The impact of the macro-environment on consumer scepticism towards cause-related marketing: Insights from an economic crisis setting

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The impact of the macro-environment on consumer scepticism towards cause-related marketing: Insights from an economic crisis setting

Abstract

Purpose – The aim of this study was to explore how the macro-environment influences consumer scepticism towards cause-related marketing (CRM), especially in a turbulent economic setting.

Design/methodology/approach – An exploratory qualitative research study utilizing open-ended, semi-structured Skype interviews with 26 respondents was conducted in a country experiencing economic crisis.

Findings – The findings demonstrate that respondents hold a strong scepticism toward CRM campaigns and they are more negative toward the CRM campaigns initiated by foreign enterprises as compared to the domestic ones. This can be attributed to ethnocentrism, or even antipathy or animosity towards foreign companies due to crisis. Furthermore, results reveal that the political and legal elements of the macro-environment have an impact on consumer scepticism towards CRM campaigns, while the impact of the economic crisis itself did not seem to be equally significant.

Originality/value – This work contributes to the existing literature of CRM as it is the first study that explores the impact of macro-environmental elements on consumer scepticism towards CRM within an economic turbulence setting.

Keywords: CRM, consumer scepticism, macro-environment, foreign enterprises, economic crisis, Greece

Paper type: Research paper
Introduction

Cause-related marketing (CRM) has been claimed to be the most commonly practiced form of corporate social responsibility (He et al., 2019; Kotler and Lee, 2005). CRM has been conceptualised directly from a marketing perspective (Barone et al., 2000; Cui et al., 2003; Varadarajan and Menon, 1988) and indirectly from other perspectives such as cause marketing (Srivastava, 2018), corporate social responsibility (Heidarzadeh Hanzae et al., 2019), corporate philanthropy (Soni, 2016), as well as sustainability (Christofi et al., 2015b).

While CRM has been growing popular among businesses and academics (Strizhakova and Coulter, 2019; Woodroof et al., 2019), consumer scepticism has been also increasing along with it (Hamby and Brinberg, 2018). Previous studies highlight that consumer scepticism towards CRM does exist (Anuar and Mohamad, 2012, 2013; Brønn and Vrioni, 2001; Webb and Mohr, 1998), and is influenced by consumer-related outcomes and factors. Different factors of the CRM components such as donation size (Chaabane and Parguel, 2016), the familiarity of the CRM claims (Singh et al., 2009), the stated CRM motives (Bae, 2018) and the brand-cause fit (Mendini et al., 2018)—if not controlled or executed appropriately—can result in consumer scepticism. These, in turn affect consumers’ attitudes, evaluations, responses and the effectiveness of the CRM campaign, as the previous studies pointed out. It can be said that consumers rely heavily on components of the CRM to make a decision or judgement about the CRM campaign, the CRM offer, or the company. In general, the three components which have consistently proved to influence consumers’ evaluations and attitudes toward CRM, and to also have an impact on consumers’ scepticism, are brand-cause fit (Mendini et al., 2018; Mora and Vila, 2018), donation size (Bergkvist and Zhou, 2019; Chaabane and Parguel, 2016) and consumer knowledge (Brønn and Vrioni, 2000, 2001; Hamby and Brinberg, 2018).
Studying CRM at an international level is extremely important (Brønn and Vrioni, 2001). Based on previous studies (Agnihotri and Bhattacharya, 2019; Marques et al., 2019), when a company has internalization among its intentions, then it increases Corporate Social Responsibility (CSR) activities for its communication, implying that CRM might increase too, since it is under ‘the umbrella’ of CSR. Hartmann et al. (2015), highlight that CRM has grown to be one of the most powerful marketing means which allows companies to communicate their overall corporate culture concerning CSR at the points of sale.

Regarding CRM at an international level, according to Bae (2017), previous literature was mainly focused on North American subjects, and thus results yielded may not be applicable to other cultural contexts. Even within countries, variation of culture exists (Jandt, 2017; Tanova and Nadiri, 2010) leading to differences in information seeking and communication strategies (Tanova and Nadiri, 2010). For example, North America including the US has been identified as a “low culture context” (Jandt, 2017; International Development, 2016), whereas Greece has been described as a “high culture context” (Giousmpasoglou, 2014; International Development, 2016; Tanova and Nadiri, 2010) on the grounds that individuals seek information and communicate in very diverse ways (Tanova and Nadiri, 2010). Additionally, as a result of technological advances and global media, multinational or global companies can now advertise globally. However, successful CRM campaigns in one environment or a specific country may not be equally successful in others because people think and perceive concepts and constructs differently based on their own culture (Bae, 2017; Jandt, 2017). Therefore, a successful CRM campaign at national level might not be successful at international level. Furthermore, in CRM campaigns, consumers can choose to support a certain cause over others because they think it is worthy and significant, rather than because it is personally relevant (Christofi et al., 2018). All the above signify to that there is no universal strategy for a successful CRM campaign.
Likewise, CRM in the US is different to Europe in terms of motivations and trends in ethical management strategies (Anghel et al., 2011). Ethical strategies and practices are self-imposed by companies in the US market whereas the European market imposes rules and regulates about being ethical (Anghel et al., 2011).

Despite growing in popularity, studies on consumer scepticism toward CRM are lacking, especially in terms of determinants and consequences (Bae, 2018). To fulfil this gap, this study explores the impact of the macro-environment and specifically the political and/or economic factors on consumer scepticism toward CRM in a turbulent economic setting. By doing so, the study hopes to provide insight in this area and extend the richness of the CRM context in the international marketing literature.

Thus, two questions navigate the purpose of this study:

1) What is the influence of the macro-environment and specifically the economic and/or political dimensions of it on consumer scepticism toward CRM?

2) How sceptical toward CRM activities are consumers in a turbulent economic setting?

In order to explore the influence of economic and or political situations on consumer scepticism towards CRM, a country being in an economic crisis was chosen. In particular, Greece was chosen since it has been under an economic crisis since late 2009, signing four memoranda of understanding (MoU) with her loaners, and with extreme negative consequences to citizens, households and society (Kamenidou et al., 2017; Priporas et al., 2015), leading not just to economic crisis or recession but to the county and its citizens living in an economic depression setting (Bitzenis and Vlachos, 2018). Although, in the same period the economic crisis hit other European countries, mainly the peripheral ones (i.e., Portugal, Cyprus, Italy), its severity was different. According to Riefler and Diamantopoulos (2007) crises are qualitatively different in their severity. In Greece the harshness of this crisis was monumental
in comparison with the other countries and very often was called as the “Greek crisis” and for years attracted the attention of the worldwide media news (Mylonas, 2019) and especially after 2015 when the word “Grexit” (a possible Greek exit from the Eurozone) entered the global economic, political macro-environment (Gregori and Sacchi, 2019).

Upon the above context and in line with the two questions of this study, three specific objectives derived to be investigated as regards this research. Thus, the objectives are to explore:

1) Scepticism of Greeks as regards CRM campaigns in the context of the economic crisis that they are situated in (Consumer scepticism toward CRM activities

2) Attitude of Greeks in regards of country of origin of companies employing CRM practises

3) The impact of the macro-environment on consumer scepticism toward CRM

This study extends our knowledge of the CRM and consumer scepticism and contributes to the international marketing literature in the following fashion. First, to our knowledge, no past studies have been focused specifically on consumer scepticism toward CRM activities exploring the influence of the economic and/or political factors. Literature indicates that only few studies have explored the role of political and/or economic environments in the international marketing domain (Leonidou et al., 2018). As this study provides insight of the influence of the political and/or economic environment on consumer scepticism toward CRM practices which is an understudied topic, it simultaneously contributes to international marketing literature. Second, in terms of geographic scope, the majority of previous studies are limited to the United States (Ballings et al., 2018) since CRM practises are more common in the United States compared to Europe (Vanhamme et al., 2012). Thus, Americans are more likely to participate in cause-related efforts than those who are in other industrialised countries (Ballings et al., 2018). Furthermore, Vanhamme et al. (2012) suggested
that different countries and cultures are more likely to perceive standardised cause-related marketing campaign differently. Similarly, La Ferle et al. (2013) clearly stated in their study’s limitations that cultural, economic, political and advertising differences between countries lead to different consumer’s reactions toward a CRM campaign. Third, this study offers findings from a setting from a country experiencing an economic crisis, utilizing Greece for this manner; a country that was the epicentre of the global media due to severity of its economic crisis and where there is a dearth of studies on CRM and consumer scepticism. Specifically only one study was found that concerns CRM practises, scepticism and Greece (Vlachos et al., 2016). Fourth, there are only few studies related to CSR and economic crisis or economic turbulent conditions of a country (i.e., Chatzoglou et al., 2017; Papacharalampous et al., 2019), but there are not connected with CRM and consumer scepticism.

Therefore, this study contributes to the knowledge of the importance of understanding how CRM works across different market and economic levels, as well as different cultures. It is noted that the main focal point of this research is to gain consumers’ insights rather than test a theory.

The remainder of this paper is structured as follows. Firstly, we provide a literature review on CRM and consumer scepticism toward CRM. Secondly, we describe the methodology followed by the discussion of the main findings. Finally, we conclude the paper by presenting the conclusions, implications research limitations and future research agenda.

**Cause-related Marketing (CRM)**

The marketing point of view of CRM captures the relationship between a business and a non-profit organisation or a cause with consumers’ involvement as the link from which both business and non-profit organisation obtain some kind of benefits. Much of previous literature has been using indirect approaches to conceptualise CRM. This perhaps means there is
confusion between CRM and majorly corporate philanthropy, social marketing as well as
corporate social responsibility. Varadarajan and Menon (1988)’s use of real-life examples to
clarify what is CRM have indicated that the confusion of CRM meaning did exist. This study
follows Varadarajan and Menon (1988)’s definition of CRM since it is the most used and
accepted definition in the literature.

Varadarajan and Menon (1988) viewed CRM as a marketing activity that is distinct
from sale promotions, corporate philanthropy, sponsorship as well as public relations. CRM
has been defined by Varadarajan and Menon (1988) 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 designed cause when customers engage in revenue-providing
exchanges that satisfy organisational and individual objectives” (pp.60-61). This type of
marketing is often conducted within business to consumer domain and is claimed to bring many
potential benefits, some of which are increased sales, enhanced corporate image, customer
retention, and staff loyalty (Vanhamme et al., 2012). Academic literature provides of
abundance of paradigms of CRM tactics (i.e., Bergkvist and Zhou, 2019; Christopher, 2015;
Heydari and Mosanna, 2018; Schyvinck and Willem, 2018) as well as a comprehensive
literature review on aspects of CRM (Guerreiro et al., 2016; Lafferty et al., 2016; Thomas et
al., 2019).

Since there is an abundance of CRM campaigns in the academic literature, just few
examples are provided in following. The American Express Company was really successful
with their CRM campaign in 1983 to restore the Statue of Liberty with which the company
managed to raise 1.7 million US dollars for the Statue (Gottlieb, 1986), increased the credit card
uses as well as attracted new customers (Anghel et al., 2011; Polonsky and Speed, 2001). In
the early 1980s, CRM was still recognised as something relatively new, however, it has rapidly
grown since then (Polonsky and Speed, 2001).
Another example of a CRM campaign is the ‘1 pack = 1 vaccine’. Since 2006, Procter & Gamble’s brand Pampers has teamed up with UNICEF to launch a global campaign called ‘1 pack = 1 vaccine’ whereby the brand provides a life-saving tetanus vaccination for each purchase of Pampers to protect lives of women and babies around the world (Unicef, 2012). Procter and Gamble benefited from UNICEF’s positive image that boosted the power of the campaign (Scott et al., 2011). The company was also beneficial in terms of recruitment and staff retention while the campaign helped deliver sources of donations for UNICEF on a global scale (Christopher, 2015). In this kind of partnership, the Pampers brand and UNICEF have the same vision toward the children’s well-being (Scott et al., 2011). This partnership demonstrates that the fit between the brands and the cause plays a significant role in influencing the success of the CRM campaign.

Additionally, the social enterprise TOMS® donates through ‘giving partners,’ a pair of shoes to a child in need each time a pair of shoes is purchased (Kipp and Hawkins, 2019; Chang et al., 2018). According to Anderson (2015) the company has given away more than 35 million pairs of shoes since 2006, while it implemented the “one for one business model” (Hamby, 2016) and the nonmonetary giving (Chang et al., 2018).

Zheng et al. (2019) point out that CRM campaigns are becoming popular as regards supporting disaster-stricken areas, and brings up the examples of Christmas Lights Etc and Pizza Hut, who both donated a percentage of their sales to the American Red Cross for disaster relief (like Hurricane Sandy and the Oso mudslide). Furthermore, Yoon and Kim (2018) provide examples of the companies Yoplait, Avon, Target and Macy’s which implemented CRM activities. The first two companies donated for breast cancer research, while the latter two for a small period of time for problems such as poverty. Moreover, Chang et al. (2018) reported that the fast food restaurant Wendy’s has donated 50 cents for each frosty sold to the
Dave Thomas Foundation for Adoption, in order to help the children that are in foster care to find families.

On a smaller scale (local and national), since 2003, Innocent and Age UK has partnered up in the campaign ‘The Big Knit’ whereby a donation of 25p is donated to Age UK charity for each purchased Innocent bottle with a knitted hat (Ageuk, 2019). The campaign not only raises money (over £2 million so far) for the charity but also raises awareness about the group of old people and brings people and communities together, increases sales for Innocent as well as engages with new audiences (Ageuk, 2019).

The above constitute only some of the paradigms of CRM campaigns implemented by businesses which are presented in the academic literature and which reveal that when CRM campaigns are implemented in truthful and acceptable way, can bring many different benefits to all parties involved (consumers, businesses, organizations or people accepting the donations or gifts).

Previous CRM research has been focusing on different broad areas including:

(a) CRM campaign management (Christofi et al., 2015a; Cui et al., 2003; La Ferle et al., 2013; Hartmann et al., 2015; Howie et al., 2018; Kim et al., 2019; Liu and Ko, 2014; Mora and Vila, 2018; Varadarajan and Menon, 1998);

(b) CRM and its related outcomes (Ballings et al., 2018; Chang et al., 2018; Christofi et al., 2013; 2015b; La Ferle et al., 2013; Grolleau et al., 2016; Heidarzadeh Hanzae et al., 2019; Hartmann et al., 2015; He et al., 2019; Howie et al., 2018; Mora and Vila, 2018; Srivastava, 2018; Parris and Peachey, 2013; Varadarajan and Menon, 1998; Yang and Yen, 2018); and

(c) factors influencing consumers’ evaluations and attitudes toward CRM (Howie et al., 2018; Bergkvist and Zhou, 2019; Chang et al., 2018; Cui et al., 2003; Hamby and Brinberg, 2018; Mora and Vila, 2018; Ladero et al., 2015).
In the stream of CRM campaign management, with regard to national context, it is evident that consumers in different countries (India, US) respond to CRM campaign differently (La Ferle et al., 2013; Hawkins, 2015). Overall, Indian respondents were more positive than American respondents toward CRM campaigns (La Ferle et al., 2013; Hawkins, 2015; Soni, 2016). This finding opposes Srivastava (2018)’s findings in the Indian context. Within a country, consumers with different moral identity evaluate and respond toward CRM differently (Yang and Yen, 2018). This indicates that consumers in different countries (India and the US) and within the same country (India and Taiwan) behave and respond differently toward CRM campaigns. National context and cross-cultural differences are believed to have influence on how consumers perceive and evaluate CRM (Christofi et al., 2015b; Hawkins, 2015; La Ferle et al., 2013).

In the same vein, Yang and Yen (2018) highlighted the importance of how collectivism in Chinese culture plays an important role in shaping moral values in the Chinese society which in turn influence individuals’ actions and purchase intentions toward CRM products. Christofi et al. (2018)’s literature review reinforces the idea that individualism and collectivism do have impact on consumer’s mind set which in turn indicates different relationships with consumer scepticism. Christofi et al. (2015b) suggested that cultural characteristics of individuals, organisations and communities within a country or region impact individuals’ behaviours. This further confirms that cultural differences between nations and within nations (regions, communities) can directly impact consumers’ behaviours. Consumers in different cultures perceive CRM differently (Vanhamme et al., 2012; Christofi et al., 2015b; Hawkins, 2015; La Ferle et al., 2013). This navigates the current study investing CRM under international context.

The various CRM-related outcomes can be taxonomized as the company-related ones and the customer related ones. The company related CRM outcomes incorporate: positively perceive and attribute firms with higher levels of altruistic motives (La Ferle et al., 2013);
sharing intention (of viral advertising on social networks) (Mora and Vila, 2018); achieving sustainable competitive advantage (Christofi et al., 2015a); encourage buying (Srivastava, 2018); customer satisfaction (Heidarzadeh Hanzae et al., 2019); increased loyalty (Hartmann et al., 2015; Heidarzadeh Hanzae et al., 2019); employee engagement (He et al., 2019); crowding out direct donations, (Grolleau et al., 2016); profit-making and drawing away purchase from rivals (Ballings et al., 2018); public’s perception of and attitudes toward causes, missions and conduct of non-profit organisation, corporate philanthropy decisions (Varadarajan and Menon, 1998).

Furthermore, the customer-related outcomes include: purchase intention (Yang and Yen, 2018); consumers’ charitable giving behaviour (Varadarajan and Menon, 1998); customer positive attributions of motives and willingness to pay (Chang et al., 2018); recommend to others (Srivastava, 2018); inspire others to serve others (Parris and Peachey, 2013).

Finally, another stream of the literature also points out that various factors have been found to have influence on consumers’ evaluations, attitudes and responses toward CRM. These factors include: brand-cause fit, donation amount, message focus (Bergkvist and Zhou, 2019), corporate giving styles with the influence of product-cause fit and product type (Chang et al., 2018), type or cause (disaster and ongoing), types of support (transactional-based and non-transactional-based) and frequency of support (Cui et al., 2003), CRM persuasion knowledge (Hamby and Brinberg, 2018), brand-cause fit, familiarity with certain medium, prior attitudes, (Mora and Vila, 2018), cause importance and cause choice (Howie et al., 2018), and sociodemographics such as age, (Mora and Vila, 2018) and gender (Cui et al., 2003; Ladero et al., 2015).
Consumer scepticism

The use of CRM campaign has increased throughout the years and there have been many great examples of successful partnerships between brands and the causes that have led to benefits for both sides (Bergkvist and Zhou, 2019). According to Varadarajan and Menon (1998) businesses walk a fine line between reaping the benefits of CRM (such as increased sales, goodwill as well as positive publicity) and facing negative publicity and being seen as cause exploitative. CRM programs have two characteristics that put them to face criticism, as Varadarajan and Menon (1998) state. First, companies’ spending on advertising to promote their contributions and associations with the cause exceeds the actual contributions. Second, the contributions and expenditure spent on promotion are tax deductible. Thus, consumer scepticism toward companies that claimed to be affiliated with asocial cause has also grown along with consumer engagement in CRM (Hamby and Brinberg, 2018).

Scepticism has been defined as a general tendency to disbelieve or distrust the truthfulness of something (Skarmeas et al., 2013). Leonidou and Skarmeas (2017), point out that the term ‘scepticism’ originally derives from the Greek word ‘skeptomai’ which means to consider, to think about and to reflect. Accordingly, scepticism toward CRM can be understood as disbelief in the truthfulness of CRM. It appears that CRM has been receiving much of scepticism which is well-documented in the past studies.

Many prior studies investigated the consumer scepticism toward CRM and its related outcomes (consumer behavioural responses). Of a few studies, scholars illustrate how different factors have impact on consumers’ CRM scepticism include: awareness and knowledge (Brønn and Vrioni, 2000); stated motives and consumers’ perceived motivations (Bae, 2018); familiarity (Singh et al., 2009); donation size (Chaabane and Parguel, 2016); customer engagement through customers’ choices of cause type, cause proximity and type of donation (Christofi et al., 2018), and brand-cause fit (Mendini et al., 2018).
Furthermore, previous studies demonstrate that different levels of scepticism among consumers exist, which lead to different consumer’s behavioural responses toward CRM (Anuar and Mohamad, 2012, 2013; Brønn and Vrioni, 2001; Webb and Mohr, 1998). On the one hand, some scholars prove that different levels of scepticism lead to different consumer’s behavioural response (Anuar et al., 2012, 2013; Brønn and Vrioni, 2001; Webb and Mohr, 1998). On the other hand, Bae (2018) challenges the view by providing evidence indicating that stated CRM motives can make both high and low sceptics believe in CRM claims. Additionally, research shows that, highly sceptical consumers evaluate CRM claims more negatively compared to low sceptical ones (Anuar and Mohamad, 2013; Brønn and Vrioni, 2001). In turn, with regard to purchase intention, high scepticism consumers have lower level of intention to by CRM products compared to low scepticism consumers (Anuar et al., 2013).

While many scholars have proved the positive relationship between scepticism toward actual consumer behavioural responses in CRM context, literature has also revealed the negative relationship between consumer scepticism and consumer’s behavioural response. Specifically, according to Gupta and Pirsch (2006) the level of scepticism about company’s CRM motives among studied population did not significantly influence the effect of consumers’ attitude toward brand-cause fit on consumer’s purchase intention. Similarly, Sabri (2018) demonstrated that scepticism mediates the relationship between CRM ad parodies and brand attitude and word of mouth but not purchase intention. This finding of the influence of scepticism still shows positive link of scepticism and consumer behavioural responses.

**Methodology**

Due to lack of pre-existing empirical studies on consumer scepticism on CRM under the impact of macro-environmental forces, the dearth of research studies in the Greek context, as well as the exploratory nature of this study (Creswell and Creswell, 2017), we opted for employing
qualitative research methods. The approach selected allows to scholars a more in-depth understanding of the issues under examination, offering the opportunity to analyse attitude influences and a wider range of subjects’ viewpoints (e.g. Healy and Perry, 2000; Maxwell, 1996).

The present research adopts an interpretivist philosophical perspective which enables researchers to understand the participants’ views from their perspective (Cohen et al., 2018; Gray, 2013), concentrating on conceptualizing how individuals’ actions and interactions are connected to certain meanings and purposes (Middlemas and Harwood, 2018).

Interpretivism has “relativism” as its ontological perspective (Guba and Lincoln, 1994, p. 110); in other words, it assumes that reality is socially constructed by each individual (Silverman, 2011), thus there are multiple co-existing social realities amid entities (Corbin, 2016). Moreover, as regards the interpretivism approach, it should be highlighted that the researcher should appreciate the differences existing between people (Creswell, 2013). With respect to its methodological basis, interpretivist encompasses the general underlying constructs and concepts of qualitative research, given that it relies heavily on understanding and interpreting as opposed to explaining through the identification of cause and effect relationships (Johnson and Waterfield, 2004; Willis, 2007).

In social sciences, the researcher’s role is admittedly to “understand, explain, and demystify social reality through the eyes of different participants” (Cohen et al., 2018, p. 17). This stance is considered appropriate when the researcher seeks to understand subjective meaningful experiences (Ritchie and Lewis, 2003) regarding consumers’ scepticism towards CRM practices. Furthermore, interpretivism is considered to be applicable in the marketing context where the business world is constantly changing (Zikmund et al., 2013). This study’s approach was to understand the fundamental meanings attached to consumer behaviour
(Onwuegbuzie and Leech, 2007) and to produce insights rather than measure them (Hanson and Grimmer, 2007).

For this exploratory qualitative research study, open-ended semi-structured Skype interviews were conducted. This methodology enabled the researchers to explore the topic broadly, but in a rather structured manner, aiming to ensure that the interview questions were relevant to the research questions (Denzin and Lincoln, 1994). The use of Skype as a qualitative research data collection medium is increasingly used by qualitative researchers (Janghorban et al., 2014; Lo Iacono et al., 2016; Quartiroli et al., 2017), fundamentally because Skype interviews can guarantee authenticity to an equal extent with face-to-face interaction and interviews (Janghorban et al., 2014) with no obvious differences between face-to-face and Skype interviews (Hennink et al., 2011). Both the interviewer and interviewees can see each other during the interview despite being in a different location. This has the obvious benefits of convenience, allowing the researcher to interview anyone anywhere, and in the comfort of one’s own space (Seitz, 2016).

The subjects were recruited based on a non-probability convenience methodology (N=26 participants). Saunders et al. (2015) suggest utilizing a sample size that is large enough to draw accurate conclusions and small enough to enable effective analysis. The sample size used for this study is considered sufficient for the purpose of the current study in alignment with De Ruyter and Scholl (1998), who suggest that sample sizes in qualitative research are most commonly between 15 and 40 respondents.

The interviews were performed in the Greek language and lasted an average of 45 minutes each. The time and place of the interviews were set by the interviewees following an invitation to participate in the research. This invitation explained the research purpose and requested participants (after they confirmed participation) to provide their consent for using data for academic purposes, due to General Data Protection Regulation (GDPR). At the initial
stage of each interview a brief background of the study objectives was provided again to clarify
the purpose of the research and to guarantee confidentiality and anonymity to participants. The
interviews were digitally recorded following consent of the respondents for later verbatim
transcription, coding and analysis. The interviewer-researcher also took handwritten notes
during the sessions—especially regarding facial expressions.

For the data collection, the researchers utilized a simple, open-ended semi-structured
interview guide consisting of 10 questions based on the literature and 6 demographic questions;
open-ended interview items were favoured as they offer the researcher to gain a better access
to participants’ point of view and personal ‘voice’. The interview guide was pilot tested for
readability and content relevancy in relation to the specific study objectives with three
participants. This paper discusses only the part of the interview guide which is focused on CRM
aspects.

Thematic analysis was employed for data analysis, following the approach described
by Ryan and Bernard (2003). The information obtained was classified and processed into
categories or themes, and the data were divided into categories to be analysed. Each question
was treated as a different category, and the answers of all the respondents were analysed at the
same time for each question; therefore, differences and similarities could be analysed more
accurately (Priporas et al., 2017; 2015). This method also helped us compare and contrast
information and data from both primary and secondary sources (Saunders et al., 2015). For
validity purposes, a copy of the analysed data was forwarded to interviewees to confirm their
authenticity, while to ensure reliability, a common interview guide was used (Moustakas,
1994). Also, the same interviewer conducted all interviews while the other two researchers
performed the independent coding of the transcripts, reducing any unconscious bias (Lincoln
and Guba, 1985; Strauss and Corbin, 1998). Lastly, it should be noted that participants were
coded as K1, K2, …K26.
Greece in the context of the economic crisis

The global financial crisis which emerged in the US in 2008 affected many European countries. Greece, a high-public-debt country of the European Union was hit severely by this crisis, and it inevitably captured global attention (Lekakis and Kousis, 2013). Since late 2009, Greece has been dealing with the impact of the economic crisis, and the subsequent recession (Kentikelenis, 2017) leading to economic depression (Bitzenis and Vlachos, 2018). In an effort to remain to Eurozone and to address its debt problems, Greece announced rounds of austerity measures and structural reforms as conditions for the three consecutive structural adjustment programmes in 2010, 2012 and 2015 (i.e. Memoranda of Understanding) from its international creditors, the so called Troika, i.e. the European Union-International Monetary Fund-European Central Bank (Kamenidou et al., 2017; Priporas et al., 2015; Rotarou and Sakellariou, 2019).

However, the negative effects of these measurements on the Greek society and its citizens were severe. Unemployment rate increased due to loss of hundreds of thousands of jobs, salaries fell dramatically, while taxes were raised. For many parts of the population such as elderly, unemployed, even families with children, especially for those that one spouse lost his/her job, the economic crisis has gradually transformed into a humanitarian one (Economou et al., 2014; Kentikelenis et al., 2011).

Sample

Twenty-six participants aged from 29 to 58 years old were interviewed. Table 1 presents the synthesis of the study population. The age distribution was almost equal for the groups 28-35; 36-45; 46-55, while the above-56-years-old age group was underrepresented. As regards gender, females were a little overrepresented compared to males, and in terms of marital status the majority of the participants were married. In relation to educational level, the vast majority of participants had received university education and were holders of a bachelor’s or master’s
degree; concerning their occupation, the groups of private sector employees; public servants and professionals were almost equally represented while dependents (housewives, students, unemployed) were under-represented in the sample.

[Table 1 Here]

Findings

Consumer scepticism toward CRM activities

Although the solidarity movement especially through citizens’ initiatives in Greece has increased dramatically since the beginning of the crisis (Loukakis, 2018; Vathakou, 2015), the majority of the respondents seem to be very sceptical, or even negative, towards the CRM activities. Only few participants have expressed a low level of scepticism and gave a favourable response toward CRM campaigns, a finding which is in line with Anuar and Mohamad’s (2012) study.

The following extracts indicate emphatically these opinions, especially the non-favourable ones:

“It seems to me as an attempt to connect a brandname with positive feelings, which for me has a negative sign. I interpret it unconsciously as a cheap attempt to takeover of the guilty for other practices of the company” (K5).

“I am very sceptical. I do not believe that these actions are done by companies and if they do, not even a 10 percent goes to the cause that they say” (K12).

“I will not buy a product in relation to another simply because it says that it donates a percentage of its sales to a certain cause. I can do that only if there are solid proofs as in the past, I have donated some money, however not all them went to the stated cause” (K1).

“…If I want to help, I will give (donate) my money to those that I know they really need it...” (K2).

On the other hand, very few participants offered favourable views as the following passages indicate.

“…although such campaigns have a commercial nature, buying products that serve a cause it is for good reason and this way I can help our fellow citizens that are in need” (K3).
“it is good to buy such products that a portion of the sales goes to help other people” (K6).

Table 2 below incorporates the responses based on favourable attitude towards CRM practices as perceived by the participants.

[Table 2 Here]

The above views mirror a high level of scepticism toward CRM mainly attributed to disbelief of the cause, distrust to company’s reasons or, in general, the commercial nature of the donation. These findings are in agreement with an extensive body of literature. Prior literature (e.g. Barone et al., 2000; Becker-Olsen et al., 2006; Singh et al., 2009; Webb and Mohr, 1998) indicates that CRM often creates strong doubts and scepticism among consumers due to its related business nature. For example, consumers can be sceptical toward CRM when they associate a donation to a particular cause with a purchase of a product (Singh et al., 2009), or they perceive that the reason behind CRM is the company’s self-interest such as financial gain (Cui et al., 2003; Forehand Grier, 2003).

Country of origin of companies utilizing CRM practices

With respect to the CRM campaigns organized by foreign or local companies, respondents’ opinions differ. Yet, most of the respondents were more favourable toward domestic enterprises versus foreign companies engaging in CRM. The following passages indicate these views:

“I trust more the foreign companies (multinationals) rather than our companies as they have long history in such activities. I have lived abroad, and I have seen how they operate…” (K11).

“...multinationals have the resources and systems to implement such campaigns in a trustful way” (K17).

“I believe that the Greek owned enterprises like A (name of the company) and B (name of the company) do very good job on this front and the care about the society and their employees well-being as we have seen many times in the press. On the opposite side we have seen multinationals like C (name of the company) to shut down their operations in Greece and
moved to other countries with cheaper labour force and now they try to organize such campaigns to give what, philanthropy, this is a joke… I try to buy more local products in order to help our economy and to generate more jobs” (K4).

“I do not trust the foreign companies… they have destroyed us. Such actions (CRM) are just to show for a while a good face and increase their sales. Since the beginning of the economic crisis we have been trying to buy products from Greek producers as well as from local farmers in an effort to secure our jobs and future” (K13).

Table 3 incorporates participants’ favourable responses classified based on the origin of enterprises with CRM practices.

[Table 3 Here]

The study subjects’ views seem to reflect the collectivistic nature of the Greek culture (Hofstede, 2008; Triandis, 1995), and an ethnocentrist tendency which drives their perceptions of the role of foreign companies in the Greek economy and politics. Furthermore, past studies in Greece had revealed that both ethnocentric and non-ethnocentric Greek consumers value Greek products substantially more than imported products (Chryssochoidis et al., 2007), while other studies demonstrated that Greek consumers are willing to pay a premium price for products that are produced in Greece (Krystallis and Ness, 2004; Nakos and Hadjidimitriou, 2007). Furthermore, a very recent study by Strizhakova and Coulter (2019) regarding CRM in Russia reveals that nationalistic consumers are more favorable toward domestic firms in contrast to foreign firms when these firms engage in CRM.

The impact of the macro-environment on consumer scepticism toward CRM

The importance of the macro-environment forces in consumer behaviour is well documented in the literature. The respondents believe that political forces (and not the economic crisis) is
the major force influencing their scepticism toward CRM. These views are evident in the following passages:

“The economic environment and the current crisis, not really. Perhaps charitable actions like these highlight the obvious social shortcomings from the State. Certainly, the political environment influences our actions and economic transactions including charitable actions and donations. I feel that the political system leaves us (citizens/consumers) unprotected...” (K12)

“The economic climate, I would say no. Through the crisis the solidarity among Greeks grew sharply something that existed in the Greek society before the 1960s… the political and legal environments have a tremendous impact on citizens/consumers/households’ trust in the system. Every day on media you hear only scandals with politicians and their businesspeople-friends, so how you can feel safe and confident. How can you trust anything that comes in such an environment?” (K1).

“Especially in Greece, where opacity and corruption are well known practices, makes me a more suspicious of these “charitable” campaigns as they might serve purposes of tax deduction, money laundering. In reality, the companies especially the large multinationals give back some peanuts” (K14).

While some of the respondents pointed out that economic and political forces – at least in Greece, are interrelated and the former cannot exist without the latter.

“I don’t understand how these two are considered separately in this country. People are like sheep, and the shepherd are the politicians. Yes the crisis is an issue-big issue, but who developed the crisis? The crisis didn’t come by itself....So, we think we are not bankrupt, but we are, and will never be free. ..... I believe that the problem is not only the political forces with their decisions for the economy of this country, driving it to financial misery, but we are the problem, because we just don’t put our brain to work and just do not care anymore. So, please tell me what forces are the ones that impact on CRM campaigns? Political or economic?” (K21).

Table 4 incorporates the responses based on the impact of macro-environment on consumer scepticism towards CRM practices as perceived by the participants.

[Table 4 Here]

These views highlight a clearly negative link between the political environment or consumers’ level of trust to politicians as well as consumers’ attitudes toward CRM campaigns. Political decisions affect the economy and consequently influence consumers’ economic wellbeing as well as consumer confidence and spending. Honodny (2017) states that, on the one hand, political uncertainty did not have any clear effects on consumer confidence in France. On the other hand, despite having an increase in consumer confidence after President Trump’s
winning political election, consumer spending in the US has actually slowed in months. On the contrary, Danziger (2018) provided evidence showing that more than 28% of consumers feel positive about the economy under the Trump administration and, hence, they purchase more goods, while 21% consumers claim that they shop less on those stores that support President Trump; 54% consumers have indicated that their awareness and concern for brands’ social policies have improved since those political elections.

Furthermore, the economy through its indicators such as employment rate, wages, prices, interest rates, and consumer confidence exercises an impact on consumers’ demands (Maverick, 2019) which potentially result in relevant economic and charitable giving reactions as well as behaviours from consumers/citizens/households. Konrath and Handy (2017) point out that under financial difficulties charitable giving may not be affordable.

Conclusions
This study aimed to augment the understanding of consumer scepticism on CRM, contributing to international marketing literature, as it offers findings on consumer behaviour related to a country’s macro-environment, especially within an economic crisis context. The focal point of current study is fundamentally devoted to Greece, where the prolonged economic crisis was severe and has weakened the country’s macro-environment (i.e., economic, political). Three objectives constitute the focus of this study: to explore whether Greeks are sceptical of CRM campaigns; to examine their attitudes regarding the country of origin of companies employing CRM practises, and study the impact of the macro-environment on their scepticism toward CRM practises.

Our findings unveil that there is a strong scepticism toward CRM campaigns and the respondents were particularly more negative towards the CRM campaigns initiated by foreign enterprises versus the domestic ones. This indicates a significant negative relationship between
CRM and consumers buying decisions, as well as between attitude towards the firm and CRM. Consumers do not purchase CRM products due to the fact that they exhibit high level of scepticism and negative feelings toward companies. This finding may indicate that companies did not evaluate correctly the influence of the macro-environmental forces on consumers’ emotions, feelings and behaviours and, subsequently, their developed CRM campaigns or messages did not end up being appealing and effective. Additionally, it shows ethnocentric tendencies and or an “undercover” antipathy—or even animosity—towards foreign companies. Crises at an international level often influence consumers’ attitudes purchase intentions and behaviours (De Nisco et al., 2016; Antonetti et al., 2019). However, cause-related marketing is also claimed to assist in offsetting the risk of consumer animosity (see Coombs and Laufer, 2018).

Furthermore, the political and legal elements of the macro-environment bear an impact on consumer scepticism, while the influence of the economic crisis does not seem to be particularly significant. This constitutes strong evidence that consumers distrust the political environment and consider it to be the originator of the current economic crisis in Greece, thus impacting the trust level of CRM activities that companies run.

Implications

Theoretically, the findings regarding the scepticism towards CRM are in line with the existing body of literature (i.e., Anuar and Mohamad, 2013; Brønn and Vrioni, 2001). In addition, as CRM in Greece is less established, literature suggests that consumers in countries where CRM is less established have a less positive attitude toward CRM (Lavack and Kropp, 2003; Singh et al., 2009). With respect to the macro environment, our findings indicate that the political environment is a crucial force for consumers’ attitudes towards CRM campaigns or products. Furthermore, the paper contributes to the international marketing literature as a limited number
of papers have been political and/or economic environment oriented in comparison with other themes such as culture (Leonidou et al., 2018).

Managerially, our findings can offer considerable guidance to both domestic and foreign companies regarding their CRM strategies in countries where consumer scepticism levels are high and also where the country’s macro-environment influences the CRM practices adopted. Consumers scepticism toward CRM is a challenge for companies investigating the possibility of implementing CRM (Anuar and Mohamad, 2013; Brønn and Vrioni, 2000). Companies can overcome and/or reduce CRM scepticism by increasing CSR and CRM awareness and knowledge (Brønn and Vrioni, 2000), stating CRM motives behind companies’ CRM programs (Bae, 2018), increasing consumers’ familiarity with them (Singh et al., 2009), encouraging customer engagement through consumers’ choices of cause type, cause proximity and type of donation which can assist in reducing scepticism toward CRM campaign (Christofi et al., 2018). Especially in the case of taxonomic partnerships (i.e. greater fit between brand and the cause sponsored), promotion-focus strategies are encouraged to be used in order to navigate positive cues to reduce consumers’ scepticism (Mendini et al., 2018). Both domestic and foreign companies need to improve their societal behaviours and their reputation, and enhance consumers’ favourable attitudes and feelings by resuming meaningful practices. As their epicentre of their actions, they should place the change of consumers’ attitudes and purchase decision by focusing on consumers’ emotions such as altruism (i.e. helping others) and how to create a better society (Singh, 2016). Another strategy that could be advantageous is to highlight the potential benefit of CRM actions for the suffering Greek society. Notably for the foreign companies it is of paramount importance to understand the local culture (Matarazzo et al., 2019; Woo et al., 2019) as well as the country’s macro-environment and design an effective CRM strategy. Pereira et al. (2019) assert that different political environments shape different corporate frameworks, since ties between political parties and
companies can be very strong. Furthermore, as Steenkamp (2019) rightfully points out, “despite the forces of globalism, local culture remains the central influence on consumer to understand the behaviour and individual identity” (pp. 3-4); as a result, effective execution of CRM can prove to be more challenging for foreign companies (Woo et al., 2019). Apparently, foreign companies can encourage and motivate their local employees to be more actively engaged with their CRM initiatives in the host country, given that those employees know the local culture in depth (Chebbi et al., 2015; He et al., 2019).

Regarding a country’s macro-environment, (i.e. political, economic forces, etc.), it is the factor that determines the country’s attractiveness (Brown et al., 2014: Kotler et al., 2019). Especially for practitioners, it is important for them to gain a solid understanding of the current political framework and its relations to (domestic and foreign) businesses, as well as to better comprehend the implications these relations have for their own business practices. Hadjikhani et al. (2019) point out that due to harsh competition in the global marketplace multinationals are engaged in solving social problems since this can leverage business profits and boost their justifiable position to non-business actors (i.e. non-profit organizations). Especially in countries were strong relations hold between governments and existing corporations, CRM practitioners should be cautious about consumers’ scepticism and its ultimate impact on their CRM campaigns. Beyond doubt, both domestic and foreign companies need to assess the macro environment prior to designing their CRM programs.

Limitations and suggestions for future research

Despite the interesting findings already presented, the current study is characterised by some inevitable limitations which simultaneously suggest avenues for future research. Given the study’s exploratory nature, the target emphasis was placed on gaining insights and an in-depth understanding, rather than on generalizing the findings (Priporas et al., 2015). The current
findings are limited by the sample and measures employed. Therefore, future studies could include broader samples in terms of size and also use quantitative measures to strengthen and expand these findings, and to improve generalizability. Another limitation is the focus of the study on a particular country, namely Greece. Forthcoming research studies could be conducted in other countries that experience changes in their macro-environment to augment these results at an international level. A familiarity of consumer attitudes toward cause-related marketing in different countries is essential to ensure that social marketers benefit from these corporate relationships.
References


Danziger, P.N. (2018), “Trump economy has powered consumer spending, but politics affect where people shop”, available at:


Mylonas, Y. (2019), The Greek Crisis in Europe, Brill, Leiden


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<th>Education</th>
<th>Occupation</th>
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Table 2. Level of scepticism based on favourable attitude towards CRM practices

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Table 3. Favourable attitude towards origin of enterprises with CRM practices

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Table 4. Impact of macro-environment on consumer scepticism towards CRM practices

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