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Message variables for effective advertising of corporate social responsibility initiatives: results of an experimental design

Alan Pomeroy

University of Wollongong, alanp@uow.edu.au

Lester W. Johnson

University of Wollongong, lesterj@uow.edu.au

Gary Noble

University of Wollongong, gnoble@uow.edu.au

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Abstract

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Keywords

Message, variables, for, effective, advertising, corporate, social, responsibility, initiatives, results, experimental, design

Disciplines

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Message variables for effective advertising of corporate social responsibility initiatives: Results of an experimental design

*Alan Pomeroy**, University of Wollongong, Australia, alanp@uow.edu.au
Lester Johnson, Melbourne Business School, Australia, L.Johnson@mbs.edu
Gary Noble, University of Wollongong, Australia, gnoble@uow.edu.au

Abstract

Stakeholders increasingly expect firms to consider their social and environmental impacts as well as their economic impacts, and address their corporate social responsibility (CSR). One stakeholder group, consumers, report they want to be informed of how firms do this, and use this information when purchasing. This paper reports on an investigation of two message variables believed necessary for effective advertising about CSR initiatives, *social topic information* and *social impact specificity*. We manipulated each of these variables at three levels for an unfamiliar retail bank brand engaging with the social issue of the arms trade. While social topic information was found to be non-significant in influencing the dependent variable, overall scepticism toward CSR claims, social impact specificity was found to have a significant link to message inhibition of scepticism cognitions. The findings are insightful for marketing communications managers tasked with effectively informing a key stakeholder audience, consumers, of a firm's pro-social achievements.

Keywords: Advertising, consumers, corporate social responsibility, scepticism

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Introduction

Stakeholders increasingly expect firms to consider their social and environmental impacts as well as their economic impacts, and address their corporate social responsibility (CSR). One stakeholder group, consumers, report they expect firms to be socially responsible, and address the negative externalities and maximise the positive externalities of their operations, beyond minimal legal requirements (e.g., Petkus and Woodruff, 1992), and they want firms to inform them of their pro-social achievements, and report that this information will influence their purchase behaviour (Dawkins, 2004; Cone, 2006). Hansen and Schrader (1997) believe such *consumer responsibility* could influence not only the fate of individual firms, but also the direction of industries and economies.

In response, firms are increasingly seeking to communicate to consumer audiences their corporate social responsibility (CSR) initiatives in the belief that it offers a new frontier of competitive advantage (Becker-Olsen, Cudmore, and Hill, 2006; Pirsch, Gupta, and Landreth Grau, 2007). A socially responsible identity is argued to enhance brand differentiation (McWilliams and Siegel, 2001), brand equity (Hoeffler and Keller, 2002), competitive advantage (Porter and Kramer, 2002), and customer loyalty (Bhattacharya and Sen 2003; Maignan, Ferrell and Hult, 1999). CSR can also deliver superior financial performance (Orlitzky, Schmidt, and Rynes, 2003). Mohr and Webb (2005, p. 124) observe, however, "if consumer response to CSR was reliable and strong, most all companies would have embraced the concept by now".

Irrespective of a business's actual CSR performance, consumer evaluations of the firm's performance are contingent upon the information they receive (Maignan and Ferrell, 2001). Consumers need information on which to base their consumption decisions and to enable them to "differentiate sound CSR programs from those that simply pay lip service to social responsibility" (Mohr & Webb 2005, p. 142), but, Dawkins (2004, p. 4) warns the effective communication of firms' CSR programs is "a rare achievement".

CSR Communication Hurdles

CSR-based marketing communications attract critical attention and provoke scepticism (Morsing and Schultz, 2006). Scepticism is of interest to marketing communicators as it hinders persuasion. Scepticism arises because for individuals to evaluate an ethical dilemma they must first recognize the existence of the dilemma (Maignan & Ferrell 2001), or the social problem the firm is acting to help remedy. Second, firms typically fail to specify the impact of their CSR achievements, preferring vague or abstract claims instead (Pracejus, Olsen, and Brown, 2003/4). Third, such non-economic claims are subject to the *self-promoter's paradox* (Ashforth and Gibbs, 1990). Finally, several theories, for example, cognitive response theory (Wright, 1973), and social judgment theory (Eagly & Chaiken, 1993), explain that claims of doing good will be burdened by knowledge of past corporate indiscretions. To be effective, CSR advertising appeals must overcome such obstacles.

CSR claims are typically difficult to verify *credence* information situations (Darby and Karni, 1973), and therefore potentially more prone to scepticism. Consumers' increasing cynicism towards business will prejudice consumers toward overly-positive corporate image claims (e.g., Verschoor, 2008). Advertising is a communication technique known to inspire consumer scepticism (e.g., Friestad and Wright, 1994; Obermiller and Spangenberg, 1998; Obermiller, Spangenberg, and MacLachlan, 2005). Cognitive responses to advertising, such as scepticism, have been found to affect brand evaluations (Hastak and Olson, 1989), and persist over time (Chattopadhyay and Alba, 1988). The paper proposes two message variables might inhibit scepticism to CSR advertising appeals, *social topic information* (STI), and *social impact specificity* (SIS). The paper discusses these variables, and reports whether manipulation of these message variables leads to more effective CSR advertising communications, measured by reduced scepticism toward ad claims.

Social topic information

Consumers often lack this knowledge of social issues (Auger et al., 2003; Sen and Bhattacharya, 2001). The CSR ad can provide this STI by advising of the gravitas of a social problem, along the lines of the *sick baby* appeal, a common informational approach in social marketing advertising campaigns (Fine, 1990). The STI, or sick baby appeal, helps put the impact of the firm's CSR initiative into context and makes the firm's social impact claim more diagnostic. Several effects on information processing should follow a sick baby appeal: attention to the message should increase; comprehension-enhancing emotional responses may be evoked; concern for the issue should increase; more favourable attitudes may be formed toward the issue; and information regarding the social issue may be more available in memory when behavioural responses, such as choosing between alternative brands, are appropriate (Obermiller, 1995). Various studies show that the salience, or perceived importance, of the social need influences willingness to provide help (see Granzin and Olsen, 1991 for a review). Darley and Smith (1993) argue that the persuasiveness of a communication can be increased easily and dramatically by paying attention to message content, while Forehand and Grier (2003) report disclosure of firm-serving motives can inhibit attribution-induced suspicion toward CSR information. Manipulation of key informational content of CSR advertising claims is expected to influence the level of scepticism to such claims.

The sick baby/well baby approach is supported by priming and contextualisation concepts from cognitive psychology, which find consumer information-processing judgments and responses are affected by the information that readily comes to mind during the processing task (e.g., Baker and Lutz, 1988; Kisielius and Sternthal, 1986; Lynch, Marmorstein, and Weigold, 1988; Tybout et al., 2005; Waenke et al., 1997). Permitting a category to become temporarily more accessible from memory makes it more likely to be used subsequently in processing new information (Herr, 1989). By increasing consumer awareness of the social topic engaged through the firm's CSR program, STI is expected to *map onto* the firm's CSR claims, making the claims more diagnostic (Ashcraft, 2006).

Westpac's early-2007 CSR advertising campaign, for example, stressed the bank's CSR credentials on the basis of responsible lending, through its signing the Equator Principles, "agreeing not to fund major projects that endanger communities or the

environment” (Westpac, 2007). The claim was contextualised, by the statement “Some of the biggest problems in the world today were financed by banks”, preceded by emotive images of several environmental catastrophes. The claim, that the bank had signed the Equator Principles, without any prior explanation, or contextualisation, would, it is expected, be far less diagnostic, and therefore cognitively more complex to process. As overall scepticism to the advertised claims may be influenced by scepticism toward the Social topic and/or the firm’s claims, we measure the main effect of both message variables. The value of measuring such discriminable attribute levels is discussed by Hastak and Olson (1989). We hypothesise:

H₁: Social Topic Information diagnosticity should have a main effect on scepticism toward CSR advertising claims, such that greater diagnosticity should lead to reduced scepticism.

Social impact-specific CSR claims

The Westpac CSR-based campaign cited above may be deemed useful from a rhetorical perspective, but it provides the consumer little in the way of substance through which to judge if the firm is truly committed to CSR or merely paying it lip-service. While the bank’s signing of the Equator Principles, and subsequent refusal to lend to environmentally irresponsible corporations, the impact of this policy is not quantified.

A recent study highlights the prevalence and impact of vague quantifiers in the marketing promotion area of cause-related marketing (CRM) research (Pracejus, et al. 2003/4). While CRM offers are intrinsically different to CSR appeals in that they typically promote the tied donation of a portion of the product price to a unit sale (Varadarajan and Menon, 1988), they nonetheless reflect firms’ vague approaches to pro-social advertising appeals. In an evaluation of 3,414 CRM offers, Pracejus, et al. found only 4% of offers could be categorised as ‘calculable formats’, with descriptions of the donation amount that allow consumers to calculate the actual amount donated, 26% could be categorised as ‘estimable formats’, providing just some of the information needed to calculate the actual amount donated, while 70% were ‘abstract’ formats, providing consumers with almost no information as the donation amount, instead using *vague quantifiers* such as “a portion of the proceeds will be donated”. Pracejus, et al.’s finding that CRM donation amount influences persuasion effects and can have a significant impact on consumer choice supports the argument that consumers want to evaluate a firm’s true social commitment.

Wood (1991) notes CSR outcomes are difficult to observe, but suggests that outcomes expressed in terms of social impacts, rather than firms’ policies or programs, such as Westpac’s signing of the Equator Principles, are likely to be the most helpful, or diagnostic, for consumers. The social outcomes of a firm’s CSR initiatives are the only thing 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” (Wood, 1991, p. 711). Being presented with clear information on the nature and severity of a social problem and the evidence of the firm’s effectiveness in doing something about the problem is expected to influence the consumer’s

attributions for the CSR firm's motivations, which are, in turn, expected to influence the effectiveness of the CSR appeal's persuasion. We hypothesise:

H₂: Social impact-specific message elements should have a main effect on scepticism toward CSR advertising claims, such that greater specificity should lead to reduced scepticism toward CSR advertising claims.

Method

Professionally developed advertisements featured a fictitious retail bank brand (*Premier*), in order to avoid the confounding effects of existing beliefs and attitudes toward a familiar bank brand, and a description of its pro-social initiatives in relation to the arms trade. A total of 360 adult Australian consumers, representative of the Australian marketplace in terms of age and gender, qualified by their use of the retail banking product category, were randomly assigned to the nine treatments, and provided a small remuneration for their participation. A number of responses were deemed invalid, due, for example, to their completion speed, and removed from the study. To replace these, around one hundred additional respondents were randomly distributed across the treatments, bringing the number of valid responses to 417, with at least 40 per treatment.

Participants were informed that the bank featured in the advertisement they were to see was a UK bank considering entering the Australian market, seeking feedback to the potential advertising theme featured. Participants were exposed to one ad treatment in a 2x3 factor, between-subjects experimental design. Prior to exposure to the ad stimulus, respondents answered questions designed to measure attitudes likely to moderate their response, *Ad Scepticism*, *Product Category Attitude* for both banks and the social issue, the arms trade, and *CSR Attitude*, the effects of which were removed using analysis of covariance (ANCOVA). The order of presentation was counter-balanced, and found, using analysis of variance (ANOVA), to be a non-significant variable.

Extant scales were used to measure *Ad Scepticism* (nine items from Obermiller and Spangenberg, 1998), *Product Category Attitude* (single item, similar to brand attitude), and *CSR Attitude* (four items adapted from Maignan, 2001). All items were measured on a seven-point scale. Four items were used to measure the dependent variable, Scepticism toward CSR Advertising Claims. One item was taken from Forehand and Grier's (2003) *firm evaluation* scale, "Premier seems like the kind of bank I can trust.", and two were taken from Du, Bhattacharya, and Sen's (2007) *CSR beliefs* scale: "I think Premier is a socially responsible business." and "Premier has had real impacts through its initiatives against the arms trade." Also, as scepticism essentially measures belief, a fourth item was added which not only investigates overall belief but also situates Premier Bank within its competitive set: "Premier seems like the sort of bank I can believe." All items were measured on a seven-point scale anchored by Strongly disagree/Strongly agree, and showed a PCA univariate solution, with Cronbach's alpha of 0.93, with item loadings ranged from 0.89 to 0.94

A main effect of Social Topic Information was not observed ($F=0.67$; $df=2$; $p=0.51$). That is, there is no evidence to suggest scepticism toward CSR advertising claims differs between any of the three STI treatments. Therefore H₁ could not be supported. This result would suggest that information about the social topic alone does not

influence scepticism toward a firm's CSR claims. Subjects exposed to the high manipulation of Social Topic Information ($M=4.89$, $SD=1.22$) were only somewhat less sceptical towards Premier Bank's CSR advertising claims than those who saw the moderate manipulation of STI ($M=4.63$, $SD=1.38$), while those who received the low STI treatment were narrowly less sceptical ($M=4.69$, $SD=1.31$) than those who received the moderate treatment.

The main effect of CSR Commitment was statistically significant ($F=3.38$, $df=2$; $p=0.04$), therefore H_2 is supported. That is, there is evidence to suggest that scepticism toward CSR advertising claims differ between at least one pair of the treatments. Consumers clearly value more diagnostic information on the specific impacts of firms' CSR programs in CSR-based corporate image advertising.

Discussion

The use of CSR advertising appeals is increasing in order to meet consumer demands for information on how firms manage social and environmental externalities. Effective CSR communication has largely proved elusive. While some firms may be expecting too much of CSR information, especially if such positive behaviour is out of character with consumers' existing corporate beliefs, the provision of social topic information, as in the sick baby appeal, and claim specificity are two message variables firms could manipulate to achieve more effective CSR advertising appeals. Firms may find it hard to recover from past socially irresponsible behaviours, however, and therefore must proactively deal with negative existing brand attitudes and beliefs. No amount of CSR-based advertising, stressing the two variables discussed here, is likely to remedy flagrantly irresponsible behaviour, nor should it. Unless a brand can clearly demonstrate that its current CSR stance is a genuine departure from a negative past performance, and reflects a change in values and practices across all operating activities, persuasion attempts are likely to fall victim to justified consumer scepticism. The next stage in our research is to move from an unknown to a known brand, and to use a salient social issue for the local marketplace, such as the problems predicted as a result of climate change. A less emotive social topic may allow STI to play the role hypothesised here, and theoretically supported.

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