

Designing and explaining the cause marketing model in the dairy food industry

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Abstract

In recent years, companies have used various competitive tools to sell products to customers due to increased competition, the proximity of products, and saturated markets. Supporting various activities and cause marketing is one of these methods that has attracted the attention of companies today. Therefore, this study aimed to design and explain the cause marketing model in the dairy food industry in 2021. This applied the qualitative-quantitative study was conducted using a mixed method on 12 academic experts and managers of Pegah Dairy, Solico (Kale) Kalber Dairy, Sabah, and Mihaan food companies. The sampling was performed through a targeted process and the snowball method and continued until reaching theoretical saturation. The statistical population of the quantitative part was the buyers of dairy products from branches of Refah and Shahrvand chain stores in Tehran, who were selected using the cluster sampling method of at least 384 samples. The data were coded and analyzed to reach the cause marketing model in the dairy food industry. First, basic concepts were produced, and in the first stage, 111 concepts were extracted from interviews with experts, then integrated and categorized into 74 basic concepts. These concepts were coded for greater coherence and better interpretation in 16 more abstract concepts, including resources and capabilities, campaign implementation, the views of company managers and stakeholders, people's beliefs, attitudes, values, demographic factors, social stimuli, and experience and awareness. The 16 concepts were categorized into four major dimensions related to the campaign, customers, company, and charity marketing results with MAXQDA software in the next step. A consensus was reached among the experts in the Delphi process. The next step was carried out with the confirmatory factor analysis method in structural equation modeling and SmartPLS software. The results indicated the appropriate fit of the final model. Based on the results, managers of dairy companies can use the identified concepts and categories in their future marketing plans to achieve a suitable position in customers' minds and carry out their charitable activities under social responsibilities.

Keywords: Cause marketing, Marketing mix, Charity aid method, Charity campaign urgency, Dairy companies
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1 Introduction

The dairy food industry has recently seen intense competition due to many companies operating in Iran and the high product variety and demand. The use of product and brand expansion strategies to achieve further growth in the country's dairy food industry has increased dramatically, who consciously or unconsciously use this strategy when presenting various products [9]. With more than 50 active brands and much competition, the importance of having loyal customers for brands, ideal conditions for providing new products, and forming new businesses require differentiation of their brands. However, the related strategies will be successful when people buy a new product that uses the existing brand. Dairy food industry companies can take strategies to achieve a suitable competitive position by differentiating their brand [12]. Cause marketing is one of the essential activities and strategies in construction and differentiation that leads to competitive advantages in the non-price competition of companies [11]. Accordingly, the marketing managers of these companies must consider important factors such as consumers' demands and society's interests in the short and long term in determining their marketing strategies and policies. Over time, there have been radical changes in consumers' purchase preferences. Consumers are more than ever looking for the products of companies that fulfill their social responsibility and philanthropic duties. There is also a willingness to pay more for these companies' products, despite the similarity and closeness of the quality and price of their products, and remain loyal to them to support these measures. Hence, cause marketing helps companies as a social approach to better cover the responsible needs of society and gain a significant share of the large and growing market of consumers familiar with the issues and concerns of society [10].

Some of the activities carried out by active dairy industry companies in the country in active participation in charitable and humanitarian activities are development, equipping, and renovating educational spaces, roads and equipping clinics in deprived and less developed areas, helping cancer and incurable patients, distributing milk and dairy products and supporting the education of children and teenagers in deprived and less developed areas, assistance to nurseries, care centers for the disabled and homes for the elderly, helping the victims of floods and earthquakes in different parts of the country, such as Kermanshah and Sarpol-e Zahab, East Azarbaijan, Sisakht, necessary arrangements in the buildings of food industry companies to save energy and water consumption, manage and reduce waste production by using modern and clean technologies with the aim of protecting the environment in these industries, Supporting various cultural and artistic fields, supporting some people and businesses affected during the COVID-19 crisis, and distributing masks and disinfectants in deprived and less developed areas [8].

The increasing price of products is one of the problems faced by the country's food and dairy products today, caused by inflation and some sanctions. Reducing people's purchasing power should also be added to these items. The right strategy for dairy companies can be to focus on cost reduction models with the help of increasing productivity and effectiveness. Advertising is one of the high costs for Iranian food companies, which is ineffective, a waste of money, and sometimes counterproductive (such as excessive and repetitive TV ads). Therefore, companies can use these costs for cause marketing. The culture of dairy consumption in Iran is significantly lower than its per capita global consumption, which can influence their acceptance of these products through consumers' awareness of the charitable activities of dairy companies. Therefore, dairy companies should act best by linking cause marketing activities to their commercial marketing strategies while improving the quality of their products to gain the right place in the minds of customers and their loyalty, their charitable activities, under social and national responsibilities [6].

Today, economic enterprises are looking to create new values for customers in the more competitive economic environment in the world, which can be used as a competitive advantage and ultimately increase their profitability. The presence of companies and organizations in charitable activities is necessary. Most of the buyers have the desire to continue the life of such companies with their purchases. This group of buyers believes that companies' primary duty is to offer their goods and services with excellent quality, reasonable price, easy access, and favorable distribution [2].

Many managers of companies and organizations that use cause marketing campaigns believe that this strategy is a win-win game. Even if this campaign is not successful from an economic point of view, its popularity has increased due to paying attention to charity and paying money to charity organizations, which will increase the company's sales in the long run. However, the risk of using cause marketing is high, and its wrong design or implementation can lead to the loss of credibility of an economic enterprise due to being accused of abusing charity and people's feelings [5].

Several factors have led companies to turn to cause marketing. The most crucial factor has been the competitive pressure at the national and international levels and the saturation of the markets, pushing companies towards solutions to distinguish themselves from others and gain a competitive advantage. Another critical factor is the importance of finding social issues and primarily the social responsibility of companies in their eyes [1]. The Iranian people are susceptible to discussions about charity and philanthropy, which makes it necessary for economic enterprises

to use cause marketing responsibly. Improper use of this marketing method and not paying attention to people's considerations and concerns can lead to the failure of this strategy and pessimism of people towards the performance of economic enterprises and even damage to charities in the future. Therefore, the first step is to identify and examine cause marketing indicators [4].

This study aimed to design and explain the cause marketing model in the dairy food industry using a quantitative and qualitative (mixed) approach.

2 Research literature

[3] examined the effect of cause marketing on consumer purchase intention in the food industry. The factors involved in this issue were identified through past studies. The research model used cause marketing variables, brand attractiveness, consumer identity with the company, consumer cynicism, moral feelings, and purchase intention. The results showed that cause marketing has a positive and significant effect on brand attractiveness, moral sentiments, and consumer purchase intention, but it has an inverse and significant impact on consumer pessimism. In addition, the consumer's moral feelings and identity with the company positively and significantly affect the purchase intention. Finally, consumer pessimism has a negative effect on the intention to purchase a cause marketing product.

Shakour Sharifabad investigated the effect of cause marketing activities on the dimensions of brand equity in the banking industry. In this study, banks can take strategies to achieve a suitable competitive position in improving their brand equity by differentiating their brand through cause marketing activities. These results were consistent with those of the present study. The effect of cause marketing was confirmed on the particular value of the brand as well as its dimensions, including brand awareness, brand image, and brand loyalty in the banking industry. Cause marketing activities of banks are a source of competitive advantage for them because they can influence the perception of customers regarding the value of the brand. In other words, the brand's unique value is created by satisfying the needs and values of the stakeholders. Therefore, cause marketing activities will create particular brand value since it strengthens interactions between users and customers and the bank [14].

Mora et al. evaluated the segmentation of the audience of a Viral Marketing Campaign and the attitudinal effect of a cause marketing campaign that goes viral through social networks. The results showed that word-of-mouth advertising, sharing, and promotion of brands and food companies in cause marketing campaigns quickly met with good feedback from users on social networks, and users remembered well-known brands in charitable activities. This study helps to improve the knowledge of consumer responses towards the performance of charitable activities by companies. However, some aspects could benefit from further research. Future studies can also extend the analysis and generalize the results by assessing the impact of other variables, such as customer-company identification, perceived value, and trust, as they influence viral word-of-mouth advertising, transparency, and consumer attitudes toward companies [7].

The decomposed theory of planned behavior was used to examine the factors of cause and commercial marketing to investigate the cross-sectional effects of customer behaviors of social enterprises. Consumers' behavioral goals were analyzed when purchasing the company's products and services. The results showed that attitude is the main factor affecting consumers' purchase of the company's products and services. A positive attitude towards the participation of oneself and the organization in charitable activities is not only concerned with the financial benefit and profit from selling products. In addition, consumers consider the opinions of members of their reference groups when purchasing products. This study shows that companies and organizations can provide an overall image of their services and strengthen product links through effective marketing and highlighting their benevolent nature. Honest intentions should be shown to increase consumer trust in products and positive charitable relationships [13].

3 Method

This study used an exploratory mix based on a qualitative-quantitative research approach. Since quantitative and qualitative research methods alone cannot study the complexities of the elements that make up humanities and social science issues without bias, the combination of these methods is used, and it is referred to as a mixed research method. First, the qualitative and quantitative approaches were used to achieve the general and partial goals. Therefore, this research is included in the projects with exploratory mixed research methods. In this research, the researcher tries to find the context of an uncertain situation.

This research used the second type of data combination, i.e., connecting two data sets by building one based on the other. First, the factors not mentioned in the literature were identified using the qualitative interview method to reveal the research obstacles and the deep understanding of the phenomena. Then, quantitatively, a questionnaire was developed based on the qualitative interview data to test the identified factors.

4 Population

Since the research method of the present study is a qualitative-quantitative mix and has a mix, therefore there are two qualitative and quantitative populations.

4.1 Qualitative population

The statistical population in the qualitative section is the managers and senior vice-presidents of Pegah dairy food companies (Iran Milk Industry Company), Solico (Kale), Kalber Dairy, Sabah, and Mihan. This selection was due to the researchers' access to some managers of these companies, brand reputation, high sales, and abundance of their products in stores, and the community of academic experts, including marketing professors and academic staff members. The supervisors and advisors should approve the research experts and have the desire and time to participate, be outstanding in knowledge and experience in the subject and the field of marketing, and be able to be a symbol of society by providing accurate information. Sampling was done using the purposeful sampling method, and the interviews continued until the theoretical saturation was reached.

4.2 Quantitative population

The quantitative population was the consumers of Tehran city who buy their dairy products from branches of Refah and Shahrvand chain stores in the North-South-Center-East-West geographies due to the spread and dispersion (through retailers, stores, shops, hypermarkets, etc.). The selected branches were Farmaniyeh in the north of Tehran, Sadeghieh in the west of Tehran, Beyhaghi in the center of Tehran, Majidieh in the east of Tehran, and Naziabad in the south of Tehran. The unlimited population formula was used for the sample size due to the unknown and unlimited scope of the statistical population. Based on Cochran's formula, the sample size is estimated at least 384 people. For more caution, 420 questionnaires were distributed, and 387 returned questionnaires were usable.

4.3 Data collection method

This research used a review of previous studies, semi-structured interviews, the Delphi method, and questionnaires to collect necessary data.

1. Revision of previous studies:

Library and internet sources, including books, articles, and case studies from Latin and within the country, were used to complete the theoretical foundations.

2. Semi-structured interviews:

In semi-structured interviews, the interviewer asks direct questions to the interviewee and asks follow-up questions to further clarify the concepts. This flexibility is precious in collecting different points of view and people's feelings about the organization and discovering new issues, which is our goal in this exploratory research. Since this phase of qualitative research is exploratory and aims to develop a cause marketing model in the dairy food industry, semi-structured interviews are the best method.

3. Delphi technique:

The Delphi technique is defined as a research approach to obtain consensus by using a series of questionnaires and providing feedback to participants with expertise in critical areas. This method is beneficial when researchers are required to gather the views of individual experts on a particular topic and build consensus on the topic to identify the experts' underlying assumptions or views. However, the major weakness of Delphi is the lack of a theoretical framework. Delphi as a research method has been proposed in various forms such as survey, study, procedure, method, approach, voting, and technique.

4. Questionnaire:

The questionnaire was used after extracting the components from the literature and experience in the stages of interviews and Delphi structural equations.

4.4 Reliability

The measurement tool in validity can measure the desired characteristic and not another variable. The lack of sufficient validity in the measurement tool regarding the desired characteristics makes the research results worthless. Therefore, measures are taken to meet the criteria of accuracy for the validity of the interview and in studies based on the content analysis method. Participant review, spatial integration, and participant integration are used to ensure that the interpretation of the data reflects the phenomenon under study. Repeatedly returning to the data helps the researcher regularly edit the draft, fill in the blanks, and make the necessary corrections so that the theory has sufficient conceptual density and specificity (validity and reliability).

After determining the interview questions, content validity was used to ensure the validity of the research interview stage and the accuracy of the findings from the perspective of the researcher, participants, or readers of the research report. In this method, supervisors and advisors were asked to review the codes and interview questions to provide suggestions regarding open codes for changing these codes and their indicators. The spatial integration means that the research interviews were conducted among the experts in the dairy food industry. In addition, integrating the participants means that the experts and faculty members of the Faculty of Management of North Tehran Azad University were used to analyze the interviews. The accuracy of the obtained codes and the resulting categories increased by repeatedly comparing the codes and consulting with the supervisor, which increased the validity and reliability of the indicators and the relationships between them, which is the validation of the theory.

Content validity was also used for the validity of the questionnaire. Content or logical validity refers to whether the data collection method or tool is a good representation of the content that should be measured. In other words, in content validity, attention is paid to the ability or capability of objects or tool items, or data collection methods to cover the entire content of a particular structure. First, the variables are clearly and precisely defined (all dimensions of the variable are clarified), and then, items are constructed to measure the defined content. Therefore, the data collection tool or method should cover all dimensions and contents of the desired variable or concept to have content validity. Otherwise, it does not have content validity. Lawshe developed a widely used method for measuring content credibility and presented a formula called the content validity ratio (CVR). This method measures the degree of agreement between evaluators or judges regarding the "appropriateness or essentiality" of a specific item.

In other words, experts are asked to evaluate each item based on the three-part spectrum of "necessary," "useful but unnecessary," and "not necessary" to determine CVR. Then the answers are calculated according to the following equation.

$$CVR = \frac{\text{Number of expert who chose necessary option} - \frac{\text{number of all experts}}{2}}{\frac{\text{number of all experts}}{2}} \quad (1)$$

In which, CVR is the content validity ratio, Ne shows the number of evaluators who state that the item in question is "basic or useful," and N expresses the total number of evaluators.

The content Validity Index provided by Waltz & Bausell is also used to measure the validity of the questionnaire. The experts are asked to determine the degree of relevance of each item to calculate the CVI with the following four-part spectrum: (irrelevant, need for fundamental revision, relevant but needs revision, and relevant).

This method is an alternative method based on factor analysis presented by Fornell-Larcker (1981). In this method, there is a difference between two structures when the average variance expressed for a structure is more significant than their common variance. Hence, a matrix is used, which consists of the second power of the covariance between each scale and other scales. The main diameter elements of the matrix are replaced by the AVE index, defined as follows, to check the validity.

$$AVE = \frac{S_1}{S_1 + S_2} \quad (2)$$

In which, S1 is the sum of the second powers of the factor loadings related to the items that make up the scale, and S2 donates the sum of all items for the index (the square of factor loadings -1).

The discriminant validity is confirmed when each element on the primary diameter is more significant than any other element on the row or column.

5 Research evaluation

Information analysis is considered a scientific stage of the basic foundations of any scientific research, by which all research activities are controlled and guided until reaching the result. In this section, the description of the research data and the analysis of each of the questions are discussed.

5.1 Descriptive statistics of demographic characteristics

This section investigated some demographic characteristics of the respondents of the quantitative section, i.e., customers of dairy products, using descriptive statistics.

1. Gender:

As shown in Figure 1, out of 387 respondents, based on the population and statistical sample distribution, 201 are men (51.9%), and 187 are women (48.1%).

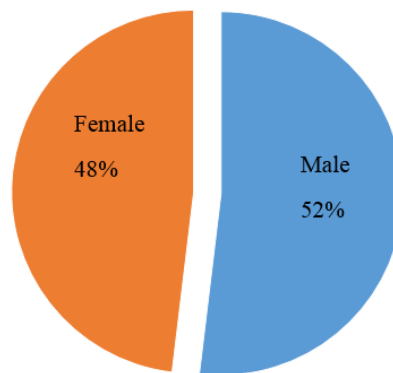


Figure 1: Gender frequency of the studied population

2. Age:

From the total of 387 people in the statistical population of Figure 2, 57 people are under 25 years old (14.7%), 112 people are 25 to 35 years old (29.2%), 125 people are 35 to 45 years old (32.3%), 72 people are 45 to 55 years old (18.6%), and finally, 20 people are 55 and older (5.2%).

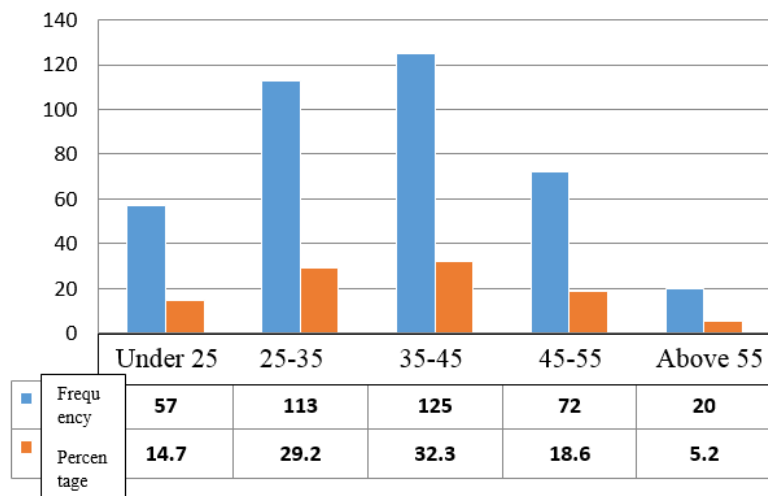


Figure 2: Age distribution of respondents

3. Education:

Based on Figure 3, out of the total of 387 people, 65 have an associate’s degree or lower (16.8%), 209 have a bachelor’s degree (54%), and 113 have a master’s degree or higher (29.2%).

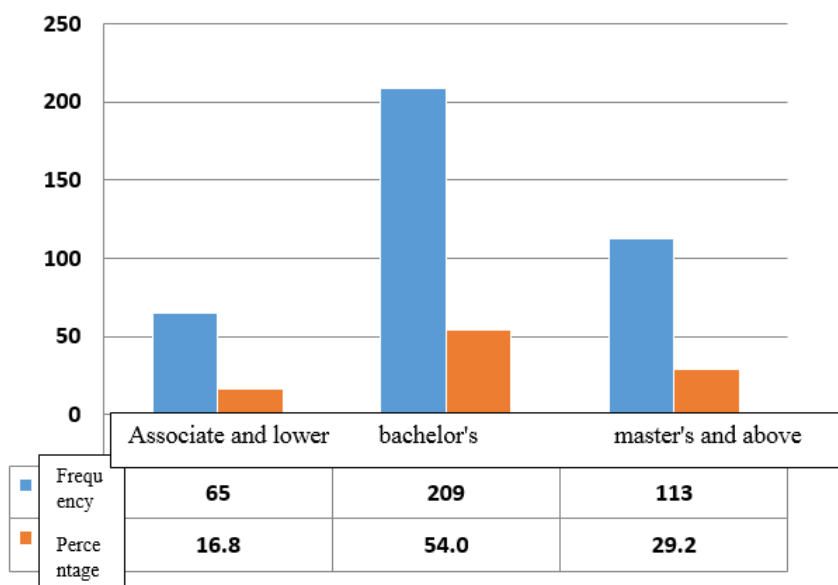


Figure 3: Frequency of education

4. Occupation:

As shown in Figure 4, out of the total of 387 respondents, 116 are employees (30%), 130 are self-employed (33.6%), 53 are (13.7%), 49 are housewives (12.7%), and 39 are working in other jobs (10.1%).

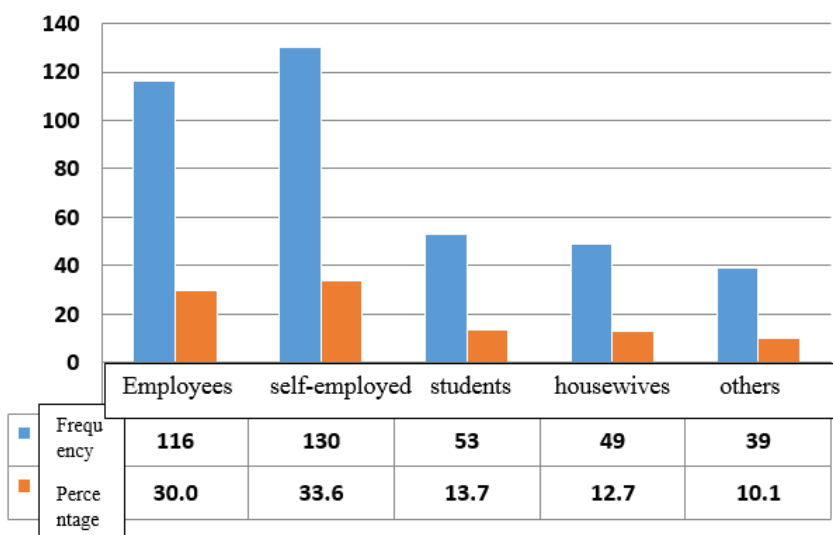


Figure 4: Distribution of occupation

5. Income:

According to Figure 5, 49 people have an income of fewer than 3 million Tomans (12.7%), 94 people between 3 and 4 million Tomans (24.3%), 110 people between 4 and 5 million Tomans (28.4%), 88 people between 5 and 6 million Tomans (22.7%), and 49 people have a high income of more than 6 million Tomans (12.7%).

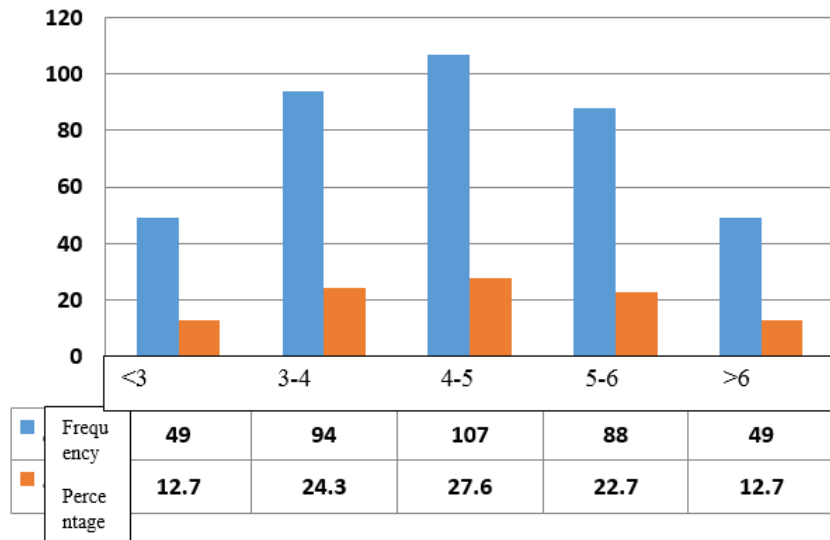


Figure 5: Distribution of respondents' income

6. Brand:

According to Figure 6, the preferred brands were Kale (18.6%, 72 people), Pegah (17.6%, 68 people), Damdaran (13.4%, 52), Sabah (11.4%, 44), Mihan (11.9%, 46), Ramak (10.1%, 39), Haraz (9.8%, 38), and other brands (7.2%, 28).

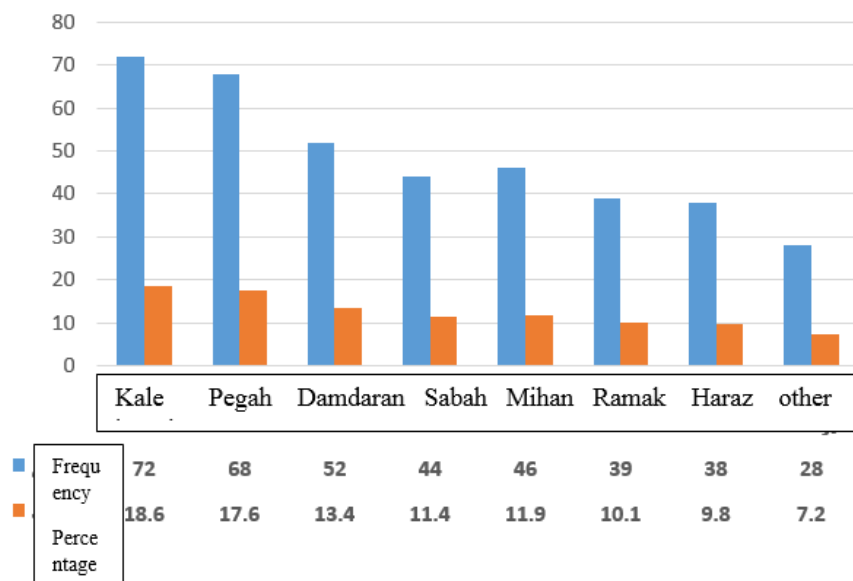


Figure 6: The brand distribution used by the respondents

7. Dairy product used:

From the total of 387 people, 76 people prefer milk dairy products (19.6%), 110 people prefer cheese dairy products (28.4%), 52 people prefer yogurt (25.3%), 44 people prefer buttermilk dairy products (12.7%), 25 people prefer butter (6.5%), and 29 people preferred other dairy products (such as cream) (7.5%).

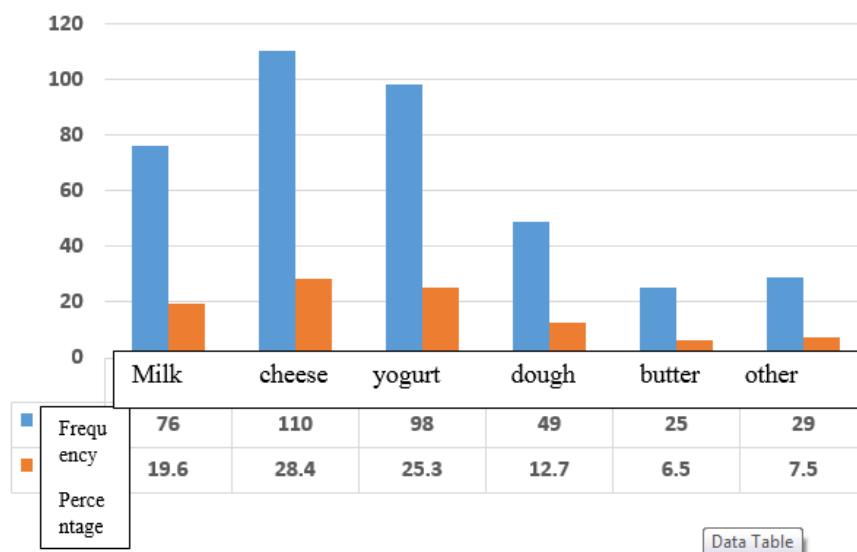


Figure 7: Distribution of dairy products used by the respondents

6 Conclusion

The cause marketing model and its components are based on qualitative methods with coding from the interview process, Delphi quantitative methods, and structural equations in the four main components of dimensions related to the company (with the mixed dimensions of the company's marketing, company's resources, and capabilities, campaign implementation, views of the company's managers and stakeholders), customer-related dimensions (with the dimensions of people's beliefs, people's attitudes; people's values, demographic factors, social stimuli and individual's experience and awareness), dimensions related to the campaign (with the dimensions of the way of helping or charitable activity, the place of helping or charitable activity, the validity and importance, and urgency of the charitable campaign), and the results of cause marketing (with components of financial and non-financial results). According to the results, the dimensions related to the benevolent campaign had the most significant impact of +0.467 on cause marketing in dairy companies active in the food industry. The dimensions related to the charitable campaign refer to the methods, the form of organizational aid, the methods, importance and urgency, and the place of expenditure (cause) of the charitable aid of the company or organization. Organizational contributions are in the form of marketing campaigns to a social (charitable) issue and are ways of participating in the social responsibility of for-profit organizations. The form of the help of cause marketing campaigns can be monetary, non-monetary (such as donating masks and disinfectants, food, entertainment, and celebrations) or direct and indirect, or a combination of the two.

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