Students' attitudes toward value-driven digital marketing

Ana-Marija Jadanec* and Tihana Babić*
*Algebra University College, Zagreb, Croatia
anamarija.jadanec@yahoo.com, tihana.babic@algebra.hr

Abstract - Value-driven marketing has a goal to create a deep and meaningful value, not only in customers' business but also in customers' lives by appealing to their personal values and ethics. With the rise of new waves of technology that enables interaction between individuals and groups, customers have become well informed about brands and their products, as well as their social responsibility. The aim of the research conducted among Millennials and Generation Z students on the Algebra University College was to examine how unprecedented access to information, social media and the rise of Marketing 3.0 has changed their minds and expectations about brands and whether they choose companies that care about the same causes they care about. In this paper, their views on the value-based advertising and efficacy of digital marketing efforts will be presented.

Keywords – value-driven marketing, digital marketing, brands, social responsibility, students

I. INTRODUCTION

In today’s society, large corporations play an important role in the global economy. Consumers are looking for experiences and business models that touch their spiritual side. Richard Barrett discovered that human spiritual motivation can be adapted to the missions, visions, and values of a company [1].

Human beings are not indifferent to the world. As groups, they develop concepts of preferred and obligatory conduct and desirable and undesirable states of affairs. Values serve as criteria for selection in action, for judgment, preferences, and choices with grounds for the decision in behavior. In other words, values are principles that help people decide what is right and what is wrong and how to act accordingly [2].

Defining value starts from the theory of need proposed by A. Maslow in his work The Theory of Human Motivation (1943). “Needs lower down in the hierarchy must be satisfied before individuals can attend to needs higher up. From the bottom of the hierarchy upwards, the needs are physiological, safety, love and belonging, esteem, and self-actualization” [3]. Unless the basic needs that ensure survival and security are met, there are no conditions for the emergence of complex, multi-value needs.

Using Maslow's theory, Ronald Ingehart (1977) coined the terms materialism and postmaterialism to explain how economic growth changes social values. Materialist values are based on economic and physical security needs that older generations lacked growing up during World War II and other crises. On the other hand, post-materialists have grown up in greater security, and their values are oriented toward social connection, self-esteem, and self-actualization. They attach more value to intangible goals such as ideas, autonomy, freedom of speech, community, ecology, and gender equality [2].

II. SOCIAL RESPONSIBILITY

If for an individual, values represent what is important to him in life, what motivates him and what sets his behavioral goals. For businesses, that isn't much different. Values represent what companies believe in, what drives and direct them in business. For that reason, companies need to identify, set, and communicate their core values and work by following them. It is a significant factor in determining the loyalty of employees and other stakeholders and as a basis for ethical and socially responsible business operations.

The definition of social responsibility demonstrates that individuals and companies have to be conscious of the impact they are having on the economic, social, and environmental aspects of society. Companies that base their organizational culture on corporate social responsibility and foster accountability to themselves their stakeholders and the public in return have a better image of themselves and attract more clients and investors [4].

In her article, K. Leonard recognizes “The four types of Corporate Social Responsibility: Philanthropy, Environment Conservation, Diversity and Labor practices, and Volunteerism” [5].

“Philanthropy – refers to the effort an individual or organization makes based on an altruistic desire to improve human well-being.” [6]. Subjects of these donations can be environment and animal protection, health research, education, and art conservation.

Environment Conservation - means companies focus on efforts to reduce their impact on the environment conducting business practices like waste management, the use of clean energy sources like the sun and wind, or supporting long-term issues such as global climate change and reducing carbon emissions.

Diversity and Labor practices - are important because the responsibility for employees affects the value of the brand. Turoń, K. in her paper on Corporate Social Responsibility to Employees, according to Kisil (2013), lists thirteen key actions which are associated with good labor practices: "compliance with the principles of diversity: providing voluntary work; fair relationships between co-workers; opportunity to express views and
ratings by employees; ensuring safety in the workplace; providing employees with information about any activities that are associated with them; providing medical care; ensuring an appropriate structure for work and fair wages; ensuring satisfactory conditions of employment; encouraging the development of employees; respecting private and family life of employees; supporting employees in unexpected circumstances; implementation of outplacement programs” [7].

Volunteerism - means putting aside time to contribute to your local community.

III. VALUE DRIVEN MARKETING

It started with product-centered Marketing 1.0, which revolved around making low production cost products that were affordable to the mass market. By the words of H. Ford: “Any customer can have a car painted any color that he wants so long as it is black.” [1]. Information age brought informed customers who had different preferences and needs that needed to be addressed. In costumer-centric Marketing 2.0, “the customer is a king,” but still a passive observer of marketing campaigns.

“In Marketing 3.0, we observed customers transforming into whole human beings with minds, hearts, and spirits” [1]. The new technology that connected the world led to changes in marketing. Consumers started actively giving feedback to companies and participating in product development and communication. As developed societies have collectively raised to the top of Maslov’s pyramid, increasing prosperity made post-material values and self-actualization their primary aspirations. Consumers started to have anxieties about the globalized world and started looking for solutions to make it a better place to live. Companies who want to create connections need to identify their anxieties and desires and commit to working for social, economic, and environmental causes in ways that would touch customers’ minds, hearts, and spirits.

Being value-based means that social, emotional, psychological or business values play a vital role, and profitability is balanced with corporate responsibility. Marketing 3.0 complements emotional marketing with the marketing of the human spirit.[1].

A. Cause-related marketing

“Cause-marketing is defined as a type of Corporate Social Responsibility (CSR) in which a company’s promotional campaign has the dual purpose of increasing profitability while bettering society” [8].

In their book on Corporate Social Responsibility, P. Kotler and N. Lee distinguished six major types of corporate social initiatives, including marketing-related ones: cause promotions, cause-related marketing, and corporate social marketing; and ones that are outside the typical functions of marketing departments: socially responsible business practices and volunteering.

Corporate Philanthropy - a practice of making a direct contribution to a charity or cause, most often in the form of donations, and/or services; Community Volunteering - supporting local community organizations and causes and encouraging employees and partners to volunteer, and Socially Responsible Business Practices - conducting business practices that support social causes to improve community well-being and protecting the environment. These activities are usually not visible enough to impact consumer preference at scale.” [9].

The remaining types of corporate social initiatives are forms of cause marketing, strategic actions that support business goals like increasing market share or building brand identity.

Cause-promotions support a cause by increasing awareness. Many companies link to specific causes that appeal more to their customers or support issues related to their core products, such as “cruelty-free” cosmetics brand promoting a ban on animal testing.

Cause-related marketing occurs when a company’s donations are based on product sales. It has a goal of influencing a behavior change by giving a percentage of revenues to a cause. This offer is usually for a particular product, over some time and the company is often associated with a non-profit.

Corporate Social Marketing is a campaign intended to improve public safety, health, or the environment and change behavior, especially ones that could lead to loss of revenue. Mobile phone companies advise not to text while driving or brands of alcohol beverages advocate to “drink responsibly” [9].

B. Digital marketing

In the transition from traditional to digital marketing, the human-centric approach is even more important. As our communications become more digital, marketing became more human.

With intensified conversations with peers, social circles of family and friends are becoming more important and reliable sources of advice than any kind of media. To attract customers and build a connection, brands are beginning to have human properties. Value-driven brands have one important human characteristic - morality, they place social responsibility as their core differentiation and keep their promise, even if customers aren’t keeping track. They come across as genuine and authentic, which are valuable assets in an increasingly transparent world. [10].

IV. MILLENNIALS AND GENERATION Z

Born between 1981 and 1996, Millenials are the last generation to grow up before the internet and technology and at the same time using all of its power. They joined the labor force in the height of the economic recession which dragged characteristics like freelancing work, longer stays in the parental home, postponing the marriage, and leaving the homeland for work [11].

Anyone born from 1997 onward is part of Generation Z [11]. This open-minded generation is known for celebrating differences and working for the future of equality regardless of race, gender, or sexual orientation. Nearly one-third of Generation Zs say people their age are more likely to think they are all equal, and 4 out of 10
believe their generation accepts differences in other people more than older generations. This is likely because many of the advances, such as gay marriage, from previous decades, seem obvious to them [12].

“The 2019 Millennial Impact Report, research on millennials and their interest in causes reveals that millennials engage with causes to help other people, not institutions; they support issues rather than organizations; they prefer to perform smaller actions before fully committing to a cause; are influenced by the decisions and behaviors of their peers; treat all their assets (time, money, network, etc.) as having equal value” [13].

“The 2019 Deloitte Global Millennial Survey that questioned Millennials and Generation Zs on their opinions about business’ motivations and ethics” [13] showed they are most concerned about climate change/protecting the environment.

They put great importance on the societal impact and ethics of companies they support, and expect them to improve the livelihoods of their employees, society, and protect the environment. They started or deepened a relationship with a business because of the perception that the company’s products or services have a positive impact on society and/or the environment, or believe a company was ethical. Despite a sharp decline in recent years, Millennials and Gen Zs believe that businesses in general, have a positive impact on society.

Perhaps the most worrying is respondents' opinions that traditional mass media negatively affects the world and is a slightly more reliable source of news than social media platforms. NGOs and nonprofits are ranked highest in terms of their impact on society and sources of reliable information even though it isn't their job to report the news [14].

V. THE RESEARCH METHODOLOGY

A. The Research Goals

The research aims to examine attitudes among Millennials and Generation Z students toward corporate social values and cause-related marketing:

1. Which social causes matter to students in general?
2. Do students consider corporate social responsibility important?
3. Students' attitudes towards supporting causes in marketing communication?

B. The Research Sample

The research was conducted among students on the Algebra University College.

The total number of population sample was 70 students (N = 70), on study programs: Software engineering (SE), Multimedia computing (MC), Digital marketing (DM), Visual communication design (VCD) and Design and communication management (DCM). The majority of students were from undergraduate study program Digital marketing; 28 of them (40%), and from Visual communication, design 26 students (37.1 %), 10 students (14.3 %) were from Multimedia computing, 5 (7.1 %) from Design and communication management, and 1 (1.4 %) from Software engineering. The structure of all surveyed students according to the study program is presented in Table 1.

<table>
<thead>
<tr>
<th>Study Program</th>
<th>SE</th>
<th>MC</th>
<th>DM</th>
<th>VCD</th>
<th>DCM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of Students per Study Program (N)</td>
<td>14.1%</td>
<td>14.2%</td>
<td>40.4%</td>
<td>37.1%</td>
<td>7.14%</td>
</tr>
<tr>
<td>Number of Students per Gender</td>
<td>Male</td>
<td>14.1%</td>
<td>14.2%</td>
<td>21.8%</td>
<td>12.8%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0%</td>
<td>0%</td>
<td>17.1%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Number of Students per Study Level</td>
<td>Undergraduate</td>
<td>14.1%</td>
<td>12.8%</td>
<td>35.7%</td>
<td>37.1%</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>0%</td>
<td>1.42%</td>
<td>4.28%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 1. The structure of the participants per Study Program in percentage, N = 70.

With 37 male students (52.8 %) and 33 females (47.1 %), the genders were divided into almost two equal groups.

Divided by age, 31 (44.2 %) students born until 1996, belong in the Millennials generation and 39 (55.7 %) of students born 1997. and later are Generation Z.

C. The Research Sample

The research was conducted through an anonymous voluntary survey during the winter semester of the 2019/2020 academic year.

A specially designed questionnaire in the Google Forms tool had 15 closed-ended questions, of which 3 were related to demographics. One of these questions included 11 statements for which respondents could indicate the degree of importance. For the rest, 8 questions answers were defined with the degrees of agreement, and two with degrees of importance according to the Likert scale.

At the beginning of the questionnaire, a descriptive definition of terms Value-driven marketing and Corporate social responsibility was determined with the aim of improving the understanding of the subject.

A quantitative method was used to analyze the research results. Data processing of survey results was performed via the Google Forms tool.

D. The Research Results

1. Which social causes matter to students in general?

The research results have shown that Millennials and Generation Z members (64.2 %) stated they value labor rights, worker protection the most, closely followed by human rights, and gender equality both chosen as the most important by 62.8 % of students. The next most
important values, chosen by half of the students (50%) is sustainable development (environmental protection) and active communication with consumers, closely followed with non-testing on animals (48.5%) and tolerance (47% of students). Supporting various non-profit organizations and different causes matters to 38.4% and participating in the community only to 30% of surveyed students.

The structure that represents the students' degree of importance according to the Likert frequency scale is presented in Table 2. The statements represented by letters in the table are as following:

A. Sustainable development and environmental protection.
B. Human rights.
C. Labor rights, worker protection.
D. Non-testing on animals.
E. Tolerance.
F. Gender equality.
G. Fairtrade (responsible relationship with suppliers).
H. Fighting poverty.
I. Participating in the community.
J. Active communication with consumers.
K. Supporting various non-profit organizations and different causes (fighting against various diseases, education, etc.)

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>Not important</th>
<th>Slightly important</th>
<th>Neutral</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1%</td>
<td>1%</td>
<td>14%</td>
<td>34%</td>
<td>50%</td>
</tr>
<tr>
<td>B</td>
<td>1%</td>
<td>1%</td>
<td>7%</td>
<td>27.1%</td>
<td>62.8%</td>
</tr>
<tr>
<td>C</td>
<td>3%</td>
<td>0%</td>
<td>7%</td>
<td>24.2%</td>
<td>64.2%</td>
</tr>
<tr>
<td>D</td>
<td>3%</td>
<td>4%</td>
<td>13%</td>
<td>40%</td>
<td>48.5%</td>
</tr>
<tr>
<td>E</td>
<td>1%</td>
<td>1%</td>
<td>13%</td>
<td>37%</td>
<td>47%</td>
</tr>
<tr>
<td>F</td>
<td>3%</td>
<td>2%</td>
<td>9%</td>
<td>24.2%</td>
<td>62.8%</td>
</tr>
<tr>
<td>G</td>
<td>1%</td>
<td>1%</td>
<td>11%</td>
<td>35%</td>
<td>50%</td>
</tr>
<tr>
<td>H</td>
<td>1%</td>
<td>6%</td>
<td>19%</td>
<td>31.4%</td>
<td>42.8%</td>
</tr>
<tr>
<td>I</td>
<td>0%</td>
<td>3%</td>
<td>26%</td>
<td>41.4%</td>
<td>30%</td>
</tr>
<tr>
<td>J</td>
<td>1%</td>
<td>1%</td>
<td>13%</td>
<td>35.7%</td>
<td>48.5%</td>
</tr>
<tr>
<td>K</td>
<td>3%</td>
<td>3%</td>
<td>21%</td>
<td>34%</td>
<td>38.5%</td>
</tr>
</tbody>
</table>

Table 2. Distribution of the importance degree according to the Likert scale.

2. Do students consider corporate social responsibility important?

When asked about corporate social responsibility (uniform consideration of the economic, social, and environmental impact), 44.3% of the total number of surveyed students considers it very important, 51.4% consider important, with only 4% neutral. On the importance of contributing to the community in which companies are present (supporting local charities, sponsorships, investing in development, etc.), 32.9% of students consider it very important, 58.6% consider important, 7% are neutral, and 1% consider it is only slightly important.

Distribution of the answers on the importance of corporate social responsibility and contribution to society is presented in Chart 1.

To question does corporate social responsibility affect how they feel or behave toward a company, students were asked to grade how much being aware of one company's reputation affect their attitude toward them, and do students attitudes differ for small domestic companies and large corporations (Apple, Nike, McDonald's, Coca-Cola, etc.).

a. Negative business practices

30% of students are almost certain, and almost half (47.1%) would change a relationship with a business (stop using company’s products or services) if they found out about negative business practices (worker exploitation, pollution, discrimination, etc.) of small domestic companies. 19% of students possibly would and 4% are unlikely to be affected.

For large corporations (Apple, Nike, McDonald's, Coca-Cola, etc.) results are different.

Only 15.7% of students are almost certain they would change their relationship with a business because of their negative business practices, which is 50% less than for local companies. 34.3% would likely, 31% possibly, 13% unlikely, and 6% rarely stop using the company’s products or services.

Distribution of the answers about the effects of businesses' negative values on students' relationships with small domestic companies in comparison to large corporations is presented in Chart 2.

Would you ever stop using company’s products or services if you discover about their negative business practices?

Chart 1. Distribution of the answers to the question: a. How important is the corporate social responsibility of a company? And b. How important is it to contribute to the well-being of the community in which the company is present?
Unlikely 30%
Possible 40%
10%
30%
20%
30%
50%
Likely 50%
50%
60%
10%
10%
Almost certain 50%
20%
40%

Chart 2. Distribution of the answers to the question: As a consumer, would you stop using the company’s products or services if you discover their negative business practices? in a comparison between small domestic companies and large corporations.

b. Prominent positive values

On the other hand, if a small domestic company has prominent positive values (corporate social responsibility, tolerance, protection of workers, sustainable development and environmental protection, fair trade, etc.), 25.7% of participants would almost certainly change a relationship with a business (start using company’s products or services), 42.9% likely and 31% possibly started using their products or services. 9% of surveyed students would unlikely and 1% would be rarely affected.

Large corporations (Apple, Nike, McDonald’s, Coca-Cola, etc.) positive values would affect 27.1% of students in a way that they would almost certainly start using the company’s products or services, almost the same as for small domestic companies. 28.6% of students would likely and 31% possibly change their relationship with a business. 9% is unlikely and 1% would rarely be affected.

Distribution of the answers about the effects of businesses’ positive and negative values on students’ relationship with local companies in comparison to large corporations are presented in Chart 3.

In summary, the research results have shown that businesses’ positive and negative values would more likely affect students’ relationships with small domestic companies than large corporations.

c. Socially responsible business practices

The research results have shown that 41.4% of the total number of surveyed students strongly agree and 50% agree that incorporating socially responsible business practices (corporate social responsibility, fair trade, protection of workers, sustainable development, environmental protection, gender equality, tolerance, animal rights, etc.) affects on company’s popularity. Only 6% neither agree neither disagree and 3% disagree.

Overall, the majority of students agree that corporate social responsibility positively affects a company’s image. Distribution of the answers if incorporating socially responsible business practices affects a company’s popularity is presented in Chart 4.

3. Students’ attitudes towards supporting causes in marketing communication.

a) Cause-related marketing

For supporting causes in marketing communication (cause-related marketing), 40% of participants strongly agree and 47.1% agree that it affects the company’s popularity. 11% of them neither agree neither disagree and 1% strongly disagree with the statement.

The distribution of answers if supporting causes effects a company’s popularity is presented in Chart 5.

b) Supporting causes that students value

42.9% of the students strongly agree and 34.3% agree they would rather use products and services from companies that in their marketing communication support causes they consider important. 23% neither agree neither disagree and none of the students disagrees or strongly disagrees. The distribution of the answers is presented in Chart 6.
Millennials and Generation Z consumers have a better perception of a company doing something to make the world a better place. These generations are accustomed to advocating for the causes they are interested in through social media platforms. A value-based approach in marketing strategy, cause-related marketing can make a difference. Brands that successfully attach their core to some social cause, it stops being just something they support, it becomes who they are, and they become ambassadors. If brands want to appeal to these generations, they need to pay attention to their values.

REFERENCES