

**Bridging Corporate Social Responsibility and Consumers' Corporate Brand Evaluations—
Understanding Consumers' Psychological Processes**

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ABSTRACT

This study sheds light on potential mediators between Corporate Social Responsibility (CSR) activities and consumers' corporate brand evaluations. The results of the study show that, on the ethical/moral side of consumers' corporate brand evaluations (i.e., consumers' perceived CSR image), three mediating factors channel the effect between CSR activities and CSR image. These are consumers' perceived 1) commitment (i.e., the perceived commitment of the firm to help the cause); 2) values-driven motive (i.e., the perceived sincerity of the firm to help the cause); and 3) customer orientation (i.e., the extent to which the CSR is oriented towards meeting customer needs and wellbeing). On the competence side of consumers' assessments (i.e., consumers' perceived CA image), only one mediator is discovered (i.e., customer orientation), namely, the extent to which the CSR is oriented towards meeting customer needs and wellbeing. The study represents one of the first attempts to uncover mediators between various CSR activities and corporate brand image. The findings help companies design their CSR initiatives with clearer consumer-oriented goals in mind and increase the effectiveness of CSR in realizing corporate strategic objectives.

Nowadays, Corporate Social Responsibility activities come in increasingly divergent and sophisticated formats. Many previous studies have found that different CSR activities can contribute to a favourable overall corporate image (e.g., Brown and Dacin 1997; Klein and Dawar 2004; Du, Bhattacharya and Sen 2007). Given these previous findings, an important question arises as to: what are the underlying consumer psychological processes that channel the effects of CSR activities on consumer corporate evaluations? The current research attempts to answer this question by uncovering possible consumer reasoning processes that bridge a firm's CSR activities and consumers' corporate brand evaluations.

In order to fulfil this research goal, the author conducted extensive literature review on the reasons, justifications, and consumer attributions for CSR endeavours that have been documented previously. Four potential mediators are proposed for hypotheses testing as the outcome of the literature review. These are: 1) perceived commitment (i.e., perceived amount of effort and commitment of the firm to help the cause); 2) perceived values-driven motive (i.e., perceived sincerity of the firm to help the cause); 3) perceived customer orientation (i.e., the extent to which the CSR is perceived to be oriented towards meeting customer needs and wellbeing); and 4) perceived cause contribution (i.e., the extent to which the CSR is perceived to help the cause).

When selecting corporate evaluation measures, the study uses the concept of "corporate associations", which are the aggregate of consumers' perceptions of all the attributes of a firm (Brown and Dacin 1997). Corporate associations have two important aspects: 1) corporate ability (CA) image, which is regarded as perceived innovation and production competence of a company, and 2) CSR image, which pertains to an ethical judgment of whether the company fulfils its social obligations and being a responsible corporate citizen (Alaniz, Caceres, and Perez 2010; Sparks and Pan 2010). The study hypothesizes that that enhanced evaluations on perceived values-driven motive, perceived CSR commitment, perceived customer-orientation, and perceived cause contribution will contribute to an enhanced CSR image, that is, the moral judgement or social reward of the

company. As with Corporate Ability (CA) image, however, this study expects that only the perceived customer-orientation will channel the effect from CSR activities on CA image.

Utilizing an experimental design with 230 undergraduate students, the study tested the above mediating hypotheses with the statistical procedure of “SPSS INDIRECT macro”. The mediating tests demonstrate that on the ethical/moral side of consumers’ assessments (i.e., consumers’ perceived CSR image), three mediating factors channel the effect from CSR activities to CSR image. These are consumers’ perceived: 1) commitment; 2) values-driven motive; and 3) customer orientation. The study, however, provides no evidence to support perceived cause contribution as a valid mediator between CSR activities and CSR image. On the competence side of consumers’ assessments (i.e., consumers’ perceived CA image), only one mediator is validated (i.e., customer orientation), namely, the extent to which the CSR is oriented towards meeting customer needs and wellbeing.

These findings indicate that to assess the effectiveness of CSR investments, managers should regularly measure the extent to which these actions contribute to consumers’ perceptions of “CSR commitment”, “values-driven motives”, “customer orientation”, and “trustworthiness”. Understanding how consumers perceive CSR motives, commitment, and orientation, in relation with CSR image and CA image can help managers monitor and enhance these consumer outcomes through marketing communication efforts that manage the outcomes of these underlying processes. For example, based on the research finding, when targeting the moral/ethical image of a firm, more CSR communicational efforts should be devoted to reflecting the efforts and commitment embodied by the CSR initiative, the altruistic intention, as well as the anticipated wellbeing/value a particular CSR can bring about. When targeting the corporate ability/competence aspect of a firm’s image however, concentrated communicational efforts should be devoted to the anticipated improvement of customer wellbeing and value as a result of CSR initiatives.

An important finding of the study pertains to the strong diagnosticity and mediating effects of the measure of “customer-orientation”. This measure remains largely unexamined in extant CSR literature. This study defines “customer-orientation” as the extent to which the CSR activity is perceived to be oriented towards meeting customer needs and wellbeing. Although remain empirically unexamined, the idea of creating customer value has been of central discussion in the CSR strategic management literature (e.g., Porter and Kramer 2011; Surroca, Tribo, and Waddock 2010). The finding of this study represents good news to corporate managers. Whereas consumers’ judgment of other mediating processes, such as sincerity and perceived commitment, often largely depend on individuals, of which firms usually have limited control, the dimension of “customer-orientation” can be actively pursued and achieved through fact-based CSR communications. Companies who are engaging in CSR with embedded customer value propositions should make every effort to stress the consumer-related benefits of the CSR effects.

Our finding on “customer-orientation” as a potential mediator also provides interesting implications for consumers as an increasing number of them seek to pursue pro-social consumption behaviours today. Pro-social consumption can be understood as positive purchasing behaviours that, intentionally or unintentionally, result in benefits of others (Batson 1998). Few of the exiting marketing research has tied pro-social consumption to tangible benefits that consumers themselves can garner from engaging in pro-social consumption. As discussed, consumers can derive explicit wellbeing from a company’s CSR efforts including enhancing their sense of health and safety, acquiring more positive attitudes and emotions as a result of beneficial consumption, and boosting a sense of community affiliation by participating in CSR activities. Given that nowadays many consumers do not translate their pro-social values to actual pro-social purchase behaviour (Jagel et al. 2012; McDonald et al. 2012), this study offers an important suggestion that by enhancing consumers’ awareness and knowledge of tangible customer wellbeing as a result of CSR initiatives, it would help promote more pro-social purchases. In other words, it is

possible that a consumer would be more likely to engage in pro-social consumption when they perceive that a company is competent and is simultaneously offering them tangible benefits via their CSR efforts. As consumers, enhancing general knowledge about a company's corporate ability profile together with reflecting on how well the product choice can fulfil one's own consumption values and needs can help us make wiser pro-social consumption choices.

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