



## **Cause Endorsement: A Conceptual Study on the Influence of Cause Endorsed Packaging on the Consumers Product Evaluation & Buying Behavior**

Dr. Sandip Solanki  
Associate Professor & HOD IB Dept  
Symbiosis Institute of International Business  
Symbiosis International University, Pune, Maharashtra, INDIA.

Dr. Jaydeep H Sheth  
Research Analyst, Rajkot, Gujarat, INDIA

Ms. Bhagyashree H Sheth (UGC NET JRF),  
Research Scholar (Rajkot), Gujarat Technological University, Ahmedabad, Gujarat, INDIA

**Abstract:** *The Food Processing industry is the 5<sup>th</sup> largest industry in India in terms of production, consumption, & export. Out of the various sectors of Food Processing industry, packaged food industry is growing at the fastest pace of 30 % p.a. packaged foods products being product of low involvement category; a little differentiation exists among the products produced by various players of the industry so to differentiate their products companies make use of various marketing tools. One of the most prominent tools used in the industry is packaging. The companies make use of various packaging elements namely package size, shape, color etc to differentiate their products. This study is undertaken to analyze the influence of Cause Endorsement provided on the packages of Chocolates on the product evaluation and buying behavior of consumers of selected cities of Gujarat. To attain the aim of study, a sample of 200 respondents was taken. The cause selected for the study was Beti Bachao, Beti Padhao Abhiyan. The research paper is structured into five sections. The first section focuses on the introductory part of the paper. It highlights the international and national Food processing industry. The second section focuses on the aspects like definition of packaged food, segments of packaged food product category, importance and role of packaging in the category and main objectives of the study. The third section discusses the previous studies parallel to the current study. It also highlights how the current study is different from the previous studies. The fourth section reveals how the research has been undertaken. The last section i.e. fifth section narrates the findings of the paper, limitations of the study, future scope of study, managerial implications, policy recommendations and concluding remarks.*

**Keywords:** *Packaged Foods, Cause Endorsement, Consumer Behavior, Gujarat, Chocolates*

### **Section I**

#### **International and Scenario of Food Processing Industry:**

##### **A. Global Processed Food Industry:**

The size of global processed food industry is estimated to be valued around at US \$ 3.8 trillion and accounts for three-fourth of the global food sales. Despite its large size, only 6% of processed foods are traded across borders compared to 16% of major bulk agricultural commodities. United States of America (USA) is the single largest consumer of processed food and accounts for 31% of the global sales.. Over 60% of total retail processed food sales in the world are accounted by U.S.A, European Union and Japan taken together. Japan is the largest food processing market in the Asian region, though India and China are catching up fast and are likely to grow more rapidly. The share of India in global Food processed industry stands at around 1.6 %. (National Skill Development Corporation, 2010)

**B. Indian Processed Food Industry:**

India has the second largest arable land of 161 million hectares and has the highest acreage under irrigation. Next to China, India is the second largest food producer in the world and has potential to immerge the biggest with food and agriculture sector. The size of food industry in India was about US \$ 220 billion by the end of year 2015 and that of processed food industry was about of US \$ 110 billion by the end of year 2015. The food processing industry is the 5<sup>th</sup> largest industry in India in terms of production, consumption, export and expected growth. The food processing accounts for about 14% of manufacturing GDP, nearly 13% of India’s exports and 6% total industrial investment and employs about 13 million people directly and 35 million people indirectly (FICCI- KPMG,2007).

The main sectors of the food processing industry are given in the following table no.1:-

**Table 1: Main sectors of the Food Processing Industry**

Sectors	Products
Diary	Whole Milk Powder, Condensed milk, Ice cream, Butter, Ghee & Cheese.
Fruits & Vegetables	Beverages, Juices, Concentrates, Pulps, Slices, Frozen & Dehydrated products, Potato Wafers/ Chips etc
Grains & Cereals	Flour, Bakeries, Cornflakes, Malted foods, Beer and Malt extracts, Vermicelli.
Fisheries	Frozen & Canned products mainly in fresh form
Meat & Poultry	Frozen and packed – mainly in fresh form, Egg powder
Consumer Foods	Snakes, Namkeens, Biscuits, Alcoholic and Non alcoholic beverages.

(Source: Ministry of food procesing India, Annual Report 2013)

**Section II**

**A. Definition of Packaged food and its various segments:**

Packaged foods can be defined as those foods that are wrapped or stored in container and could be shipped to another place without any damage or destruction. They can be eaten immediately or after adding water or other product, heating or thawing. They are usually partially prepared or completely prepared. Packaged foods are also known as convenience foods because of ease of consumption. Packaged food is wide term that encompasses the various products across the different sectors of food processing industry.

Packaged food industry is about Rs.91, 000 crores industry by 2015. The industry is largely dominated by ready to eat food segment which contributes 90 % of total sales of packaged food industry. Out of various segments of packaged food industry the ready to eat food is growing at the fastest pace of about 30 % p.a (Technopak-Ministry of Food Processing Industry, 2008)

**B. Packaging and its importance for packaged food industry:**

The package is defined as a container which holds, protects and identifies the product throughout its distribution channel (Ampuero & Vila, 2006). It has been found from the recent research that approximately 73% of the products are sold on the self service bases at the point of sale (Silayoi & Speece, 2007). This shows that important cues need to be provided to the consumers at the point of sale so that companies could differentiate their products from the competitors on one hand and could attract and persuade the consumers to buy their products on the other hand. Under these circumstances the packaging would be the most useful tool that may be available for attracting the consumers’ attention. This is because unlike other forms of communication which tend to be fleeting, packaging plays a crucial role not only at the point of sale, but also after the actual purchase of the product. The first moment of truth is about obtaining the customers attention and communicating the benefits of the offer. The second moment of truth is about providing the tools the customer needs to experience the benefits when using the product. The packaging is even more important for packaged and ready to eat food products this is because they belong to low involvement category. Low involvement products are basically low priced products with little importance. E.g. impulse purchase categories like Chocolates In these categories, consumers tend to be driven by in-store factors and extrinsic cues (e.g. brand name, packaging etc) to help them to make their decisions as they have neither the desire nor the need to comprehensively investigate and assess all the offerings available to them.

Hence, to take advantage of the situation companies often make innovative use of various packaging elements like shape, size, color, labels, position of visual and verbal elements etc. to differentiate their products from competitors and to attract consumers to their products. Nowadays one of the most prominent techniques used by companies to sell their products, like biscuits, wafers, ice-cream, chocolates etc. is the use of cause endorsement on the packaging. Under Cause endorsement company contributes specific amount of money or specific percentage of money to a noble cause for each of the product purchased by the consumer..

### **C. Objectives of the study:**

The main objectives of the research study are as under:

- 1) To determine the impact of cause endorsed packaging on consumers' perception about the product being purchased.
- 2) To analyze the impact of Cause endorsed packaging on consumers' purchase intention.

## **Section III**

### **A. Literature Review:**

Food marketing to consumers is wide spread phenomenon. Various researches have been undertaken from time to time to analyze the success of various strategies that companies had already employed for selling their food products to consumers and for finding still new strategies that could be developed and employed so as to attract still more number of consumers. Some of the researches that served as source of inspiration for the current study are given below:

**(Smith & Alcorn, 1991)** conducted a study to evaluate the impact of cause related marketing on the consumers decisions and perception. The results of the study revealed that majority of the participants agreed that they would switch / change from the brand not supporting a cause to the brand supporting cause. Nearly 70 % of the participants replied that they were inclined at some point to purchase the brand because it supported a cause.

**(Ross et.al, 1992)** identified from their study the main roles that cause related marketing plays for the company. They found that CRM programs help the brand to improve its image and the attitude of consumers towards it. It also helps the brand to differentiate itself from the clutter. The other roles played by CRM include increasing the value of the brand and also to make the brand personality in the mind of the consumers.

**(Creyers & Ross, 1997)** conducted a study to evaluate the impact of cause related marketing on consumer purchase intention. It was found that most often consumers were likely to purchase the products that support the causes. Moreover, in certain cases, depending on the type of the cause and its importance consumers were willing to pay even more for purchasing product which endorses and supports the cause.

**(Strahilevitz & Meyers, 1998)** studied the impact of CRM for various products and found that charity incentives work better for frivolous products (e.g. Chocolate truffles theme park tickets) than for practical products (Pocket dictionaries, connection fluid). The main reason behind this could be that altruistic utility offered by charity incentives may be more complimentary with feelings generated from frivolous products than with the more functional motivation associated with practical products. The researchers also explained the effectiveness of a unit contribution to a charity with a unit reduction in the price of the item.

The researchers found that in condition of inter brand homogeneity, when amount of discount is large in the range of 25-50 % of the purchase price, then majority of the choices are for the discount than for donation especially when the product is practical as opposed to the frivolous. But on the other hand when the discount is for 1-5 % of the purchase price then more choices are for the product with donation advantage, regardless of the thing that whether the product is frivolous or practical.

**(File and Price, 1999)** conducted a study of private companies and found from the study that the main reason for which most of the companies go for a cause related marketing campaign was primarily to increase the purchase intention of the consumers. They found that nearly eighty percent of the consumers surveyed had positive attitude and response toward the firm which supports cause than the one that do not support the cause.

**(Cone, 2004)** found in its corporate citizenship survey that when participants were asked to compare their current brand which did not support a cause, to an alternative brand of equal price and quality and supported a cause then nearly eighty six percentage of the participants responded that they would switch to the brand that supports cause. Consumers indicated greater purchase intention for brands with higher levels of corporate social responsibility and even the consumers were willing to pay more for the products that are made by socially responsible brands.

**(Hamlin and Wilson, 2004)** conducted a study to examine the effect of cause related marketing on consumers purchase intentions. The study was done in Dunedin, New Zealand. For conducting the study two products namely standard milk and skimmed milk with lower fat content were selected. The study was done with 320 consumers. In the study the impact of three main causes namely, 'Yellow-eyed Penguin trust', 'New Zealand Heart Foundation', 'New Zealand Plunket Society', was analyzed. The results of the study revealed that presence of cause on the product had significant impact on the purchase intention of consumers especially for standard milk as compared to skim milk. The results also revealed that cause as packaging cue in low involvement purchase situations can have impact on consumers' assessment and decision-making especially related to purchase.

**(Arora & Henderson, 2007)** conducted a study to determine how charity supports influences the consumers' attitudes towards the product. For the study different mineral water brands with charity support and without charity supports were considered. The participants were exposed to one of the two conditions. The results revealed that individuals exposed to brand supporting the charity rated the brand more positively than those

exposed to the brand without support to charity. The findings of the study were consistent among the all the type of consumers

**B. What distinguishes this study from earlier studies?**

The previous studies undertaken have shown that cause endorsement on the packages of food products like as cereals, snacks etc. can be successful in increasing the consumer's attention, recognition and liking for these food products. But, hardly there was any research that evaluated the impact of cause endorsement on the packages of chocolates on the overall perception of consumers about the products.. Furthermore, in the previous studies conducted by other prominent researchers the participants were required to rate 2 items simultaneously (1 with cause endorsement packaging and 1 without cause endorsed packaging) and select the one with higher liking. But however in our study respondents were exposed to 1 item only at a time and as result of this experimental condition the results obtained from the study would be far more accurate ones and would add confidence to the general conclusion that consumers prefer products with cause endorsement even in the absence of forced choice situation between the products with and without cause endorsement. Previous studies evaluated the impact of causes related to health and education but this is likely to be first study which has evaluated the impact of one of the most important national cause of India i.e Beti Bachao, Beti Padhao Abhiyan. Besides this as per the knowledge of researchers various previous studies have been undertaken in the foreign context. This study is likely to be the first one to evaluate the impact in Indian and especially in Gujarat context.

#### Section IV

**A. Research Methodology:**

- ❖ **Target Population:-** Consumers of Selected cities of Gujarat
- ❖ **Design and Setting:-** The study was undertaken in month of October 2016.
- ❖ **Type of Research:-** Descriptive research. Since the aim of the study is to examine and analyze the perceptions and buying behavior of consumers of selected cities of Gujarat.

❖ **Research Hypothesis:** The hypothesis tested using the study are:

- I. Consumers would have more favorable attitude towards the chocolate with cause endorsed packaging as compared to chocolate without cause endorsement on its packaging.
- II. Consumers would have higher desire to purchase the chocolate with cause endorsement on its packaging as compared to chocolate without cause endorsement on its packaging.

❖ **Sampling Plan**

**i. Samples and their size:**

- a) **Consumers:** 200 adult consumers of selected cities of Gujarat.
- b) **Products selected for Study:** Chocolate with and without cause endorsement on the package.

**ii. Sampling Method:** Quota sampling method was used for study.

❖ **Sources of Data:** The research study employed secondary as well as primary sources of data. The details are as under:-

- a) **Primary sources of Data:** Personal Interview, Mall Intercept,
- b) **Secondary sources of Data:** websites, Leading Magazines and Newspapers, Company Reports, Research papers, books.

**B. Experiment / Study Procedure:**

For conducting the study product selected was Chocolate with and without Beti Bachao, Beti Padhao cause endorsement. During the introduction, the interviewer emphasized that there were no right or wrong answers and that their own opinion was valued the most. Once it was apparent that the respondent has understood the objective of the experiment, and then the experiment was conducted formally as follows. Consumers' perceptions of product & purchase intentions were analyzed. 200 adult consumers were considered for the study. Out of this, 100 were asked to rate the chocolate with Beti Bachao, Beti Padhao Cause endorsement on the package and other 100 were asked to rate the chocolate without Beti Bachao, Beti Padhao cause. The responses were noted using 5 point likert scale and results were analyzed using appropriate statistical tests in the SPSS software.

#### Section V

**A. Findings of the Study:**

- In the beginning of the experiment the demographic details of the respondents was obtained. Out of 200 respondents, 107 were male respondents and 93 were female respondents.

- Age profile of respondents was as under.
- Out of 200 respondents, the age of 85 respondents were in the range of 18-40 years. The age of 70 respondents were in the range of 41-62 years. The age of remaining 45 respondents were above 62 years.
- The education profiles of respondents were as under.
- Out of 200 respondents, 26 respondents were 10<sup>th</sup> passed. 24 respondents were 12<sup>th</sup> Passed. 110 respondents were graduates. 30 respondents were postgraduates and remaining 10 respondents were having still higher education.
- To analyze the impact of cause endorsement the stimuli used for the study were chocolate with and without cause endorsement. The pictures of the chocolates are shown below in figure 1.

**Figure 1: Packages of Chocolates with & without Cause Endorsement**



(Source: Developed by the Researcher)

Related to impact of cause endorsement on consumers perception about the product the the following hypothesis was developed and tested

**H<sub>null 1</sub>**: Consumers would have equal attitude towards the chocolate with cause endorsed packaging and the chocolate without cause endorsement on its packaging

**H<sub>null 2</sub>**: Consumers would have more favorable attitude towards the chocolate cause endorsed packaging as compared to chocolate without cause endorsement on its packaging.

The responses of consumers were served as data for testing the above hypothesis. The resultant data was analyzed using t- test of independent samples in SPSS 17.0. The 95 % confidence interval is considered for study and hence value of alpha would 0.05. The output of the analysis is as shown below in table no.2 and table no. 3 respectively.

**Table 2: Statistics for Group Consumers product Perception**

Group Consumers product Perception		N	Mean	Std. Deviation	Std. Error Mean
Chocolate with Cause Endorsed Packaging		100	3.859	1.10478	.08284
	Chocolate without Cause endorsement on Packaging	100	2.152	1.01770	.07435

**Table 3: Independent Samples T- Test for consumer's product perception**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Consumers product Perception	Equal variances assumed	1.378	.281	8.562	198	.000	1.03121	.10664	.67718	1.31070
	Equal variances not assumed			8.562	190.460	.000	1.03121	.10664	.67637	1.31150

(Source: present study results)

From the above tables it is found that the significance value (1-tailed) for the t-test was less than 0.05 i.e . p <

0.05. Hence the null hypothesis is rejected and alternate hypothesis is accepted. Hence it can be concluded from the above analysis that “Consumers tend to have more favorable attitude towards the Chocolate with *Beti Bachao, Beti Padhao* cause endorsement on its packaging (  $M = 3.85, SD = 1.104$ ) as compared to the Chocolate without any cause endorsement on its packaging (  $M = 2.15, SD = 1.017$  ),  $t(198) = 8.562, p < 0.05$ .” Related to the impact of Cause Endorsement on the consumers purchase intention the following hypothesis was developed and tested

**H<sub>null 1</sub>**: Consumers would have same desire to purchase the chocolate with cause endorsement on its packaging and chocolate without cause endorsement on its packaging

**H<sub>null 2</sub>**: Consumers would have higher desire to purchase the chocolate with cause endorsement on its packaging as compared to chocolate without cause endorsement on its packaging.

The responses of consumers were served as data for testing the above hypothesis. The resultant data was analyzed using t- test of independent samples in SPSS 17.0. The 95 % confidence interval is considered for study and hence value of alpha would 0.05. The output of the analysis is as shown below in table no.4 and table no. 5 respectively.

**Table 4: Group Statistics for Consumers Purchase Intention**

GROUP		N	Mean	Std. Deviation	Std. Error Mean
CONSUMERS PURCHASE INTENTION	Chocolate with Cause Endorsed Packaging	100	4.109	1.00378	.07224
	Chocolate without Cause Endorsement on Packaging	100	3.142	1.01060	.07105

**Table 5: Independent Samples T- Test for consumers Purchase Intention**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Consumers product Intention	Equal variances assumed	1.448	.316	9.142	198	.000	1.02011	.10434	.57818	1.21270
	Equal variances not assumed			9.142	191.070	.000	1.02011	.10434	.57437	1.21750

(Source: present study results)

From the above tables it is found that the significance value (1-tailed) for the t-test was less than 0.05 i.e .  $p < 0.05$ . Hence the null hypothesis is rejected and alternate hypothesis is accepted. Hence it can be concluded from the above analysis that “Consumers tend to have higher intention to purchase the Chocolate with *Beti Bachao, Beti Padhao* cause endorsement on its packaging (  $M = 4.109, SD = 1.003$ ) as compared to the Chocolate without any cause endorsement on its packaging (  $M = 3.142, SD = 1.010$  ),  $t(198) = 9.142, p < 0.05$ .”

**B. Conclusions & Implications of the study:**

The findings of the study revealed that When cause like *Beti Bachao, Beti Padhao* is placed on the packages of chocolates then due to that consumers perceive that company is socially responsible one & contributing for the welfare of the society and therefore would be ready to purchase the products with such cause endorsement. This implies that companies should become socially responsible & should contribute to society in the form of Cause endorsement this is because such steps of the companies not only improves the consumers’ impression about the product but it also motivates them to purchase those companies products & remain loyal to them

**C. Limitations & Scope of future research:**

(a)The study evaluated the impact of *Beti Bachao, Beti Padhao* cause. The similar study could be undertaken for other causes related to poverty, health etc (b) The selected group of products and number of consumers sampled limit the degree to which these findings can be generalized. (c) The study evaluated the impact of cause endorsement for chocolate only. But same impact could be evaluated for other products like cereals, juices etc. (d) The study evaluated the impact of only one packaging cue namely cause endorsement on the packaging but the impact of other packaging cues like color, shape etc. used for selling the products targeted to general public could also be assessed.

Regardless of the above mentioned limitations the study is likely to be the first one in Indian and especially in

Gujarat context to document the findings on impact of using cause endorsement for selling the food products targeted to the general public

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