

2014-05-14

Understanding the Influence of Culture on Cause-Related Marketing Practices

Jiawen Zhu

University of Miami, gokarenzhu@gmail.com

Follow this and additional works at: https://scholarlyrepository.miami.edu/oa_theses

Recommended Citation

Zhu, Jiawen, "Understanding the Influence of Culture on Cause-Related Marketing Practices" (2014). *Open Access Theses*. 494.
https://scholarlyrepository.miami.edu/oa_theses/494

This Open access is brought to you for free and open access by the Electronic Theses and Dissertations at Scholarly Repository. It has been accepted for inclusion in Open Access Theses by an authorized administrator of Scholarly Repository. For more information, please contact repository.library@miami.edu.

UNIVERSITY OF MIAMI

UNDERSTANDING THE INFLUENCE OF CULTURE ON CAUSE-RELATED
MARKETING PRACTICES

By

Jiawen Zhu

A THESIS

Submitted to the Faculty
of the University of Miami
in partial fulfillment of the requirements for
the degree of Master of Arts

Coral Gables, Florida

May 2014

©2014
Jiawen Zhu
All Rights Reserved

UNIVERSITY OF MIAMI

A thesis submitted in partial fulfillment of
the requirements for the degree of
Master of Arts

UNDERSTANDING THE INFLUENCE OF CULTURE ON CAUSE-RELATED
MARKETING PRACTICES

Jiawen Zhu

Approved:

Wan-Hsiu S. Tsai, Ph.D.
Associate Professor of
Strategic Communication

Bruce Garrison, Ph.D.
Professor of Journalism

Shannon B. Campbell, Ph.D.
Assistant Professor of
Strategic Communication

M. Brian Blake, Ph.D.
Dean of the Graduate School

ZHU , JIAWEN

(M.A., Public Relations)

Understanding the Influence of Culture on
Cause-Related Marketing Practices

(May 2014)

Abstract of a thesis at the University of Miami.

Thesis supervised by Professor Wan-Hsiu S. Tsai.

No. of pages in text. (47)

Corporate social responsibility (CSR) and cause-related marketing (CRM) are playing key roles in public relations strategies in current business world. This research acknowledges the facts that there are enormous and growing demand and market of CRM campaigns in developing countries, and that companies in developing countries are in urgent need of guidance on implementing CRM practices that comply with cultural traits when they refer to successful CRM campaigns in developed countries. Aiming to understand the influence of culture on CRM practices, and to propel the development of CRM in developing areas, this cross-cultural comparative study identifies and analyzes similarities and differences of two CRM campaigns targeting to two different cultures, Product (RED) in U.S. and OPPO Red in China, based on Hofstede's typology of cultural dimensions. The findings suggest that the cultural influence was witnessed in both Product (RED) and OPPO Red campaign. Limitations of this research study, and theoretical and practical implications for further studies and CRM practices are enclosed.

ACKNOWLEDGEMENTS

I gratefully acknowledge my parents, Lily Qin and Ang Zhu, for their love, understanding and ongoing encouragement in my life. Without their support, I could never have pursued a Master's degree in Public Relations in the U.S. and become a person who has no fear of an unknown future or challenges in my life.

I acknowledge, with great thanks and appreciation, my committee chair, Dr. Wan-Hsiu S. Tsai, who inspired me to conduct this research and helped me finalize the topic and structure of this research. Her insight, guidance and patience encouraged and enabled me to complete this unexpectedly high quality research.

I acknowledge my committee members, Dr. Bruce Garrison, who spent an immense amount of time and effort reviewing drafts of my research paper and offered his constructive comments and explanations, and Dr. Shannon B. Campbell for her valuable insights during the final stages of this study.

Special appreciation also goes to my beloved Kevin Tan who showed ongoing support throughout the development of this research study; to Anna Wong, my best friend and responsible volunteer teacher in Yunnan, China, whose thoughts towards current situation in rural areas provided this study with insightful information; to Oliver Xu, my warm-hearted and supportive friend who helped with the online research to demonstrate the importance of this study and data collection in relation to the CRM campaigns examined in this study.

TABLE OF CONTENTS

LIST OF FIGURES	vi
LIST OF TABLES	vii
Chapter 1. INTRODUCTION.....	1
Chapter 2. LITERATURE REVIEW	4
2.1. Corporate Social Responsibility (CSR) and Cause-Related Marketing (CRM)	4
2.1.1. Definitions of CSR	4
2.1.2. Definitions of CRM.....	4
2.1.3. CRM in China	6
2.1.4. Product (RED) Campaign in United States.....	8
2.2. Hofstede’s Cultural Dimensions Theory	12
2.2.1. Culture.....	12
2.2.2. Introduction of Hofstede’s Cultural Dimensions Theory.....	12
Chapter 3. RESEARCH QUESTIONS DEVELOPMENT	16
Chapter 4. RESEARCH METHODOLOGY	17
4.1. Web Sites	17
4.2. Social Networking Sites (Weibo in China and Facebook in U.S.)	18
4.3. Online Articles.....	19
Chapter 5. FINDINGS	20
5.1. Identify Similarities and Differences between Product (RED) and OPPO Red	20
5.1.1. Type of the Campaign	20
5.1.2. Year and Duration of the Campaign.....	20
5.1.3. Relevance of the Name of the Campaign	21
5.1.4. Founder of the Campaign	21
5.1.5. Organizational Structure of the Campaign	22
5.1.6. Background of the Campaign.....	24
5.1.7. Goal of the Campaign.....	25
5.1.8. Target Audiences of the Campaign.....	26

5.1.9. Tactics of the Campaign.....	29
5.1.9.1. Tactics of the OPPO Red Campaign.....	29
5.1.9.2. Tactics of the Product (RED) Campaign.....	30
5.1.10. Result of the Campaign.....	32
5.1.11. Feedback of the Campaign.....	33
5.2. Influence of Power Distance.....	35
5.3. Influence of Uncertainty Avoidance.....	36
5.4. Influence of Individualism versus Collectivism.....	37
Chapter 6. DISCUSSION AND CONCLUSIONS.....	39
6.1. Implications.....	39
6.2. Limitations.....	40
REFERENCES.....	42

LIST OF FIGURES

Figure 1.1: Guangzhou, China Locator Map (from http://www.chinatravelca.com)	3
Figure 2.1: Product (RED) Impact Map	10
Figure 5.1: OPPO Facebook contest of Red Find 5.....	28
Figure 5.2: OPPO Twitter contest of Red Find 5.....	28
Figure 5.3: OPPO Pinterest contest of Red Find 5	28
Figure 5.4: Screenshot of the Weibo post – What to do with 75 rmb? Show your good idea and win OPPO portable power bank.....	29
Figure 5.5: Screenshot of the Weibo post – Details of OPPO Red campaign and China Rural Kids Care program	30
Figure 5.6: Screenshot of the OPPO Red fundraising result posted on Weibo – Timeline of OPPO Red campaign, the number of donors involved in OPPO Red, and the amount of fund OPPO Red raised	36

LIST OF TABLES

Table 2.1: Names of companies, branded products and proportional contribution	9
Table 2.2: Cultural dimensions indexes of China and U.S.	11
Table 5.1: List of major partner companies, product range and targeted markets.....	27

Chapter 1. INTRODUCTION

After American Express successfully implemented the first-ever cause-related marketing (CRM) campaign in 1983 (Bailey, 1987), terms such as corporate social responsibility (CSR) and CRM are frequently used in the mainstream business practices (Carroll, 2008). Marketing polls reported that about 95% of corporations recognized the significance of CSR (Russell & Russell 2010). Particularly important for the world's second largest economy and consumer market, a recent survey by KRC Research and Weber Shandwick indicated that 83% of Chinese Millennials, 230 million people, preferred to buy products supporting worthy causes (KRC Research & Weber Shandwick, 2011).

The Chinese market is enormous and continually growing; however, falling short of demand, Chinese corporations have long been criticized for abandoning their CSR, due to its labor, food safety, and environmental pollution issues that accompanied the industrialization and urbanization in China (Lu, 2009; Kahn & Yardley, 2007). Even though Chinese corporations got introduced to concepts of corporate ethics and strategic corporate philanthropy by western companies via the process of globalization, the actual execution of CRM is still ambiguous or regarded as a greenwashing¹ trick to Chinese entrepreneurs. On one hand are insincere CRM campaigns on Chinese social networking sites (SNS), taking advantages of causes and individual kindness. Numerous corporate accounts on Weibo² tweeted that they would contribute one rmb or 16 cents to causes for every sign-up, which ended up donating nothing but amassing followers. On the other are

¹ Greenwashing is a form of spin in which CRM is deceptively used to promote the corporate image.

² Weibo is a Chinese microblogging website, akin to a hybrid of Twitter and Facebook.

unprofessional and unregulated CRM campaigns, lacking credibility and monitoring. In 2001, Nong Fu Spring, a Chinese spring water company, promised to donate part of its sales to support the 2008 Beijing Olympics and causes; nevertheless, the actual donation was much less than its promise and that it utilized CRM campaigns to qualify itself for tax exemption. It is obvious that Chinese CRM is in urgent need of legal regulation and guidance.

Given the scope of the plight, in 2010, Jiangsu Province introduced an official ban on unauthorized CRM campaigns (Jiangsu Province People's Congress Standing Committee, 2010) to better regulate CRM campaigns. Additionally, more and more Chinese corporate marketers started to imitate and learn from successful CRM campaigns in western countries. Researchers have pointed out that global businesses must carefully analyze their individual consumers based on cultural traits (Brønn & Vrioni, 2001). OPPO Red is a recent CRM campaign in China, executed by the OPPO Electronic Corp., an electronic manufacturer based in Guangdong, China (See Figure 1.1 for the locator map), and touted by both insiders and the public. According to Zuohu Liu, former vice president of OPPO, OPPO Red was inspired by Product (RED), one of the most well-known CRM campaigns in U.S., aiming to help Africans with HIV/AIDS. Taking the concept and structure of Product (RED) as reference, OPPO Red adjusted to the Chinese market in its actual practice based on the cultural and social traits. Because the target markets of Product (RED) and OPPO Red are two nations with distinct cultures, U.S. and China, the researcher assumes that it will be clear to examine and compare what tactics they adopted to comply with culture.

Previous research approached CRM and CSR mostly from behavioral and attitudinal measures and examined the problem within U.S. or Europe (e.g., Mohr, Webb & Harris, 2001; Pelsmacker, Driesen & Rayp, 2005; Trudel & Cotte, 2009). Aiming to gratify the huge market need and to propel the development of CRM in China, this research study addresses CRM from the cultural perspective by comparing Product (RED) in U.S. and OPPO Red in China to analyze what cultural dimensions Chinese corporations should notice when referring to western CRM campaigns. Research in relation to cultural influence used the theory of Hofstede's cultural dimensions to guide the studies (Shafer, Fukukawa & Lee, 2007). Specifically, this current research aims to identify the similarities and differences between Product (RED) and OPPO Red and to explore similarities and differences based on Hofstede's typology of cultural dimensions.



Figure 1.1: Guangzhou, China Locator Map (from <http://www.chinatravelca.com>)

Chapter 2. LITERATURE REVIEW

2.1. Corporate Social Responsibility (CSR) and Cause-Related Marketing (CRM)

2.1.1. Definitions of CSR

According to Donna J. Wood (1991), author of *Corporate Social Performance Revisited*, “business and society are interwoven rather than distinct identities.” Perfectly reflecting this saying, terms such as CSR, corporate strategic philanthropy, and corporate citizenship, have been frequently indicated in the mainstream business literature and practices (Carroll, 2008). This research study embraces CSR as a “voluntary corporate commitment to exceed the explicit and implicit obligations imposed on a company by society’s expectations of conventional corporate behavior” (Falck & Heblich, 2007). In recent years, more and more companies made the commitment to contribute to sustainable economic development, the community and society. Data show that CSR has been acknowledged as an essential element in the business goal by nearly 90% of Fortune 500 companies (Boli & Hartsuiker, 2001). Porter and Kramer (2006) affirmed that 64% of global companies published formal CSR reports and companies have formalized and systematized the execution and evaluation of CSR activities. And by 2010, the significance of CSR has already been universally acknowledged in the business world (Russell & Russell, 2010).

2.1.2. Definitions of CRM

As for how to present CSR, philanthropy, CRM, environmental responsibility, and employee treatment are the major forms among others (Ellen, Mohr, & Webb, 2006).

While corporations are expected to behave social-consciously, marketing department of major corporations intended to harness CSR as a strategy to increase the company's revenues such as by means of CRM.

CRM was regarded as a cooperative marketing effort of a for-profit business and a non-profit organization (NPO), with an ultimate goal of achieving mutual benefits. This study favored the definition of CRM created by Varadarajan and Menon (1988), who defined CRM as “the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives.” A successful and representative example is that, in 1983, American Express launched the earliest CRM campaign, contributing specific grant to the restoration of the Statue of Liberty for American Express card usage and applications (Bailey, 1987). It turned out to be a win-win situation by generating donations of \$1.7 million for the restoration project and increasing in card usage 28% and credit card applications by 45% (Bailey, 1987).

Extant studies addressed a plethora of subjects within the still evolving CSR and CRM realms; however, the bulk of these research studies have greatly focused on attitudinal and behavioral measures, accepting the willingness to pay as the only outcome measure (e.g., Mohr, Webb & Harris, 2001; Pelsmacker, Driesen & Rayp, 2005; Trudel & Cotte, 2008). Taking the research study conducted by Mohr, Webb, and Harris as a sample, consumer purchasing behaviors have been analyzed from in-depth interviews. Other CRM studies examined the problems only within U.S. and other developed markets, ignoring the development and general situation of CRM in socialist countries

(e.g., Davis, 2010). For example, Davis (2010) examined the nature and efficacy of three major celebrity-inspired, ethical consumer charity campaigns within the Western countries, including Live 8, “Make Poverty History,” and Product (RED). Therefore, the results of these research studies could not be generally applied to other nations or cultures. Paucity of research explored the situation in emerging markets, such as countries in Asia, or conducted cross-cultural comparison between capitalist and socialist nations; however the research were, at first, limited to CSR only, not CRM (e.g., Burton, Farth & Hegarty, 2000; Shafer, Fukukawa & Lee, 2007), and the results of such research were conflicting (e.g., Eisingerich & Rubera, 2010). While the majority of studies claimed that global companies were reluctant to promote CRM in emerging markets due to the public’s unwillingness to pay, some researchers tested out that corporate social responsibility was more effective in China than the U.K. in the aspect of consumers’ brand loyalty (Eisingerich & Rubera, 2010). Therefore, an empirical study to delve into the actual CRM practices in emerging markets is necessary.

2.1.3. CRM in China

In 1978, China’s adoption of the Open-Door policy resulted in a tide of economic privatization and industrialization, which consequently boosted a considerable economic and social change in China; nevertheless, what accompanied with the economic growth are extensive criticisms on Chinese business sector neglecting CSR (Tammey & Chiang, 2002). China was labeled as the “workshop of the world” due to its deteriorating labor conditions, such as harsh employee treatment, and unreasonable wage and working hours

(Chan, 2003; Chan & Ross, 2003; Thorborg, 2006). In addition, the environmental pollution and unethical business practices such as embezzlement in China also received massive skepticisms from foreign media (Kahn & Yardley, 2007; Lu, 2009). The public overseas, as well as at home, was unsatisfied with Chinese corporations' poor performances on CSR. As Chinese consumers earn more disposable income (Scarry, 1997) and express strong intention of supporting causes (Chan, 1999), they are urging the Chinese corporations to offer more.

After China's accession to the World Trade Organization (WTO) in 2001, Chinese business sector generally adapted to the global economic system (Gong, 2003). Under the influence of globalization, CSR in China is gradually presented in community outreach, education, and environmental protection (Gerson, 2007). Accompanying this situation, the amount of academic research on CSR in China is also increasing, examining a wide range of topics (e.g., Yu, 2008; Lo, Egri, & Ralston, 2008). By contrast, as the major form of CSR and a mainstream marketing strategy in western countries, CRM is still underexplored in China. In academia, the amount of literature focusing on CRM in China is limited (e.g., Li & Lu, 2002; Gao, 2004), and most of the research merely discussed whether specific CRM campaigns in China were successful or not. Thus, a more comprehensive study is needed to address the gap in literature.

Global media and technologies enable Chinese corporate marketers to imitate and learn from successful CRM campaigns in western countries. OPPO Red is a recent touted CRM campaign in China, inspired by one of the most influential CRM campaigns in U.S., Product (RED). Following the advice that global businesses should carefully analyze their target consumers based on cultural levels (Brønne & Vrioni, 2001), OPPO

Red, taking the concept and structure of Product (RED) campaign as reference, adjusted to the target market in its actual practice based on the cultural and social traits.

2.1.4. Product (RED) Campaign in United States

In 2006, U2 frontman and philanthropist, Bono, together with Bobby Shriver (former President John F. Kennedy's nephew), cofounded Product (RED), a charity branding campaign to support the Global Fund to fight AIDS, tuberculosis, and malaria (Richey & Ponte, 2008, p. 711). It garnered support from social figures including acclaimed economist Jeffrey Sachs, medical celebrity Paul Farmer (Richey & Ponte, 2008), and Microsoft billionaire, Bill Gates (2008).

In addition to the two founders and the celebrities, the campaign also involved an alliance in the business world. Teaming up with renowned brands, including American Express, Apple, Converse, Dell, Emporio Armani, Gap, Hallmark, Starbucks, Motorola, Microsoft, and NIKE (RED, 2014), Product (RED) is regarded as one of the largest CRM campaigns to date given the number of partner companies. The latest partnership is with Bank of America in 2014, announced through a Super Bowl commercial featuring the charity single "Invisible" by U2 (RED, 2014).

According to the RED manifesto published in 2007, "(RED) is not a charity. It is simply a business model." By paying a licensing fee to Product (RED) and committing to a multiyear partnership, companies were admitted as partner companies and were authorized to sell branded products (Himmelman & Mupotsa, 2008). A percentage of the profit gained by each branded product contributes to the distribution of retroviral

medicines to affected Africans (Davis, 2010). The proportion of branded product sales contributed to Product (RED) varies dramatically, which is depended on how each partner company define its own contribution. Table 2.1, taking a reference of the work of Ponte and Richey (2011), specifically depicts the proportional contribution of branded product sales from seven major RED partner companies.

Company Name	(RED) Branded Product	Proportional Contribution
American Express	American Express RED card	1% of money spent on AE RED card
Apple	RED iPod; iTunes RED Gift Cards	No disclosure of RED iPod contribution; 10% of iTunes RED gift cards
Converse	Converse RED collection; Converse RED Chuck Taylor All Star African mud cloth shoe	15% of net retail price or 5% of net wholesale price
Gap	RED t-shirts, hoodies, jeans, tote bags, and accessories; RED kids and baby line	50% of net profits on average
Hallmark	RED boxed holiday cards, photo cards, e-cards, gift book, invitations	8% of net wholesale price
NIKE	RED shoelaces; NIKE Drunk Shoes; Special Edition of N98 track jacket; Special Edition of football	100% of shoelace and football sales; 8% of sales from other RED items *NIKE contribute half of the donations to the Global Fund.
Starbucks	RED payment card; ceramic cup, water bottle, tumbler, reusable cup; East African whole-bean coffee	Donate 5 cent per RED payment card usage; \$1 from every purchase of other RED products

Table 2.1: Names of companies, branded products and proportional contribution

On one hand, Product (RED) empowered consumers to involve in supporting the Global Fund and influencing more corporations to participate in ethical consumer business models; on the other hand, it united consumers, like the partner corporations, through the color red (Davis, 2010). By using a simplified symbol, the color red, and the

stable and sustainable business model, Product (RED) was a huge success in various aspects. To date, Product (RED) campaign generated more than \$240 million to the HIV/AIDS programs in Africa (RED, 2014). More significantly, it brought to the Global Fund a donation of \$650 million from the Bill and Melinda Gates Foundation and \$8.9 billion from governments (Richey & Ponte, 2008, p. 725). Not only does it satisfy the financial need of combating HIV/AIDS to a great extent, Product (RED) also achieved some of its health aims. By the end of 2009, the Global Fund, supported by Product (RED), “have averted more than 3.5 million deaths by providing AIDS treatment for two million people, TB treatment for 4.6 million people, and by the distribution of 70 million insecticide treated bed nets for the prevention of malaria worldwide (The Persuaders, 2006).” So far, about 40 million people and eight countries in Africa have been impacted by the campaign, according to the official website of Product (RED). (See Figure 2.1 for the Product (RED) impact map from <http://www.red.org/en/impact-map>)

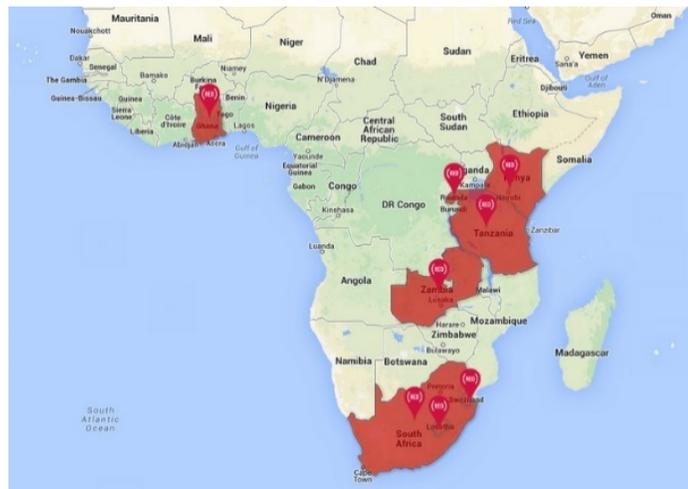


Figure 2.1: Product (RED) Impact Map

Not only do the recipients of the Product (RED) benefit from the campaign, the participants do also. Product (RED) allows partner corporations to earn profits as they

pursue charity, which, according to Gates (2008), was “just the beginning of creative capitalism,” and would consequently encourage more companies to create or engage in CRM campaigns where they can benefit from “doing good.”

China, the world’s most populous market, is acknowledged by scholars (Hall, 1976; Hofstede, 1980) to be culturally different from the United States: collectivistic, high power distance, high uncertainty avoidance, and high long-term orientation. (See Table 2.2 for the indexes of China and U.S. based on the Hofstede’s cultural dimensions from <http://geert-hofstede.com/china.html>.)

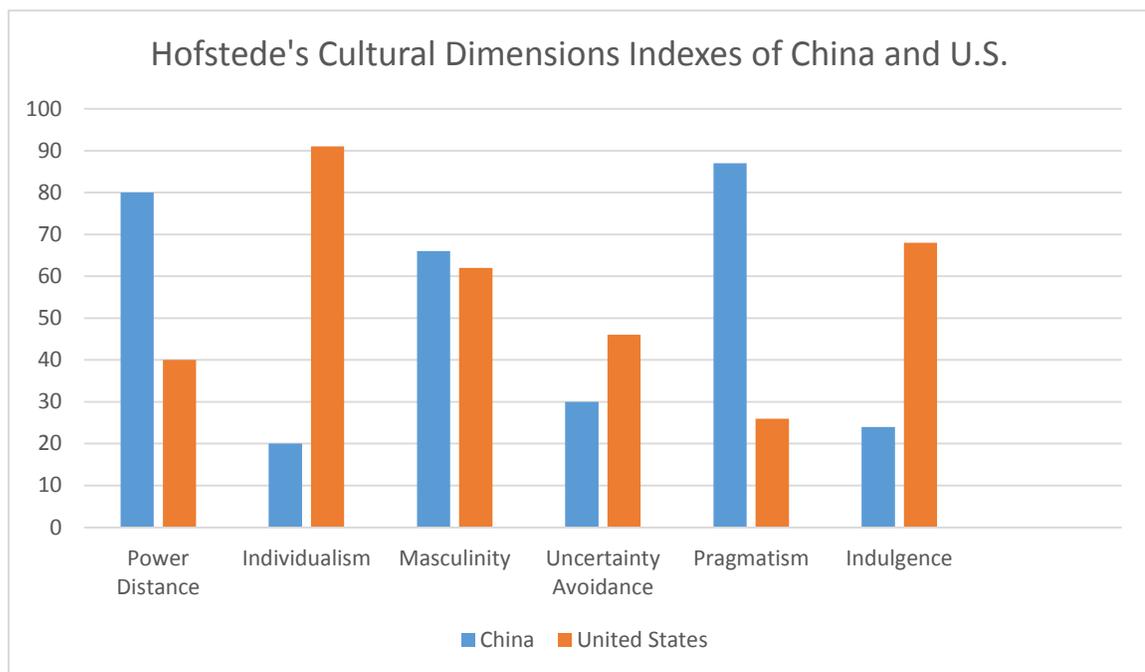


Table 2.2: Cultural dimensions indexes of China and U.S.

This strongly distinctive cultural background influences Chinese markets. Endorsing scholar Subrahmanyam’s recommendation (2004) that intercultural research on CRM is needed in academia, this paper will contribute to filling the gap of understanding how cultural differences affect CRM. Specifically, this paper will investigate two

comparative CRM campaigns in the context of different cultures, Product (RED) in U.S. and OPPO Red in China.

2.2. Hofstede's Cultural Dimensions Theory

2.2.1. Culture

The influence of culture has been extensively documented in the marketing communication literature, and scholars proposed various versions in light of the purpose of their research (Kroeber & Kluckhohn, 1954). The anthropologist Edward B. Tylor (1924) was one of the scientists who first related culture to the common reference points of whole people. It was favored by Goodenough (1970), who proposed that culture set “standards for perceiving, believing, evaluating and acting” (p. 104). In 1973, Geerts emphasized that culture has the power to influence behaviors of social members by defining culture as “the fabric of meaning in terms of which human beings interpret their experiences and guide their action” (p. 145). In 1984, the definition of culture welcomed a breakthrough, when Hofstede (1984) defined the term as “the collective programming of the mind that distinguishes the members of one category of people from another” (p. 51); in other words, members of the society differ in attitudes and reactions to one thing in the context of their specific culture.

2.2.2. Introduction of Hofstede's Cultural Dimensions Theory

After entering the era of globalization, scholars started to be aware of the significance of examining the cultural influence on public relations practices in the

business world. The first in-depth treatments in relation to the impact of organizational and societal culture started in 1992 (e.g., Sriramesh, Grunig & Buffington, 1992; Sriramesh & White, 1992). The line of research has been continued to examine the cultural influence on public relations in Asia (Sriramesh, Kim & Takasaki, 1999). After years of exploring, Hofstede's cultural dimensions theory, the cultural typology proposed by Geert Hofstede has been regarded as one of the most used treatments of cross-cultural comparisons in business communication (Hofstede, 1984, 1991). During the 1960s and 1970s, Hofstede (1991) conducted a factor analysis to examine the results of a world-wide survey of employee values by IBM, from which he derived four primary cultural dimensions: uncertainty avoidance, power distance, individualism-collectivism, masculinity-femininity. In 1991, an independent research in China led Hofstede to add a fifth dimension: long-term orientation versus short-term orientation. In 2010, with more national populations involving in the research as samples, the sixth dimension was supplemented: indulgence versus self-restraint (Hofstede, Hofstede & Minkov, 2010). Along with the theory, an index of up to 93 nations was produced (Hofstede, Hofstede & Minkov, 2010) to quantify the theory of Hofstede cultural dimensions. Since it could be used to explain observed cultural differences, Hofstede's cultural dimensions theory has been widely used to guide research regarding international comparison and to show how these differences affect corporate practices (e.g., Taylor, 2000; Paek, Yu & Bae, 2009).

The first cultural dimension, uncertainty avoidance, refers to "a society's tolerance for uncertainty and ambiguity" (Hofstede & Hofstede, 2005). Social members of the nations with high uncertainty avoidance index prefer written and elaborate rules, laws, and guidance to minimize uncertainty and the occurrence of unknown

circumstances (Hofstede, 1984). In contrast, nations that scored low on the uncertainty avoidance index accept dissent, risk, and unstructured situations, and are relatively tolerant of changes (Gudykunst, 1997). Research findings associated with uncertainty avoidance contributed tremendously to international business. For instance, a research finding revealed that there was a direct relationship between the national level of uncertainty avoidance and people's trust in information about a product or service (Zinkhan & Balazs, 1998).

The second dimension is power distance, "the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally" (Hofstede & Hofstede, 2005, p. 46). The power distance index is associated with social members' acceptance of inequality that exists within every culture. Academic research observed that marketing communication practitioners in international companies took a reference of the power distance index when selecting either the one-way or two-way communication model. (One-way communication is a linear model and serves to inform, persuade or command, while two-way communication is an interactive model, including feedback from the receiver to the sender.) In addition, research findings (Sriramesh, 1992; Taylor & Kent, 1999) also pointed out that members of the nations with high power distance index may distrust organizations that are perceived to be powerful, such as government and multinational businesses.

The third dimension in Hofstede's cultural dimensions theory is individualism-collectivism, which is defined as "the degree to which people in a country prefer to act as individuals rather than as members of groups" (Hofstede & Hofstede, 2005, p. 6). As for the individualism index, there is a clear gap between developed countries and developing

countries. Developed countries such as U.S. score high on individualism index; on the contrary, developing countries, such as China and South Korea, are considered to have collectivist cultures, of which members tend to integrate into groups, and value group interests more than individual interests (Hofstede & Hofstede, 2005).

The fourth dimension, masculinity-femininity, is associated with “the distribution of emotional roles between the genders” (Hofstede & Hofstede, 2005). According to Geert Hofstede and Gert Jan Hofstede (2005):

A society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender, and concerned with the quality of life (p. 120).

Masculine culture goes for material success; feminine culture attaches importance to personal relationships and concern for the social vulnerable groups.

The fifth dimension, derived from the research on Chinese market, was initially called Confucian dynamism and later renamed as long-term orientation versus short-term orientation (Hofstede & Bond, 1988). Individuals of societies with long-term orientation emphasize the future and pragmatism, and are perseverant and thrifty. Societies of short-term orientation, by contrast, attach more importance to the past and the present, including “respect for tradition, preservation of ‘face’, and fulfilling social obligations” (Hofstede & Hofstede, 2005, p. 210).

The sixth dimension, indulgence versus restraint, is defined as “the extent to which people try to control their desires and impulses” (Hofstede, Hofstede & Minkov, 2010, which is to say that while indulgent culture tends to comply relatively freely with the longing of enjoying life, restrained culture persists that such gratification needs to be bound with strict norms.

Chapter 3. RESEARCH QUESTIONS DEVELOPMENT

The initial goal of the present study is to understand the influence of culture on cause-related marketing practices. Product (RED) and OPPO Red are two comparable CRM practices executed in two nations with distinct cultures, U.S. and China; therefore, the researcher assumes that it will be clear to observe the cultural influence by examining and comparing these two CRM practices, which results in the following research question:

RQ 1: What are the similarities and differences (if any) between Product (RED) in U.S. and OPPO Red in China?

Furthermore, based on the statistics from Table 2, the Hofstede's cultural dimension indexes of U.S. and China, the researcher reasons that marketing or public relations practitioners of (RED) and OPPO will attach priority to the cultural dimensions of which the indexes differ greatly between U.S. and China when conducting the CRM campaign. Thus, the following research questions are generated:

RQ 2: How does the cultural dimension of power distance index influence the implementation of the Product (RED) and OPPO Red campaigns?

RQ 3: How does the cultural dimension of uncertainty avoidance influence the implementation of the Product (RED) and OPPO Red campaigns?

RQ 4: How does the cultural dimension of individualism vs. collectivism influence the implementation of the Product (RED) and OPPO Red campaigns?

Chapter 4. RESEARCH METHODOLOGY

Case study, as has been noted, is “an empirical inquiry that investigates a contemporary phenomenon within its real-life context” (Yin, 2003, p. 13). As such, “there is no more descriptive approach to public relations than the case study (Stacks, 2010, p. 157).” This research study employs a case study method to approach CRM from a cross-cultural perspective by comparing two successful comparative CRM campaigns, Product RED in U.S. and OPPO Red in China. The unit of analysis for this study is identified as the specific components of the two campaigns, and media coverage on the campaigns. Multiple methods of identifying and utilizing sources will be gathered in this study, including actual public relations materials posted on official sites and social media accounts of Product RED and OPPO Red campaigns; materials that are available on other websites such as Buyllesscrap.com and websites of online media publications; and comments and feedback from the public on these platforms. Data will be exhaustively analyzed within cases and across cases to identify the similarities and differences (if any) between these two campaigns and to explore how the cultural dimensions proposed by Hofstede contribute to these similarities and differences.

4.1. Web Sites

The primary data source to identify the similarities and differences between these two CRM campaigns is the official sites for Product (RED) campaign (<http://www.red.org>) and OPPO (<http://www.oppo.com> in China and <http://en.oppo.com> in U.S.) since OPPO Red doesn't have an independent site as Product (RED). The official web site is

the most authorized platform for company to convey messages such as the motive and structure of the campaigns to their target audiences; therefore, it is an important data source to secure convincing materials. Pages of “Press”, “About Us”, and “FAQ” page within the sites were carefully analyzed to generate a general concept of what prompted the campaign, how does the campaign work, who benefit from the campaign, and so forth, in order to better compare the similarities and differences between these two CRM campaigns. When observing the “Press” page of the OPPO site (<http://www.oppo.com>), 1297 news stories were yielded; Stories that are relevant to “Red OR Find 5 OR Da Bing Yi Bao (China Rural Kids Care)” were clipped as screenshots for later review, and will be studied to reach a broad understanding of the OPPO Red campaign. When observing the “Press” page of the (RED) site, 74 news items were listed, announcing latest moves and success of Product (RED). Information on this page will be utilized to analyze what tactics Product (RED) adopted. Other relevant sites were also reviewed, including the site of the (RED) partner companies, China Rural Kids Care (CRKC), and so forth.

4.2. Social Networking Sites (Weibo in China and Facebook in U.S.)

Messages on official social media accounts of (RED) and OPPO serve as the second research source. Both of these two CRM campaigns actively interact with the target audiences on SNS and post stories relevant to the campaign; especially OPPO Red, comparing to its mere presence on OPPO official site. (RED) organization doesn't possess an official social media on Chinese SNS such as Weibo, however, most of its partner companies established and maintained one. And though OPPO Red is founded by a Chinese corporation, it possesses not only social media accounts on Chinese SNS but

also American SNS, such as Facebook and Twitter. OPPO Weibo account has 3,693,507 followers and has posted 5,119 posts (<http://www.weibo.com/p/1006061710173801/weibo>). The search term “red” on OPPO Weibo page yielded 22 results; “Find 5”, 444 results; and “China Rural Kids Care (CRKC)”, six results. The search term “red AND Find 5” on OPPO Facebook page yielded four results. Product (RED) Facebook page that gets 1,573,620 likes was also thoroughly examined (<https://www.facebook.com/joinred>). In addition, the researcher observed Weibo pages of CRKC, relevant social figures, and (RED) partner companies, such as Apple and Starbucks.

Feedback and comments from the public available on these platforms served as corroborated and supplemented evidence that can support the effect of how target audiences with distinct cultural background resonate to the tactics these two campaigns adopted.

4.3. Online Articles

News articles about the Product RED and OPPO Red campaigns available on Google and Baidu serve as the third source, which are used to reinforce evidence garnered from the first two sources. Both Google and Baidu are the domain search engine sites in China and U.S., presenting massive of comprehensive and thorough research results. To make the documents portion manageable, the researcher used the search terms “Product (RED) OR Product Red Campaign” for Product (RED) campaign and “OPPO Red OR OPPO Red Campaign AND Find 5 AND China Rural Kids Care” for OPPO Red campaign. In addition, the researcher went through articles that only appeared within the first five pages on the search engine sites.

Chapter 5. FINDINGS

5.1. Identify Similarities and Differences between Product (RED) and OPPO Red

Eleven components of marketing communication campaigns were analyzed to identify similarities and differences between Product (RED) and OPPO Red: type of the campaigns, year and duration of the campaigns, relevance of the names of the campaigns, founders of the campaigns, organizational structure of the campaign, background of the campaigns, goals of the campaigns, target audiences, tactics, results and feedbacks.

5.1.1. Type of the Campaign

Both Product (RED) and OPPO Red are cause-related marketing campaigns, a cooperated marketing effort of for-profit businesses and non-profit organizations, with an ultimate goal of supporting worthy causes and increasing the corporate revenues at the same time.

5.1.2. Year and Duration of the Campaign

Product (RED) was founded in the U.K. in January 2006, and in the U.S. in October 2006 (RED, 2014) and is still involving more renowned companies as partners and making impressive contributions to the Global Fund. On the other side, the first batch of OPPO limited edition Red Find 5 mobile phone, assigned product of OPPO Red campaign, started its sale on July 12, 2013 (OPPO, 2014). OPPO Red campaign lasted for

17 days from July 10 to 26, 2013, accompanying with the celebration of the first anniversary of CRKC program (from <http://gongyi.weibo.com/143559?source=fs17>).

To compare, Product (RED) is a long term CRM campaign lasting for more than eight years, which might results in a more comprehensive operational system and influence. OPPO Red was originally proposed to be a CRM activity for the celebration of China Rural Kids Care (CRKC) program, which determines that it will not run for a long time comparing to Product (RED), and that few tactics would be adopted within such limited time.

5.1.3. Relevance of the Name of the Campaign

According to the FAQ page on Product (RED) web site, red is regarded as the color of emergency. Considering that “every day 4,800 people died because they don’t have access to the medicine to stay alive,” the task of fighting for their lives is extremely emergent.

The name of the OPPO Red campaign was inspired by Product (RED) campaign. In many Asian countries, especially China, red is also believed as the color that could bring joy and good fortune.

5.1.4. Founder of the Campaign

OPPO Red was founded by a Chinese electronic corporation, OPPO; while Product (RED) was founded by celebrities: U2 frontman and philanthropist Bono, and

Bobby Shriver from the Kennedy family. The OPPO “About Us” page indicates that OPPO, established in China in 2004, is a “global technology brand, with a long history of serving customers in North America, Europe and Asia.” OPPO’s corporate motive is to become the model of Chinese private businesses and to build up the image of Chinese ethical business on the global stage by pursuing sustainable business and presenting CSR.

Different from OPPO Red which was founded by a company, Product (RED) was founded by two celebrities in 2006. Bono, the acclaimed musician, receive massive appreciation from national media for his effective philanthropic performances (e.g., Goodman, 2002), including being dubbed as “the face of fusion philanthropy” (Zeller, 2006). Bono’s success in philanthropy owes to his capacity of enlisting allies from different realms, such as government, non-profit organization, and the business world (Gibbs, 2005). Product (RED) campaign for example, is the spearhead of forming new organizational networks that bind global humanitarian relief with alliances of corporate commercial enterprises.

The difference in the nature of the founders results in that OPPO receives direct benefits from the CRM campaign through its product sales, while “100% of the “funds generated through money goes directly to the Global Fund, to finance programs fighting AIDS in Africa.”

5.1.5. Organizational Structure of the Campaign

The organizational structure of OPPO Red campaign is “OPPO-China Rural Kids Care (CRKC) program.” CRKC program was founded on July 18, 2012 with the goal of offering Chinese rural children free coverage of health insurances, and ensuring that

Chinese rural children have equal opportunities of receiving medical treatments and adequate funds. CRKC program is one of the night philanthropic projects raised by social figures active in Chinese SNS, including Fei Deng, director of *IFeng Weekly*, and Quanling Zhang, anchor of Chinese CCTV station. Three forms were proposed to propel the development of CRKC program, including fundraising, aids from the government, and corporate supports. It is obvious that OPPO Red campaign belongs to the third form.

The organizational structure of Product (RED) campaign is more complicated, involving (RED) organization, (RED) partner companies, and the Global Fund program of fighting AIDS, tuberculosis, and malaria. The “Global Fund to Fight AIDS, Tuberculosis and Malaria” was created in 2002, whose aim is to

“Attract, manage and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illnesses and deaths, thereby mitigating the impact caused by HIV/AIDS, tuberculosis and Malaria in countries in need and contributing to poverty reduction as part of the Millennium Development goals (AVERT³, 2014).”

Among all the donors to the Global Fund, (RED) is recognized as the largest private sector donor, generating more than \$180 million for HIV/AIDS programs in Africa (RED, 2014).

Besides the funds raised from (RED) events, the most significant part of the revenue is through the sale of (RED) products from partner companies, including American Express, Apple, Converse, Dell, Emporio Armani, Gap, Hallmark, Starbucks, Motorola, Microsoft, and NIKE. Trimble and Holmes (2013) called this group of (RED) partner companies cause-brand alliance (CBA).

³ AVERT is an international HIV and AIDS charity, devoting to averting HIV/AIDS through education, treatment and care.

5.1.6. Background of the Campaign

The AIDS epidemic is one of the major global health issues given the number of People died from HIV/AIDS and people who are living with the disease. According to the data on Product (RED) web site, in more than 30 years, an estimated 36 million people have died from AIDS. (<http://www.red.org/en/about>)

The situation of AIDS/HIV epidemic in Africa is even more devastating, drastically stalling the economic growth and social development. To date, AIDS has killed approximately 17 million Africans, most of whom are women and children. The major transmission form of HIV/AIDS in Africa is from mothers to infants during pregnancy, childbirth and breastfeeding. It is reported that 91% of the world's HIV-positive children are Africans.

After years of exploring, experts discovered antiretroviral drug treatment (ART), which has been proved to be an effective way of preventing mother-to-child transmission of HIV/AIDS. Nevertheless, according to the official report release by World Health Organization (2013), to date, only 56% of the 11 million HIV-positive patients in Africa have access to the antiretroviral therapy due to an insufficient supply of ART (World Health Organization, 2013). The solution to the terrifying health problem has been identified, so long as the treatment could be widely available and administered in Africa.

In China, rural areas are associated with backwardness in economic development and underdevelopment of medical system. Not only government but also the public devote to improving the living standards in rural areas. Chinese government used to

prioritize the prevalence of education for the development of rural areas, and now included the health issue related to rural children in the agenda.

Annie Wong, a friend of the researcher, is now a volunteer teacher at a primary school in a remote village in Yunnan, China. According to Wong, rural children in that area could hardly have clean drinking water and nutritious meals. Wong witnessed children in her school drink untreated pipe water, which eventually resulted in stomach ache. And because of the limitation of medical facility and personnel, ailments can sometimes become big problems. Lately, Children's Hope Organization reported that more than half of the rural children who died of diseases failed to receive proper medical treatments. Wong also indicated that she had never heard of any child in her school having health insurance (personal communication, March 14, 2014).

To analyze the background, both of the CRM campaigns support health-related causes. The problems that prompted Product (RED) and OPPO Red could be generalized as helping people who suffer from diseases or illnesses but could not afford or to receive medical treatments due to poverty. While Product (RED) and OPPO Red share similar purpose in a broad sense, there is difference between the beneficiaries. Product (RED) founded in U.S., seeks the ways to help people in foreign countries, while OPPO Red founded in China focuses on benefitting domestic groups.

5.1.7. Goal of the Campaign

According to the information from the (RED) web site, Product (RED) was “created to help provide a sustainable flow of money from the private sector to fight AIDS.” More specifically, Product (RED) supports the Global Fund program of fighting

AIDS in Africa, with a focus on preventing the mother-to-child transmission (PMTCT) of HIV/AIDS. (<http://www.red.org/en/faq>)

The purpose of OPPO Red is to support CRKC program, offering rural children free health insurance coverage, funding and opportunities of receiving medical treatment, in order to ensure that rural children can receive proper medical treatment no matter what diseases or illnesses with which they must live.

Both Product (RED) and OPPO Red support non-profit organizations, which is just the nature of CRM campaigns, a cooperative marketing effort of for-profit business and non-profit organization. The difference is that Product (RED) donates funds to support medical treatment such as ARV, while OPPO Red contributes to a CRKC health insurance (worth 75 rmb or \$13) per mobile sale.

5.1.8. Target Audiences of the Campaign

Ponte and Richey (2011) developed a table in their research study, indicating information regarding the geographical markets of the Product (RED) products. Judging from the table, it is obvious that most of the products are only available in Western markets such as U.S. and U.K., few are available worldwide through online stores, which, in other words, is that the branded products are to a large extent, targeted consumers only in western countries (See Table 5.1 for the list of (RED) partner companies and information concerning the product range and targeted markets, analyzed from official web sites of listed partner companies.)

On the other hand, when examining the information posted on the OPPO Facebook page, the researcher discovered that although the CRM associated product,

limited red version of Find 5 mobile phone, was mentioned in several posts during the same period of OPPO Red campaign, none of the contents indicate the CRM campaign of OPPO in China. More surprisingly, a series of social media contests of winning RED Find 5 were conducted on OPPO's American social media platforms, including Facebook, Twitter, Instagram, and Pinterest; nevertheless, with themes and forms totally different from those of OPPO Red campaign in China, and are not CRM campaigns at all.

Company Name	(RED) Branded Product Range	Targeted Markets
American Express	American Express RED card	U.K.
Apple	RED iPod Nano and iPod Shuffle; iTunes Gift Cards	U.S., U.K., Canada and Japan; online product sale available
Converse	Converse RED collection; Converse RED Chuck Taylor All Star African mud cloth shoe	U.S., U.K.; online product sale available
Dell	RED XPS laptops and desktops	Online product sale available
Gap	RED t-shirts, hoodies, jeans, tote bags, and accessories; RED kids and baby line	U.S., U.K., Canada and France
Hallmark	RED boxed holiday cards, photo cards, e-cards, gift book, invitations	U.S. and Canada
NIKE	RED shoelaces; NIKE Drunk Shoes; Special Edition of N98 track jacket; Special Edition of football	Online product sale available
Starbucks	RED payment card; ceramic cup, water bottle, tumbler, reusable cup; East African whole-bean coffee	U.S., U.K., Ireland and Canada

Table 5.1: List of major partner companies, product range and targeted markets

Figure 5.1 for example is the first social media contest associated with OPPO Red Find 5 on its Facebook page. It asks for the Ofans (OPPO's fans) to submit their imaginative stories about Ollie, OPPO's faithful mascot to win Red Find 5 giveaways from July 15 2013, which is in the same period of OPPO Red campaign in China. Figure

5.2 is related to the contest on Twitter that occurred September 17 to 24, 2013. OPPO Twitter followers can tweet their own stories of why they are looking forward to the N1, another mobile model of OPPO, and one follower will win the free giveaway of Red Find 5. Figure 5.3 is the contest “Pin to Win” of winning a Red Find 5 giveaway from December 23, 2013 to January 6, 2014 on Pinterest. People who would like to enter this contest need to follow OPPO on Pinterest, pin the official poster of this contest to any board, and pin five favorite photos. OPPO will select one lucky winner randomly among the participants to give away the limited edition Red Find 5. Similarly, OPPO in U.S. also conducted another social media contest on Instagram using the same rules.

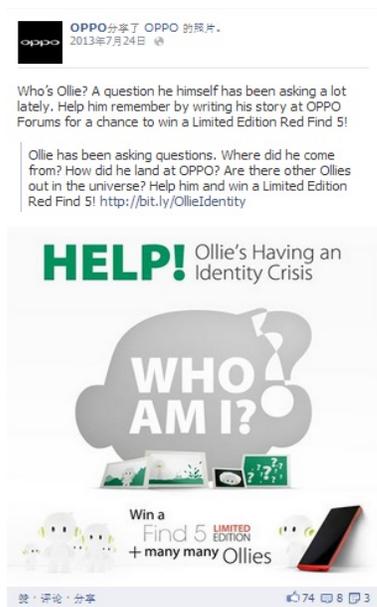


Figure 5.1: OPPO Facebook contest of Red Find 5



Figure 5.2: OPPO Twitter contest of Red Find 5



Figure 5.3: OPPO Pinterest contest of Red Find 5

Therefore, since OPPO didn't reveal any information regarding its CRM campaign in China, OPPO Red, the researcher assumes that OPPO Red targets only in China. To sum up, although both of the CRM campaigns involved international brands,

the target audiences are coincidentally limited to one nation or nations with similar cultural traits.

5.1.9. Tactics of the Campaign

5.1.9.1. Tactics of the OPPO Red Campaign

OPPO adopted marketing and communication strategies, primarily aggressive social media relations and giveaway events in OPPO Red campaign, to improve a greater awareness of the current health situation of Chinese rural kids and OPPO's effort in supporting CRKC program, and to generate more funds for CRKC program.

On July 8, 2013, OPPO offered a clue to introduce the CRM campaign on OPPO's official Weibo account by asking the followers what they can do with 75 rmb or

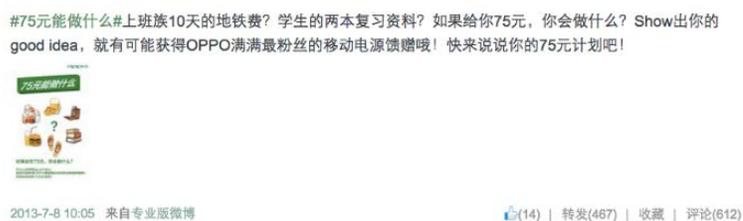


Figure 5.4: Screenshot of the Weibo post – What to do with 75 rmb? Show your good idea and win OPPO portable power bank

\$13 (See Figure 5.4).

On July 10, 2013, OPPO Weibo account posted an information of OPPO Red campaign, officially announcing its cooperation with CRKC and how OPPO Red works. In this post, it revealed that the major form of OPPO Red campaign is that when a consumer purchases an OPPO limited edition Red Find 5 mobile phone, OPPO will place an order of one-year CRKC health insurance for a rural child. Another involvement is

that OPPO gave away 400 Red Find 5 mobile phones to the donors of CRKC as rewards from July 12 to 26, 2013 from 2 p.m. to 11 p.m. Every hour during the activity time, the first two donors who order a one-year health insurance (worth 75 rmb or \$13) for rural children through CRKC program will win the giveaway, a free red Find 5. In addition 100 Red Find 5 were awarded to the donors who made the most contribution to the CRKC program (See Figure 5.5). Following the announcement, the OPPO former vice president, Zuohu Liu, shared his thoughts of the purpose and expectations towards this CRM campaign to the public on his Weibo account.

#OPPO联合大病医保开展公益活动#每购买一台限量版红色版Find 5, OPPO都将捐赠一份价值75元的大病医保; 同时我们捐赠总400台红色Find5用于大病医保一周年寻找幸运爱心捐赠人活动。只要您在微公益平台捐赠超过75元, 就有机会获得一台全球限量版红色Find 5。 <http://t.cn/zOSpiq>



Figure 5.5: Screenshot of the Weibo post – Details of OPPO Red campaign and China Rural Kids Care program

The researcher observes that the visibility of OPPO Red on social networking sites, specifically Weibo.com is higher than other platforms such as news publications and TV stations. The official Weibo account of OPPO and CRKC program serve as the major content provider, and Weibo accounts of activists devoting to philanthropy with large number of followers repost the information to increase the visibility.

5.1.9.2. Tactics of the Product (RED) Campaign

According to the “FAQ” page of Product (RED) site, the process of how (RED) works was explained:

“(RED) and its partners provide consumers and activists a wide range of activities and behaviors that trigger corporate giving to the Global Fund. (RED) operations

are funded by charitable grants and foundations, along with a small license activation fee from our corporate partners. (RED) partners direct a portion of their profits from (RED)-branded products, services and events directly to the Global Fund... 100% of the money from the sale of (RED) products goes directly to the ground in Africa in the form of Global Fund (RED) grants.”

In another word, Product (RED) campaign involves renowned brands as partner companies, to form a powerful cause brand alliance, and to direct the proportional contribution of the sales from (RED) branded product to the Global Fund. During the campaign, various effective marketing communication strategies were included in, primarily celebrity endorsement, aggressive traditional media relations, aggressive social media relations, and series of special events.

It is obvious to identify that Product (RED) got endorsed by celebrities, since one of its founder at least is household artist, Bono. To date, the (RED) partners are not just limited to companies. Celebrities in different realms started to realize the importance of being the role model to take the social responsibility. U2, the famous rock band, for example teamed up with (RED) and Bank of America, and announced that all income of their new song “Invisible” on iTunes would go to fight AIDS (<http://www.red.org/en/learn/red-brings-together-the-worlds-biggest-djs-pop-artists-to-release-dance-red>).

Moreover, (RED) events were also conducted to generate fund. For instance, according to the press releases “(RED) Music to Engage Music Fans in the Push for an AIDS Free Generation By 2015” on June 1, 2012:

“Music has always been a key part of the (RED) brand. From the (RED) NIGHTS concert series, to the (RED)ZONES at U2 concerts, to the recent DJ Football Game at Miami Music Week, (RED) has always valued the powerful, intimate relationship between artists and their fans (<http://www.red.org/en/learn/redmusic-to-engage-music-fans-in-the-push-for-an-aids-free-generation->).”

Also, on August 20, 2013, (RED) and Adobe announced its digital design competition of designing digital artwork for 2013 compilation album “Dance (RED) Save Lives 2”, engaging students in the fight against AIDS (<http://www.red.org/en/learn/red-and-adobe-announce-student-design-competition>). On November 23, 2013, the (RED) Auction was held at Sotheby’s New York with all proceeds going towards the Global Fund (<http://www.red.org/en/learn/sir-jonathan-ive-and-marc-newson-collaborate-with-bono-on-red-auction>).

Since its grand opening till now, media coverage of Product (RED) has never faded out. From frequent presences on daily news publications and TV station to commercials in Super Bowl event, Product (RED) has never failed to reinforce its image to the public. And by allying with companies and social figures in different realms, and conducting a series of (RED) events with various focuses, Product (RED) easily targeted audiences from all kinds of backgrounds in all ages, which ultimately led it to be one of the most influential CRM campaign in the world.

5.1.10. Result of the Campaign

Both of the OPPO Red and Product (RED) campaign perform well in transparency, publishing official results of their fundraising efforts online to empower the public to be aware of the fundraising results and to monitor the campaign.

OPPO disclose the results of OPPO Red campaign on Weibo (<http://gongyi.weibo.com/143559?source=fs17>). From July 9 to 27, 2013, the site indicates that OPPO Red raise a total of 207,756 rmb or \$34,060, completing 28% of its proposed fundraising goal, 750,000 rmb or \$122,950. It was noted that OPPO Red successfully involving 767 donors

and raising 116,877 rmb or \$19,160 via Weibo. The site also provide a timeline for the whole process of the campaign, from OPPO Red being verified the authenticity on July 9, 2013, to the completion of OPPO Red on July 26, 2013.

Product (RED) raised over \$240 million to date. On the “FAQ” page of (RED) web site, there is the question “Where can I find the (RED) annual report?” with the access to downloading the report included in the answer:

“Since (RED) is a division of The ONE⁴ Campaign, detailed information about (RED) will be included in ONE’s Annual Report starting in 2013, which can be found on ONE’s website here: <http://www.one.org/us/about/press/> Scroll down the right hand side to download the Annual Report and more (<http://www.red.org/en/faq>).”

However, it was reported that not all the (RED) partner companies disclose sales related to (RED). Starbucks and Gap for example tended to be vague in their official answers regarding their contribution to (RED) (Pope, 2009).

5.1.11. Feedback of the Campaign

Product (RED) has always been a controversial CRM campaign since its early beginning in 2006. On one hand are the (RED) branded product chasing by consumers and its undeniable millions of donations, on another hand are massive criticisms for spending unreasonable amount of money in advertising and for “using diseases as a marketing vehicle (Perrone, 2006).”

The article *Costly Red Campaign Reaps Meager \$18 Million on Advertising Age* magazine calculated the marketing-spending numbers of the Product (RED) campaign and disclosed that Bono and the (RED) partner companies might spend an estimated \$100

⁴ ONE Campaign is a grassroots non-profit campaign and advocacy, committed to fighting poverty and diseases, particularly in Africa (ONE, 2014).

million on marketing (i.e., TV and online ads placements, billboards) (Frazier, 2007). Furthermore, part of the public question that Product (RED) utilize the cause of fighting diseases in Africa for brand promotion. Represented by Ben Davis, founder of the website Buylesscrap.com that against Product (RED), the opponents proclaim that “shopping is not a reasonable response to human suffering” and invite people “to donate directly to the (RED) campaign’s beneficiary The Global Fund without consuming (<http://buylesscrap.com/>)”. In response to the protest, (RED) evoked a “Donation” function on the site, enabling followers to directly donate to the Global Fund as well (<http://www.red.org/en/act/donate>).

Comparing to Product (RED), feedback on OPPO Red is more gentle and full of appreciation. OPPO’s Weibo posts regarding OPPO Red and limited Red Find 5 were reposted by social figures who are active on Weibo and have millions of followers (i.e., @charlesxue and @dengfei). Comments under the posts regarding Red Find 5 on OPPO bulletin board system (bbs) mainly favor the color of the mobile and the campaign (<http://bbs.myoppo.com/forum.php?mod=viewthread&tid=1423396> and <http://bbs.myoppo.com/forum.php?mod=viewthread&tid=1430845>). Comments on Weibo can be categorized into three types of responses (<http://gongyi.weibo.com/143559?source=fs17> and http://www.weibo.com/1710173801/zFsEpCOey#_rnd1396036272550). The first type of responses is appreciation to the limited Red Find 5 and expresses the willingness to involve in the OPPO’s CRM campaign. The second type reactions queries the credibility of the campaign, asking for a transparent fundraising process. The third type focuses only on how to get a free mobile regardless of the cause supported by OPPO Red.

5.2. Influence of Power Distance

Scoring at 80, China sits in the higher rankings of power distance, while U.S. has a fairly low score, 40. Scholar Mooij and Hofstede proclaimed (2011) that individuals in high power distance culture has clear rightful place and social status in a social hierarchy and individuals show proper respect based on the hierarchy. This phenomenon can be witnessed in Chinese OPPO Red campaign where publics accept the rule with no dissent that individuals who donate more to CRKC program have greater chance to win the Find 5 giveaway.

Second, Low power distance culture fails to expect and accept that power is endorsed unequally by the followers and by the leaders, which reflects on the existence of dissent in response to Product (RED). Buylesscrap.com for example, against the reputable NPO organization and its powerful alliance by raising the voice that “Product (RED) is meaningless (<http://buylesscrap.com/>).”

Third, according to the literature review of this study, the power distance index affects public relations practitioners’ selection of either one-way (serves to inform, persuade or command) or two-way communication (both receiver and sender respond to each other and there are discussions throughout the communication). Countries such as China that are high power distance country will be given the one-way communication, and vice versa. In the OPPO Red campaign for instance, OPPO actively post information and events on the Weibo, however, seldom replied the comments and queries from the public on Weibo. On the contrary, in response to criticisms from individuals such as Buylesscrap.com, Product (RED) evoked the donation function to enable audiences to donate directly to the Global Fund, showing respect to the public criticism.

5.3. Influence of Uncertainty Avoidance

China scores 30 at the cultural dimension of uncertainty avoidance, and is regarded as a low uncertainty avoidance country that relies more on informal, unstructured, or fluid roles. The fact that Chinese are comfortable with ambiguity reflects on their craze for the OPPO Red giveaway activity. OPPO Red giveaway activity has relatively informal rules that anyone who donates will have the chance of winning a free limited Red Find 5; on the contrary, the rule of regular OPPO Red is more fixed that when consumer purchases a Red Find 5, OPPO will order a one-year CKRC health insurance. Through the observation on the public response to OPPO Red on Weibo, Chinese are more actively involved in the online giveaway activity, comparing to the regular form, some of whom even invested more money than the value of a Red Find 5.

Second, the influence of this cultural dimension can be witnessed in how individuals in high/low uncertainty avoidance culture are satisfied with the fundraising results that both CRM campaigns revealed. When Product RED released an official report with lots of detailed and statistical information, audiences in U.S., high uncertainty avoidance culture, asked to disclose more clear information regarding individual contribution of each partner company. Audiences in China, on the contrary, were more satisfied with the mere graphic result OPPO Red



Figure 5.6: Screenshot of the OPPO Red fundraising result posted on Weibo – Timeline of OPPO Red campaign, the number of donors involved in OPPO Red, and the amount of fund OPPO Red raised

posted on Weibo (See Figure 5.6).

Third, the fact that high uncertainty avoidance culture needs more information about the campaign while low uncertainty avoidance culture relies more on word-of-mouth sources is also one of the phenomena on the influence of this cultural dimension. Product (RED) built up a web site for the campaign to offer its audiences rich information regarding this CRM campaign. On the other side, OPPO Red only focused its promotion effort on the social media platform, Weibo, where characters of the content are limited and personal sources such as word of mouth serve as the major source of information transmission.

5.4. Influence of Individualism versus Collectivism

Judging from the scores 20 and 91, it is obvious that China is a highly collectivist country while U.S. is individualist.

“The contrast individualism/collectivism can be defined as people looking after themselves and their immediate family only versus people belonging to in-groups that look after them in exchange for loyalty (Mooij & Hofstede, 2011, p. 182).

Although (RED) gather a powerful cause-brand alliance that consists numerous well-known brands, these brands didn't act in the interests of the group. When Product Red was criticized for its link with Gap, which was historically trapped in labor and human rights crisis, only Gap released related announcements in response to the accusation and no other brands or (RED) organization commented on this issue or shown support and loyalty to Gap (Gray, 2007).

Interestingly, regardless of possessing the individualist culture, Product (RED) shares the same tactic with OPPO Red, which is to bound consumers into a group through

a symbol. On one hand, OPPO named their followers “Ofans” to increase their sense of belonging; on the other hand, Product (RED) used the slogan “Badge Yourself with (RED) (<http://www.red.org/en/>)”.

Chapter 6. DISCUSSION AND CONCLUSIONS

Corporate social responsibility and cause-related marketing are gradually occupying a key role in marketing communication strategies in business from developing areas, such as Asian countries. Although many efforts have been made in past decades to boost the development of corporate philanthropy, limited success has been achieved. In addition, previous research thoroughly examined the situation of CSR and CRM in developed western countries, yet there is limited effort in studying CSR and CRM in developing countries where both business and market needs are emerging, or the results of such studies are contradictory. With the development of the public's awareness of the significance of supporting social issues and worthy causes, research on how to effectively implement CRM campaigns should be conducted. Based on the theory of Hofstede's cultural dimensions, results from this study provide insight into how cultural dimensions of power distance, uncertainty avoidance and individualism affect CRM practices via a cross-cultural comparison between Product (RED) in U.S. and OPPO Red in China.

6.1. Implications

Basically, this study observes the Product (RED) and OPPO Red campaign at the macro level under the guidance of Hofstede's cultural dimensions theory. Though eleven components in marketing communication campaigns were analyzed and compared, wordings of key messages on promotional materials were not carefully reviewed. Comparing to the theory of Hofstede's cultural dimensions, Edward T. Hall's cultural theory of high and low-context cultures is more targeted to the problem. For example, re-

search shown that “individualistic cultures are also low-context communication cultures with explicit verbal communication (Mooij & Hofstede, 2011, p. 182)” and that collectivistic cultures were high-context communication cultures with an indirect style of communication (Mooij & Hofstede, 2011). Future studies that are interested in exploring CRM practices from the cultural perspective can incorporate Hall’s theory or other cultural theories in order to design more effective CRM campaigns.

This research study also offer practical implications to the business world. When comparing Product (RED) campaign and OPPO Red campaign, it is obvious that (RED) adopted more tactics to comply with the American culture and that the tactics of OPPO Red are monotonous. Future CRM campaigns in developing countries such as countries in Asia should take cultural influences into consideration when scheming and implementing.

For example, taking the reference that individualistic cultures come straight to the point in the sales process, whereas collectivistic cultures require a relationship and trust (Mooij & Hofstede, 2011), public relations strategies of the CRM campaign should accommodate to the different market needs. The involvement of OPPO in supporting CRKC program can be strategized as a long-term effort in order to pursue a trustful relationship between the Chinese public and OPPO.

6.2. Limitations

As with any research, limitations of the present study are worth noting. First, since this study employed case study as its research method, the results from this study cannot be generalized due to the inborn disadvantages of case study. Second, the

researcher originally designed to reach out to officials who are directly involved in planning or implementing these two campaigns, in order to gain firsthand observation; however, failed to conduct in-depth interview with corresponding officials from both campaigns because no response regarding the researcher's inquiry were given from those contacts.

REFERENCES

- Bailey, W. (1987). Cause-related marketing: Savior or devil for hospital fund raising. *Fund Raising Management* (August), 80-81.
- Boli, J., & Hartsuiker, D. (2001). World culture and transnational corporations: Sketch of a project. Paper presented at the *International Conference on Effects of and Responses to Globalization*, Istanbul.
- Brønne, P. S., & Vrioni, A. B. (2001). Corporate Social Responsibility and Cause Related Marketing: An overview. *International Journal of Advertising*, 207-222.
- Burton, K. B., Farth, J., & Hegarty, W. H. (2000). A cross-cultural comparison of corporate social responsibility orientation: HK vs. United States students. *Teaching Business Ethics*, 4(2), 151-167.
- Carroll, A. B. (2008). A history of corporate social responsibility: Concepts and practices. In A. Crane, A. McWilliams, D. Matten, J. Moon, & D.S. Siegel (Eds.), *The Oxford handbook of corporate social responsibility* (pp. 19-46). New York, NY: Oxford University Press.
- Chan, R. Y. K. (1999). Environmental attitudes and behavior of consumers in China: Survey findings and implications. *Journal of International Consumer Marketing*, 11(4), 25-52.
- Chan, A. (2003). A "race to the bottom:" Globalization and China's labor standards. *China Perspectives*, 46(March), 41-49.
- Chan, A., & Ross, R. J. S. (2003). Racing to the bottom: International trade without a social clause. *Third World Quarterly*, 24(6), 1011-1028.
- Davis, H. L. (2010). Feeding the world a line? Celebrity activism and ethical consumer practices from Live Aid to Product RED. *Nordic Journal of English Studies*, 9(3), 89-119.
- Eisingerich, A. & Rubera, G. (2010). Drivers of brand commitment: A cross-national investigation. *Journal of International Marketing*, 18(2), 64-79.
- Ellen, P. S., Mohr, L. A., & Webb, D. J. (2006). Building corporate associations: consumer attributions for corporate socially responsible programs. *Journal of the Academy of Marketing Science*, 34, 147-157.
- Falck, O., & Heblich, S. (2007). Corporate social responsibility: Doing well by doing good. *Business Horizons*, 50, 247-254.

- Frazier, M. (March 5, 2007). Costly RED campaign reaps meager \$18 million. *Advertising Age*. Retrieved March 29, 2014, from <http://adage.com/article/news/costly-red-campaign-reaps-meager-18-million/115287/>
- Gao, D. J. (2004). The highest level of sales concept: Cause related marketing. *Successful Sales*, 4.
- Gates, B. (2008, July 31). Making capitalism more creative. *Time*. Retrieved March 4 2014, from <http://www.time.com/time/business/article/0,8599,1828069,00.html>
- Geertz, C. (1973). The growth of culture and the evolution of mind. *The Interpretation of Cultures*, 55-83.
- Gerson, B. (2007). CSR best practices. *China Business Review*, (May/June), 20–25.
- Gibbs, N. (2005). The good samaritans. *TIME*. Retrieved March 28, 2014, from <http://content.time.com/time/magazine/article/0,9171,1142278,00.html>
- Global update on HIV treatment 2013: Results, impact and opportunities. (2013). World Health Organization. Retrieved March 28, 2014, from <http://www.who.int/hiv/pub/progressreports/update2013/en/>
- Gong, W. (2003). Chinese consumer behavior: a cultural framework and implications. *The Journal of American Academy of Business*, 3(1/2), 373-380.
- Goodenough, W. (1970). *Description and comparison in cultural anthropology*. Chicago: Aldine.
- Goodman, D. (February 15, 2002). Hollywood hails U2's Bono for philanthropy. *Reuters New media*. Retrieved March 28, 2014, from <http://nymag.com/news/intelligencer/23175/>
- Gray, G. (October 24, 2007). Achtung, Bono! Activists see red. *New York Magazine*. Retrieved March 30, 2014, from <http://www.atu2.com/news/hollywood-hails-u2s-bono-for-philanthropy.html>
- Gudykunst, B. W. (1997). Cultural variability in communication. *Communication Research*, 24, 327-350.
- Hall, E. T. (1976). *Beyond culture*. Garden City, NY: Anchor.
- Himmelman, N., & Mupotsa, D. (2008). (Product) Red: (re)branding Africa? *The Journal of Pan African Studies*, 2(6), 170-182.
- Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Beverly Hills, CA: Sage.

- Hofstede, G. (1984). *Culture's consequences*. Beverly Hills, CA: Sage Publications.
- Hofstede, G., & Bond, M. H. (1988). The Confucius connection: From cultural roots to economic growth. *Organizational Dynamics*, 16(4), 5-21.
- Hofstede, G. (1991). *Cultures and organizations: Software of the mind*. New York: McGraw Hill.
- Hofstede, G. (2001). *Culture's consequences: comparing values, behaviors, institutions and organizations across nations*. Thousand Oaks, CA: Sage Publications.
- Hofstede, G., & Hofstede, G. J. (2005). *Cultures and organizations: Software of the mind* (2nd ed.). New York: McGraw-Hill.
- Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and organizations: Software of the mind* (3rd ed.). New York: McGraw-Hill.
- Kahn, J., & Yardley, J. (2007, August 26). Chocking on Growth: Part I: As China Roars, Pollution Reaches Deadly Extremes. *The New York Times*. Retrieved February 14 2014, from http://www.nytimes.com/2007/08/26/world/asia/26china.html?ei=5088&en=c2fb1c3c5fe905b1&ex=1345780800&partner=rssnyt&emc=rss&page_wanted=all&_r=0
- Kroeber, A. L., & Kluckhohn, C. (1954). *Culture: A critical review of concepts and definitions*. New York: Random House.
- Li, W. R., & Lu, T. H. (2002). New strategy of sales: Cause related marketing. *Economic Management, China*, 9, 58-60.
- Lo, C. W. H., Egri, C. P., & Ralston, D. A. (2008). Commitment to corporate, social, and environmental responsibilities: An insight into contrasting perspectives in China and the U.S. *Organization Management Journal*, 5, 83-98.
- Lu, X. (2009). A Chinese perspective: Business ethics in China now and in the future. *Journal of Business Ethics*, 86(4), 451-461.
- Mohr, A. L., Webb, J. Deborah., & Harris, E. Katherine. (2001). Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behavior. *Journal of Consumer Affairs*, 35(1), 45-72.
- Mooij, M., & Hofstede, G. (2011). Cross-cultural consumer behavior: A review of research findings. *Journal of International Consumer Marketing*, 23(3/4), 181-192.

- Paek, H-J., Yu, J., & Bae, B, J. (2009). Is on-line health promotion culture-bound? Cultural characteristics manifested in U.S. and South Korean antismoking web sites. *Journal of Advertising*, 38(1), 35-47.
- Pelsmacker, P. D., Driesen, L., & Rayp, G. (2005). Do consumers care about ethics? Willingness to pay for fair-trade coffee. *The Journal of Consumer Affairs*, 39(2), 363-385.
- Perrone, M. (December 2, 2006). Retailers tap into shoppers' do-gooder spirit. *NBC News*. Retrieved March 26 2014, <http://www.nbcnews.com/id/15973282/#UzOZC0Cgm84>
- Ponte, S., & Richey, A. L. (2011). Product (RED)™: How celebrities push the boundaries of 'causerism'. *Environmental and Planning A*, 43(9), 2060-2075.
- Pope, T. (2009). Product RED's impact is shrouded in vague answers. *The Non Profit Times*. Retrieved March 26 2014, from <http://www.thenonprofitimes.com/news-articles/product-red-s-impact-is-shrouded-in-vague-answers/>
- Porter, M. E., & Kramer, M. R., (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 76-92.
- Richey, L. A., & Ponte, S. (2008). Better (Red)™ than dead? Celebrities, consumption and international aid. *Third World Quarterly*, 29(4), 711-729.
- Russell, D.W., & Russell, C. A. (2010). Here or there? Consumer reactions to corporate social responsibility initiatives: Egocentric tendencies and their moderators. *Marketing Letters*, 21, 65-81.
- Scarry, J. (1997). Making the consumer connection. *The China Business Review*, 24(4), 40-42.
- Shafer, E. W., Fukukawa, K., & Lee, M. G. (2007). Values and the perceived importance of ethics and social responsibility: The U.S. versus China. *Journal of Business Ethics*, 70(3), 265-284.
- Sriramesh, K. (1992). Societal culture and public relations: Ethnographic evidence from India. *Public Relations Review*, 18, 201-211.
- Sriramesh, K., Grunig, E. J., & Buffington, J. (1992). Corporate culture and public relations. In J. E. Grunig (Ed.), *Excellence in public relations and communication management* (pp. 557-598). Hillsdale, NJ: Lawrence Erlbaum Associates.

- Sriramesh, K., & White, J. (1992). Societal culture and public relations. In J. E. Grunig, (Ed.), *Excellence in public relations and communication management* (pp. 597–616). Hillsdale, NJ: Lawrence Erlbaum Associates.
- Sriramesh, K., Kim, Y., & Takasaki, M. (1999). Public relations in three Asian cultures: An analysis. *Journal of Public Relations Research*, 11(4), 271–292.
- Stacks, W. D. (2010). *Primer of Public Relations Research* (2nd ed.). New York, NY: The Guilford Press.
- Subrahmanyam, S. (2004). Effects of price premium and product type on the choice of cause-related brands: a Singapore perspective. *The Journal of Product and Brand Management*, 13(2/3), 116-124.
- Tammey, J. B., & Chiang, L. H. (2002). *Modernization, globalization, and Confucianism*. Westport, CT: Praeger.
- Taylor, M., & Kent, L. M. (1999). Challenging assumptions of international public relations: When government is the most important public. *Public Relations Review*, 25, 131-144.
- Taylor, M. (2000). Cultural variance as a challenge to global public relations: A case study of the Coca-Cola scare in Europe. *Public Relations Review*, 26(3), 277-293.
- The company behind the brand: In reputation we trust. (2011). Weber Shandwick & KRC Research. Retrieved February 14 2014, from http://www.webershandwick.com/uploads/news/files/MultiBrand_Spotlight_Report.pdf.
- The Global Fund to fight AIDS, tuberculosis and malaria (GFATM). (2014). AVERT. Retrieved March 28, 2014, from <http://www.avert.org/global-fund.htm>
- Thorborg, M. (2006). Chinese workers and labor conditions from state industry to globalized factories: How to stop the race to the bottom. *Annals of the New York Academy of Sciences*, 1076, 893-910.
- Trimble, C. & Holmes, G. (2013). New thinking on antecedents to successful CRM campaigns: Consumer acceptance of an alliance. *Journal of Promotion Management*, 19(3), 352-372.
- Trudel, R., & Cotte, J. (2009). Does it pay to be good? *MIT Sloan Management Review*, 50(2), 61-69.
- Tylor, E. B. (1924). *Primitive culture: Researches into the development of mythology, philosophy, religion, language, art, and custom* (7th ed.). New York, NY: Brentano's.

- Varadarajan, P. R., & Menon, A. (1988). Cause-related marketing: A coalignment of marketing strategy and corporate philanthropy. *Journal of Marketing*, 52, 58-74.
- Wood, D. J. (1991). Corporate social performance revisited. *The Academy of Management Review*, 16(4), 691-718.
- Yin, K. R. (2003). *Case Study Research: Design and Methods* (3rd ed.). Thousand Oaks, CA: Sage.
- Yu, X. (2008). Impacts of corporate code of conduct on labor standards: A case study of Reebok's athletic footwear supplier factory in China. *Journal of Business Ethics*, 81, 513-529.
- Zeller, T. J. (November 13, 2006). Bono, trying to throw his arms around the world. *The New York Times*. Retrieved March 28, 2014, from http://www.nytimes.com/2006/11/13/us/13bono.html?ref=jessehelms&_r=0
- Zinkhan, G. M., & Balazs, A. L. (1998). The institution of advertising: Predictors of cross national differences in consumer confidence. *Journalism and Mass Communication Quarterly*, 75,