Cause related marketing in the German retail sector: Exploring the role of consumers' trust

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ABSTRACT

Cause related marketing (CrM) has become one of the most dynamic marketing tools. CrM allows companies to signal their overall business culture regarding Corporate Social Responsibility (CSR) at the point of sale. More recently retail chains in Germany have started to use CrM as a strategy to differentiate themselves and their products and to secure customer loyalty in highly competitive markets. For consumers the information necessary to assess the fairness of the terms of a CrM campaign is in general not available. Thus, trust becomes an important issue. The aim of our study is to understand the role of trust for the success of a CrM campaign. We consider consumers' trust in a retailer's CrM campaign for the success of a specific campaign as well as the role of consumers' general trust in CrM and thus of potential spillover effects. The empirical study is based on a standardised online consumer survey carried out in Germany. Our hypotheses are tested using structural equation modelling (SEM). The results reveal that consumers' trust in a retailer's CrM campaign increases consumer's loyalty in the retailer. We, in addition, show that general trust in CrM campaigns, a factor external to the influence of the retailer, has a significant influence on trust in a specific campaign. Based on our results we derive market and policy recommendations.

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Introduction

The German retail sector is characterized by high market saturation, low profitability and fierce competition (Spencer and Rehder, 2012). In 2010 the four largest retail chains accounted for 85% of all food sales in Germany (Bundeskartellamt, 2011). At the same time, the sector is confronted with increasingly critical and demanding consumers. Food products are required to be safe, of high quality, good taste and reasonably priced but they are also expected to be produced in a sustainable way, especially with regard to animal welfare, environmental degradation and social conditions (Hartmann et al., 2010).

To differentiate themselves and their products and to secure customer loyalty and trust in this competitive and demanding environment, many retail chains engage in corporate branding (Grewal et al., 2004). Private labels play a crucial role in this strategy (Burt and Sparks, 2002; Metrixlab, 2013). 'Organic' and 'regional' retail brands have been introduced by almost all large retail chains in Germany as part of a Corporate Social Responsibility (CSR)[2] strategy. Connecting a retail brand to a cause related marketing (CrM) campaign is a more recent development. CrM can be defined as a strategic positioning and marketing tool which links a company or a brand to a relevant social cause or issue, for mutual benefit (Stumpf and Teufl, 2014).

During the past 15 years a research stream has evolved investigating success factors of CrM campaigns taking into consideration the consumer, the cause and the company as well as the fit between these factors (e.g. see the overview in Roos, 2012). Most previous analyses have investigated consumers' perceptions of CrM at a rather abstract level not referring to a real campaign linked to a specific company and product (e.g. Nan and Heo, 2007). To our knowledge, no study has focused on the role of consumers' trust in the success of a CrM campaign so far.

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[2] According to ISO 26000 (ISO, 2010) CSR is defined as: '… the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to sustainable development, including health and welfare of society, takes into account expectations of stakeholders, is in compliance with applicable law and consistent with international norms of behavior and is integrated throughout and practiced in an organization's relationships'.

The role of trust, however, is a crucial issue when dealing with such marketing campaigns. CrM is a credence attribute. Verifying the true purpose of a CrM campaign is difficult if not impossible, due to substantial or even prohibitively high information costs, thereby leaving considerable room for fraud (Hartmann, 2011; Schoenheit et al., 2007). Opaque and/or misleading campaigns might not only harm the CrM campaign under consideration but also reduce trust in CrM campaigns in general, thus inducing negative spillover effects. Countries deal differently with these problems. With the reform of the 'Statute Against Unfair Competition'[3] the German legislator decided against a transparency requirement (Kienzle and Rennhak, 2009; Roos, 2012). As a consequence, in Germany CrM campaigns cannot be prohibited due to a lack of transparency. Campaigns that lead to the deception of consumers, however, remain illegal. Nevertheless, there seems to be considerable wiggle room regarding what is considered to be deceptive (Kienzle and Rennhak, 2009; Roos, 2012).

Given this background, we add to the literature by focusing on the role of trust for the success of a specific CrM campaign. We investigate the campaign of one of the largest retail discounters in Germany for two private brand meat products: a packaged ham and a pork cutlet.[4] The social cause advertised on the meat packages via a CrM label is 'Heart for farmers – guaranteed + 10 cents for local agriculture'. Each time a consumer purchases one of the CrM promoted meat products from this discounter, a mark-up of ten Euro cents is paid into a special fund and then distributed to the benefit of farmers. Similar meat products not advertised via a CrM label are also sold at the discounter but cost ten Euro cents less.[5]

The objective of our paper is twofold: first, to understand the role of consumers' trust in a retailer's CrM campaign for the success of the campaign, here measured as its impact on consumers' loyalty to the retail chain; second, to test for the existence of spillover effects. More precisely, does consumers' general trust in CrM have an impact on a retailer's CrM campaign?

The empirical study is based on an online survey. Our hypotheses are tested by means of a structural equation model (SEM). We have chosen to concentrate on meat as it is of major importance in consumers' food expenditures in Germany (StBA, 2010). In addition, meat scares, such as bovine spongiform encephalopathy (BSE) and swine flu (H1N1 influenza), but also scandals about dioxins in eggs and salmonella in chicken, rotten meat, inadequate animal husbandry and labor conditions as well as the most recent horsemeat fraud have gained considerable media attention and put the reputation of the meat sector and the food retail sector at risk. Thus, despite the existence of a complex set of legally mandated public (e.g. Hazard Analysis and Critical Control Point (HACCP)) and quasi mandatory private (e.g. International Food Standard (IFS), Qualität und Sicherheit (QS)) quality and safety standards in the German food sector, consumers' trust, or more precisely, the lack of consumers' trust is an important issue with respect to meat (Chen, 2008; Meijboom et al., 2006).

The next section presents a literature review on the concepts of trust and CrM and develops a set of hypotheses. Section 'research design and method' explains the research design and data collection methods. Results of the SEM analysis are presented in section 'results', and the paper concludes with a discussion of the implications in section 'discussion and conclusion'.

Literature review and hypotheses development

The concept of consumer trust

Trust is a concept that has received considerable attention in several research disciplines such as social psychology, philosophy and economics (Bachmann and Inkpen, 2011; Blomqvist, 1997; Rousseau et al., 1998; Welter, 2012). It plays an important role in situations characterized by risk and uncertainty. In consumers' decision making processes, trust reduces complexity, thus, acting as cue for facilitating this process (Savadori et al., 2010).

There exists no single consensual definition for trust (Welter, 2012). In addition, different authors distinguish between various typologies and forms of trust. Bachmann and Inkpen (2011) differentiate trust according to the level where it occurs, into micro-level and macro-level trust, a categorization which is of relevance also for our study.[6]

Micro-level or relational-based trust[7] develops on the basis of personal experience between two (or more) actors. To build up relational trust some exposure to risk is required. As risk provides opportunities for opportunism, abstaining from exploiting another person's vulnerability creates relational trust (Barney and Hansen, 1994; Blomqvist, 1997; Fehr, 2009; Kollock, 1994). However, consumers' willingness to buy from a retailer alone is not necessarily a sign of trust, as this reliance might be the result of power or control (e.g. due to market power no freedom for the consumer to choose the seller) and not based on positive expectations about the seller (Blomqvist, 1997). Trustworthiness (trusting beliefs) is seen as an antecedent of consumer trust (attitude) (Colquitt et al., 2007). Trustworthiness itself is regarded as a multifaceted construct that captures the competence (ability) and the character (benevolence, integrity) of the trustee (e.g. Gabarro, 1978).[8] According to Sapp et al. (2009) the latter is about three to five times more important than the former in building relational trust. However, studies dealing with trust in retailers or trust in specific food attributes often do not differentiate between the terms (e.g. Perrini et al., 2010; Pivato et al., 2008).

Macro-level or institutional-based trust implies that trust can develop between two parties due to institutional safeguards even without the existence of any prior relational experience. Institutions can be of a formal nature such as laws or certifications, as well as informal including corporate reputation or community norms. Thus, at the macro level the "institutional environment in which interactions are embedded are viewed as constitutive elements in trust development" (Bachmann and Inkpen, 2011, p. 283).

Modern food sector and trust

Expanded global sourcing, outsourcing, as well as the introduction of new technologies (e.g. biotechnology, nanotechnology) over

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[3] Gesetz gegen unlauteren Wettbewerb (UWG); according to the former UWG and thus up to 2004 CrM was illegal (Kienzle and Rennhak, 2009; Roos, 2012). Since that time CrM campaigns have gained considerable relevance in Germany (Oloko, in press).

[4] This campaign was selected as it was one of the few retailer CrM campaigns and to the knowledge of the authors the only CrM activity in Germany linked to meat.

[5] On request we received the information from the discounter that the entire mark-up is paid into a special fund. No information was provided on how the distribution of the money from the fund to producers takes place. According to a study of the Consumer Protection Agency in Bavaria the more meat packages from the 'Heart for Farmers' campaign are sold the higher the average mark up for producers, which then is distributed through an organization for the benefit of farmers collectively (Verbraucherzentrale Bayern, 2011). Though there are some similarities to 'Fair Trade', major differences are that the latter provides farmers with a guaranteed price beforehand, is linked to products originating from developing countries and goes far beyond a price mark-up but aims at changing the rules and practice of conventional international trade which is perceived as unfair (see World Fair Trade Organization and Fairtrade Labelling Organizations, 2009).

[6] For overviews to other typologies and forms of trust see e.g. Castaldo et al. (2009), Rousseau et al. (1998) and Welter (2012). In contrast to Bachmann and Inkpen (2011), who differentiate between micro and macro level trust, Welter (2012) distinguishes three levels: micro, meso and macro.

[7] Interaction-based trust is often used as a synonym for relational-based trust.

[8] Other authors see trustworthiness as a concept covering the following factors: ability, benevolence, integrity and predictability (Mayer et al., 1995; McKnight et al., 2002; Serva et al., 2005).

the last few decades have increased the complexity and the anonymous nature of food value chains (Blissett, 2007). These developments have reduced consumers' knowledge about and experience with food production as well as consumers' direct relationship to food producers and processors. As a consequence consumers may feel they are losing control over a value chain they depend upon (Chen, 2008; Meijboom et al., 2006; Sapp et al., 2009). To enhance consumer protection and (re)gain consumers' trust in the food system adjustments in EU legislation regarding food safety (e.g. regulation (EC) No 178/2002), traceability (e.g. regulation (EC) No 1224/2009) and food labeling (e.g. regulation (EU) No 1169/2011) have been introduced over the last few decades. Many German retailers complemented these efforts to increase institutional trust by requesting from their suppliers compliance with private quality and risk management standards (e.g. IFS, QS), which often exceed legal requirements by far (Hartmann et al., 2010; Spencer and Rehder, 2012). Such legal provisions and recognized certifications can be effective in fostering institutional based trust, thereby reducing perceived risks from economic agents (Bachmann and Inkpen, 2011; Welter, 2012).

Reputation is an informal institutional mechanism that can create trust (Bachmann and Inkpen, 2011). A multitude of studies have analyzed the effects of consumers' perceptions regarding a company's reputation for being responsible for consumer related outcomes (see the overviews in Hartmann, 2011; Wassmann, 2013). Several studies show that a CSR branding strategy can lead to a more favorable evaluation of the company (e.g. Drumwright, 1996; Lichtenstein et al., 2004; Sen and Bhattacharya, 2001) and might play an important role in strengthening consumers' trust and loyalty in a company (Aaker, 1996; Keh and Xie, 2009; Lee et al., 2011; Maignan et al., 1999; Pivato et al., 2008; Vlachos et al., 2009).

While a CSR branding strategy is an attempt by a company to signal an overall responsible business culture and thus is a broad and long term strategy, CrM may be used as a stand-alone activity or can help to make an overall CSR policy visible to consumers at the point of sale. CrM campaigns have grown in number and forms over the last three decades and seem to be of special relevance in the food sector (Bronn and Vrioni, 2001; Eikenberry, 2009; Kienzle and Rennhak, 2009; La Ferle et al., 2011; Lafferty and Edmondson, 2009; Langen et al., 2010; Nan and Heo, 2007).

CrM, consumer trust, and loyalty: derivation of research hypotheses

CrM falls into the class of conditional corporate donations as it links a company's donations for a good cause to the sales of its products and/or services (Dean, 2003). In launching a CrM campaign, companies aim to achieve two broad objectives – to support society and to help their own bottom line, for example, by making the store more attractive to customers (Dean, 2003), contributing to the firm's corporate image, or increasing a firm's resilience to negative sector or company news (Du et al., 2010). Those two goals often compete. As a consequence, CrM campaigns are linked to an inherent conflict: the balance between profits and social responsibility. Many campaigns are accused of being biased or even deceptive in that they stress the cause, and thus the altruistic part of the activity, however, without providing transparency with respect to a firm's true contributions to the good cause or regarding their own business objectives.[9] By omitting this information CrM campaigns may be seen as hypocritical and this can reduce consumers' trust (Jhaveri, 2010).

Indeed, several studies have indicated that this lack of transparency leads to skepticism on the side of consumers with respect to

the fair amount of money spent on the cause, the overall success of the campaign and/or regarding the altruistic motives of companies (e.g. Barone et al., 2000; Dawkins, 2004; Eikenberry, 2009; Kim and Lee, 2009; Langen et al., 2010; Langen, 2013; Meffert and Holzberg, 2009; Oloko, 2008). Thus, trust can be considered to be a key precondition for consumers' confidence in a CrM promoted product given the asymmetry of information they are exposed to.

One important source of trust refers to consumers' general trust in the CrM concept. In this respect deceptive CrM campaigns in the market likely reduce the credibility of genuine campaigns, making it rather difficult for a company to generate trust in its specific CrM campaign. Strub and Priest (1976) have shown that trust is transferrable from one source to another. These findings are confirmed by Perrini et al. (2010) and Pivato et al. (2008) in an example of organic products, and by Castaldo et al. (2009) for fair trade products. Those studies show that the sale of organic/fair trade products under a retailer's private label benefits from consumers' general trust in organic products/fair trade products. Thus, the institutional-based trust with respect to organic products/fair trade products is transferred to the retailer's private label products. Based on these results we derive our first hypothesis:

Hypothesis 1. Consumers' trust in CrM in general is positively related to consumers' trust in a retailer's CrM campaign for a private label meat product.

Loyalty is a key construct in relationships. Customer loyalty is an indication of the tendency displayed by a customer to continue buying from the same firm. However, repeat purchase behavior alone is not sufficient to arrive at a loyal consumer as it is not necessarily intentional and might lack commitment.[10] The behavioral, as well as attitudinal dimensions are needed to arrive at loyal or committed consumers (e.g. García de los Salmones and Rodriguez del Bosque, 2011; Huddleston et al., 2004; Sirdeshmukh et al., 2002). Moorman et al. (1992) define commitment as "an enduring desire to maintain a valued relationship" (p. 316).

Securing a high share of loyal consumers is considered to be of critical importance for food retailers to survive in today's highly competitive markets. According to Huddleston et al. (2004) loyal consumers are linked to a whole range of benefits, such as higher sales to that customer, lower operating costs for example due to better planning, as well as an expansion of the customer base due to word-of-mouth reputation (Huddleston et al., 2004). As customer loyalty may improve the overall competitive position of the business it is a desirable factor to investigate (e.g. Maignan et al., 1999).

Several authors (for an overview and discussion see García de los Salmones et al., 2005) show that CSR can influence customers' union and loyalty with the company. Studies analyzing the link between consumers' trust in a specific CrM campaign and their loyalty or commitment to a retailer selling, or to a supplier producing, this product are so far missing. However, according to Morgan and Hunt (1994) brand trust leads to brand loyalty or commitment. Castaldo et al. (2009) show that trust in a retailer's private label fair trade product has a positive impact on consumers' brand loyalty. Perrini et al. (2010) and Pivato et al. (2008) confirm those results for a retailer's private label organic product. To investigate the impact of trust in the case of CrM we arrive at the following hypothesis:

Hypothesis 2. Consumers' trust in a retailer's CrM campaign for a private label meat product is positively related to consumers' loyalty/commitment to the retailer selling those products.

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[9] Criticism with respect to CrM goes beyond this form of deception. For a more detailed discussion see Stole (2008).

[10] In relationship marketing brand loyalty and commitment are used in a similar way.

Table 1
Measurement variables and sources.

Construct	Items	Source and scale of items
General trust in CrM	I perceive CrM to be meaningful I perceive CrM to be good CrM strengthens my trust in a company	Based on Kennedy et al. (2001), also used by Crosby et al. (1990) and Swan et al. (1988), with adjustments Scale: 1 = strongly disagree, 7 = strongly agree
Trust in retailer's (X) campaign 'Heart for farmers'	I perceive the 'Heart for farmers' campaign of X to be reliable I perceive the 'Heart for farmers' campaign of X to be good The 'Heart for farmers' campaign of X appears trustable to me	Based on Chaudhuri and Holbrook (2001), Wong and Sohal (2002) and Kennedy et al. (2001), also used by Crosby et al. (1990), Morgan and Hunt (1994) and Swan et al. (1988), with adjustments Scale: 1 = strongly disagree, 7 = strongly agree
Retail store loyalty	I intend to buy products from X in the future X is always my first choice I consider myself to be loyal to X I would recommend products from X to others	Based on García de los Salmones et al. (2005), Castaldo et al. (2009), Jang et al. (2008) and Sirdeshmukh et al. (2002) Scale: 1 = strongly disagree, 7 = strongly agree

Research design and method

Design and data collection

To empirically test the hypotheses derived in the previous section an online survey questionnaire was developed.[11] We provided an explanation of what is meant by CrM to ensure that all participants had an equal understanding before we asked questions on consumers' experiences, attitudes and trust in CrM in general. Next we introduced the campaign by showing participants two photos of meat products (packaged ham and packaged pork cutlet) sold at the time of the study in the discounter, each carrying the CrM label '*Heart for farmers – guaranteed + 10 cents for local agriculture*'. We also provided the explanation with respect to the campaign, as stated on the product package as text in the questionnaire. This was followed by questions regarding consumers' trust in that campaign and consumers' loyalty to the retailer.

To prevent potential errors in terms of wording, phrasing and sequencing, the questionnaire was pre-evaluated by four members of the research institute and subsequently pre-tested using a convenience sample of 50 respondents. This pilot test resulted in changes in the wording of several statements and questions. The data was collected from a random sample of 500 respondents, drawn from an online consumer panel[12] of German internet users. Given the focus of our study only those panel members who knew the investigated retailer and who bought meat or meat products at least once per month were included.

Method

The research hypotheses were analyzed by means of structural equation modeling (SEM) using MPLUS (2010). SEM is a combination of factor and multiple regression analysis and allows complex relationships among directly observable and/or unmeasured latent variables to be studied (Bollen and Long, 1993). As for all variables the absolute values for skewness and kurtosis are smaller than 2 for the former and smaller than 7 for the latter there exists no evi-

Table 2
Demographics of the sample (*n* = 483).

Characteristic	% of the sample	Characteristic	% of the sample
Gender		Age	
Female	53.0	15–25 years	18.8
Male	47.0	25–45 years	52.4
		45–65 years	28.8
Income per month in €		Education	
Lower than 900	9.5	Without any graduation	0.4
900–1499	20.5	Low school education	9.9
1500–1999	13.3	Medium school education	29.6
2000–2599	22.2	University entrance degree	29.4
2600–3599	20.5	University degree	28.0
3600–4999	11.4	Holding a doctorate	2.7
Greater than 5000	2.7		

dence for substantial departure from normality (West et al., 1995). Thus, maximum-likelihood estimation (MLE) has been employed for estimating the model. Three constructs ('general trust in CrM', 'trust in retailer's CrM campaign' and 'retail store loyalty') consisting of ten items were derived from previous research and adjusted to the objectives of this investigation, based on the insights of the pre-test where deemed necessary (see Table 1).

Results

Sample characteristics

A total of *n* = 483 usable questionnaires were obtained (17 questionnaires had some missing observations and were therefore dropped out). The respondents' age ranges from 15 to 65 years, with an average age of 38.3. The sample comprises 256 (53.0%) females and 227 (47.0%) males. The majority of the sample is the main purchaser of food for their household and most of the sample is in employment (90.3%). Table 2 provides details of the sample characteristics. Compared to the German population, the sample is biased towards younger and more highly educated respondents with an above-average net income per month (StBA, 2013). However, this deviation from the German population is typical for online-users who tend to be younger and better educated (Bandilla et al., 2001; Vehovar et al., 2002).

Measurement model results

The measurement model in SEM is evaluated through confirmatory factor analysis (CFA). Reliability is high with factor loadings for all constructs being above 0.7 (requested > 0.5) and highly significant (*p* < 0.001). Thus, a satisfactory convergent validity is given (Bagozzi et al., 1991). The internal consistency of our model is

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[11] The questionnaire comprised 59 questions covering in the first part the following areas: screening questions, participants' attitudes, purchase and consumption habits, participants' trust in organizations/institutions. Subsequently, the information used for this study was requested in the sequence described above. In the third part consumers' general attitudes towards responsible firm conduct and the Rokeach Value Score as well as additional information on socio-demographics were requested.

[12] The panel consists of 56,000 volunteers and is basically adjusted to the average German population (49% male, 51% female; 27.5% age 15–29, 32.1% age 30–44, 27.8% age 45–59, 12.6% age 60 or older; 33.2% low school education, 18.9% middle school education, 26.3% university entrance degree; 13.8% income lower than 1000 Euro, 40.4% income between 1000 and <2000 Euro, 32.8% income between 2000 and <4000 Euro, 5.4% income 4000 Euro and more). The panel uses a system of points to earn rewards. As an incentive for participation, every respondent received 20 points. After collecting a specific amount of points respondents can exchange e.g. 200 points, into a 10 Euro gift voucher from an online retailer well known in Germany.

Table 3
Summary of the main characteristics of the three constructs used in the SEM.

Construct names and items (no. of items)	Composite reliability	AVE	Std. factor loadings
General trust in CrM (3)	0.91	0.78	
I perceive CrM to be meaningful			0.926
I perceive CrM to be good			0.932
CrM strengthens my trust in a company			0.785
Trust in retailer's CrM campaign (3)	0.90	0.76	
I perceive the '*Heart for farmers*' campaign of X to be reliable			0.779
I perceive the '*Heart for farmers*' campaign of X to be good			0.901
The '*Heart for farmers*' campaign of X appears trustable to me			0.925
Retail store loyalty (4)	0.90	0.70	
I intend to buy products from X in the future			0.815
X is always my first choice			0.797
I consider myself to be loyal to X			0.880
I would recommend products from X to others			0.859

Note: In the questionnaire we used the specific name of the retailer.

Table 4
Means, standard deviations and correlations between constructs.

Construct	Mean	S.D.	1	2	3
1. General trust in CrM	4.51	1.92	(0.90)[a]		
2. Trust in retailer's CrM campaign	4.81	1.85	0.643	(0.90)[a]	
3. Retail store loyalty	4.56	2.06	0.466	0.597	(0.88)[a]

[a] Cronbach's α coefficients are on the diagonal in parentheses.

Fig. 1. SEM estimation results – standardized parameters and significance levels. *Note:* ***significant at the 0.001 level.

acceptable (requested values: composite reliability > 0.6, Cronbach's α > 0.7, Average Variance Extracted (AVE) > 0.5; see Tables 3 and 4) and discriminant validity between the three latent factors is given (correlations among latent factors <0.85; see Table 4) (Bagozzi and Yi, 1988; Hair et al., 1998).

The CFA (χ^2 = 93.912, df = 32) achieved an adequate fit as the values for the CFI (0.97) and TLI (0.96) are above 0.95 (Bentler, 1992) and for RMSEA (0.063) are below 0.8 (Bagozzi and Yi, 1988).

Structural equation model results

As a second step we tested the hypothesized structural model (see Fig. 1). The fit indices of our model were reasonably good (χ^2 = 97.470, df = 33): CFI = 0.97, TLI = 0.96 and RMSEA = 0.064. The model coefficients have the expected signs and are highly significant. More specifically, our results show that consumers' trust in CrM in general is positively related to consumers' trust in a retailer's CrM campaign for a private label meat product (γ = 0.65, $p < 0.001$), providing evidence for Hypothesis 1. Hypothesis 2, that consumers' trust in a retailer's CrM campaign for a private label meat product is positively related to consumers' loyalty or commitment to the retailer selling those products (β = 0.61, $p < 0.001$), is also confirmed.

Discussion and conclusion

The purpose of our study was to understand the role of trust in the success of a retailer's CrM campaign. In the case of CrM, the information necessary to assess the fairness of the terms of a campaign is often not available to consumers. Thus, trust becomes an important issue. We hypothesize that having trust in a retailer's CrM campaign increases consumers' loyalty to that retailer. Our

results provide evidence for our assumption. We can show that trust in a retailer's CrM campaign for retail branded meat products enhances consumers' loyalty towards the retailer selling CrM products. From a managerial point of view our results indicate that companies which integrate a CrM campaign, e.g. as an element of their CSR policy, can gain a competitive edge – an issue of great relevance in the German retail sector characterized by high competition. In addition, we hypothesized that general trust in CrM campaigns influences the trust in a specific campaign. In this respect, we assume the existence of a negative/positive spillover or external effect on trust in a specific campaign, and thus potentially on the success of a specific CrM campaign. Our findings also support this latter hypothesis.

CrM can serve the bottom line of an enterprise. At the same time CrM campaigns provide consumers with the possibility to engage in conscientious consumption. CrM campaigns based on philanthropic and social commitments allow consumers to contribute to those commitments by their purchase behavior. According to our study, the power and performance of a specific CrM campaign crucially depends on general trust in the CrM instrument. The latter, however, is jeopardized by opaqueness surrounding many CrM initiatives (e.g. Berglind and Nakata, 2005; Dadush, 2010; Lawrence and Da Silva, 2010).

The introduction of a third party certified CrM label similar to the DZI Donation Seal is one market oriented means reducing negative externalities due to opaque, misleading or even deceptive campaigns and would thus be a way to increase institutional-based trust with respect to CrM campaigns. The DZI Donation Seal is a label granted by the German Central Institute for Social Questions (Deutsches Zentralinstitut für soziale Fragen e.V.; DZI, 2012) to tax-exempt charitable organizations that apply for the Donation Seal and have approved standards such as truthful advertising, proper accounting and a reasonable proportion between advertising costs and administrative expenditures to total expenditure. So far, no third party certified CrM label exists on the market and accordingly also the campaign investigated in this study did lack such an easily visible assurance for consumers. The implementation of a label similar to the DZI Donation Seal also for CrM campaigns could assure consumers that the information provided by the company (e.g. retailer) is accurate. The higher the consumers' trust in the independence of the certification agency and the kind of standards applied (e.g. rule regarding the allowed proportion of marketing expenses and administrative costs relative to donations) the more the label would be able to strengthen consumers' trust in a retailer's CRM campaign. However, especially for small CrM campaigns the respective costs of certification might be prohibitively high.

Despite the existence of endogenous market mechanisms to deal with market externalities, negative spillover effects on CrM products in general may still occur. In this case governmental rules to enhance transparency with respect to CrM might be necessary. In Germany consumer deception in general, as well as with respect to CrM, is regulated by the 'Statute Against Unfair Competition'. However, at the present time no transparency requirements exist regarding CrM in Germany (Kienzle and Rennhak, 2009; Roos, 2012). Legal provisions could strengthen institutional-based trust with respect to CrM by requesting disclosure of the contract between the commercial enterprise (e.g. retailer) and the beneficiary (in many cases a charitable organization). In addition,

information on the number and value of items sold in a CrM campaign and the precise amount contributed to the good cause (e.g. charity) could be required. These disclosures would facilitate performance assessment with respect to the cause. While the information is not visible for consumers at the point of sale it may gain publicity via activists and academia and therefore be able to influence consumers' purchase decisions. The CrM campaign 'Heart for farmers' analyzed in this paper provides rather limited information on the specific procedure of the campaign even for active consumers or academia. A transparency requirement would provide those groups with requested information and thus could increase the credibility of the campaign. In addition, it would grant regulators access to the information needed to ensure that the respective CrM campaign conforms to consumer protection law (Dadush, 2010). Thus, provisions regarding transparency increase the probability that fraudulent behavior with respect to CrM is detected. As a consequence overall trust in CrM may increase and the power of the instrument strengthened.

Market measures in the form of a third party certified CrM label or governmental regulation for more transparency could be valuable in safeguarding consumer protection, while strengthening the negotiating positions of the beneficiary vis-à-vis the commercial enterprise (e.g. retailer). Providing consumers directly or indirectly with more information about the true impact of their charitable purchasing decisions could increase consumers' trust in 'true' CrM campaigns and their loyalty to companies launching those campaigns. This could provide those companies with a more unique position in the market, thereby encouraging them to further enhance their philanthropic, environmental and social commitments (Dadush, 2010).

As with all empirical research, our study suffers from several limitations. First, as we rely on an online consumer panel of German internet users, our sample is slightly biased towards younger and better educated consumers. This selection affects the generalization of the results for the German population. Secondly, many factors determine the success of a CrM campaign. In our study we focused on how trust in CrM in general, and trust in a retailer's CrM policy, can impact consumers' loyalty to that retailer. Further studies might want to extend the framework and include other factors (e.g. company-cause fit) to identify the relative relevance of trust for the success of CrM campaigns. Thirdly, in our study we only investigate the impact of trust in a CrM campaign on 'stated' loyalty. However, intention to be loyal does not necessarily lead to actually becoming a loyal consumer (e.g. Ajzen, 1989; Kotler et al., 2010). This problem might be especially pronounced for surveys linked to topics such as CrM that potentially suffer from social desirability bias (Langen, 2013). Fourthly, our data refer to one specific CrM campaign for specific products (meat products) of one specific retailer (one of the largest food discounters in Germany). To draw more general conclusions on the role of trust for the success of (retailers') CrM campaigns further studies are needed, for example, covering other products and/or firms.

Acknowledgments

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