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See How 'Good’ We Are: the Dangers of Using Corporate Social Activities in Communication Campaigns

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EXTENDED ABSTRACT - Corporate Social Responsibility (CSR) has become an increasingly popular concept. More companies than ever engage in CSR activities (e.g., socially responsible employment, see Drumwright, 1994). Recent research in marketing, however, shows that communicating about CSR activities does not necessarily result in positive effects for companies (Sen and Bhattacharya, 2001). In addition, many studies clearly report that perceived socially irresponsible corporate activities lead to negative perceptions of the company and its products (e.g., Brown and Dacin, 1997). Lastly, it seems that companies that are doing the most in the area of CSR are also the ones that are criticized the most whereas the ones that are not doing anything are the least criticized (SEE Newsletter, 2001). As a result companies promoting themselves as socially responsible need to know how detrimental to their business accusations of irresponsible behaviors will be.

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EXTENDED ABSTRACT

Corporate Social Responsibility (CSR) has become an increasingly popular concept. More companies than ever engage in CSR activities (e.g., socially responsible employment, see Drumwright, 1994). Recent research in marketing, however, shows that communicating about CSR activities does not necessarily result in positive effects for companies (Sen and Bhattacharya, 2001). In addition, many studies clearly report that perceived socially irresponsible corporate activities lead to negative perceptions of the company and its products (e.g., Brown and Dacin, 1997). Lastly, it seems that companies that are doing the most in the area of CSR are also the ones that are criticized the most whereas the ones that are not doing anything are the least criticized (*SEE Newsletter*, 2001). As a result companies—promoting themselves as socially responsible—need to know how detrimental to their business accusations of irresponsible behaviors will be.

Hypotheses

Communicating about CSR activities is likely to create higher expectations with regard to the company's social involvement. It was therefore hypothesized that customers—learning that the company has committed socially irresponsible acts—would experience a strong 'negative surprise' (i.e., surprise followed by negative emotions) and, as a result, would react even more negatively than if the company had not promoted itself as a socially responsible company (see Vanhamme and Snelders 2003). More precisely—after accusations of irresponsible acts—deterioration with respect to the perceptions of the company and its products, trust in the company and purchase intentions were hypothesized to be larger for companies promoting themselves as socially responsible than for companies not using this element in their communication campaigns (H1). It was also hypothesized that surprise would have a direct and indirect influence (via its amplification of negative affective reactions) on these 'deterioration' variables (H2).

Methodology

The hypotheses were tested via a 2 (pre/post measure vs. post measure only) by 2 (CSR vs. NO CSR) design. Two out of the four conditions involved a measure of dependent variables (i.e., company and product perceptions, purchase intentions, and trust in the company) *before and after* respondents read a newspaper article accusing the company of committing irresponsible acts. In one of the two conditions, respondents read—before the newspaper article—a company's public relations (PR) press release mentioning several CSR activities whereas no information about CSR activities was mentioned in the other condition. The last two conditions replicated the first two conditions but measures of the dependent variables were only collected *once; after* the negative information about the company's irresponsible acts (i.e., newspaper article). 244 respondents were randomly assigned to the four conditions.

Results

The analysis of the results showed that the respondents who read the PR press release with CSR elements had a more positive perception of the company and a higher score for credibility and integrity (i.e., trust) than the respondents who read the PR press release without CSR elements.

Moreover—after the respondents read the newspaper article with the negative CSR-related information—scores for the perceptions of the company and its products, purchase intentions, credibility and integrity were significantly lower in all four conditions.

In addition—after the negative CSR-related information—no significant difference was found with respect to the perceptions of the company and its products, purchase intentions, and credibility scores between respondents who read the description with CSR elements and those who read the description without CSR elements. Integrity, however, was significantly lower for the former group of respondents.

Lastly, as expected, the *deteriorations* (difference between the pre-measure and the post-measure) with respect to 'company perception', and 'integrity' were larger for respondents who received the PR press release with CSR elements.

Results for the mediation analysis further showed that fear and disgust partially mediated the influence of surprise on the deterioration of the company and product perceptions; anger, disgust and fear partially mediated the influence of surprise on the deterioration of purchase intentions; and anger and fear partially mediated the influence of surprise on the deterioration of integrity. Moreover, the direct influence of surprise on the deterioration of the company perception, purchase intentions and integrity seemed to be systematically stronger for the respondents who received the PR press release with CSR elements than the others.

Conclusions

The results of our study show that companies promoting themselves as socially responsible are perceived more positively and trusted (integrity and credibility) more. However, it also highlights that the more positive perception and increased trust disappear if the company is accused of behaving non socially. For trust, the result even shows that—after customers have been exposed to the negative information—they seem to trust (integrity dimension) companies promoting themselves as socially responsible even less than companies not using CSR elements in their communication campaigns.

The present research also emphasizes that surprise seems to play a role with respect to the factors underlying the stronger deterioration encountered for companies promoting themselves as socially responsible. However, these stronger deteriorations could alternatively be explained by a contrast effect (Sherif and Hovland, 1961): when a company overtly promotes itself as socially responsible, it creates a more positive context than when it does not mention its CSR activities. As a result, negative information about the company's alleged irresponsible acts comes across as more discrepant with the context in the former case and may thus result in more negative judgments (contrast effect) than in the latter case.

It is worth noting that our results are subject to some limitations. Besides the limitations related to the scenario method, other limitations are the type and number of CSR elements used in the press release and journal article. Furthermore, this study only considered high quality products and a fictitious company. Eventually, the type of sources may also limit the external validity of our results (sources that are perceived as more objective might lead to a different pattern of results). Lastly respondents' reactions and perceptions were measured just before and then right after the

accusation of irresponsible acts. A real longitudinal study could better highlight how consumers' reactions evolve as time goes on.

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