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# **Public Relations Review**



# Research in Brief

# The complex attribution process of CSR motives

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#### ARTICLE INFO

# Article history: Received 6 January 2011 Received in revised form 15 September 2011 Accepted 30 September 2011

Keywords: Corporate social responsibility Perceived CSR motives Issue engagement

#### ABSTRACT

This study examines how consumers reconcile two possibly contradictory motives (public-serving and firm-serving) to the corporate social responsibility (CSR) initiatives of companies in socially stigmatized industries. Our results indicate that consumers are willing to accept and give reputational credit for firm-serving motives behind the companies' CSR initiatives, as long as they also perceive that the companies are sincere in serving public interests (i.e., high public-serving motives). Consumers highly engaged in social causes are also willing to accept firm-serving motives when they also perceive sincere public-serving motives behind the companies' CSR activities.

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# 1. Introduction

Industries that are often socially stigmatized, such as tobacco, beer, or fast food, have been targets of public criticism for causing social and health issues (Sinclair & Irani, 2005). Perhaps due to this public scrutiny, companies like McDonald's and Miller Brewing have implemented many related corporate social responsibility (CSR) initiatives (e.g., promotion of healthy eating and campaigns against binge drinking). However, when the supported social causes are at seemingly cross-purposes to the companies' main business lines as illustrated above, how would consumers perceive the companies' motives for supporting such CSR efforts? Would consumers perceive that those companies support such CSR efforts to benefit public interests (i.e., public-serving motives), or would consumers perceive that those companies are only serving their own interests (i.e., firm-serving motives)? Previous research suggests that consumers' perceptions of firm-serving CSR motives tend to negatively influence a company's CSR effectiveness, while public-serving motives tend to positively influence its effectiveness (e.g., Forehand & Grier, 2003; Yoon, Gurhan-Canli, & Schwarz, 2006). However, how consumers reconcile those two CSR motives in evaluating companies' CSR efforts still remains unclear.

Thus, this study investigates how consumers evaluate the two possibly contradictory CSR motives – public-serving vs. firm-serving motives – in the efforts of companies in socially stigmatized industries (e.g., McDonald's and Miller Brewing). In addition, considering that socially stigmatized industries tend to generate stronger activism among consumers, this study provides an attempt at understanding the possible relationships between consumers' engagement in social issues and their evaluation processes of the two perceived CSR motives.

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# 2. Research questions and hypotheses

- **H1.** Consumers will attribute more firm-serving motives than public-serving motives to the CSR initiatives of companies in stigmatized industries when the companies' business lines are seemingly opposed to the very social causes supported by the CSR initiatives.
- **RQ1.** How do inferred public-serving and firm-serving motives of companies in socially stigmatized industries influence consumers' perceptions of the business' trustworthiness and issue-supportive behavior intention, as well as purchase intention?
- **H2.** Interaction effects will exist between perceived motives (public-serving and firm-serving) and consumers' issue engagement levels in influencing consumers' perceptions of trustworthiness, supportive behavior intention, and purchase intention toward the companies' CSR in socially stigmatized industries.

## 3. Method

An online experimental survey method was employed. The study used fast food and alcohol industries to examine socially stigmatized industries' CSR initiatives based on pre-tests. CSR messages dealing with obesity and binge drinking were chosen due to their high congruence with the main business lines of fast food and alcohol industries (McDonald's with obesity prevention and Miller Brewing with binge drinking prevention). For sampling, the study used consumer panels of participants who were older than 25 years. Of the total (N = 448), 223 respondents (49.8%) viewed McDonald's CSR message, while 225 (50.2%) viewed Miller Brewing Company's message. In terms of gender breakdown, 53% of the participants were female, while 47% were male. Participants assessed their own issue engagement levels and prior perceptions toward the companies before being exposed to the CSR messages. Each participant was exposed to only one treatment. After viewing the CSR messages, participants were asked to answer questions regarding perceived public-serving and firm-serving motives of the company's CSR, trustworthiness of the company, issue-supportive behavioral intention, and purchase intention.

#### 4. Results

H1 tested whether people attribute a greater degree of firm-serving motives than public-serving motives to the stigmatized industry's CSR initiatives when the nature of the business is one of the reasons to implement such CSR activities to begin with. The results revealed that there are no statistically significant differences between perceived public-serving motives (M = 4.31, SD = 1.44) and firm-serving motives (M = 4.21, SD = 1.56) attributed to the stigmatized industry companies' CSR activities. Our participants did not attribute a greater degree of firm-serving motives to stigmatized industry companies' CSR activities, thus not supporting H1 (t = .804, df = 447, p > .05). Interestingly, there was a difference in the perceived motives between the two companies; participants tended to assume that McDonald's had more firm-serving motives for its CSR, whereas Miller had more public-serving motives. Due to these results, we further investigated possible reasons for the difference by examining prior evaluations of the two companies. Our results revealed that participants had significantly more favorable initial perceptions toward Miller (M = 5.01, SD = 1.05) than McDonald's (M = 4.74, SD = 1.15) (F (1, 446) = 6.83, p < .001,  $\eta_p^2$  = .025). Based on our results, we might assume that consumers' prior perceptions or evaluations of a company also influence their belief in the company's CSR motives.

Our results regarding RQ1 revealed that there were significant interaction effects between public-serving and firm-serving motives in influencing companies' trustworthiness ratings (F(3, 444) = 5.43, p < .05,  $\eta_p^2 = .03$ ), but no interaction effects were found in issue supportive behavior intention (F(3, 446) = .005, p > .05) and purchase intention (F(3, 446) = 2.61, p > .05). In other words, among the consumers who attributed high public-serving motives to a company's CSR activity, those who also attributed high firm-serving motives revealed significantly higher levels of trust toward the company than those who attributed low firm-serving motives.

H2 (interaction effects of perceived CSR motives  $\times$  issue engagement) was also partially supported. There were no significant interaction effects between public-serving motives and consumers' issue engagements in affecting their evaluations of a company's trustworthiness (F (3, 444)=3.4, p>.01). However, there were significant interaction effects in the supportive behavior intention (F (3, 444)=4.56, p<.05,  $\eta_p^2$ =.013) and purchase intention (F (3, 444)=3.97, p<.05,  $\eta_p^2$ =.012). These interaction effects suggest that the effects of consumers' issue engagement levels on their support behavior intention and purchase intention are greater when consumers attribute high public-serving motives to the company than low public-serving motives. There were also significant interaction effects between firm-serving motives and consumers' issue engagement in influencing consumers' purchase intention (F (3, 444)=4.21, p<.05,  $\eta_p^2$ =.012), but there were no significant interaction effects in consumers' evaluation of the company's trustworthiness (F (3, 444)=.37, p>.05) or issue supportive behavior intention (F (3, 444)=.001, p>.05). In other words, when consumers have high issue engagement levels to the issues addressed in a company's CSR, they tend to show higher purchase intentions, and the tendency is even stronger in the case of low firm-serving motives than high firm-serving motives.

### 5. Discussion

Our findings indicated that consumers did not attribute more firm-serving motives to the stigmatized industry company's CSR simply because of the high correlation between the company's main business and its CSR addressing social issues. In other words, the high congruence between the business and the supported social cause itself does not exclusively determine the salience of firm-serving motives among companies in stigmatized industries. Rather, consumers' previous perceptions of the company play a role in selecting salient motives of the company's CSR activities. Therefore, we should be cautious to claim that a certain industry generates greater perceptions of its CSR initiatives as self-interested (i.e., firm-serving motives) due to the high congruence (e.g., Yoon et al., 2006).

The way consumers attribute two possibly contradictory motives to the CSR activities of companies in stigmatized industries was more complex and synergistic than previous studies suggested (Ellen, Webb, & Mohr, 2006; Yoon et al., 2006). When consumers attribute both high public-serving and firm-serving motives to a company's CSR, they tend to believe that the company is trustworthy. Furthermore, regardless of attributed levels of a company's firm-serving motives, when consumers think the company is sincere in supporting activities for the public good (high public-serving), they tend to reveal higher issue supportive behavior intention and purchase intention. This finding suggests that consumers do not simply make judgments about a company's CSR motives based on bipolar and zero-sum perspectives (public-serving or firm-serving) (Ellen et al., 2006). Thus, hiding a company's firm-serving motives might be unnecessary in generating issue supportive behavioral and purchase intentions; rather, convincing consumers of the company's sincere public-serving motives might be more important. Even though the salience of firm-serving motives has a negative impact on consumer responses in general, such impact should be considered in relation to the apparently greater salience of public-serving motives. This observation confirms that consumers are smart enough to acknowledge and willing to accept the main purpose of business (having firm-serving motives) in our society. This conclusion implies that organizations should focus on increasing the appreciation of their public-serving motives among consumers from a relationship management perspective and should use an "honesty is the best policy" strategy for presenting firm-serving motives in order to build a long-term organization-public relationship.

Finally, as to the way perceived CSR motives interact with consumer issue engagement levels, our findings indicate that when people have strong engagement with the issue addressed in a company's CSR, their willingness to engage in issue-supportive behavior and purchase the company's products increases more when they perceive the company as highly sincere in serving the public. In addition, active publics that were highly engaged with the supported CSR issues evaluated the company most positively when they attributed both high public-serving and firm-serving motivations to the company's CSR. Thus, managers should keep in mind that even activists against their companies would appreciate honestly presented firm-serving motives in the CSR messages.

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