

Wagers of Goodwill: The Impact of Cause Marketing on Consumer Legitimacy for Gambling Companies

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Abstract

Although new regulation in Belgium (since July 2023) prohibits nearly all forms of gambling advertising, gambling companies started to shift their advertising budgets to marketing forms that are not strictly regulated. One concerning shift is the one to cause marketing, which refers to gambling companies sponsoring charities and communicating about these partnerships on their channels. Relying on legitimacy theory, we investigate the role of consumer legitimacy in consumer responses to cause marketing initiatives by gambling companies. We conducted a single factor between-subjects online experiment (gambling marketing strategy: cause marketing vs. regular promotional post) among 168 participants (18 to 45 years). The results show that a gambling company's altruistic motives were perceived as higher for the cause marketing compared to the regular promotional social media post. These higher perceived altruistic motives further increased the three dimensions of consumer legitimacy (i.e., cognitive, pragmatic and moral), which subsequently enhanced the company's corporate reputation.

Keywords: Gambling; Gambling advertising; Cause marketing; Consumer legitimacy