

Original Research Article

A context dependent nature effects on choices of corporate social responsibilities and consumer behaviors

ABSTRACT

Aims: Given that how consumers perceive a CSR marketing strategy will influence their responses, this study hence enriches the knowledge about CSR marketing strategy by proposing the relative effectiveness of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on consumer attitudes and behavioral responses. This research also proposes the highly context-dependent nature of CSR marketing strategy that may help explain such relative influences, including perceived severity and vulnerability of the CSR issue, contribution type, and type of CSR issue.

Methods: Literature reviews linked with theories lead to propositions.

Conclusions: In doing so not only is such research important in terms of filling literature gaps to the existing literature of CSR, but also for providing directions to practitioners when considering CSR as a marketing strategy, when a chosen CSR marketing strategy may ultimately shape images of the company.

Keywords: corporate social responsibility, philanthropic marketing, sponsorship-linked marketing, purchased-triggered donation, corporate social responsibility image, consumer identification, electronic word-of-mouth

I. INTRODUCTION

Natural and man-made disasters, such as the current and ongoing Covid-19 pandemic, can cause a severe threat to the sustainability of an organization's operation and influence the way consumers behave. On May 2022, the World Health Organization (WHO) declared Covid-19 outbreak a global pandemic over 14.9 million deaths worldwide [1]. Unfortunately, on 26 November 2021, WHO designated the latest and worst Covid-19 variant, named Omicron. Omicron has been detected in more than 30 countries and appears to reduce the vaccine power. The global pandemic may once again gravely wound the recovering global economy and create unprecedented challenges for corporations to manage their business and social responsibilities.

In facing such global crisis, consumers expect companies to playing a critical role in helping the society [2]. In fact, many companies are increasingly looking for ways to help consumers, and through that help create connections with consumers. According to Zeno's 2020 Strength of Purpose Study, consumers will remember how companies take action during Covid-19 crisis. Consumers are six times

more likely to protect the company in the event of misstep or public criticism and more than four times more likely to recommend the company to friends and family. As such, an investment in corporate social responsibility (CSR) as a form of marketing strategy to support the community pays dividends for a company's long-term development, particularly in times of crisis [2].

He and Harris (2020) further maintain that companies should pragmatically capitalize on the opportunities of the Covid-19 crisis and actively engage with their CSR marketing strategies [2]. According to Mohr, Webb, and Harris (2001), CSR involves "a company's commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society." [3]. A company's socially responsible behavior hence encompasses the range of actions and obligations that directly and indirectly influence the future performance of the company, such as philanthropic donation, supporting nonprofit organizations, treating employees fairly in the workplace, behaving ethically, and etc.

CSR has proven its effectiveness in reaching target audiences, while also building strong corporate image, identification, and consumer loyalty. Previous studies have verified that if a company actively implements CSR initiatives, its brand image and economic performance also improve due to consumer support [4, 5, 6]. Consumers also directly benefit from companies that engage in CSR initiatives. Participating in a company's CSR campaign, consumers not only experience positive emotions of helping others but also satisfy their self-definitional needs. However, not all CSR marketing strategies are alike, especially in times of crisis [2, 7, 8].

There are many CSR marketing strategies by which a company can adopt to offer immediate help and assistance to the society. According to Polonsky and Speed (2001), a company can decide on the type of CSR marketing strategy (e.g., philanthropic marketing, cause-related marketing, and/or sponsorship-linked marketing), which issue to support (e.g., human, social, and environmental-related), how long and how much to contribute, and in which contribution type (e.g., money, in-kind, and/or employee volunteerism) [9]. After reviewing the types of CSR marketing strategies that have been investigated by researchers as well as those that have been commonly utilized by marketers, three types of CSR marketing strategy are identified and included in this study: philanthropic marketing, sponsorship-linked marketing, and purchase-triggered marketing [2, 7,10, 11].

Given that how consumers perceive a CSR marketing strategy will influence their responses, this study hence enriches the knowledge about CSR marketing strategy by exploring the relative effectiveness of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered marketing on a company's CSR image as well as consumer identification with that company. We then propose that the more consumers perceive a company's positive CSR image, the more likely consumers will be to exhibit positive identification with the company and then to demonstrate positive purchase intention and electronic word of mouth (e-WOM). Extant research findings have addressed that the effectiveness of a given CSR marketing strategy is highly dependent upon multiple variables [12, 13, 14]. Thus, this research also explores the context-dependent nature of CSR marketing strategy that may help explain such relative influences, including perceived severity and vulnerability of the CSR issue,

contribution type (i.e., money and in-kind), and type of CSR issue (i.e., Covid-19, natural and man-made disasters).

Despite the fact that many companies support and engage in these three common CSR marketing strategies to improve society, little research has addressed their relative impact and the underlying moderating variables. More research should be done to uncover how CSR marketing strategies are perceived by consumers and influence their responses [2, 14, 15]. In doing so not only is such research important in terms of filling the literature gap to the existing literature of CSR, but also for providing directions to practitioners when considering CSR marketing strategy, particularly when a chosen CSR marketing strategy may ultimately shape the image of the company.

II. LITERATURE REVIEW AND PROPOSTIONS

2.1. CSR Marketing Strategy

As aforementioned, many companies have adopted socially responsible elements in their marketing strategies as a means to help society cope with the crisis via philanthropic marketing, sponsorship-linked marketing, and purchase-triggered marketing. Philanthropic marketing involves a company's charitable contribution to worthy causes based on an altruistic desire to improve human/social welfare or, in some cases, a strategic mindset that exploits the cause for the company's own purposes or gains [9, 16, 17] Collins, 1994;). For example, Kraft Heinz has donated \$12 million to Food Bank charities across the world. Google has donated more than \$800 million to support small-and medium-sized businesses and health workers on the frontline of facing Covid-19 pandemic. Nevertheless, previous research has revealed that true or pseudo-altruism philanthropy does have a positive association with brand image, social recognition and brand attitude [6, 18, 19, 20].

Sponsorship-linked marketing is a strategic investment of marketing activities for the purpose of accessing exploitable commercial potential associated with an event or publicized entity [21, 22, 23]. For example, Mercedes Formula sponsors University College London engineers and clinicians to develop "Continuous Positive Airway Pressure" breathing devices. Previous research has found the positive effect of sponsorship-linked marketing on consumers' perceived brand association and image [14, 21, 22, 24].

Purchase-triggered donation is a type of cause-related marketing in which a corporate donation is triggered by consumer's purchase or action. This donation commonly takes the form of a portion or percentage of the sales or profit to a cause. For example, T-Mobile donates from \$300,000 to \$500,000 to Feeding America when consumers engage with its promotional program, T-Mobile Tuesdays. Previous research has also found significant effect of purchase-triggered donation on brand image, attitude, and identification [14].

2.2. CSR Marketing Strategy and Social Identity Theory

He and Harris (2020) indicate that consumers will reward companies for their support of social welfares in times of Covid-19 crisis [2]. Social identity theory lends a hand to explicate such consumer

behavior [25]. Based on the theory, consumers feel motivated to develop socially identifying relationships with a company as a means of improving their own self-definitions. Having psychologically defined themselves as a member of that company, consumers then internalize the company's image as personal image which reveals positive identification toward the company [5]. When consumers identify with the company, they may purchase products as a way of expressing their identity [26] and their alignment with that company such as spreading word-of-mouth (WOM) through online community.

Findings from the extant research has showed that different type of CSR marketing strategies may vary in their effectiveness [14, 15, 27]. Thus, on the basis of social identity theory and previous research findings, it can be inferred that philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation will exert relative influences on CSR image and consumer identification. In the process of consumer-company identification, CSR image further enhances consumer identity with the company [28]. Consequently, CSR image and consumer identification induce consumers' purchase intention and spread positive eWOM in online community. Hence, we propose:

- P1: Philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation exert relative influences on CSR image.
- P2: Philanthropic donation, sponsorship-linked marketing, and purchase-triggered donation exert relative influences on consumer identification.
- P3: CSR image exert positive influence on consumer identification.
- P4: CSR image exerts positive influence on (a) purchase intention and (b) e-WOM.
- P5: Consumer identification exerts positive influence on (a) purchase intention and (b) e-WOM.

As aforementioned, extant research findings indicate that the effectiveness of CSR marketing strategies is context-dependent [12, 13, 14]. The implementation of CSR marketing strategy involves how consumers perceive the severity and vulnerability of the CSR issue, contribution type (i.e., money and in-kind), and type of CSR issue (i.e., Covid-19, natural and man-made disasters).

2.3. Perceived Severity and Vulnerability of the CSR Issue

Among various scales used to assess a consumer perception of a CSR issue, perceived severity and perceived vulnerability, originally derived from the Health Belief Model, are widely adopted by researchers [29, 30]. Perceived severity refers to a person's subjective perception of the severity of getting a problem and its potential consequences. Perceived vulnerability is defined as personal belief(s) regarding the risk of an issue [31]. According to the Health Believe Model, when people have higher perceived severity and vulnerability of an event that may cause adverse consequences, people are more likely to take actions that reduce the threat [29]. Likewise, consumer's perceptions of the severity and vulnerability of the CSR issue may affect their attitude and behavioral intentions toward the company's CSR marketing strategies responding to the issue. As yet, no empirical studies exist that investigate the

effect that perceived severity and vulnerability of the CSR issue can have on the relative effectiveness of the three CSR marketing strategies. The gap in the literature leads to the following propositions:

- P6: The relative effects of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on CSR image will be moderated by perceived severity of the CSR issue.
- P7: The relative effects of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on CSR image will be moderated by perceived vulnerability of the CSR issue.
- P8: The relative effects of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on consumer identification will be moderated by perceived severity of the CSR issue.
- P9: The relative effects of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on consumer identification will be moderated by perceived vulnerability of the CSR issue.

2.4. Contribution Types and Perception of CSR Issue

Two most basic and common types of CSR contribution involve money and in-kind donations. A monetary contribution involves an amount of cash, while in-kind contributions are donations in the form of goods, services or time. Contingent upon the perception, framing, and other cause-related factors, previous research has revealed that consumers respond differently to these two types of CSR contributions [13, 32, 33; 34].

For example, cash contributions enhance consumer evaluations when bundled with CSR issue that are perceived to be largely controllable. In contrast, when the CSR issues are perceived to be largely uncontrollable, in-kind contributions lead to more favorable attitude toward the company [33]. The higher relative cost of contribution type (i.e., money and in-kind) perceived by consumers leads to higher levels of perceived effort, which then builds more company identification [35]. Vlachos et al. (2016) finds that, in the condition of cause-related marketing (CRM), in-kind contribution type works best at reducing consumers' causal attributions of companies' self-serving motives [36].

To our knowledge, no research has been done to study the moderating role of contribution type on the effects of the three types of CSR marketing strategy on consumer attitudes and behavioral intentions toward the company. In addition, in light of the context-dependent nature of CSR marketing strategy in contribution type and consumer perception of CSR issue, we propose the moderating effect of contribution type as following:

- P10: The relative effects of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on CSR image will be moderated by contribution type (i.e., money and in-kind).

P11: The relative effects of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on consumer identification will be moderated by contribution type (i.e., money and in-kind).

P12: Perceived severity and vulnerability of the CSR issue will interfere the moderating effect of contribution type (i.e., money and in-kind) on the relative effectiveness of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on CSR image.

P13: Perceived severity and vulnerability of the CSR issue will interfere the moderating effect of contribution type (i.e., money and in-kind) on the relative effectiveness of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on consumer identification.

2.5. *Type of CSR Issue*

Previous research has indicated that the relative effectiveness of CSR marketing strategy on consumer responses may depend on the CSR issue chosen by the company [2, 7, 10, 11]. CSR covers a broad spectrum of issues that can be taken into account in marketing strategy, such as human, social, and environmental-related issues. In this research, human, social, and environmental-related issues present themselves as Covid-19 pandemic, natural disasters (e.g., earthquakes, typhoon, tornado, hurricanes, and floods), and man-made disasters (e.g., hazardous material spills, transportation accidents, structure failures, explosions and acts of terrorism).

According to attribution Theory [37], consumers may make inferences based on the chosen CSR issue to judge the causality of the company's effort as a sincere and genuine act or, on the contrary, as an opportunistically and profits-seeking act [38, 39]. Extending the concept of social identity theory, self-categorization theory attempts to explore the processes by which people form cognitive relation/distinction between themselves and other social groups [40]. Based on the theory, consumers are more likely to choose or engage to an issue that they are most closely associate [41].

Thus, this research will further suggest the relative effectiveness of the three types of CSR marketing strategy (i.e., philanthropic marketing, purchase-triggered donation, and sponsorship-linked marketing) on consumer responses (i.e., CSR image and consumer identification) as well as the moderating effects (i.e., perceived severity and vulnerability of the CSR issue and contribution type) between the three types of CSR issue (i.e., Covid-19, natural disaster, and man-made disaster). The exploratory comparisons of the three types of CSR issue should provide further insights into research of CSR marketing strategy.

P14: The relative effects of philanthropic marketing, sponsorship-linked marketing, and purchase-triggered donation on consumer responses (i.e., CSR image and consumer identification) as well as the moderating effects (i.e., perceived severity and vulnerability of the CSR issue and contribution type) are different between the three CSR issues (i.e., Covid-19, natural disaster, and man-made disaster).

III. CONCLUSIONS

CSR literature review lined with theories of social identity, self-categorization and health belief model. This paper adds insight to and fills the CSR literature. In addition, the research propositions can provide a wealth of insights for companies to consider and redesign their CSR initiatives as part of their marketing strategies, and for academia to further explore the relationship between CSR marketing strategy, especially the three CSR issues, and consumer behaviors.

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