



Constructing a corporate social responsibility reputation using corporate image advertising

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ABSTRACT

In the wake of recent major business collapses, and as a result of growing stakeholder expectations that firms make a contribution to society beyond economic benefits, such as products and profits, business is increasingly engaging in non-economic activities to meet these expectations. These non-economic programs include social and environmental initiatives, and demonstrate a firm's commitment to corporate social responsibility (CSR). Corporate image advertising is increasingly being used to create the awareness of a firm's CSR initiatives, and, in turn, preference for its products and brands. CSR-based corporate image advertising, however, is problematic. We discuss this marketing communication technique, and propose a research agenda to investigate the ability of two message variables, social topic information and social impact claim specificity, to influence the earliest stage of attitudinal development, cognitive responses. We focus, in particular, on the potentially corrosive cognitive response of scepticism, and suggest that these message variables are possibly able to inhibit the development of consumer scepticism and build a positive reputation.

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1. Introduction

A reputation is composed of a corporation's unique set of skills in delivering both economic and non-economic benefits (e.g., Fombrun, 1996). While corporate ability, in terms of functional value and innovation, is fundamental to a corporate reputation, and while consumers may be unwilling to sacrifice corporate ability for corporate social responsibility (CSR) benefits (Sen and Bhattacharya, 2001), CSR is increasingly being relied upon to qualify corporate ability achievements, and enhance reputation in the process (Becker-Olsen et al., 2006; Pirsch et al., 2007). Consumers report they expect firms to be socially responsible, that is, to address the negative externalities of their operations and maximise the positive externalities, beyond minimal legal requirements (e.g., Petkus and Woodruff, 1992). Further, they want firms to inform them of their pro-social achievements, and report that this information will influence their purchase behaviour (Dawkins, 2004). 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 and Webb, 2005, p. 142). 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). In this paper we propose a research agenda to investigate the ability of corporate image advertising message variables to inhibit consumer scepticism, and so permit a positive, socially responsible corporate reputation to be developed.

Once consumers are informed of which firms have a reputation for social responsibility, Hansen and Schrader (1997, p. 447) believe such *consumer responsibility* could "influence the profits of competing firms, and indirectly also the direction of the economy". For such a system to work effectively, consumers must be kept informed of questionable business practices (Creyer and Ross, 1997). Conversely, instances of positive corporate social behaviour should also be readily available to consumers, so that *citizen-consumers* may purchase on criteria that not only lead to their own personal satisfactions but also society's well-being (Anderson and Cunningham, 1972). Such information can reduce transaction costs, and lead to more efficient contracting (Jones, 1995).

Given that awareness of a firm's CSR initiatives is needed for consumers to construct favourable CSR-based beliefs associated with that firm, its products and its brands, this paper considers the role marketing communications might play in achieving this end. Rossiter and Bellman (2005) describe modern marketing communications as all possible *contact points* that provide an opportunity to communicate about the brand with potential and current

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customers, echoing Drucker (1954, p. 36), who succinctly described marketing as “the whole business seen from the customer’s point of view”. While the contact points include a range of techniques, including public relations, corporate websites, and corporate reports, such as annual reports or special social reports, we limit the scope of our discussion, however, to corporate image advertising.

This communication imperative is not lost on the many corporations now seeking to bolster their corporate images with CSR associations. Firms from large industrial corporations, such as Shell and BP, to manufacturers like Nike and Timberland, and even hospitality service providers like Starbucks, are increasingly engaging with CSR issues, reporting their efforts in annual reports and on corporate websites, and celebrating triumphs in CSR-based corporate image advertising. CSR is increasingly being used for competitive positioning in corporate marketing communications (Becker-Olsen et al., 2006; Pirsch et al., 2007), and around 90% of *Fortune* 500 companies publicise their specific CSR initiatives (Kotler and Lee, 2004; Lichtenstein et al., 2004). The Australian retail bank, Westpac, a business recognised for its CSR credentials in recent annual CSR index rankings and by the Dow Jones Sustainability Index as one of the world’s ‘Most Sustainable Companies’ (www.westpac.com.au, 2008), for example, introduced a CSR-based corporate image advertising campaign based on the theme ‘Every Generation Should Live Better than the Last’ in 2007, and followed this up in 2008 with a similar campaign, ‘Your Future is Our Future’ (www.westpac.com.au, 2008).

Such attempts to shape corporate reputation via corporate image advertising are not guaranteed, however, to elicit positive attitudes and emotions to the corporate brand and bolster its reputation. Dawkins (2004, p. 4) argues the effective communication of firms’ CSR programs is “a rare achievement”, while Mohr and Webb (2005, p. 124) observe “if consumer response to CSR was reliable and strong, most all companies would have embraced the concept by now”. CSR-based marketing communications attract critical attention, with claims of good, especially from corporations attempting to reposition away from less favourable corporate images and reputations, provoking scepticism (Morsing and Schultz, 2006). Drumwright (1996, p. 71) has observed that advertising with social dimensions is among the most controversial of marketing approaches, seen by some as marketing’s “greatest contribution to society”, and others marketing’s “most unabashed exploitation”. Industry’s current infatuation with CSR has also been seen as simply a response to “the worst orgy of corporate irresponsibility in at least the past half century” (www.prr-watch.org, 2006). The reasons offered by Australia’s *big four* retail banks, Westpac among them, for the recent emphasis on CSR as an aspect of the corporate image lend support to this rather critical view (Pomeroy and Dolnicar, 2008).

We propose a research agenda to test the thesis that while such a corporate communications approach will be met with consumer scepticism, attention to two key message variables might reduce the scepticism response and enhance persuasion. While consumer response to firms’ CSR information presented via the scenario format has been examined, and is generally found to be positive (e.g., Brown and Dacin, 1997; Sen and Bhattacharya, 2001), reactions to specific CSR-based corporate image advertising, particularly based around key informational variables, remain untested. Cause-related marketing (CRM) campaigns, while intrinsically different to corporate image advertising campaigns, provide useful insights into potential consumer responses to CSR-based corporate image advertising claims. Based, in part, on extant CRM consumer studies, the two advertising message variables we hypothesise may inhibit consumers’ scepticism cognition responses to CSR-based corporate image advertising are social topic information and social impact claim specificity. Attention to these two variables, we contend, will

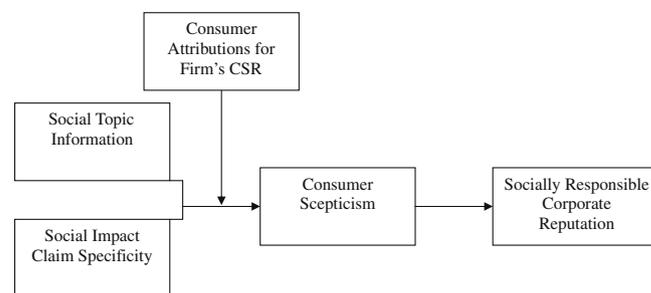


Fig. 1. A role for corporate image advertising variables to inhibit scepticism and enhance socially responsible corporate reputation.

allow a corporate reputation to be enhanced rather than counter-argued or questioned. Our proposed conceptual framework is presented below (Fig. 1).

Before outlining our proposed research agenda, this paper will first discuss CSR, reputation, the role of the marketing communications technique of corporate image advertising in conveying a CSR-based reputation, before reviewing extant CRM consumer studies, in order to gain potential insights into the CSR-based corporate image advertising-consumer relationship, and discussing reasons for potential consumer scepticism toward CSR-based corporate image advertising. We follow this with a discussion of the two message variables we attribute the ability to inhibit consumer scepticism, social topic information and social impact claim specificity, and potential mediating and moderating variables of interest for the proposed research agenda. With the use of CSR-based corporate image advertising increasing (McIntyre, 2007), we argue an examination of how scepticism toward CSR-based corporate image advertising might be inhibited is timely.

2. Corporate social responsibility

The term *corporate social responsibility* (CSR) is used to describe how businesses act to implement the broad societal responsibility of going beyond economic criteria, such as creating products, employment, and profits, to meet broader social and environmental expectations. Business conceives this societal role as: “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). Carroll (1979, p. 500) saw CSR as imposing the “economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time”. CSR initiatives generally aim to minimise a firm’s negative externalities and maximise its positive externalities, beyond minimum legal requirements (Petkus and Woodruff, 1992). While the neo-classical economist’s view of CSR may appear more limited – Milton Friedman (1970) famously described the social responsibility of business to maximise shareholder wealth – the instrumental view of a broad social responsibility owed to society conceives the role of CSR as furthering the economic interests of the firm through furthering pro-social, non-economic interests.

One explanation of how a business might fulfill this CSR conceptualization across its operating activities, which is often cited by researchers (e.g., Klein and Dawar, 2004; Pirsch et al., 2007; Sen and Bhattacharya, 2001; Verschoor, 2008), is the *Socrates* social-responsibility investment index framework of the prominent US investment research firm, Kinder Lydenberg Domini & Co. Inc.. Under this framework, evidence of CSR commitment is demonstrated by company performance in the broad domains, or ‘screens’, of (1) employee relations, (2) employee diversity programs, (3) ethical materials sourcing, (4) product design, (5) marketing programs,

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