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Advertising corporate social responsibility: results from an experimental manipulation of key message variables

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Abstract

Purpose: The purpose of this paper is to examine how social topic information (STI) and corporate social responsibility commitment (CSRC) substantiate the firm's CSR claims and promote message persuasion.

Design/methodology/approach: A 2x2 between-subjects experimental design was used to examine the impact of STI and CSRC on output variables using an online sample of 176 participants in Australia.

Findings: The study found that manipulation of STI had a statistically significant impact on outcome variables, but that CSRC did not.

Research limitations/implications: The study was limited to Australia and used a fictitious brand in the experiment. **Practical implications:** For marketing communications and brand managers, this study informs CSR-based corporate image advertising. **Social implications:** Support for more socially responsible businesses through responsible consumption can potentially transform product attributes and markets. More effective CSR communication is critical to this response.

Originality/value: To date, no research has examined how consumer persuasion of CSR advertising claims might be enhanced using message variables. This study has implications for theory and practice for the effective communication of pro-social achievements, and suggests further research areas.

Keywords

corporate, social, responsibility, results, experimental, manipulation, key, advertising, message, variables

Disciplines

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Introduction

Corporate social responsibility (CSR) has recently emerged as a competitive corporate marketing strategy (Becker-Olsen *et al.*, 2006; Pirsch, *et al.*, 2007) and is increasingly featuring in corporate image advertising. Corporate image advertising can help firms construct the corporate identity communicating to key stakeholder audiences *What we say we are* (Balmer, 2006); what Van Rekom (1997) calls the *desired* identity. CSR describes how businesses go beyond economic criteria, such as creating products and profits, to pursue broader social and environmental goals. CSR is "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local

community and society at large to improve their quality of life” (WBCSD, 2004), and involves going beyond legal requirements to minimise negative externalities and maximise beneficial impacts on society (Preston and Post, 1975).

Birth *et al.* (2008) find CSR communications well developed in Switzerland, and in a study of German magazines between the years 2002-7, Mögele and Tropp (2010) find an increase of CSR-related print advertisements of almost 400%. In the UK, the Co-operative Bank has developed a *unique selling proposition* based on CSR and ethics (Jahdi and Acikdilli, 2009), while in Australia, over the past decade, banks, telecommunications firms and other industry firms have featured their CSR initiatives in advertising appeals built around CSR claims, such as signing the *Equator Principles*, affirmative action for women employees and support for local farmers.

The benefits of a socially-responsible corporate image are argued to be many: a bond between the firm and its stakeholders, influencing the supply of resources (Maignan and Ferrell, 2004); a *halo effect* for a firm’s products and services (Brown and Dacin, 1997); buttressing against condemnation in the wake of business failings, such as product-harm crises (Klein and Dawar, 2004; Ricks, 2005); improved brand equity (Hoeffler and Keller, 2002) and customer loyalty (Bhattacharya and Sen 2003); enhanced brand differentiation (McWilliams and Siegel, 2001) and competitive advantage (Porter and Kramer, 2002); and improved financial performance (Orlitzky, *et al.*, 2003). Mohr and Webb (2005, p. 124) observe, however, “if consumer response to CSR was reliable and strong, most or all companies would have embraced the concept by now”.

On the surface, the corollary between informing audiences about a brand’s CSR initiatives and positive marketplace responses appears a simple one. Maignan (2001) argues that CSR information can validate authentic CSR programs from those firms merely paying CSR lip service, or *institutionalised* versus *promotional* CSR (Pirsch, *et al.*, 2007), but as responses to firms’ CSR initiatives are information-dependent, the quality of CSR communication is critical. Consumers who ascribe a high responsibility for pro-social conduct to firms might be expected to welcome information of CSR initiatives, but a gap exists in research that tests this proposition. O’Riordan and Fairbrass (2008, p. 750) argue “effective communication methods are paramount but largely absent from the social responsibility literature”.

The purpose of this paper is to address this void. Based on the research propositions of Pomeroy and Johnson (2009), we describe the results of a field experiment, conducted in the Australian marketplace immediately prior to the global financial crisis, designed to investigate how two message variables might improve persuasion: (1) the extent to which *social topic information* (STI) might put into context a firm’s CSR advertising claims; and (2) the extent to which *CSR commitment* (CSRC) information might substantiate the firm’s CSR advertising claims. The first of these variables draws on theories of cognitive psychology, while the latter draws on the seminal work of Wood (1991).

In the next section we provide a brief review of the persuasion literature relevant to CSR advertising and develop hypotheses. We then detail the method of our study and report its

results. We conclude with implications from our results, the limitations of our study, and suggestions for further research.

The persuasion literature and CSR-related corporate image advertising claims

Audiences' current images of corporate brands will influence evaluation of new information, such as CSR claims, as explained by social judgment theory (Eagly and Chaiken 1993) and cognitive responses theory (Wright, 1973). This will challenge firms with reputations of social irresponsibility. Consumers will also be on guard, and resort to the use of simple heuristics to judge the appropriateness of the firm's use of particular advertising claims, if they detect a *schemer schema* (Wright, 1985), or *persuasion knowledge* (Friestad and Wright, 1994). Such heuristics will direct the consumer as to whether further message processing is warranted.

For audiences such as consumers to evaluate firms' CSR claims, a minimum familiarity with the social issue at hand is often assumed, as is that consumers are interested in having such pro-social performance brand information at hand. Consumers, however, often lack awareness of the social issues that comprise firms' CSR programs (Auger, *et al.*, 2003) and therefore the expertise necessary to evaluate the merits of firms' claimed CSR achievements (Pomeroy and Dolnicar, 2009), and, second, such appeals confront consumer with a more complex mixed-motive information-processing task (Drumwright, 1996).

If adequate processing resources do not exist in memory, it is argued the consumer will seek information from external, marketer-dominated sources, such as advertising (Cox, 1967). The ease with which information comes to mind may serve as the basis for judgment (e.g., Tybout *et al.*, 2005; Waenke, *et al.*, 1996). In the social cognition literature, *priming* might fulfil this role; "subjects primed with exemplars of a particular category are more likely to use that category in evaluating a subsequently presented category-relevant stimulus" (Herr, 1986, p. 1106). Priming permits a category to become temporarily more accessible from memory and more likely to be used subsequently in processing new information (Herr, 1989). The effects of priming are similar to *contextualisation* in that they "can activate all kinds of concepts, as well as ideas that express the joint meaning of several concepts together" (Ashcraft, 2006, p. 287). In line with the above explanation, we propose the following hypothesis:

Social Topic Information

H₁: CSR advertising messages that provide detailed information about the social topic should prove more helpful in putting into context the firm's CSR initiatives than those providing less detailed information.

The relatively complex claims of CSR advertising make evaluation difficult. Such claims are not easily verified as they typically lack *search* or *experience* characteristics (Nelson, 1970) and present a *credence* situation (Darby and Karni, 1973), in which claims must be taken on trust. Bloom and Pailin (1995) argue consumers should be more distrustful of credence

information situations than search or experience situations, as confirmatory information may not be available, is too costly to obtain, or is complex and requires expert knowledge to evaluate. Consumers' lack of expert knowledge of the social issues engaged with in firms' CSR programs (e.g., Auger, *et al.*, 2003) may inhibit *contextualisation* (e.g., Baker and Lutz, 1988; Kisielius and Sternthal, 1986) and sense-making of a firm's CSR claims.

Effectively communicating CSR is, therefore, not a straightforward task. The effectiveness of such campaigns is likely to be influenced by, *inter alia*: cognitive associations with other aspects of the firm's identity; extraneous variables, such as the prevailing attitude to large corporations, recently identified to be low (Verschoor, 2008); individuals' involvement with the firm's CSR domain (Sen and Bhattacharya, 2001); and general scepticism towards advertising (Obermiller and Spangenberg, 1998). Consumers have been found to be more sceptical toward advertising than other forms of communication (Obermiller, *et al.*, 2005).

Consumers have demonstrated suspicion of firms' environmental advertising claims, since these have often been found to be unclear or misleading (e.g., Gray-Lee, *et al.*, 1994), leading to accusations of firms' *green-washing*. Further, overly positive claims, which CSR claims inevitably are, face the problem of what Ashforth and Gibbs (1990, p. 188) refer to as the "self-promoter's paradox", whereby promotion of one's good deeds is likely to backfire as 'protestation of legitimacy' is interpreted as signalling 'legitimacy is in fact in doubt'. Morsing (2006, p. 176), for example, notes the attempts of the Danish telecommunications company TDC to reposition itself as a more socially responsible organisation through its marketing communications were "met with scepticism, disbelief, and accusations of window-dressing.

Darley and Smith (1993) argue that the persuasiveness of a communication can be increased easily and dramatically by paying attention to message content. In a recent study of the prevalence and impact of vague quantifiers in cause-related marketing (CRM) campaigns, Pracejus, *et al.*, (2003/4) find the dominant use of vague quantifiers creates confusion over the firm's actual donation performance, which is likely to hinder persuasion effects. A firm's institutionalisation of its CSR program might be evaluated by both the magnitude of its achievements in particular social domains and the length of its history of engaging with a domain. A shorter history results in increased scepticism (Pirsch, *et al.*, 2003); Vanhamme and Grobben, 2009), but a long-term commitment to CSR lessens scepticism (Pirsch *et al.*, 2007; Webb and Mohr, 1998). This commitment is reflected in a recent marketplace survey which found 74% of respondents more likely to attend to a company's overall messages when they see that the company has a deep commitment to a cause (Cone, 2004).

Wood (1991) argues that the specificity of the CSR outcome stated in the advertising claim, that is, whether the outcome is expressed as a policy, the program for putting the policy into operation, or the quantifiable impacts of its policy and programs, will increase a claim's informativeness. Social impacts are difficult to quantify (Norman and MacDonald, 2004), however, Wood (1991) observes, the social outcomes of a firm's CSR initiatives are the only things actually observable and open to assessment: "Motivations are not observable, and

processes are observable only by inference. Social impacts of policies, programs, and operations, however, are those visible aspects of corporate social performance on which the company's motives will be judged, its use of responsive processes assessed, and its overall performance determined by stakeholders" (p. 711). Obermiller and Spangenberg (1998) argue that though one's sceptical tendency toward advertising is based on socialisation and experiences, situational factors, such as claim substantiation, prior knowledge, message variables, and source characteristics "should play roles in determining acceptance of claims in specific advertisements" (p. 161). We therefore hypothesise:

CSR Commitment

H₂: CSR advertising messages that provide detailed information about the firm's commitment to CSR should prove more persuasive than those providing less detailed information.

H₂ (a): More detailed CSR commitment information will provoke less scepticism than messages with relatively lower CSR commitment information.

H₂ (b): More detailed CSR commitment information will promote higher brand evaluations than messages with relatively lower CSR commitment information.

Method

Design

The hypotheses were tested using a 2 (social topic information) × 2 (CSR Commitment) between-subjects full factorial design, each manipulated at two levels: high and low. The ads featured an unknown overseas-based retail bank brand, with participants informed the bank was planning to enter the local market, and focused on the bank's record of achievements in countering the international arms trade. In the low social topic information condition, the cost of the arms trade was described in vague terms, while in the high condition specific details were provided of its death toll and monetary value. In the low CSR Commitment condition, an ethics policy was alluded to and support for a fictitious organisation, *Clear Fields*, was mentioned but not explained, while in the high condition the ad spelled out the bank's anti-arms trade ethical policy had been in place since 1982, explained that Clear Fields recovered unexploded ordinance in war-torn countries, and the monetary cost and impacts of its initiatives. The low/low and high/high version of these ads are provided in the Appendix.

Stimuli Development

Print advertisements were professionally designed and presented to participants. The advertisements contained identical design elements and varied only on the message content. As suggested by Rossiter and Bellman (2005), an attention-getting, colour image occupied approximately half the page, and message text was less than 200 words. Manipulation of the two variables was refined after several pre-tests with discrete samples of the study's population, thereafter excluded from further participation in the study. The brand name for

the fictitious bank, *Premier*, was chosen via a pre-test of appropriate brand names in the retail banking product category. A pre-test of actual issues engaged with by UK-based banks revealed the arms trade was the issue respondents felt least familiar with.

Participants

A total of 176 participants from an online, permission-based consumer panel, representative of the general adult population on age and gender, completed the study. Subjects' ages ranged from 18 to 81, with the average age of 44. University-level study was the highest level of education attained for 34 percent of participants, tertiary-level for 25 percent, final year of high school (year 12)-level for 21 percent, and year 10 of high school-level for 19 percent. The high proportion of university-educated participants is likely due to drawing of the sample from an online panel of registered consumers, familiar with the online environment.

Procedure

Those choosing to participate in the study were first qualified for membership of the retail banking product category. Participants were then randomly assigned to one of the four experimental conditions. Each condition included 44 respondents, exceeding the minimum of 30 per treatment recommended by Hair *et al.* (2009). Half the participants commenced the study by completing scale items to measure their individual characteristics prior to seeing the ad and the post-exposure questions, while the remaining half immediately saw the ad and then answered all questions post-exposure. This counter-balancing of the question order was done in order to minimise carryover effects. A *t-test* revealed no significant difference between these two groups' responses.

Participants were advised to examine the ad carefully, with the objective of forming an evaluation of the bank brand. Immediately after viewing the ad, respondents listed their cognitions in a thought-listing task, before answering questions to measure the dependent variables: attitude to the ad; attitude to the brand; and behavioural intention. Manipulation checks were included to ensure internal validity. Questions to capture participants' basic demographic details were included at the study's end.

Dependent Variables and Measures

The contextualisation effect of social topic information (H_1) was tested via response to the question "The ad provided meaningful information about the arms trade that helped me judge Premier's impact in relation to this issue," using a seven-point scale, ranging from strongly disagree (1) to strongly agree (7). Scepticism toward the brand's advertising claims (H_{2a}) was measured via agreement with the statement: "I believe Premier does what it claims to reduce the impact of the arms trade," using a seven-point scale, ranging from strongly disagree (1) to strongly agree (7). Brand evaluations (H_{2b}) included: attitude to the ad; attitude to the brand; and behavioural intention, were measured using single-items (see Bergkvist and Rossiter, 2007, for a discussion on the use of single-item scales). The results were analysed using analysis of variance (ANOVA).

The ability of images used in advertising to influence product attitude, along with verbal content, is well grounded in extant research (Rossiter and Percy, 1980). As the image used, while attention-getting, inspired negative cognitive and emotional responses in the pre-tests and the main study, we also investigated the correlation between attitude to the image, and attitude to the ad, attitude to the brand, behavioural intention and effort taken to calculate the accuracy of the ad's claims. Further, due to the potential for participants' attitudes towards the retail banking sector to influence responses, due to Australia's retail banks' loss of reputational capital over the decade leading up to the study (Beal and Delpachitra, 2005), we also examined key correlations with this variable (measured using one item: "My general attitude toward banks is _"). Lastly, as individuals are likely to vary to the extent that they believe corporations, in general, have a social responsibility, we also measured attitude to CSR. This variable was adapted from Maignan's (2001) 16-item scale, and contained four items, covering economic, legal, ethical and discretionary social responsibilities. All the above variables were measured using seven-point semantic differential scales. The purpose of measuring these correlations was to test interdependence between variables rather than to attribute causality.

Results

An ANOVA revealed statistically significant differences in the various ad conditions providing social topic information that helped participants contextualise the firm's CSR initiatives ($F(3, 172) = 4.80, p < .05$), supporting H₁. The scepticism and brand evaluation mean responses across the experimental conditions were, however, not significantly different at the .95 confidence level, leading to the rejection of both H₂(a) and H₂(b). The rejection of H₂, while disappointing, is not entirely discouraging, as the means were generally in the direction of the stated hypothesis, as shown in Table 1. This point will be discussed in the next section. No interaction effect was found between the two message variables.

Insert Table 1 about here

The correlations we investigated revealed significant interrelationships among several of the variables we were interested in, which provide important insights into the nature of respondents' ad processing in the study. Attitude to the image was significantly correlated at the .001 level with attitude to the ad ($r = .22, p = .001$), attitude to the brand ($r = .12, p = .05$) and effort taken to calculate the accuracy of the ad's claims ($r = .16, p < .05$), but not with behavioural intention ($r = .08, p = .13$). Attitude to the retail banking sector was significantly correlated to attitude to the ad ($r = .27, p = .001$) and attitude to the brand ($r = .27, p = .001$) and behavioural intention ($r = .20, p = .001$). Attitude to CSR was significantly correlated to attitude to the ad ($r = .25, p = .001$), attitude to the brand ($r = .31, p = .001$) and behavioural intention ($r = .33, p = .001$). All correlation tests were one-tailed. The next section will discuss the implications of the above results.

Discussion

Firms' claims about CSR face the risk of mentioning issues with which non-expert audiences have little familiarity, potentially hindering or even negating the goodwill that might be expected to come from pro-social deeds. Several years ago, for example, an Australian bank used corporate image advertising to leverage its brand from having been one of only ten banks globally to sign the Equator Principles. The ad was obviously about preventing environmental degradation, as conveyed by the visual imagery, but the principles referred to were not fully explained. Further, at a time of branch closures, service reductions, rising banking fees and headlines of record profits and generously remunerated executives, the claims potentially rang hollow. Social topic information is an important message variable for putting claims regarding the unfamiliar into context, but the need for and specificity of this information will depend on the level of audience expertise with the social topic(s) engaged with by the firm in its CSR initiatives. This has obvious implications for CSR-based marketing communication strategies to a firm's various audiences, and even within a single audience displaying heterogeneous topic expertise. This study proposes only one instance of this variable's application: wider testing with different social topics and levels of specificity for audiences of varying levels of expertise is needed to generalise our study's findings.

The results of our experimentally manipulating CSR commitment, detailing the duration of the firm's CSR efforts and the tangible results of those efforts, prove problematic. Without statistically significant variance across the means for our different conditions, the path to more effective advertising of CSR claims is less clear. We found, however, that on all measures of evaluation of our socially-responsible brand, including, the inhibition of scepticism toward its ad claims, average scores were higher for the condition in which relatively specific CSR commitment information followed relatively specific social topic information when compared with the relatively low level of these message variables. What was not as clear-cut was the picture when the levels of these variables were mixed in the remaining two conditions. We speculate that behind this result was an almost universal disapproval of the effects of the global arms trade in response to the pre-exposure question "My general attitude toward the arms trade is _____," measured using a seven-point semantic differential scale, anchored with very negative (1) and very positive (7) ($M = 2.09$, $SD = 1.53$). This antipathy may have influenced ad processing and response. Future research might avoid focusing on such a negatively-perceived issue. Also, the choice of this issue prompted the use of an image that, while attention-getting, was perceived as quite negative ($M = 2.81$, $SD = 1.90$), potentially inducing heuristic processing of the ad's written message. While the arms trade is a social issue that is prominently tackled by one UK bank, it was seen by many in our study as somewhat incongruous with retail banking in Australia. A better fit between social issue and the firm's business might deliver more robust results.

More diagnostic information about the firm's CSR commitment was found to have a statistically significant influence on overall scepticism toward the firm's CSR advertising claims. Though hypothesised, and perhaps an intuitive result, this is an interesting finding, given the increased cognitive load and processing demands this imposes. Consumers do

appear to value specific information about the social impacts of firms' CSR programs, rather than the more vague claims of statements of an organisation's policies or innumerate outcomes, as suggested by Wood (1991). How much and what types of information have the greatest influence warrants further investigation than this single study. Future studies might also explore these questions in a wider range of advertising formats than print, such as television or online, especially given alternative formats' increased creative flexibilities. A problem experienced in this study was that the manipulation checks conducted on the relatively low and high message variables were lower than when pre-tested, though the difference was not statistically significant. The study's results may therefore have suffered from this lack of discrimination. Future researchers should be mindful of this issue.

Our study was limited by several factors: our online sample was drawn from one geopolitical area, Australia. Respondents were asked to process an unfamiliar bank brand engaging with a quite unusual social issue, the arms trade. Also, respondents were exposed to only one ad execution, with no other information to convey a sense of the bank's credibility. While this feature of experimental design avoids the confounding influence of prior brand beliefs it increases artificiality and reduces external validity. The use of a familiar brand, or brands across different product categories, and the use of a more novel social issue(s) may engender less polarised attitudes toward the social topic and permit greater learning as a result of more specific social topic information. Finally, a more realistic understanding of prior brand knowledge, attitude, and beliefs, and the ability of the two message variables proposed here to influence held beliefs might be attained through the use of a broader study design, for example, combining the advertising experiment with scenario-based information. Future research should address these limitations so that results might be generalised. Given the increasing moves by firms to communicate their CSR achievement using advertising, such research will add to theory and inform practice, and, hopefully, encourage firms to raise levels of consumer responsibility in the marketplace.

The correlations between the variables mentioned above shed light on the nature of respondents' ad processing in the study. The image used has a weak but significant relationship with ad and brand cognitions. We cannot speculate that the image was responsible for these ad and brand scores, but given other findings in regard to the use of negative images (e.g., Rossiter and Percy, 1980), we must be suspicious. Firms wishing to advertise their CSR achievements are faced with a dilemma in the choice of imagery to be used to juxtapose these achievements. Imagery showing the problem once solved, or neutral imagery, might act to omit the nature of the problem the firm confronted and/or even 'under-sell' the impacts of firm's efforts. Choice of media, for example, print versus electronic, might provide firms the flexibility to overcome this issue, suggesting it is a fertile opportunity for future research.

That attitude to the image was not correlated to behavioural intention might suggest that weight of argument may have overcome this initial negative reaction to the image, particularly once the image's relevance to banks was conveyed. The slightly stronger relationship between attitude to the notion of corporations' having a social responsibility and

brand evaluations is an intuitive one. Consumers have been found to favour firms supporting issues that they support (Sen and Bhattacharya, 2001): support for CSR in general might be expected to prompt support for CSR expressions, whatever their guise or domain. Nonetheless, how firms might attract support and enhance the persuasion of marketing communications when a range of CSR initiatives, across various domains, is pursued, also warrants further research attention.

Conclusion

The use of CSR advertising appeals is increasing in order to meet consumer demands for information on how firms manage social and environmental externalities, but effective CSR communication has largely proved elusive (Dawkins, 2004). Some firms may be expecting too much of their CSR communications, especially if such positive, pro-social claims out of character with stakeholder perceptions of the firm's identity. The provision of social topic information, particularly where the complexity of the societal problem at hand is little understood, and CSR commitment information are, it appears, two message variables that firms might manipulate to achieve more effective CSR-based corporate image advertising. The use of these variables, especially the latter, may prove invaluable if a firm is attempting to recover reputational capital lost as a result of past irresponsible behaviours. Benefits are unlikely to be instantaneous, however, but such advertising should slowly turn the minds of audiences to favour the corporate brand. The two elements of CSR commitment information are likely to prove critical, as without a demonstrable history of doing good and evidence-based outcomes of these deeds, audiences will rightly greet CSR claims with scepticism and distrust. No amount of CSR-based advertising that is not put into context and not substantiated is likely to remedy flagrantly irresponsible behaviour, nor should it.

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Table 1

Means of STI Contextualisation and Brand Evaluations Across Experimental Conditions

| | Relatively low STI condition | | Relatively high STI condition | |
|---------------------------------------------------------|--------------------------------------------|---------------------------------------------|--------------------------------------------|---------------------------------------------|
| | Relatively low CSR commitment (n=44) | Relatively high CSR commitment (n=44) | Relatively low CSR commitment (n=44) | Relatively high CSR commitment (n=44) |
| STI contextualisation | 4.43 (1.90) | 5.20 (1.49) | 5.43 (1.59) | 5.70 (1.62) |
| Brand evaluation Attitude to ad | 3.98 (1.73) | 4.16 (1.80) | 4.43 (1.56) | 4.30 (1.90) |
| Brand evaluation Attitude to brand | 4.36 (1.50) | 4.84 (1.52) | 4.75 (1.54) | 4.91 (1.78) |
| Brand evaluation Behavioural intention | 4.80 (2.01) | 5.00 (1.74) | 5.23 (1.46) | 5.36 (1.35) |
| <i>Note:</i> Standard deviations appear in parentheses. | | | | |

APPENDIX

Experimental condition: High STI/High CSRC

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Each day, an estimated 1000 innocent civilians die and countless lives are destroyed because of the global arms trade.

The world's arms trade is big business. It is estimated to be worth \$48 billion in 2007, up from just \$30 billion in 2002.

Cluster bombs are one of the cheapest and most commonly used weapons. They explode above a target and scatter hundreds of tiny bomblets across an area about the size of two football fields. Designed to kill, many fail to explode on impact, effectively creating minefields.

More than 5 million unexploded cluster bombs litter some of the world's poorest countries, often killing or injuring children who mistake them for brightly coloured toys.

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