

# *The Influence of Consumer Sentiment on Marketing Effect in Cause Marketing*

## *– Take Hongxing Erke as an Example*

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**Abstract:** With the frequent occurrence of unfortunate events that affect both the public and businesses, such as the COVID-19 pandemic, the importance of cause marketing has become increasingly prominent. However, while the number of studies on cause marketing has increased, there is still a lack of validation and interpretation of the relationship between consumer sentiment and cause marketing. Based on the case of cause marketing of Hongxing Erke and domestic and foreign literature, this study mainly uses the process tracking method to analyze the impact of public sentiment on marketing effect. It is found that after the unfortunate event, enterprises can properly reduce the price of goods in the cause marketing, choose the right point to cause marketing and enhance public sincerity, to better use the consumers' emotional resources, to improve the effect of cause marketing, ultimately stimulate consumption, and set up socially responsible for the enterprise brand image.

**Keywords:** cause marking, timeliness, authenticity, commodity pricing

## 1. Introduction

In the context of risk society, unfortunate events that bring harm to both enterprises and society occur from time to time, and the most widespread and harmful unfortunate event facing human beings at present is the spread of COVID-19. In recent years, the massive spread and long-term existence of the epidemic worldwide has not only seriously threatened people's lives and health but also made the survival and development of many enterprises have to face severe challenges. Due to the impact of the outbreak of unfortunate events, the overall consumption in the society is prone to decline, which will have an impact on the core data such as retail sales of social consumer goods [1]. However, under the stimulation of unfortunate events, different emotional reactions of social individuals also form specific emotional resources of the victim object [2]. Therefore, during this period, due to the effect of emotional factors, when making consumption choices, consumer groups tend to choose to buy the products of enterprises that they think are more socially responsible and express their support for these enterprises with actions. And public welfare marketing, precisely has the embodiment of enterprise social responsibility and builds a good brand image and so on function. Therefore, in recent

years, the proportion of cause marketing in brand marketing has gradually increased, and the frequency of cause marketing has become more and more frequent. The literature on cause marketing is mainly reflected in three categories: the dissemination of cause marketing, the analysis and exploration of the cause marketing model, and the balance between commerciality and social responsibility in cause marketing. Among them, the focus of literature research is mainly on the analysis of cause marketing strategy, but there is a lack of cause marketing research from the perspective of consumer sentiment. Therefore, based on the above background, this study aims to reveal the relationship between the use of emotion in cause marketing and its marketing effect.

This study intends to use the process tracing method in case studies for discussion. As a case study method, the process tracing method is often used to make causal inferences within individual cases and clarify causal mechanisms [3]. This way of summing up experience is old and common in the social sciences. Through in-depth analysis of the particularity of specific cases and combined with the focus of the research, the process tracing method explores and clarifies the causal and logical relations, and then summarizes the more universal and general rules from which to inspire future research and practice. In addition, to make a more comprehensive analysis, the paper also absorbed and applied some theoretical knowledge of communication, management, consumer behavior, psychology, and other disciplines. This study expands the research context of cause marketing by focusing on cause marketing in the context of unfortunate events that are harmful to both business and society. In addition, this paper discusses the relationship between the emotional resources generated by the public stimulated by unfortunate events and the marketing effect, which opens up a relatively new perspective for the research of cause marketing. In general, the outbreak to society and at the same time companies such as a threat to the unfortunate events that can the development of the enterprise to produce immeasurable negative impact, but the successful implementation of public marketing, but can take advantage of the unfortunate incident occurred during the period of the public mood, harvest better marketing effect, and shaping the corporate image of social responsibility, the sustainable development of power enterprises. By analyzing the successful case of cause marketing of Hongxing Erke, this research explores the application mode of consumer group emotion in cause marketing mode, and studies how to arouse consumers' emotion to a certain extent and arouse their resonance with the brand through cause marketing strategy. To provide some theoretical guidance for enterprises to adopt the cause marketing model in the future when they are faced with similar unfortunate events that are harmful to both the public and the enterprise.

## 2. Literature Review

Cause marketing is also called charity marketing and public welfare marketing. As one of the marketing methods, cause marketing came into being in the 1980s and evolved from the "soft sell"[4]. The authoritative definition of cause marketing was put forward by P. Raja Varadarajan and Anil Menon in 1988: cause marketing is a process of developing and implementing a market campaign. Enterprises provide a certain amount of sponsorship to a public welfare cause on the premise that consumers take the purchase behavior and bring profits [5].

There is a small amount of literature available on cause marketing. What is more, the number of it has shown a continuous decline in the past few decades. According to the main point of these studies, the literature can be divided into three categories.

The first category of literature studies the communication models of cause marketing. Most of this research focuses on cause marketing which is spread on the internet and selects some representative problems to sort out and summarize. In some literature with smaller research entry points, these cause marketing would be subdivided into different social platforms such as WeChat, Sina Microblog, and Facebook. Then, researchers will choose one of them and conduct a detailed analysis of the

communication mode of cause marketing on the platform according to the characteristics of this platform.

The second category of the literature concentrates on the analysis and exploration of cause marketing strategies. Most of these analyses are based on the successful cases of cause marketing, refine the universal theory that can be applied to other cause marketing [6], and put forward suggestions that could benefit the marketing strategy of enterprises. The other re-searches try to innovate the model of cause marketing.

The third type of literature explores the relationship between commerciality and social responsibility in cause marketing. On the one hand, cause marketing can reflect the social responsibility of enterprises and create a brand image more efficiently. On the other hand, cause marketing, as a kind of marketing method, is commercial and selfish, so enterprises can create actual economic benefits. However, finding a balance between them can be difficult. So, these studies examined the impact of cause marketing on the financial performance of listed companies, trying to balance the two characteristics of cause marketing, and found that as long as it is at this equilibrium point, cause marketing can significantly improve the equity value and financial performance of enterprises in the short term [7].

To sum up, the amount of research literature on cause marketing at the present stage is relatively limited, and the number of studies that can explain the mechanism of cause marketing affecting consumers' purchase intention is even less. Moreover, the current research analyzes and innovates the communication mode and strategy of cause marketing theoretically from the perspective of enterprises, aiming to seek the maximum benefit of cause marketing. However, there is a lack of research on the relationship between cause marketing and emotional aspects.

Given this vacancy, this research aims to highlight the impact of the use of emotion in cause marketing on the marketing effect, making qualitative research on consumer emotion and marketing effect in cause marketing. Starting from the three perspectives of commodity pricing, timeliness, and authenticity, this paper studies how enterprises should formulate cause marketing strategies to make reasonable use of public emotions when unfortunate events that harm both enterprises and the public occur so that the adverse impact brought by this event on the development of the enterprise will be reversed into a positive impact conducive to the marketing of the enterprise.

### 3. How to Develop Cause Marketing

Hongxing Erke's public welfare marketing has always been putting the public interest first. In the context of frequent unfortunate events such as earthquakes, floods, and epidemics, Hongxing Erke has donated donations and materials to the affected areas and disabled people many times since the years of the Wenchuan earthquake in 2008. It has long put the interests of society first and continued to undertake the social responsibilities of enterprises in the face of disasters. In 2008, Hongxing Erke donated 600,000 yuan, 25 million in 2013, 60 million in 2018, 110 million in 2020, 50 million in 2021, and 150 million in 2022 August, which includes only include the donations known by the public.

In addition, compared with other brands doing public welfare, Hongxing Erke is more low-key, with less investment in publicity and weakening the selfish interest of marketing. The contrast between the two is conducive to shaping a brand image that dares to assume social responsibility, catering to the value of "[8]" of "valuing justice over profit" in a Confucian culture that has a profound influence on China, and the public's enhanced sense of social responsibility in the short term of unfortunate events, and finally gaining the goodwill of consumer groups.

Second, hongxing Erke in the process of public marketing will be the establishment of the "invisible", different from the mainstream communication of the form of marketing means, hongxing Erke has

always been in a third-party output point of view transmission to drive the public to deepen the impression of corporate image, and even to a certain extent inspire the public spread spontaneously.

This "warm water heating type" way is not only sustainable but also belongs to the adherence to the correct values of the enterprise, which is a long-term value practice and behavior that can stand the test. Appropriate "sell miserably", build let the public know star performance dismal, just founded suffered floods, and encountered the financial crisis and fire frustrations, make its difficult situation and the huge amount of donations, highlight the "bankruptcy donation", inspire people's sympathy, also based on the original highlights the social responsibility and moral sense, stimulate consumption.

Unlike the "successful" identity of many entrepreneurs, Hongxing is a chairman of the people. The chairman of a company is usually a symbol of the company. The chairman of Hongxing erke has created a close image from the details such as having no money for microblog members and sharing bikes to work, which has narrowed the psychological distance with consumers and enhanced the brand affinity of Hongxing erke.

At the same time, it is particularly important to use the social media led by TikTok and Weibo for communication. Social media has strong interactivity and viral communication, which provides convenience for the dissemination of public welfare marketing information. In particular, the semi-open design of the TikTok live broadcast room facilitates the emotional infection produced [9] in the interaction between the Hongxing Er Ke employees and customers who are responsible for the delivery of the live broadcast and goods. Among them, the main cause of high interactive behavior is a kind of "reverse psychology". Hongxing Erk employees in the effort to persuade people not to buy, but flooded with a group of consumer support and interaction. This is based on TikTok and the broadcast platform environment has the characteristics of entertainment, and subjective behavior, consumers think this is a kind of interesting interaction, weakening the purpose of consumption, thus strengthening the effect of entertainment, this kind of interaction is under the unfortunate outbreak of the tragic mood of an emotional dredge, which can stimulate consumers a positive level of emotional propaganda will be more likely to produce reaction and interaction.

The positive stimulation of this positive culture has a certain subjectivity, but consumers must improve the initiative of interaction because of the entertainment effect of gathering people. Therefore, when spreading, it is essential to consider the entertainment of communication and stimulate the positive emotions of consumers.

## **4. What Factors Will Affect the Effect of Cause Marketing**

### **4.1. Influence of Commodity Pricing on Cause Marketing**

There is a close relationship between the marketing effect of cause marketing and commodity pricing. In the cause marketing strategy adopted by Hongxing Erke, the commodity price is equivalent to the threshold for consumers to participate in cause marketing, and it is the price that consumer groups need to pay for the prosocial behavior of helping enterprises by purchasing products. The exchange theory holds that people tend to minimize the cost of giving and get the most value in return. On the other hand, helping others has a cost. When the cost is high, helping behavior decreases [10]. High commodity prices are easy to bring a psychological burden to consumers, cooling the helping emotion to a certain extent, and hindering the realization of purchasing behavior. With Hongxing Erke, although sports brand Adidas also is given priority to producing footwear, is also under the background of the outbreak of the affected areas to provide a donation, but due to its daunting high commodity prices, the cause marketing effect is not ideal to stimulate consumption, the subsequent also did not cause spontaneous consumer buying behavior.

On the contrary, a lower price threshold is easier for consumers to accept, and they are more inclined to participate emotionally, which makes it easier for them to generate action energy [11] and

enhance their consumption intention. This is one of the reasons why most of Hongxing Erke's stores in China have been snapped up after the brand, which makes affordable goods, launched a public welfare donation campaign.

It can be seen that this kind of emotion-driven cause marketing strategy to stimulate consumption is not widely applicable to all price brands. Because consumers' salary space and property level are limited, it is difficult to be promoted in a short period. If the price of a product is too high, most consumers are likely to be unable to afford the price due to their real salary, even if the cause marketing form is novel and can arouse consumers' resonance. Thus, giving up to express support for the public welfare behavior of enterprises through the purchase of goods.

#### **4.2. Influence of Marketing Time Points on Cause Marketing**

The effect of cause marketing is also closely related to time. Therefore, the effect of cause marketing implemented by enterprises at different points in time when an unfortunate event occurs will be different. According to the theory of the principle of attention, empathy, and compassion triggered by unfortunate events, as a highly arousing emotional response, are important emotional factors that promote consumer groups to participate in cause marketing or express support for cause marketing. According to a survey by Fu Xiaorong and Lan Xin based on the response to the Jiuzhaigou earthquake on Sina Weibo, the public's interest in the tragedy and the intensity of their emotions generally show a trend of decreasing with time. Therefore, the enterprise if want to make its cause marketing maximum Shangdi to mobilize the public mood affect consumer purchase decision, then need to select the public on the unfortunate events of empathy and compassion mood most of the time point for cause marketing, to cater to consumers' psychological needs, achieve better marketing effect. Changing trend of Weibo data [12].

Through the analysis of Hongxing Erke, the timing of the successful implementation of public marketing can be found, Hongxing Erke, declared disaster areas to provide the timing of the donation, most of them to the enterprise and the public are harmful to the unfortunate events within a week, just people to concern for the unfortunate events period of rapid growth, rapid fermentation also mood, Although the public welfare marketing of Hongxing Erke is only simple and direct donations, it has also gained the attention and praise of many people. However, if the timing of cause marketing is wrong, it can backfire.

In contrast, public utilities and public transport is a donation for Hainan outbreak cases, due to the selected point in time from Hainan outbreak after 17 days have passed, Hainan outbreak has had the most critical time situation, Hainan COVID - 19 confirmed cases number has already been in steady decline, public utilities and public transport while the propaganda, but still have not beautiful. Through the comparison of the above cases, this research can fully realize the importance of selecting a correct time point for cause marketing itself, because the emotional resources generated by the people due to the impact of unfortunate events will change with time.

#### **4.3. Influence of Sincerity on Cause Marketing**

In the cause marketing carried out by enterprises, the sincerity of the enterprise's public welfare behavior also has an important impact on its marketing effect. Research shows that consumer groups can perceive brand marketing attitudes. Therefore, when facing the cause marketing of enterprises, consumers usually analyze the behavioral measures of the enterprise's cause marketing based on their knowledge and experience to speculate the motivation of the enterprise [13], judge whether the motivation of the enterprise's cause marketing is non-selfish, and then speculate whether the cause marketing is sincere enough. However, when consumers have a high sincerity perception of the enterprise's behavior, they will have a sense of trust in the enterprise, will extend the sense of trust to

the enterprise's products [14], and are more likely to choose the enterprise's products when making purchase decisions.

During the flood in Henan Province in 2021, both HM and Hongxing Erke chose to donate money to the disaster areas in a similar period however, due to the difference in sincerity in the cause marketing, they achieved completely different results. Since HM once insulted China in the "Xinjiang Cotton Incident" and donated far less than other brands, the public perceived its lack of sincerity in public service marketing, so they did not approve of HM's action. However, Hongxing Erke, with its long and repeated public welfare behavior and investment in advertising costs less, to the public embodies the sincere attitude of the brand to carry out charity behavior, to enhance the society's trust in Hongxing Erke and customer loyalty in the cause marketing yielded unusually hot marketing effect, its great sales and profits. This shows that the lack of sincerity in the cause of marketing in the market will not move at all.

## 5. Cause Marketing: A Marketing Theory Based on Consumer Sentiment

Based on this analysis, enterprises can comprehensively consider how to effectively carry out cause marketing in the future from three aspects: price, time point, and sincerity. First of all, while setting the price of goods, people should give priority to the accessibility of public welfare, try to lower the threshold of consumption, and let public welfare truly penetrate society.

Cause marketing needs to take the lead in getting people involved so that profits can be made. If people want to truly create a successful corporate image with social reputation and credit, first of all, people need to use real public welfare "benefit" products at low prices, so that people can easily participate in and respond to cause marketing, so as to achieve a real "win-win". The participation of the audience will form aggregate influence and amplify the communication effect of marketing. At the same time, due to the amplification of marketing influence, enterprises need to pay more attention to words and deeds, and image, otherwise it will amplify the negative destructive effect.

Secondly, in the choice of time point, people need to pay attention to the timeliness and effectiveness of cause marketing, so that cause marketing can play a role. People need to take a comprehensive consideration, and become the "first to follow the example" in the industry or the real "benefit society", instead of being an "afterthought". Some companies may make a lot of money themselves, but the amount of donations is far less than those of less profitable companies, and follow-up after the disaster or the real society needs time, which is not conducive to the establishment of corporate reputation, and even damaging.

If enterprises choose to implement cause marketing, they should implement it to truly help and solve difficulties and needs, and give back to society as much as they can. At the same time, long-term persistence also reflects an enterprise's attitude and determination towards public welfare. This is the choice and adherence to the internal values of the enterprise. If the enterprise itself lacks enough economic conditions and strength, that also need timely help as much as possible, seek oneself can play a role in the industry and can all aspects of the amplification effect, differ is limited to the material donations, but time point and follow up in time, and whether it truly "best efforts" or it is very important to have a positive impact.

In addition, companies have to be genuinely sincere. This has a very important relationship with the internal values of the enterprise. If the enterprise wants to truly achieve the effectiveness of cause marketing, it is essential to gain the trust of consumers first. Hongxing Erke's long-term persistence and low-key image of paying, combined with the image of the people created by the leader, it is easy to make consumers trust. Only by truly respecting consumers and giving back to society, rather than blindly putting interests first, can people obtain long-term credit. Therefore, enterprises still need to choose their values and adhere to the value, can become a real public welfare profit.

## 6. Conclusion

In conclusion, this paper verifies the close relationship between consumers' emotions in cause marketing and the effect of cause marketing after the occurrence of unfortunate events, and finds that commodity price, the timeliness of implementation of cause marketing, and authenticity will affect people's emotions, and then affect the effect of cause marketing. Therefore, when carrying out cause marketing, enterprises need to pay more attention to the three factors of cause marketing which include the price of goods, timeliness, and authenticity, formulate marketing strategies to meet the psychological needs of consumers, and encourage consumers to participate in cause marketing, so that enterprises can obtain better profits and reputation. It is because people's compassion and empathy will be aroused to some extent when an unfortunate event that causes great harm to society occurs, so they will be more willing to help the people in disaster areas.

The main value of this study is that it fills a gap in the research on cause marketing in terms of the impact of consumer sentiment on marketing effectiveness. In addition, this paper extends the research context of cause marketing by focusing on the short term after an unfortunate event that threatens people and businesses.

Nowadays, cause marketing is becoming more and more frequent and important, especially in the face of unfortunate events. So, the research on cause marketing is of great significance. When under the threat of unfortunate events that are not only harmful to society but also businesses, society is likely to experience a downturn in consumption, so the survival and development of enterprises have to face a serious threat. However, a successful cause marketing that takes advantage of consumer sentiment can stimulate consumption at an appropriate time, relieve the pressure on enterprises, help enterprises to tide over the crisis caused by unfortunate events, and even promote the good development of enterprises in the long run. The finding of this study and the guidance proposed of it can be served as a reference for enterprises to formulate cause marketing strategies in the face of such unfortunate events, which is conducive to assisting enterprises to formulate strategies that can mobilize consumers' emotions and maximize the effect of cause marketing, and to some extent strengthen the brand empathy and brand affinity of an enterprise.

But there are still some deficiencies in this paper. Even though this paper studies the influence of consumer psychology on marketing effect, it still lacks a more detailed and in-depth excavation of consumer psychology. In response to this shortcoming in this study, future research which concentrates on this area should classify the special emotions generated by consumers when they are stimulated by unfortunate events, explore the characteristics of different emotions, and specifically study how enterprises should use these emotions in their cause marketing strategies. What's more, the research background of this paper is limited to unfortunate events that affect society and enterprises at the same time, and there is a lack of discussion on other types of unfortunate events. Future research can take other types of unfortunate events as the research background.

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