited in Hinkin [40], an ideal sample size should have an item-to-response ratios ranged from as low as 1:4 to as high as 1:10 for each set of scales to be factor analyzed. In this research, there were 56 items to be measured; hence sample size of 560 respondents would be sufficient for factor analysis. Based on the above a sample size of 600 can well be justified. The study was focused on CRM under FMCG. The focused product categories were soft drinks, shampoo, sanitary pads, washing powder, health drinks etc. The respondents were asked to identify any one of the product category, they are aware is involved into CRM activity. Also the respondents were asked if they know in detail about the NPO involved in the CRM activity with the company, before allowing them to respond to the questionnaire. These served as screening questionnaire. The time period of the survey was almost 3 month.

Instrument and Measures: Details about all the variables, their definitions, items used to measure them and their sources were explained in detailed in **Table 1**. All the items were measured on a 5-point Likert scale ranging from strongly disagree to strongly agree. A pretest was conducted among 30 respondents, a reliability analysis was performed, any item with an item-to-total value below 0.3 was deleted and based on the suggestions received from the pilot study the questionnaire was adapted before using it for data collection.

#### 4. Data Analysis

Measurement Model Evaluation: Gerbing and Anderson [41] suggest a two-step procedure, step one consists of confirmatory factor analysis tests for construct validity of the measures for latent constructs, for each of the groups. Second step consists of testing the structural equation model (SEM) for its goodness of fit. **Table 2** reports the results of confirmatory factor analysis related to the measurement model. Evidence for the unidimensionality of each construct was based upon a Confirmatory Factor Analysis (CFA) revealing that the appropriate items loaded at least 0.63 on their respective hypothesized component. Convergent validity was supported by a good overall model fit, all loadings being significant ( $P < 0.01$ ) and nearly all  $R^2$  exceeding 0.50. Reliability was indicated by composite reliability measures all exceeding 0.70. Discriminant validity was tested in a series of nested Confirmatory Factor model comparisons in which correlations between latent constructs were constrained to 1 all the values are below the cut off mark of 0.80. In addition, the average percentage of variance

**Table 1.** Constructs and sources (all the sources of the data is captured under the column sources).

Variables Definition	Secondary Source
Firm's Motivation: It is defined as, the consumers attribution of the company's motive to launch a CRM program.	Ellen, Webb & Mohr 2006
Skepticism: It is defined as the consumer distrust or disbelief of marketer actions. These actions may include the motives of marketers, specific advertising claims, and public relations efforts (e.g., Ford, Smith, & Swasy, 1990; Obermiller & Spangenberg, 1998; Webb & Mohr, 1998) extended by Forehand & Grier [24].	Bronn and Vrionni (2001)
Customer-cause compatibility: It is defined as the degree of importance and thus the related relevance which the cause has in the life of the consumer.	Menon and Kahn 2003
Customer's perception about the company's Image: It is the defined as the degree of consumers' psychological attachment to a company based on a substantial overlap between their perceptions of themselves and their perceptions of the company.	Defined as C-C (consumer-company) Lee <i>et al.</i> , 2012 adaption of Mael and Ashforth, 1992
Customer's perception about the Image of NPO: It is defined as the image in the mind of consumer based on his opinion about the programs supported by the NPO.	Cornwell and Coote 2003
Customer's perception about Fit between the Company and CRM: It is defined as the Congruency between the CRM program and the company.	Menon and Kahn 2003
Customer's Perception about the CRM Communication: It is defined as the perception of the consumer about the manipulative intent of the CRM communication to increase sales	Skard and Helge 2014
Utilitarianism: It is defined as shopping orientation can be defined as practical, task-related, and rational	(Batra and Ahtola 1991); Babin <i>et al.</i> (1994)
Hedonism: It is defined as orientation that is related to, the potential entertainment and emotional value of shopping	(Bellenger <i>et al.</i> 1976); Babin <i>et al.</i> (1994); Voss <i>et al.</i> (2003)
Patronage Intention: is defined as the consumer's patronage of a firm which is considered as organisations which support social cause.	Westberg, 2012; Walker, 2010;

extracted for each construct was nearly greater than 0.50. In summary, the measurement model is clean, with evidence for unidimensionality, convergent validity, reliability and discriminant validity.

Also in order to check for the Common Method Variance (CMV) due to measurement of both exogenous and endogenous variables in the same survey with the same instrument chi-square test was employed. Post data-collection procedure involving chi-square difference tests as discussed by Podsakoff *et al.*, [42] was used. As per the method if CMV exists then both simpler as well as complex method, both fit the data [42]. However during the test run it was found that the model fit improves significantly with the complexity and thus confirm that inter-item correlations are not owing to method bias.

Structural Model Evaluation (SEM): **Table 3** presents the assessment of overall model fit and the tests of research hypotheses. A significant  $\chi^2$  (*i.e.*,  $p < 0.05$ ) means the observed and estimated models differ considerably therefore; it is desired to have a non-significant  $\chi^2$ . Chi-square is sensitive to the sample size therefore other goodness of fit index (GFI, AGFI (aggregated Goodness of Fit Index) are used to test the overall model fit and the closer they are to unity the better the fit. To identify specification or measurement errors, the Root Mean Squared Error of Approximation (RMSEA) measure was utilized. This measure

**Table 2.** Confirmatory factor analysis.

Questionnaire Items	Loading	R <sup>2</sup>	Composite Reliability	Composite Variance
<b>Motivation of the firm to do CRM</b>				
1) They feel morally obligated to help	0.84	0.71		
2) They have a long term interest in the community	0.75	0.56		
3) Their owners or employees believe in the cause	0.78	0.61		
4) They want it easier for the consumers who care about the cause to support it	0.77	0.59	0.93	0.64
5) They are trying to give back something to the community	0.88	0.77		
6) They feel their customers expect it	0.68	0.46		
7) They feel that the society in general expects it	0.81	0.66		
8) They feel their stockholders expect it, They feel that their employees expect it	0.87	0.76		
<b>Skepticism</b>				
1) Most statements made by companies in advertising or product labels about supporting non-profit organizations are not true.	0.82	0.67		
2) Most statements made by companies in advertising or on product labels about supporting non-profit organizations are intended to mislead rather than inform the consumer.	0.79	0.62		
3) Because most statements made by companies that they support non-profit organizations are exaggerated, consumers would be better off if such statements were eliminated from advertising or package labels.	0.85	0.72	0.90	0.61
4) I do not believe most statements regarding support of non-profit organizations made by organizations in advertising or on package labels.	0.89	0.79		
<b>Customer Identification with the Cause</b>				
1) Overall evaluation of the cause message	0.86	0.74		
2) Usefulness of cause message (Not at all useful	0.79	0.62		
3) The issue addressed in this message is serious and relevant	0.85	0.72		
4) A message like this is very effective in increasing awareness about the cause	0.84	0.71	0.94	0.58
5) I will try to follow the recommendation in the message	0.85	0.72		
6) I feel that a message like this is a trivial and non-effective solution to a serious issue	0.89	0.79		
<b>Customer's Perception about the Company's Image</b>				
1) When someone criticizes (Name of company), it feels like a personal insult.	0.79	0.62		
2) I am very interested in what others think about (Name of company).	0.89	0.79		
3) When I talk about this company I usually say "we" rather than "they."	0.75	0.56	0.93	0.57
4) This Co's successes are my successes.	0.85	0.72		
5) When someone praises this Co, it feels like a personal compliment.	0.84	0.71		
6) If a story in the media criticized this Co, I would feel embarrassed	0.88	0.77		
<b>Customer's Perception about the Image of the NPO</b>				
1) People in my community think highly of the NPO.	0.84	0.71		
2) The NPO is considered to be one of the best races in the area.	0.86	0.74	0.91	0.64
3) The NPO does not have a good reputation in my community.	0.8	0.64		
4) It is considered positive in the community to have participated in The NPO.	0.91	0.83		

## Continued

<b>Customer's Perception about Fit between the Company and CRM</b>				
1) How compelling is the sponsored message for the brand of (product)?	0.87	0.76		
2) Overall, how good is the match between the sponsorship message and this brand?	0.82	0.67		
3) How strange did you think it was to see this brand sponsoring a message like this? (reverse-scored)	0.86	0.74	0.91	0.51
4) How logically related is this brand of (product) to this social issue?	0.84	0.71		
<b>Customer's Perception about the CRM Communication</b>				
1) The sponsorship appears as an aggressive way of marketing the new brand	0.73	0.53	0.75	0.60
2) The sponsorship seems like pure tactics in order to be portrayed as a responsible brand	0.82	0.67		
<b>Patronage Intention</b>				
1) I will speak favorably of the company to others	0.87	0.76		
2) I will encourage others to attend events promoted by the company	0.87	0.76		
3) I will encourage others to support the company	0.7	0.49		
4) I am eager to learn more about this product which is related to a campaign for a cause	0.73	0.53		
5) I would be willing to pay a higher price for a product from a firm which campaigns for a cause than a product of a firm which does not	0.63	0.40	0.92	0.57
6) I am likely to participate in a campaign for a cause by purchasing the product	0.63	0.40		
7) I would be willing to influence others to purchase this cause-related product	0.7	0.49		
8) I would be willing to purchase this cause-related product	0.95	0.90		
9) I would consider purchasing from this firm which donates to a cause in order to help it	0.67	0.45		
<b>Hedonism</b>				
1) This shopping trip was truly a fun	0.84	0.71		
2) I found the trip exciting.	0.75	0.56		
3) Compared to other things I could have done, the time spent shopping was truly enjoyable	0.68	0.46		
4) I found the trip delightful	0.77	0.59	0.89	0.55
5) During the trip, I felt the excitement of the hunt	0.62	0.38		
6) This shopping trip was not a very nice time out	0.68	0.46		
7) This trip was thrilling	0.81	0.66		
<b>Utilitarianism</b>				
1) I accomplished just what I wanted to on this shopping trip	0.8	0.64		
2) This was a good store visit because it was over very quickly	0.88	0.77		
3) While shopping, I found just the item(s) I was looking for	0.82	0.67	0.90	0.65
4) I feel really smart about this shopping trip	0.78	0.61		
5) I could buy what I really needed	0.76	0.58		

is an estimate of the goodness-of fit if the model was estimated in the entire population. The closer this RMSEA value is to 0, the better the fit, with a rule of thumb being that values of 0.05 or less would indicate a close fit, but an RMSEA of 0.08 or less would still be considered within a reasonable error factor of a good fit. The fit indices indicate that the proposed measurement models for both the groups fit the data well, as shown in **Table 3**.

**Table 3.** Results of Structural Equation Modeling (SEM).

Causal Path Relationships	Hypotheses (proposed direction/sign)	Standardized Coefficient (p value)	
		Model 1	Model 2
Motivation for CRM to Skepticism	H1 (-ve)	-0.57**	-0.63**
Customer cause compatibility to Skepticism	H2 (-ve)	0.12*	0.19*
Company's favorable image to Skepticism	H3 (-ve)	-0.24*	-0.37*
NPO's favorable image to Skepticism	H4 (-ve)	-0.44**	-0.46**
Cause-company fit to Skepticism	H5 (-ve)	0.28*	0.32*
Favorable CRM communication to Skepticism	H6 (-ve)	-0.35*	-0.47**
Hedonism to Skepticism	H7 (-ve)	-0.42*	-0.41*
Utilitarianism to Skepticism	H8 (+ve)	0.31*	0.37*
Skepticism to purchase intention	H9 (-ve)	-0.34*	-0.37**
<b>Two-way interactions</b>			
Social Motivation × Hedonism			0.51**
Customer cause compatibility × Hedonism			0.12
Company's good image × Hedonism			0.33*
NPO's good image × Hedonism			0.47**
Cause and company fit × Hedonism			0.19*
Good CRM communication × Hedonism			0.56**
<b>Two-way interaction</b>			
Social Motivation × Utilitarianism			0.47**
Customer cause compatibility × Utilitarianism			0.23*
Company's good image × Utilitarianism			0.32*
NPO's good image × Utilitarianism			0.48
Cause and company fit × Utilitarianism			0.29*
Good CRM communication × Utilitarianism			0.44**
<b>Fit Index</b>			
$\Delta R$			0.126
R		0.648	0.774
$R^2$		0.419	0.599
Chi Square to degree of freedom		$\chi^2$ (576) = 1289.09 is below 3	$\chi^2$ (574) = 1175.12 is below 3
<i>CFI</i>		0.986	0.999
<i>GFI</i>		0.992	0.996
<i>AGFI</i>		0.965	0.973
<i>RMSEA</i>		0.041	0.026

Notes: \*p &lt; 0.05, \*\*p &lt; 0.001.

**Table 3** shows that all the proposed hypotheses for the baseline model (model 1), were supported and were found to be in the hypothesized direction except the hypothesis 2 and 5. Hypothesis 2 (Consumer cause compatibility → Skepticism) was not found in the hypothesized direction, but was significant. Hypothesis 5 (Cause and company fit → Skepticism) was found insignificant and not in the hypothesized direction.

Moderation testing was done using AMOS in SPSS 21 with the help of Hayes process mechanism (Warsame and Ireri, Article in Press). We classified the consumer's into low and high hedonic based on the scale developed Voss *et al.* [43] comprising seven items, on 5 point Likert scale. The composite reliability of the scale was 0.89 and each items loaded above 0.60 on their respective factors. The mean value was 3.72 and value lower than this was classified as low hedonic ( $M_{Lowhedonic} = 3.48$ ) and higher than this was classified as high hedonic ( $M_{Highhedonic} = 3.96$ ). Similarly for Utilitarianism too the above process was repeated and mean value was 3.58, value lower than this was classified as low on Utilitarianism ( $M_{LowUtilitarianism} = 3.27$ ) and above was classified as high on Utilitarianism ( $M_{HighUtilitarianism} = 3.89$ ). Applying this to the total sample 377, were high on Hedonism and 223 were low on Hedonism; 392 were high on Utilitarianism and 208 were low on Utilitarianism. The moderated interactions were interpreted according to their significant z-score value.

#### 4.1. Testing for Moderation Effect

From **Table 4** it is evident that Hedonism was found to negatively moderate the relationship between all the situational factors to Skepticism in general (from the significant Z-value), except for Consumer cause compatibility → Skepticism, where the z-value was found insignificant. The moderation effect is greater for high hedonistic consumers compared to that of low hedonistic consumers.

**Table 4.** Moderating relationship hypotheses testing.

Causal Path Relationships	High Hedonism Estimate (p value)	Low Hedonism Estimate (p value)	Z-Stat	High Utilitarianism Estimate (p value)	Low Utilitarianism Estimate (p value)	Z-Stat
Social Motivation for CRM → Skepticism (H7a & H8a)	-0.744**	-0.302*	-2.417**	0.64**	0.32*	3.19**
Customer cause compatibility → Skepticism (H7b & H8b)	-0.097	-0.061	-0.714	0.961**	0.296*	2.47**
Company's good image → Skepticism (H7c & H8c)	-0.607**	-0.557**	-3.32**	0.572**	0.309*	2.31*
NPO's good image → Skepticism (H7d & H8d)	-0.691**	-0.509*	-2.78**	0.491**	0.39*	3.502**
Cause and company fit → Skepticism (H7d & H8d)	-0.648**	-0.247*	-3.502**	0.102	0.07	1.23
Good CRM communication → Skepticism (H7e & H8e)	-0.704**	-0.131*	-2.17*	0.723**	0.231*	2.46*

Notes: \*\*p-value < 0.01; \*p-value < 0.05.

Although both low and high Hedonism moderate the relationship negatively still it had been found that higher Hedonism is expected to moderate the relationship between all situational factors to Skepticism more negatively than low Hedonism. This applied to all situational factors except consumer cause compatibility → Skepticism.

Utilitarianism is found to moderate the relationship between all the situational factors to Skepticism except NPO's good image → Skepticism. Utilitarianism moderates the relationship between all situational variables except NPO's image → Skepticism positively. In case of high Utilitarianism it is moderated more positively than that of low Utilitarianism.

#### 4.2. Moderation Interaction

Moderation interactions were performed using the SPSS Hayes process mechanism. The study has adopted two-way interaction to test the moderation effect using Hedonism and Utilitarianism to predict the impact of situational factors on consumer's Skepticism. Result is depicted in **Table 3**. While testing the direct impact of both the variables under model 1 it was found that Hedonism impacts Skepticism negatively while Utilitarianism impacts it positively. The chi-square to degree of freedom was (CMIN/df) was  $\chi^2(576) = 1289.09$ . Values of other fit index were CFI was 0.986, GFI was 0.992, AGFI was 0.965 and RMSEA was 0.041. The values of all goodness-of-fit-index were close to 1 and error was close to zero hence the model was good fit with R value of 0.648. To check if the two psychographic variables moderate the relationship between situational factors to Skepticism two-way interaction effect between these variables to all the situational variables were run. The results showed an improved R value of 0.774. Values of other fit index were CFI was 0.999, GFI was 0.996, AGFI was 0.973 and RMSEA was 0.026. The chi-square to degree of freedom was (CMIN/df) was  $\chi^2(574) = 1175.12$ . Model 2 was found to be a better model with the empirical evidence for the moderation effect of Hedonism as well as Utilitarianism on relationship between most of the situational variables → Skepticism. Only two variables that were not found to be moderated were Consumer cause compatibility and Company cause fit. When we checked for a three way interaction between Utilitarianism to Hedonism as model 3 we found the value to be trivial and insignificant and hence the chance of mediation moderation was not present.

#### 5. Conclusions

Consumer's Skepticism towards CRM, impacts the company negatively. Sceptical consumers perceive a CRM campaign as merely a marketing gimmick to mislead. The purpose of the present study was to understand how companies can overcome such Skepticism to get the optimum benefit of CRM. The empirical evidence suggests that factors that cause consumer's Skepticism were inappropriate: 1) social motivation, 2) fit between cause and consumer, 3) CRM communication, 4) positive image of the NPO, and 5) positive image of the compa-

ny. No empirical evidence was found for, fit between cause and company. One rationale could be that for FMCG brand, consumer will not be skeptical if the brand supports a cause which is asymmetrical to its own domain. Examples already discussed were of Tobacco Company sponsoring Cancer Research Foundation [18] [19]. Though there is a fit still such fit was found to escalate Skepticism [21] [22]. In line with the above our study we did not find support for Company and cause fit to Skepticism. It implies that the marketer needs to focus on other antecedents to Skepticism than cause and company fit to lower Skepticism.

Hedonism as well as Utilitarianism was found to have direct as well as moderated impact on Skepticism. In the present study both the impacts were tested under model 1 and model 2. It was found that both moderate the relationship between Skepticism and its antecedents (model 2) than impacting Skepticism directly (model 1). While Hedonism was found to moderate the relationship between Skepticism and its antecedents negatively, Utilitarianism was found to moderate it positively. Variable that was not found to be moderated by Hedonism was consumer cause compatibility. One rationale for the same could be that for a hedonistic consumer who is guilt laden does evaluate if the CRM fits with his own self. It's important and sufficient for him that the company is into CRM and through hedonic purchase (guilt laden) he could contribute some money for social good (reduced guilt) [21] [28] [30].

However for a consumer high on hedonism factors like appropriate: CRM communication, fit between cause and company [36] [37] [38], NPO's good image, Company's good image, social motivations were found to impact Skepticism more negatively than for customers low on Hedonism [43]. Higher the hedonism higher is the impact of the above factors on lowering Skepticism and vice versa. One of the rationale could be that these are the factors that ensure a hedonistic consumer that his contributions are genuinely channelized to the needy.

Furthermore variable that was not moderated by Utilitarianism was Company and cause fit to Skepticism. One rationale could be Utilitarian consumers who are deeply involved in their evaluation do not consider Company cause fit to be essential to reduce their Skepticism. This is in line with other studies which suggest that perfect fit can sometime lead to Skepticism [36] [37]. However, from the present research no empirical evidence was found for the moderating effect of Utilitarianism on relationship between Company cause fit to Skepticism.

Finally the relationship between Skepticism to Purchase Intention was found negative. It is in line with earlier studies that if consumers are Skeptical about the CRM then it will lower their intention to buy and vice versa [18] [19] [27] [29]. The presents study presents empirically the purchase intention of consumers with respect of brands which are into CRM. The study's contribution is integration of both situational and dispositional factors in understanding consumer's purchase intention, the latter being ignored largely [7] [15].

### 5.1. Research Implications

The study makes an attempt to understand the direct as well as indirect impact of the dispositional factors and concludes that these factors (Utilitarianism as well as Hedonism) moderates the relationship between Skepticism and its antecedents excepting few, which to the best of our knowledge is not being studied together. One of the major theoretical contributions of the present work is to integrate various situational as well as psychological variables together to study their integrated impact on buying intentions. The study is expected to help practitioners/marketer in developing benchmarking CRM practices by lowering all the factors that increases consumer's Skepticism and reduces their Buying Intention for both Hedonistic as well as Utilitarian consumers. The present study also advances the theory of CRM by studying factors that moderates the relationship between various factors that increases/decreases consumer's Skepticism. While earlier studies had focused more on Attribution Theory and Theories relating to Idealism the present study is based on Shareholder Theory and SET. In positioning CRM properly this study will be of paramount importance for marketers as it will provide direction across segments (psychographic) in positioning its CRM activities properly.

### 5.2. Limitations and Directions for Future Research

Like any other study this study too invariably bears some limitations. While this study does provide some theoretical and practical implications, one of the limitations pertains to the narrow focus of the study with respect to unit of analysis. Though students were found to be good sample unit still more research looking into other age-cohort should be undertaken to see if the result differs. Furthermore few other demographic variables like age, gender, income etc should also be studied in the Indian context as is done in developing countries with respect to CRM. Earlier studies had mentioned lack of integrated approach to study CRM, which was though addressed in the present study however it cannot be ignored that national level culture, can also have impact on level of Skepticism. Due to the word limitation the same was not discussed in the present study. Although the study has advanced the understanding of how dispositional variables moderate consumer skepticism toward CRM, still it failed to find any empirical evidence for three way interaction and test the mediated moderation. Future studies should validate the same findings with respect to other age groups too.

### Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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