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CORPORATE SOCIAL RESPONSIBILITY AND BRAND RELATIONSHIPS

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ABSTRACT

The key objective of this research is to understand how corporate social responsibility (CSR) affects consumer-brand relationships. A qualitative research study examines the relationships consumers have with brands that are involved with varying levels of CSR to better understand the relationship between the two. Results indicate that consumers have stronger relationships with brands positioned in CSR—especially in the socially conscious consumer segment. Moreover, CSR enhances loyalty when consumers are faced with brand failure—depending upon the nature of the failure. Given this evidence that CSR strengthens consumer-brand relationships, brand managers should consider CSR as a strategic alternative when determining how to market their brands and build brand loyalty.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

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Chapter 1

Introduction

"Corporate social responsibility is a hard-edged business decision. Not because it is a nice thing to do or because people are forcing us to do it... because it is good for our business" -Niall Fitzerald, Former CEO, Unilever

Branding differentiates similar offerings from one another. It can cause consumers to perceive one product as superior to another when they are very close to being identical in utility. It provides the product with an identity that surpasses its basic attributes and attaches meaning beyond just the product itself. The goal of the brand is to be something that the consumer can form a relationship with.

Brand managers are constantly on the lookout for ways to forge lasting relationships with consumers. Today, with so many different product offerings, many markets have become cluttered and high in competitive intensity. Indeed, driving emotional connections has become even more important than in the past as a way to make the brand stand out in the consumer's mind apart from the competition. Businesses increasingly seek ways to relate to consumers and be seen as valid relationship partners.

In recent years, one trend that has become especially important to consumers and businesses alike has been an increased interest in corporate social responsibility (CSR). CSR can be defined as a form of self-regulation that companies impose upon themselves. It is a dedication to stakeholders over and above just the company's shareholders. It opens up a door for corporate

entities to positively impact stakeholder issues that were not traditionally seen as relevant to firms.

There is a great deal of research that supports CSR as not only the "right thing to do" but as a very positive factor for business. Actions such as becoming more sustainable or giving back to the community can have a positive impact for the firm as well as for the recipients of the good deeds. For example, CSR behaviors can aid in the process of achieving multiple goals, such as innovation, cost savings, differentiation, and customer and employee engagement (Epstein-Reeves, 2012). CSR is also seen to have a positive impact on the profitability of a company (Mohr, Webb, and Harris 2001), most likely due to greater purchase likelihood, as well as longer-term loyalty and advocacy behaviors (Du, Bhattacharya, and Sen 2007). Generally, more positive attitudes towards firms (Du, Bhattacharya, and Sen 2011) and increased stakeholder support (Maignan & Farrell 2004) tend to result from CSR efforts. In terms of marketing specifically, CSR can provide enhanced customer satisfaction and add to a firm's market value (Luo & Bhattacharya 2006). It can even act as a shield against negative information about complaints related to a firm's missteps related to corporate social responsibility (Eisingerich, Rubera, Seifert, and Bhardwaj 2011).

The current research differs from prior research in that it aims to explore not the overall impact of CSR initiatives on a business but rather the role CSR plays in branding. Although there has been previous research on the impact of CSR on many aspects of business, prior research has yet to explore direct effects on the consumer-brand relationship. The question that I aim to answer is how CSR affects the types of relationships that consumers have with brands. The first element examined is the amount of integration CSR drives with consumers' concept of self since CSR tends to enhance consumers' feeling of similarity or "oneness" to the brand. Secondly, this

research aims to understand if varying degrees of CSR activities lead to varying outcomes, building upon previous research positing that brands with strong, more involved CSR efforts are more effective than those that engage in lesser efforts. Third, this research explores whether CSR leads to more committed (vs. passionate) relationships and whether those committed relationships enhance loyalty outcomes. In so doing, I build upon prior research in the realms of branding and interpersonal relationships, which suggest that committed relationships tend to be greater predictors of loyalty behaviors.

Chapter 2

Literature Review

The following literature informed this thesis and is broken into sections that correspond with each of the predictions on which this research was initially based. The work of academics focused on both brand relationships and CSR were consulted to construct a framework predicting the relationship between CSR and consumer-brand relationships. The foundational framework visual can be found at the end of this section.

In general, CSR activities have been shown to increase value for stakeholders, but how much and in what ways have been inconsistent in research findings. Peloza and Shang (2010) summarize how research studies have varied in the types of CSR investigated and the areas of business impacted. Research on CSR has been conducted at an aggregate level to assess how CSR efforts may add to the overall success of a firm. Although financial value is proven to be a direct outcome from CSR activities, marketing outcomes are not as well-established (Peloza & Shang 2010). Indeed, research is sparse on the effect of CSR when it is included in specific marketing activities that have goals other than financial reward. With regard to building brand equity, for example, there is very little previous literature exploring the role CSR plays (Peloza & Shang 2010). The aim of this research is to begin to understand what effect CSR has on brand equity and, more specifically, building consumer-brand relationships.

CSR Leads to Greater Self-Brand Integration

To understand the effect that CSR has on consumers' relationships with brands, it is important to first understand what is already known about CSR's impact on consumers. To start,

consumers typically view companies that engage in CSR in a more positive light than those that do not because they feel as though the ones that do are more relatable. For example, Bhattacharya & Sen (2003) propose that in the "company schema" (e.g. culture, climate, skills, values, competitive position, product offerings) that consumers hold, corporate ability is seen as the company's expertise in producing and delivering its products or services. CSR information, on the other hand, is seen as a company's "value system, "soul," or "character." "C-C Congruence", the consumer's perceived congruence of the company's character with their own, was found to lead to strong positive relationships with the company (Sen & Bhattacharya, 2003).

Further, organizational identification theory suggests that people often identify with an organization with which they belong or relate to, and therefore incorporate favorable aspects of the organizational identity into their own for self-consistency and self-enhancement purposes (Bergami & Bagozzi 2000). Accordingly, CSR produces positive impacts on a consumer by creating congruence with the norms of the community to which they belong, which in turn drives identification of the consumer with the organization (Sen & Bhattacharya 2001). Likewise, research on brand personality provides strong evidence that consumers form stronger relationships with brands that have a personality that they feel matches their own (Yao et al. 2015).

This tie of CSR to self-brand integration is significant to the study of brand relationships, and more specifically, brand love, because it is one of its main contributing dimensions. Batra, Ahuvia, and Bagozzi (2012) find that brand love is comprised of three, overarching dimensions: passion-driven behaviors, self-brand integration, and positive emotional connection. Given the previously established link between CSR and self-brand integration, it follows that CSR should enhance the self-brand integration dimension of brand love. My research will focus on this

proposition, while also assessing whether CSR also affects the other dimensions (passion-driven behaviors, positive emotional connection) of brand love. More formally, my research has as a starting point the following proposition:

P1: CSR will enhance the self-brand integration dimension of brand love.

Firms' Varying Levels of CSR and the Effect on Self-Brand Integration

Firms engage in varying levels of CSR, or socially responsible activities, which may alter their impact on brand love. First, brands can choose to engage in few or no CSR activities at all. An example of this would be the yogurt brand Dannon, a dominant leader in the market, which focuses mainly on corporate ability in comparison to Yoplait and Stonyfield competitors, which are both clearly more focused on CSR. Next, a brand could choose to simply associate with a cause that already exists, like Nike's association with the Breast Cancer Awareness campaign. Finally, a brand can be positioned in CSR where all aspects of the brand are based on socially responsible activities like the Tom's Shoes brand.

Three levels of CSR have been identified in prior research (Du, Bhattacharya, and Sen 2007): (1) a firm having no association with CSR, (2) a firm associating with an outside cause, and (3) a brand that is competitively positioned in CSR. Du et al. (2007) provide some key evidence as to how these varying levels can lead to different corresponding relational rewards. Specifically, 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, not all CSR initiatives lead to equivalent outcomes: 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 realize a range of CSR-specific benefits with consumers. Example

advertisements of a brand *positioned* in CSR (Tom's Shoes) and a brand simply *associated* with a cause (Macy's) can be found in appendix A. As a result, CSR might be one way to build meaningful, long-term relationships rather than empty, meaningless, or stressful ones in that it satisfies consumers' essential self-definitional and self-enhancement needs (Du et al., 2007). This leads to my second research proposition:

P2: Compared to no CSR, brands *positioned* in CSR generate more self-brand integration, than do brands simply *associated* with an outside cause.

CSR and Passionate Versus Committed Relationships

In addition to CSR's overall effect on brand relationships, the current research aims to better understand if CSR drives more passionate versus more committed relationships and, in turn, any downstream differences in loyalty outcomes. In doing so, my research builds on prior work that has examined consumer-brand relationships (Fournier 1998).

In her seminal work, Fournier (1998) conducted in depth interviews with a select group of consumers to understand how relationships with brands were formed in the context of the participants' life experiences. Her analyses developed a typology of consumer brand relationships that vary in multiple ways, and one interesting dimension that distinguishes among such relationships is that of passion and commitment. Passionate relationships reflect intense emotions that emerge quickly whereas committed relationships reflect long lasting feelings of dedication to the other in the relationship. For example, a "fling" would be considered a more passionate relationship due to its short term, highly emotional nature, whereas a "committed partnership" would clearly be considered more committed due to its lasting emotions and reciprocal dedication between the partners. Given this distinction in brand-consumer

relationships, a natural question arises regarding the link between passion and commitment in consumer-brand relationships and self-brand integration. Three strands of research provide evidence that more committed (vs. passionate) relationships will arise from the greater self-brand integration proposed in P1.

First, the literature on both brand and interpersonal relationships finds that when a person is passionate about something or someone it can lead to two outcomes: the initial passionate feelings can dwindle and wane, or they can turn into a more committed relationship as more experiences are added to the relationship over time (Sternberg 1986). In the case of interpersonal love, Sternberg's Triangular Theory of Love (1986) finds that passion in relationships will initially be high due to the rapid onset of the positive force, but will then decrease and level off as the initial attraction wears off. Conversely, commitment is a much more rewarding and satisfying type of relationship for the constituents because of the long term benefits that they receive from their committed partner. The partners are much more likely to invest more of themselves and their resources in the relationship over time, which leads to greater self-partner integration and deeper commitment as the relationship continues (Sternberg 1986). Likewise, in the case of consumer-brand relationships, work on brand attachment shows that relationship progression over time is expected to bring with it more self-brand experiences and should deepen the brand-self bond and enhance its salience leading to a more committed relationship (Whan Park et al. 2010).

Second, self-expansion theory posits that people possess an inherent motivation for self-expansion, or a desire to incorporate others into their idea of self (Whan Park et al. 2010). Self-expansion may also serve to link brands to the self (Belk 1988): given greater emotional involvement and greater self-brand bonds, greater self-brand integration should be reflected in

more committed (vs. passionate) relationships. In other words, the more a consumer experiences a feeling of oneness with the brand, the more likely he or she will try to preserve the relationship; that is, self-brand integration fosters commitment and vice versa.

Third, consumers who are attached to brands are not just recipients of the brands' resources but also actively invest their own resources in the brand to maintain their brand relationship providing further incentive to maintain the relationship, causing them to become more committed with each resource they put forth (Whan Park et al. 2010). Some of the resources attached consumers are willing to put towards the brand in the process of self-expansion include (1) social resources, such as defending the brand and derogating alternatives, (2) financial resources or willingness to pay higher prices, and (3) time resources, such as involvement in brand communities or brand promotion through social media. The dedication of time resources, especially, points to a more committed relationship over time as opposed to a short-term passionate one, due to the need for self-expansion and therefore self-preservation. When a consumer becomes attached to a brand, the relationship turns into more of a reciprocal one in which the consumer engages in more restorative behaviors that ensure that the relationship is continued (Whan Park et al. 2010).

Based on these arguments, therefore, more committed (vs. passionate) relationships are expected to arise with greater self-brand integration. Building upon P1 – which proposes that CSR will enhance self-brand integration – CSR should therefore lead to more committed consumer-brand relationships via self-brand integration. Accordingly, my research proposes:

P3: Brands that generate more self-brand integration with consumers through their CSR efforts will experience more involved and committed relationships with consumers.

Brand Failure (Actual or Imagined) and Loyalty

Finally, my research examines whether committed relationships, due to greater self-brand integration arising from CSR, will enhance loyalty in light of brand failure more than do passionate relationships. As previously noted, attached consumers are more likely to put forth social resources towards the brand, such as defending the brand and derogating alternatives (Whan Park et al. 2010). In addition, Thompson et al. (2005) find that committed relationships lead to stronger emotional attachment and, in turn, more brand loyalty outcomes than do passionate brand relationships (Thompson et al., 2005). Interestingly, Albert, Merunka, and Valette- Florence (2013) find that brand passion can be a strong stepping stone to brand commitment, but that commitment also acts as a mediator to some of the positive loyalty outcomes from passionate brand relationships. Committed brand relationships are almost always found to be more likely to produce the positive loyalty outcomes than those relationships that are simply passionate (Albert et al., 2013). This finding is also consistent with the Triangular Theory of Love in interpersonal love in that committed relationships generate the greatest feeling of satisfaction out of the three types of relationships (affectionate, passionate, and committed), and therefore lead to increased loyalty (Sternberg, 1986).

Building upon P3, CSR is expected to give rise to more committed consumer-brand relationships. Given the link between relationship commitment and loyalty in light of brand failure, my research therefore proposes that CSR should also enhance brand loyalty due to greater commitment in consumer-brand relationships. Accordingly,

P4: Stronger, more committed consumer relationships that result from a company's CSR efforts lead to greater brand loyalty.

In sum, my research proposes that: 1) CSR increases the self-brand integration dimension of brand love; 2) compared to brands that do not engage in CSR, brands positioned in CSR will lead to greater self-brand integration than do brands associated with CSR; 3) self-brand integration arising from CSR will lead to more committed consumer-brand relationships; and 4) greater relationship commitment due to CSR will enhance brand loyalty. These four propositions are captured in the figure below and will be explored through qualitative research. Specifically, my interviews will focus on the different levels of CSR and the corresponding outcomes that they produce, including self-brand integration, relationship commitment, and loyalty outcomes in light of brand failure.
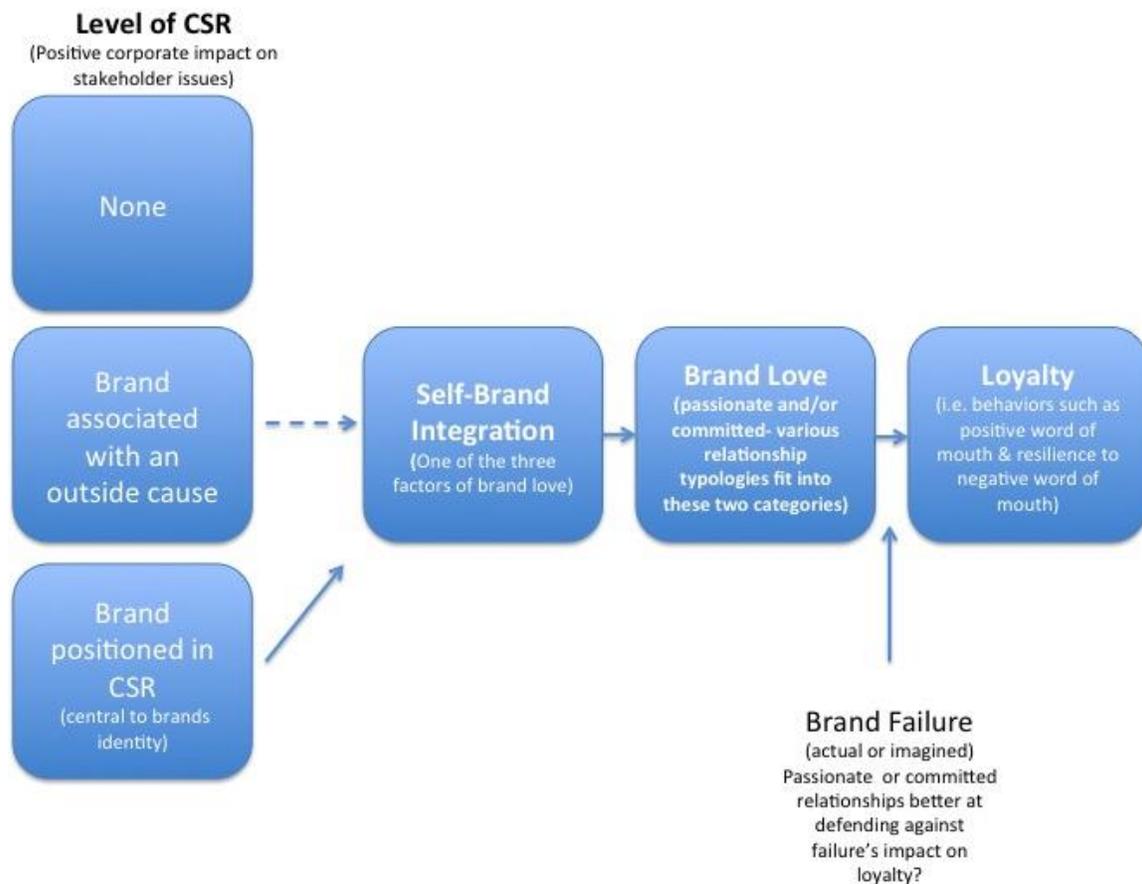

Figure 1 Theoretical Framework

Chapter 3

Methods

Two rounds of in depth interviews were conducted with five initial participants and two second-round, exceptionally socially conscious, participants from the State College area. The socially conscious participants were identified based on their frequent postings surrounding social issues on social media (mainly Facebook), and via recommendations from acquaintances that had previous conversations with these consumers surrounding their strong interest in social issues. Out of the participants selected, four were undergraduate students at the Pennsylvania State University and three were residents of varied ages. The interviews were conducted in the participants' homes or on the Pennsylvania State University campus. The interview script is available in Appendix A, and the table summarizing the characteristics of the sample can be found in Appendix B.

The first section of both rounds of interviews consisted of general questions surrounding the brands in participants' lives. Participants were asked to describe brands that are relevant to them and how they first encountered the brand or what drew them to it. To assess brand loyalty in the face of brand failure, they were also asked if they had ever experienced any problems with the brand and if not, a hypothetical situation was presented, and they were then asked how they would react in the case of brand failure.

Using a projective technique in the second section of the interview, participants were presented with flashcards inscribed with fifteen brands. This brand grouping task consisted of ten brands chosen due to their strong positioning in CSR and four brands chosen for their association with outside social causes. The ten brands that were chosen due to their strong positioning in CSR were: Tom's Shoes, Whole Foods, Microsoft, Starbucks, Google, Ben & Jerry's, Trader

Joe's, Apple, Burt's Bees, and Method. The four brands that were chosen due to their relation to outside causes were General Mills, American Express, Macy's and eBay. Participants were asked to group the brands any way that they felt made sense to them and were asked to explain their reasoning after the task.

Flashcards of 31 words or word groupings were then introduced to the participants and they were asked to group them to the brands how they felt made the most sense, and that they could regroup the brands as they felt necessary. The words presented in the word association task included: business, corporate, power, agenda, greed, me, inspire, environment, people, kind, love, exciting, strong, capable, dedication, connection, righteous, caring, boring, respect, effective, meaningful, desirable, admirable, trustworthy, passion, commitment, love, warm/caring, competent, insincere (these words were chosen based on their relation or opposition to how brands could be described in terms of CSR, to understand if participants associate them with CSR-type activities or not). Participants were then asked to explain their reasoning for the brand-word groupings.

In the second round only, the socially conscious participants were then asked to evaluate a socially inclined ad put forth by Panera Bread and asked to provide their initial reaction to the ad. The ad can be found in Appendix A. Next, they were asked explicitly about their opinions of Starbucks and Chipotle and through what experiences with the brands they have formed their opinions.

In the final section of both rounds of interviews, participants were asked to share some of the things that they care most about in their lives, and social issues or causes that are especially important to them (including their opinions of fair trade, ecofriendly business, and any charities or cause-related organizations that they support). In the second round only, socially conscious

participants were asked what their definition of a socially conscious brand is, what an ideal brand

would be in their minds, and to name any brands that they admire in this way.

Chapter 4

Results

The results of my interviews are organized by each section of the interview process. I begin by comparing and contrasting the responses of consumers in the typical and socially conscious segments. I then examine responses that provide more insight into the socially conscious segment. A visual summary of results can be found at the end of this section.

<u>Brands in Consumers' Lives</u>

In the general questions section with the typical consumer segment, when asked about brands in their lives, participants generally did not bring up any CSR brands. Therefore, when prompted for their reasoning for choosing the brands, it rarely had anything to do with CSR. The exception was one participant who spoke about his dedication to Chipotle due to the fact that the company produces its food in a socially conscious way. He said, "Chipotle is my go-to after a long day or just when I need food in general because I know it is a better option both health-wise and for all of the environmental reasons." Otherwise, reasoning surrounded functional or other non-CSR benefits surrounding the brands in their lives. When asked what drew them to the brands, the discussion usually mentioned what was thought of as trendy, provided some kind of comfort such as food brands, or what was considered the "best" product in whatever category the brands they identified fell into.

In contrast, the majority of the brands mentioned by the socially conscious segment were either positioned in CSR or associated with a cause. For example, when asked about the brands

that were in his life, the first participant talked about the boot brand "Thorogood," a brand

strongly positioned in CSR. The reasons he cited that drew him to the brand were its dedication

to high-quality and American-made products. He explained that he was willing to pay a price

premium due to the brand's dedication to CSR. Similarly, the second participant talked about

Starbucks as being one of the best brands in her life due to its dedication to the company's

products, employees, and the public. She talks about an interview with the CEO that she heard at

a time when she was questioning the brand that restored her initial feelings that Starbucks was, in

fact, a socially conscious brand. This was spontaneous evidence of the impact of CSR, as these

participants had not been asked any initial questions about their social consciousness.

Brand Failure/Loyalty

With regard to brand loyalty, the typical consumer segment proved to be much more

loyal to the preferred brands that they identified than did the socially conscious consumers. Each

time that a typical consumer was asked or prompted with a situation in which one of their

favorite brands failed them in terms of CSR, the participant said that he or she would seek more

information and then likely forgive the brand. For example, one participant named numerous

instances in which Apple Brand had failed her, but despite her annoyance, she said that she

continued to buy the brand, and was still satisfied with the brand. In the case of the Chipotle

example, the participant says, "If Chipotle had a bad ingredient, first I would want to know more,

were they hiding it or just didn't mention it? I would understand from a business standpoint if

they did not want to disclose. If they provide all good things then maybe one bad, you would

kind of just need to look past it. I would still go to them if it would still be bringing me

enjoyment and not making me sick."

In contrast to the typical segment, the socially conscious segment was much more likely to abandon a brand that failed them in terms of CSR. Both socially conscious participants said that they would stop using the brands they identified as preferred. As in the typical consumer segment, participants said that they would initially look more into whether or not the claim they heard was true—but the difference is that, once the claim's accuracy was determined, socially conscious consumers would leave the brand without question.

The first participant explained that he sought out the brand due to its socially consciousness positioning, and if it no longer met this standard then he would certainly look for a replacement. Similarly, the second participant said that she would not go to Starbucks anymore because she could no longer stand behind the brand.

Brand Grouping Task

In the brand-grouping task, the two segments behaved similarly and consistently grouped the brands *positioned* in CSR together. This finding suggests that, even though the typical consumer segment did not mention any brands positioned in CSR as preferred brands, they did recognize when brands are positioned in CSR and therefore similar to one another. That is, the CSR positioning of the brands makes these brands stand out from other brand groupings in the participants' minds—regardless of whether they hold socially conscious attitudes.

Word Association Task

In the word association task, the two segments also behaved similarly and grouped the brands *positioned* in CSR with the word pair "warm/caring." This result suggests that both segments view these brands in a similar way on warmth associations. However, the segments differ in the ways that they group the words "me," "love," and "commitment" with the brands. (See Figure 2 at the end of this section for a visual of the results from this task.)

In contrast, brands *associated* with an outside cause were not paired with the "warm/caring" word group in either segment. At one point in the interview, a participant in the typical consumer segment cited Microsoft as being associated with many causes, giving back a great deal to the community, mostly through the actions of the former CEO Bill Gates. Similarly, one participant in the socially conscious consumer segment mentioned a couple of brands that she knew were connected to causes, including Macy's. Despite this, in the card-sorting task, Macy's was not grouped as being "associated with a cause." Other than these rare instances, there were no other examples of participants identifying a brand as being associated with a cause. The reason for the discrepancy could be because when brands are *positioned* in CSR the efforts may seem more genuine since they are part of the brand's identity, whereas in the instance where brands are *associated* with an outside cause the efforts could seem more forced, due to the fact that they are not tied central to the brand's makeup or character. Therefore, all of the following results apply only for brands *positioned* in CSR.

Me. Whereas the socially conscious consumers paired the word "me" with the "positioned in CSR" brand group, the typical consumer seldom paired "me" with this brand group except in one instance where it was aspirational. (The participant said that she did not have any of the brands, but if there was a group she wanted to be most like, it was the brands positioned in CSR. Otherwise "me" was excluded from pairing with brands.) This result shows that there is some self-brand integration evident with the brands positioned in CSR for the socially conscious segment, whereas there was very little self-brand integration among the typical consumer segment.

Love. Similarly, both participants in the socially conscious segment paired "love" with the brands positioned in CSR whereas the other participants never paired "love" with this brand

group. The typical consumer segment instead paired "love" with brand groups that had a meaning connected to interpersonal love or excluded it altogether. This result suggests that, for the socially conscious segment, CSR is linked to both "me" (i.e., self-brand integration) and to love for the brand. The typical consumer segment did not experience initial self-brand integration (no "me" connection) nor did feelings of love for brands positioned in CSR emerge.

Commitment. "Commitment" pairings to the group of brands positioned in CSR emerged in the socially conscious consumer segment . In contrast, these pairings did not emerge in the typical consumer segment (consistent with the lack of "me" and "love" links in this segment).

On the other hand, *passion* fell out of the equation as few participants in either segment paired "passion" with the CSR brand group. This result suggests that CSR efforts lead to more committed than passionate relationships with brands.

Skepticism. Finally, although the word "skepticism" was not presented in the word association task, it was in the grouping task and the word association task that this unexpected finding first appeared. Big brands, like Starbucks, were paired with words such as "greed" and "insincere." It was especially apparent in one instance, in which a socially conscious participant paired Trader Joe's and Whole Foods with each other as brands that claimed to be local and positioned in CSR and yet the participant resisted such claims and saw the brands as large corporate entities that exploited people who believed their claims.

Social Issue "Universe" Discussion

In the social issue "universe" discussion, the socially conscious segment unsurprisingly identified more specific social issues that were important to them than did the typical consumer segment. Both of the socially conscious participants had careers in socially driven work and cited specific initiatives of involvement with social issues. Both socially conscious participants

appreciated fair trade certification, sought it out, and wished to know more about it, whereas the typical segment did not think much about it. Both found green or ecofriendly products to be superior to those that were not, though one mentioned "green-washing" skepticism towards brands with these claims.

Socially Conscious and Ideal Brands (Socially-Conscious Segment only)

Socially conscious consumers were also asked about their ideas of both a "socially conscious" brand and an "ideal brand." The first participant cited B Corps, which certifies organizations on doing social good rather than just driving profit, as being socially conscious brands, as well as his ideal type of brands. He went on to list some brands that he thought were these types of organizations, such as Ben and Jerry's. The second participant cited Tom's Shoes, Bombas Socks, Dove Brand, and Chipotle as socially conscious and ideal brands. She said that they are the companies that "go one step further" and that honor the trust of the public. She says she "loves, loves, loves a company like Tom's shoes," and is willing to pay a little bit more for its products (and those of Bombas Socks) since she knows what a charitable company it is. She also mentioned that Dove Brand really works to empower young women, and that Chipotle is ethical in how it treats animals. Both participants proved to be very involved socially, and had very strong positive beliefs about what they considered the most socially conscious brands— which were also considered their ideal brands. The fact that the socially conscious brands tended to be what these consumers also viewed as ideal brands could add to the lack of loyalty these consumers feel towards CSR brands in the case of brand failure since the brands are seen as not living up to the ideal.

Advertising Response and Discussion of "Big" Brands (Socially Conscious Only)

The theme of distrust of big brands among the socially conscious segment was apparent in the final section of the interview as well. Although both participants in this segment responded positively to the Panera Bread advertisement (Appendix A) depicting the company's initiative of donating bread at the end of each day, and were both very impressed it was a corporate initiative, the participants had conflicting feelings on the Chipotle and Starbucks brands.

Although the first participant viewed Chipotle as a generally socially conscious brand, the other participant was indifferent towards the brand. He explained that he liked the product, but it did not excite him. He went on to list some of the initiatives that the company takes part in, such as refraining from using GMOs in the food, and sourcing food locally, but again, there was a lack of enthusiasm for the brand. This finding of indifference was interesting because the CSR activities that he listed were in line with some of the issues that were most important to him in the discussion of social issues . One possible explanation is that the participant considered Chipotle a "big" corporate brand and this blocked any attachment to the brand that might otherwise have emerged given the participant's social universe aligned with the brand's initiatives. As a result of his skepticism of corporate brands, he could not like the brand as much as he would if he did not consider it a "big" brand—which may also provide evidence of motivated reasoning against the brand due to its corporate status.

A similar finding emerged for Starbucks. One of the socially conscious participants viewed Starbucks as positioned in CSR, genuine in their efforts, and that there was room for both Starbucks and local coffee brands. The other participant did not have a problem with Starbucks' product but viewed the company as driving out local business whose options were just as good. Further, this participant was in such opposition to Starbucks that he said even if the company went 100% green (which proved to be extremely important to him in the discussion of social

issues) he still would maintain his allegiance to local coffee shops. This finding appears to provide some evidence of motivated reasoning on the side of the local business and against big brands, even if they engage in CSR. This finding also aligns with the earlier findings regarding skepticism, in this case toward large corporate brands.

<u>Other Findings</u>

A few additional findings of interest also emerged across consumer segments and interview sections.

Figureheads. The first finding of interest was the mention of strong figureheads as the reason for liking or appreciating a brand that participated in CSR in some way. One of the participants from the typical consumer segment talked about her admiration for Bill Gates, and all that he does on his own, as well as through Microsoft, to give back. She also talked about the CEO of Burt's Bees, and his love for Bees and the company's products, which caused her to be very fond of the brand.

Similarly, a participant in the socially conscious segment talked about the reason she was so fond of the Starbucks brand, which was that she had heard multiple interviews with the founder who talked about the brand's efforts in regard to CSR. She also talked about an interview that she had heard with the CEO of Chipotle that also focused on CSR efforts, which she cited for her allegiance to this brand. These findings across both segments support the notion that corporate leadership may be an effective tool for communicating a company's CSR efforts among consumers in general.

An interesting difference that arose between the brand *associated* with an outside cause, Microsoft, and the other three brands that are *positioned* in CSR is that Bill Gates was cited for all of the socially responsible efforts that he was making personally whereas the other three

mentions seemed to be focused on the figureheads endorsing the CSR efforts embedded in the product and service offerings of the brands. This could certainly be a reflection of the strong CSR positioning of the Burt's Bees, Starbucks, and Chipotle. In other words, in the case of the brand *associated* with outside causes, the figurehead that engaged in CSR seemed to be more independent from the brand in his efforts, and in the case of the brands *positioned* in CSR, the figureheads that engaged in CSR seemed to be as one with the brands that they represented in their socially responsible efforts. The discrepancy could provide further evidence that all aspects of brands *positioned* in CSR are viewed as more socially conscious than those that are simply *associated* with CSR, even including perceptions of the people who represent the brands.

Admiration. The second finding of interest was only evident in the socially conscious consumer segment. When in discussion about CSR brands, one participant never described his relationship with the brand as one of "love" (it only came into play in the word association task when he paired love with the group of brands positioned in CSR). Instead, he consistently described brands' CSR efforts as something that he "admires."

By using "admire" instead, he kept an emotional distance from the brands that were discussed. This could be, in part, due to the "wall of skepticism" that the socially conscious consumers maintained. Due to their ever-present skepticism of brands and companies, a self-preserving distancing may take place when consumers consciously express their feelings towards brands. In contrast, the wall is breeched when the socially conscious consumer expresses their love towards a brand indirectly (as in the word association task). Potential reasons for this use of "admiration" are explored in the discussion section below.
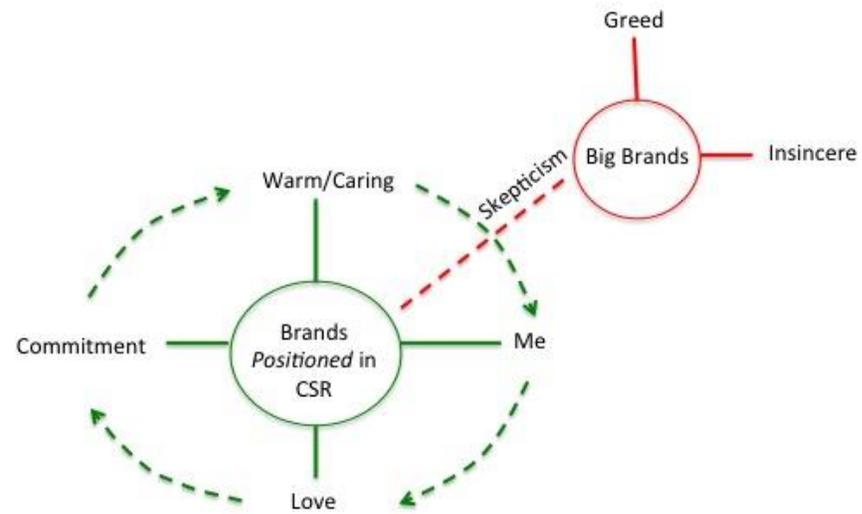
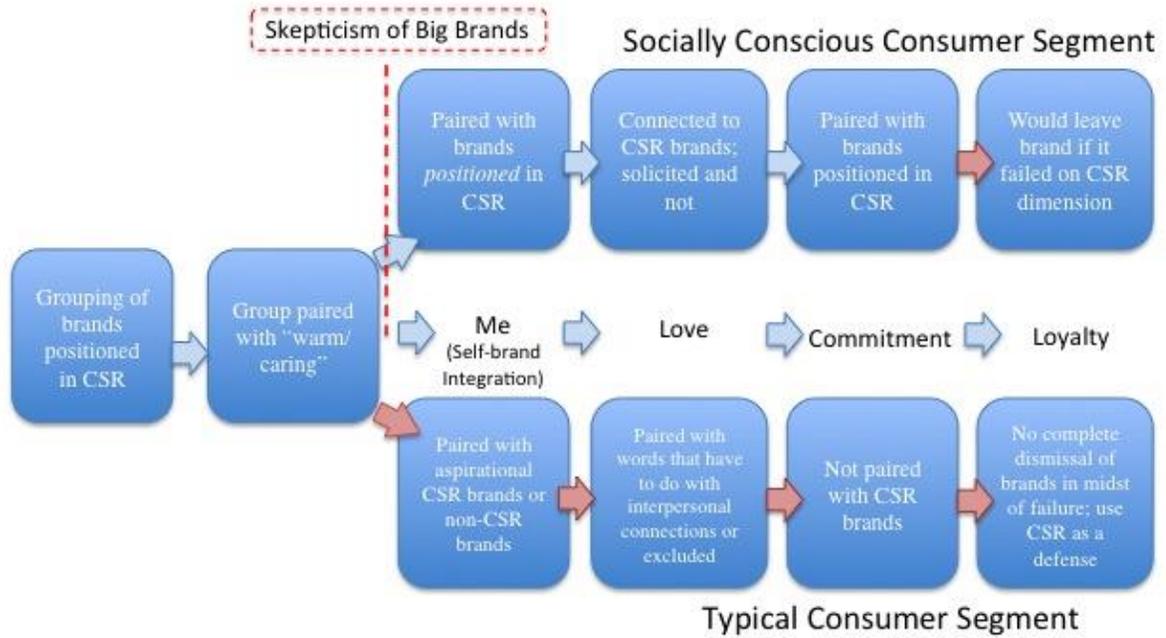**Figure 2 Word Association Task Socially Conscious Segment Results**

Figure 3 Summary of Results

Chapter 5

Discussion

In general, there was qualitative support for my research propositions as well as several unexpected findings. I discuss possible reasons for the results below, organized by proposition. The Modified Theoretical Framework based on the results can be found at the end of this section.

Proposition 1:

I originally predicted that CSR would enhance the self-brand integration component of brand love. Although this proved true with the socially conscious consumer segment, it was not the case with the typical consumer segment. The reason for this could be that this prediction was originally based largely on work on organizational identification theory, which posits that there is strong identification when an organization exhibits attributes that align with what the consumer views as important (Bergami & Bagozzi 2000). This finding builds on prior brand love research because it was found that CSR efforts increased this identification and integration into the self-concept, one of the main factors of brand love (Batra, Ahuvia, and Bagozzi 2012). Therefore, since the socially conscious consumers cared more about the types of CSR activities that the brands were taking part in, they were more aligned, and identified more, with the brands positioned in CSR than those in the typical consumer segment, who put more value on aspects of the brand other than its CSR efforts.

Proposition 2:

I proposed that, compared to no CSR, brands *positioned* in CSR generate more self-brand integration than do brands simply *associated* with an outside cause. For the most part, this

prediction was supported for both segments and is consistent with prior research suggesting that

positioning your brand in CSR can give a firm a competitive advantage over and above merely

associating a brand with an outside cause (Du, Bhattacharya, and Sen 2007).

Interestingly, brands that were *positioned* in CSR were almost always grouped together

by all consumers in both segments. Therefore, the brands positioned in CSR did not only drive

more self-brand integration among the socially conscious consumers, but they were generally the

only brands recognized for their CSR efforts at all. Again, this finding supports prior literature

inasmuch as a competitive advantage emerges for brands positioned in CSR as opposed to

simply associating with a cause (Du et al. 2007). In the case of brands positioned in CSR, there is

greater recognition of CSR efforts among all consumers, and, in the case of the socially

conscious consumers, identification with the brand (which in turn leads to increased probability

of love for the brand).

Proposition 3:

The third proposition was that brands that generate more self-brand integration with

consumers through their CSR efforts would experience more involved and committed

relationships with consumers. This proposition was strongly supported in the socially conscious

segment but not in the typical consumer segment. Note that this finding is consistent with my

model: socially conscious consumers experience self-brand integration, feel love towards brands

positioned in CSR, and feel more committed (vs. passionate) toward such brands. Likewise,

typical consumers who do not experience self-brand integration with brands positioned in CSR

should – and do not - love or feel a sense of commitment toward such brands. This finding builds

upon research suggesting that, when brands are integrated into one's concept of self, consumers

will act to preserve the relationship and cultivate a more committed relationship (Whan Park et

al. 2010). The discrepancy between the two segments arises from the lack of social engagement in the typical segment compared to the extensive interest in the socially conscious segment, which aligns with the weaker and stronger sense of commitment, respectively, towards brands positioned in CSR.

Modified Proposition 4:

In P4, I proposed that stronger, more committed consumer relationships that result from a company's CSR efforts would lead to greater brand loyalty. Here, the socially conscious consumer deviated from predictions in a striking fashion. Indeed, socially conscious consumers were more likely to *leave* a socially conscious brand that failed them, whereas typical consumers were more likely to be loyal in the case of brand failure. Prior research suggests that committed (vs. passionate) relationships leads to greater attachment and loyalty (Thompson et al., 2005), and that committed relationships lead to greater satisfaction and a stronger desire to preserve such relationships (Sternberg 1986). In my work, I observe this relationship among typical consumers but the opposite in the socially conscious segment.

My research suggests that socially conscious consumers do not defend brands and remain loyal because the brand's positioning in CSR is what drew consumers to the brands in the first place. When this positioning is undermined by brand failure, then socially conscious consumers felt misled and immediately sought a replacement. This finding is intuitive and also aligns with the notion that CSR brands are "ideal" brands for socially conscious consumers who may feel betrayed when the brand fails to live up to the ideal.

Interestingly, consumers in the typical consumer segment who did mention brands positioned in CSR as preferred brands (such as Chipotle) were strong defenders of brands that had failed them. This finding could mean that a strong positioning in CSR can be used as a

defense for consumers who appreciate the brand for other reasons than its CSR positioning. In this sense, CSR positioning may act as a type of protection for brands in the case of failure in the typical consumer segment.

<u>New Proposition 5:</u>

Through this research, a fifth proposition emerged through discovery, namely:

P5: P1 through P4 tend to hold for the socially conscious consumer segment but not the typical consumer segment.

The likely reason is that socially conscious consumers experienced the greatest amount of self-brand integration with CSR brands because the brands stand for the same things these consumers prioritize. In line with theorizing, it therefore follows that socially conscious consumers experience greater brand love and commitment due to greater integration of the brand with the self.

<u>New Proposition 6:</u>

In addition, a sixth proposition also emerged from this work. Although P1—P4 was supported for the socially conscious segment, these consumers also exhibited more skepticism toward brands. Socially conscious consumers were especially skeptical of big brands, which prevented them from achieving the self-brand integration that they did with other brands positioned in CSR. Instead, big brands were associated with words like "insincere" and "greed" (as seen in Figure 2). Further evidence for this skepticism also emerges when socially conscious consumers appear to replace "love" with "admiration" of brands positioned in CSR. Formally, I therefore propose that:

P6: Skepticism is a barrier between consumers and brands engaged in CSR, especially for socially conscious consumers.

In their work on admiration of brands, Garbinsky, Vohs, and Aaker (2011) find that it is important that brands exhibit both warmth and competence to be admired. In the case of socially conscious consumers, expectations may be extremely high for the warmth dimension—so achieving admiration alone may represent a feat in itself for the brand. Socially conscious consumers may not get past this "stage" because their standards are simply too high (i.e., no brand can live up to their "ideal"), which could also explain their skepticism toward brands.

With that being said, it is worth noting again that socially conscious consumers do associate brands positioned in CSR with the word "love." When expressed indirectly, the wall may be less of a barrier than when consumers speak directly and consciously about their relationships with brands. Perhaps consumers who care deeply about social issues wish to be seen as more knowledgeable of them and hence hesitate to express deep emotion when speaking about brands in order to protect themselves from seeming naive.

<u>Limitations</u>

Finally, I acknowledge several limitations of the current research. First, this research relies on the self-reporting of the participants about brands in their lives and their preferences, as opposed to observing actual behavior. Doing so allowed me to understand their underlying thoughts about brands in relation to CSR and I rely on previous research that has established that consumers have feelings, in general, about the CSR efforts of firms. Second, this research relies on hypothetical situations of brand failure to elicit the emotions and reactions that would result in the actual situation. I rely on past research that serves as precedent for this, as it shows that consumers react differently to brand failure under varying conditions. Third, this research does not make any claims about the generalizability of the findings in regard to CSR. There is, however, some evidence provided for the generalizability within the context of brand

relationships, and what CSR provides for the consumer-brand relationship in the case of brand
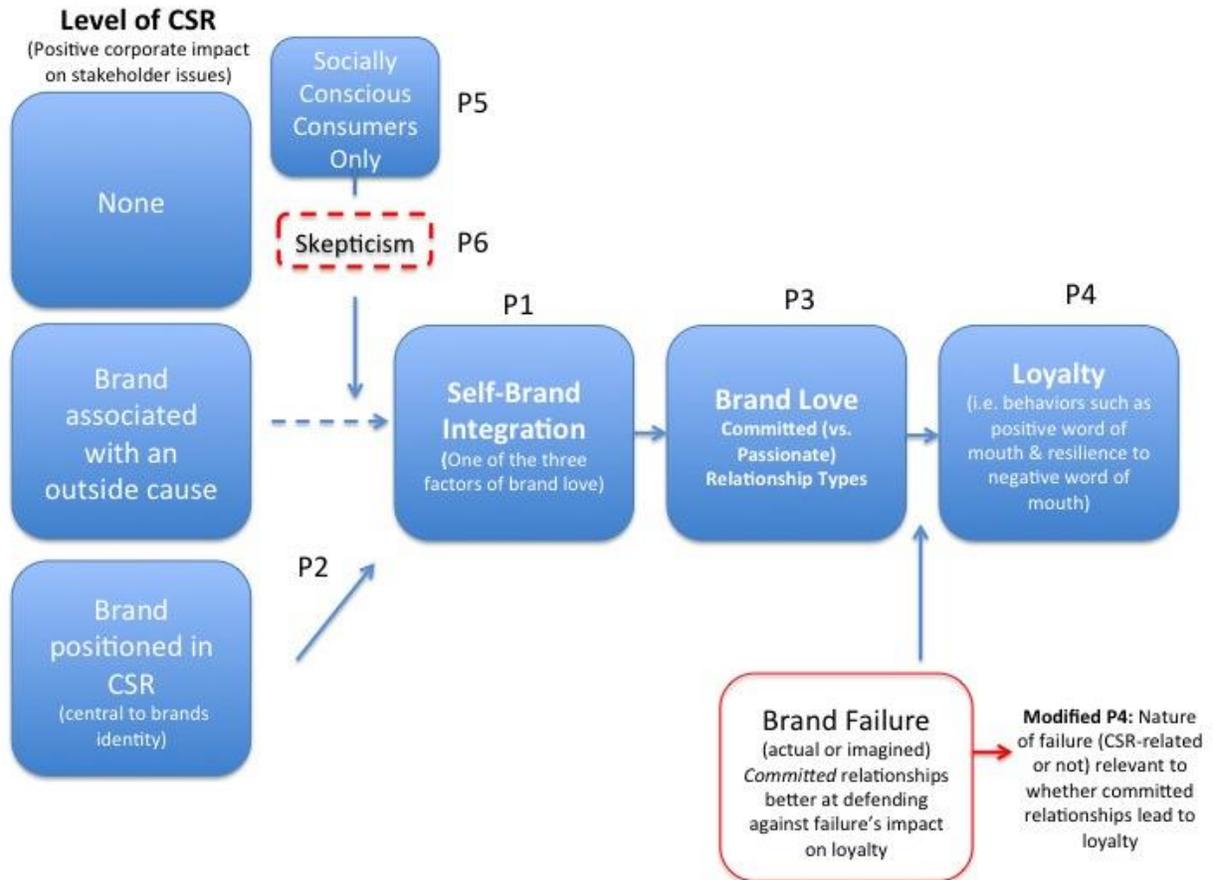
failure.

Figure 4 Modified Theoretical Framework

Chapter 6

Future Research & Managerial Implications

The findings of this research provide a foundation for future research about the impact of CSR on brand relationships. My research is consistent with prior work inasmuch as CSR can lead to stronger, more committed relationships with socially conscious consumers; moreover, with less socially conscious consumers, CSR may not foster these relationships but can lead to protection against brand failure. A summary of my view of the socially conscious consumer journey can be found below.

Several additional questions emerge from the present work. First, are there ways that brands can engage a broader audience with their CSR efforts? My research provides evidence that CSR enhances self-brand integration and committed relationships among socially conscious consumers. But it would be helpful for marketers to identify actions brands can take to appeal to the typical consumer segment in their CSR efforts so that they do drive more self-brand integration that leads to feelings of brand love.

Second, it would be beneficial to better understand the extent to which typical consumers will use CSR to defend actions of brands for which they otherwise have positive feelings. It seems that CSR provides protection for the brand in failure situations, and further work is needed to understand how CSR offsets or mitigates bad feelings toward the brand. This finding has important managerial implications in terms of CSR effectiveness because it suggests that, even if CSR is not necessarily driving relationships with consumers, it does provide insurance for managers of brands that are prone to failure.

Third, this research suggests that brands positioned in CSR need to carefully maintain relationships with the socially conscious consumer segment. As part of that effort, it is imperative that communication about CSR is transparent and ethical—for any failure on the part of the brand will drive socially conscious consumers away. Brands catering to the socially conscious consumer segment should also make strong efforts to reassure consumers regarding their CSR practices in order to alleviate skepticism towards brands. Future research could explore effective actions to alleviate skepticism, whether it is instilling trust in the consumer through enhanced messaging or taking part in specific types of CSR activities. For example, one such activity might be to reorganize their business to focus more on social issues and less on profit and seek certification as in the case of B Corps.

Fourth, the present research finds, overwhelmingly, that brands positioned in CSR received much more recognition for their CSR status than those associated with an outside cause. Hence, brand managers who really want to enjoy the benefits of their CSR efforts for consumer-brand relationships should seriously consider a brand positioning as opposed to a partnership with an outside entity. This is not to say that there are no possible benefits from a brand associating with an outside cause. Such CSR associations may benefit the brand in ways that do not touch on consumer-brand relationships—an important topic for future research. For example, companies with brands related to outside causes might impact other important aspects of a business such as hiring, employee retention, and relationships with other firms.

In conclusion, this research provides a basis for future work in the realm of CSR and brand relationships and provides managerial implications that may be valuable to managers across industries that wish to enhance consumer relationships with their brands. Regardless of the differences among the two consumer segments in terms of the impact of CSR on brand

relationships, it is clear that there is universal and positive recognition of brands positioned in

CSR. Engaging in CSR could be a valuable way to help brands stand out from the competition,

and in some cases, to develop deeper relationships with consumers.
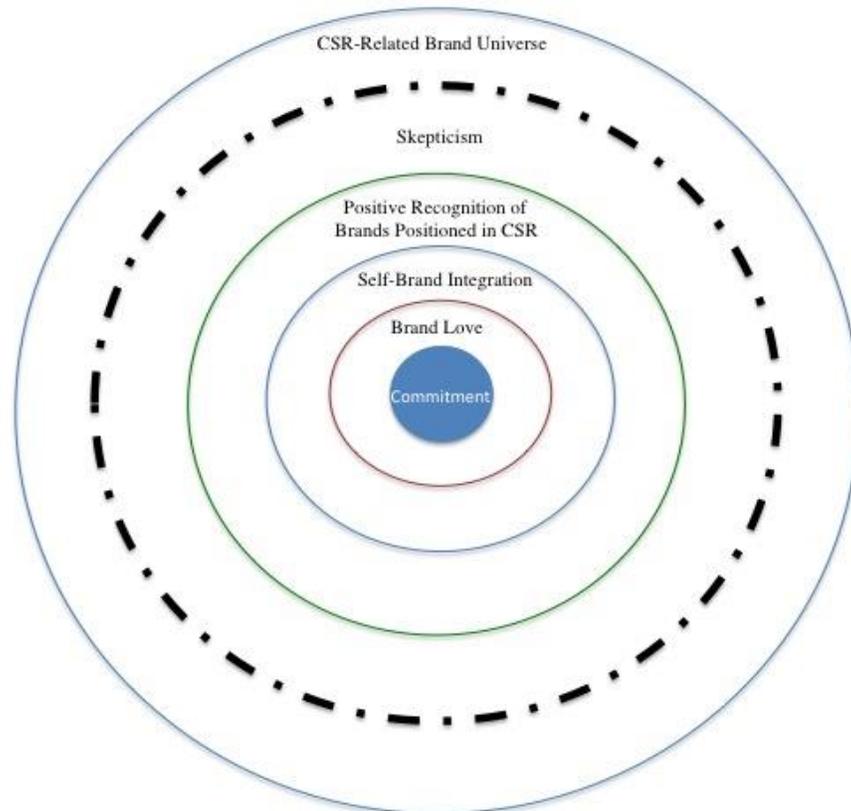

Figure 5 Socially Conscious Consumer Journey

Appendix A

Interview Instrument

Section I: Consumer-Brand Relationship Discussion

Tell me about some brands in your life.

Why do you have this brand?

What drew you to the brand, if there is anything in particular? Or where did you hear

about it?

Brand Failure/Loyalty

Have you ever experienced any problems with this brand?

If yes, how did you react?

> *If no, imagine that the brand had failed you in _____ way. How would you*

respond?

Section II: Flashcard categorization

Please group these in the way that makes the most sense to you.

Brands (introduced first): Toms Shoes, Whole Foods, Microsoft, Starbucks, Google, Ben

& Jerry's, Trader Joe's, Apple, Burt's Bees, Method, General Mills, American Express,

Macy's, eBay

Can you explain why you grouped them the way that you did?

Now I will introduce some words to the group. Please do the same with these, and feel

free to regroup the words introduced initially as you need to. There are also additional

blank cards so that you can add your own words if you feel like you need to or if any other words come to you.

Words (introduced second): Business, corporate, power, agenda, greed, me, inspire, environment, people, kind, love, exciting, strong, capable, dedication, connection, righteous, caring, boring, respect, effective, meaningful, desirable, admirable, trustworthy, passion, commitment, love, warm/caring, competent, insincere

Can you explain your thought process while grouping these?

How are the brands in one group different from those in another?

Discussion of "Big" Brands

What is your initial reaction to this ad?

> *Why do you feel that way?*

What are your opinions of Starbucks?

> *Through what experiences have you developed these opinions?*

What are your opinions of Chipotle?

> *Through what experiences have you developed these opinions?*

Section III: Social issue discussion

What are some things that you care about most in your life?

Are there any social issues or causes that are especially important to you or that stand out to you as important?

What do you think about fair trade?

What do you think about businesses or brands that are green or ecofriendly?

Are you involved in or supportive of any charities or cause-related organizations? Describe your involvement.

What would be your definition of a socially conscious brand?

What would the ideal brand be in your mind be like or do? Would they be involved in a cause? If so, how?

Are there any brands in particular that you admire in that way?

Ad used in "Advertising Response & Discussion of Big Brands" Section of Interview

Example of Brand *Positioned* in CSR Advertisement

Example of Brand *Associated* with a Cause Advertisement

Appendix B

Participant Descriptions

Table 1 Typical Consumer Segment

Participant 1	Female, late teens, undergraduate student at Penn State
Participant 2	Female, early 30s, college graduated, State College resident
Participant 3	Female, early 20s, undergraduate student at Penn State
Participant 4	Male, early 20s, undergraduate student at Penn State
Participant 5	Female, late teens, undergraduate student at Penn State

Table 2 Socially Conscious Consumer Segment

Participant 6	Male, early 30s, college graduated, State College resident
Participant 7	Female, mid-50s, college graduated, State College resident

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- Developed recommendations for in-store activation strategy in the Cash and Carry distributor channel based on audit results and research on best practices in the industry

Johnson & Johnson- July-December 2014, Morris Plains, NJ
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- Organized consumer claims database of over 800 claims and analyzed claims against competition
- Analyzed distributor sales data to develop recommendations based on sales information
- Standardized the process of communicating marketing initiatives to sales force each month
- Collaborated on print and digital creative with team and creative agency

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