

Reaping relational rewards from corporate social responsibility: The role of competitive positioning

Shuili Du ^{a,1}, C.B. Bhattacharya ^{b,1}, Sankar Sen ^{c,*}

^a School of Management, Simmons College, 300 The Fenway, Boston, MA 02115, United States

^b School of Management, Boston University, 595 Commonwealth Avenue, Boston, MA 02215, United States

^c Department of Marketing & International Business, Zicklin School of Business, Baruch College/CUNY Box B12-240,
One Bernard Baruch Way New York, NY 10010, United States

Abstract

This research examines the moderating influence of the extent to which a brand's social initiatives are integrated into its competitive positioning (i.e., a CSR positioning) on consumer reactions to CSR. We find that positive CSR beliefs held by consumers are associated not only with greater purchase likelihood but also with longer-term loyalty and advocacy behaviors. More importantly, we find that not all CSR initiatives are created equal: a brand that positions itself on CSR, integrating its CSR strategy with its core business strategy, is more likely than brands that merely engage in CSR to reap a range of CSR-specific benefits in the consumer domain.

© 2007 Elsevier B.V. All rights reserved.

Keywords: Corporate social responsibility; Competitive context; Product positioning; Loyalty; Advocacy

Corporate social responsibility (CSR) is at the forefront of corporate consciousness today. As the CSR debate shifts from “whether” to “how,” companies are embracing socially responsible ventures with unprecedented gusto (e.g., [KPMG International Survey of Corporate Responsibility Reporting, 2005](#)). Moral imperatives aside, this increasing commitment to CSR is spurred, at least in part, by the growing sense that consumers, a key stakeholder group, reward good corporate citizens through greater, more sustained patronage ([Cone Corporate Citizenship Study, 2004](#); [Lichtenstein, Drumwright, & Braig, 2004](#); [Luo & Bhattacharya, 2006](#)). Indeed, both marketplace polls ([Cone Corporate Citizenship Study, 2004](#)) and a growing body of primarily experimental studies (e.g., [Brown & Dacin, 1997](#); [Klein & Dawar, 2004](#); [Sen & Bhattacharya, 2001](#); [Sen, Bhattacharya, & Korschun, 2006](#)) have demonstrated that, assuming all else is constant, consumers are more likely to purchase from companies that engage

in CSR actions, particularly in domains that consumers deem appropriate (e.g., a high degree of fit between the company and the CSR cause) and personally relevant.

Importantly, however, little is constant in the real marketplace. For instance, consumers' CSR-related reactions to a company/brand are determined not only by its actions in this domain, but also by those of its stakeholder groups (e.g., activists, the media), which are typically beyond the company's control ([Bhattacharya & Sen, 2003](#); [Brown, Dacin, Pratt, & Whetten, 2006](#)). Thus, there is a need for CSR research to move beyond the often rarefied, controlled empirical contexts to paint a more externally valid picture of the forces determining consumer reactions to CSR initiatives. One such force is the competitive context in which a company's CSR strategy is viewed by consumers. Given the widespread prevalence of CSR in today's marketplace, effective CSR strategies need to take into account the competitive context in which a particular set of CSR actions are likely to be enacted. In other words, much as the competitive context impacts the marketing mix, a company, in formulating its CSR strategy, needs to understand how consumers perceive and react to its CSR actions not in isolation but in the context of different CSR actions, if any, taken by its competitors ([Bhattacharya & Sen, 2004](#)).

* Corresponding author. Tel.: +1 646 312 3302; fax: +1 646 312 3271.

E-mail address: sankar_sen@baruch.cuny.edu (S. Sen).

¹ All three authors contributed equally to this paper.

A key element of the competitive context is the relative positioning of each brand along the CSR dimension. Brands vary in the extent to which they rely on their CSR activities to position themselves, relative to their competitors, in the minds of consumers. More specifically, while many brands affiliate themselves with causes, some, such as Stonyfield Farm, Body Shop, and Ben and Jerry's, go beyond just engaging in CSR to position themselves wholly in terms of CSR, becoming known as the socially responsible brand (i.e., the CSR brand) in a category. For example, in the US supermarket category, the Whole Foods Market, positioned on CSR, espouses the core value of "caring about our communities and our environment." Moreover, this value pervades virtually every aspect of its business, from organic and sustainable sourcing to environmentally-sensitive retailing, from devoting at least 5% of its annual profits to a variety of causes to encouraging community service among its employees on company time. Such a positioning has contributed to the company's extraordinary success, creating consumers who act as "ambassadors" for the company (Springer, 2006). The CSR brand in the footwear category, Timberland, has integrated a similar set of CSR principles into every aspect of its business (e.g., environmental consciousness, fair and humane labor practices). Since 2005, every Timberland product bears a "nutritional label," informing consumers of its environmental and community impact. Such an integrated CSR approach has resulted in, not only the company's number six ranking on *Business Ethics*' 100 Best Corporate Citizens in 2006, but also the unwavering loyalty of its consumers (Gillentine, 2006).

Notably, the need to understand the unexamined role of CSR positioning in consumer reactions to a company's CSR actions is underscored by the unique nature of such a positioning strategy compared to those along more conventional dimensions such as operational excellence, product innovativeness, or customer intimacy. This is because it is a company's actions in the CSR domain, as opposed to other, more product-related ones, that truly reveal its "values" (Turban & Greening, 1997), "soul" (Chappell, 1993), or "character" (Brown & Dacin, 1997), comprising the company's identity (Bhattacharya & Sen, 2003). Such a CSR-based identity is not only fundamental and relatively enduring, but also more distinctive than identities based on innovativeness and engineering expertise by virtue of its idiosyncratic bases (e.g., environmental stewardship, sponsorship of social causes, fair labor policies). This, in turn, renders such an identity not only more memorable but also more anthropomorphic, enabling consumers to identify with it more readily than with others based on more conventional positioning strategies. In other words, unlike other positioning strategies, CSR positioning humanizes a company or brand, encouraging consumers to not just like, respect or admire the company but actually identify with it (Bhattacharya & Sen, 2003). In turn, the benefits of such identification to the brand are strong, numerous and enduring (Bergami & Bagozzi, 2000; Lichtenstein et al., 2004; Sen & Bhattacharya, 2001). Specifically, these go beyond the transactional benefits to the company (i.e., sales) of any consistent, coherent positioning to the rarer, longer-term relational benefits such as loyalty and advocacy (e.g., positive

word-of-mouth, resilience to negative brand information), which prior research (Hoeffler & Keller, 2002; Klein & Dawar, 2004; Sen et al., 2006) suggests may be the primary payback of CSR.

This research contributes to our extant understanding of the strategic benefits of CSR by providing insight into its transactional and relational outcomes in a real-world, competitive context. Specifically, we build on the field study conducted by Sen et al. (2006) to examine the role played by the competitive positioning of three major brands of yogurt in both the formation of consumers' CSR beliefs (i.e., beliefs that a company/brand² is socially responsible) about these brands, as well as the extent to which these beliefs are linked to both brand choice (i.e., transactional outcomes) and the set of longer-term brand advocacy behaviors, such as positive word-of-mouth and resilience to negative brand information (i.e., relational outcomes).

Our findings suggest that several advantages accrue to a brand that is positioned on CSR over those that, while engaging in CSR, are positioned on other traditional, product specific dimensions such as quality. Consumers are not only more aware of what the CSR brand is doing in terms of social initiatives but also make more favorable inferences about why the brand is doing so. This not only is reflected, as expected, in stronger beliefs that the brand is socially responsible but can also spill over, positively, to consumers' beliefs about the brand's performance on dimensions unrelated to CSR (e.g., beliefs about corporate ability; Brown & Dacin, 1997). In turn, consumers' CSR beliefs regarding the CSR brand are linked more strongly to coveted relational outcomes such as brand loyalty and advocacy. Interestingly, however, such competitive effects are not obtained for the basic transactional outcome (i.e., purchase). By demonstrating these differences, we attempt to establish the boundary conditions of extant CSR findings, obtained primarily from experimental investigations (e.g., Brown & Dacin, 1997; Klein & Dawar, 2004; Sen & Bhattacharya, 2001), in an externally valid setting.

Next, we draw upon relevant literatures to propose a set of predictions regarding the determinants and outcomes of consumers' CSR beliefs in a competitive context. We then present a field study that tests our predictions. We conclude with a discussion of our findings.

1. Conceptual background

Since Brown and Dacin's (1997) pioneering study of the corporate associations held by consumers, much research has attested to the pivotal role of consumers' beliefs about the extent to which a company/brand is socially responsible (i.e., CSR beliefs) in their reactions to CSR.³ Consumers' CSR beliefs

² Since consumers' CSR beliefs can be at the company level, brand level or both, in this paper we use company and brand interchangeably to capture the range of company-brand relationships (i.e., from corporate brands to stand-alone brands/individual brands).

³ In this research, we refer to the "brand" in an integrative sense (Stern, 2006) — i.e., consumers' mental associations that can take on both positive as well as negative meanings.

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات