

# Meaningful CSR Communication via Digital Media – Competitive Paper

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## Introduction

In recent years, the concepts of Corporate Social Responsibility (CSR) and ‘going green’ have received considerable interest among general society and in the field of research (Dolnicar and Pomeroy, 2008). Due to digital media, consumers are empowered with greater information levels and the voice of consumers is larger than ever (Kucuk and Krishnamurthy, 2007). With consumer power so high, firms must grapple with this increased control and adjust business objectives according to consumer interests (Kucuk and Krishnamurthy, 2007). Valuable insights in this area have been gained though there are still gaps in literature, particularly in the area of consumer attitudes towards CSR posts on digital media. This study aims to examine the concepts of attitude, purchase intention, scepticism and awareness of CSR communications in the digital context.

## Theory Development and Conceptual Model

In general, studies have found that consumers are more likely to hold positive associations with a brand when they engage in CSR (Brown and Dacin 1997; Sen et al. 2007). While it has been reported that consumers are generally interested in learning more about the CSR initiatives of brands (Dawkins 2004), they are unlikely to actively seek the CSR information about a brand on their own accord (Morsing and Schultz 2006; Du et al 2010; Schmeltz 2012). CSR reporting has shown to prevent reputation damage for organisations that have been impacted by negative press in relation to an adverse event. While there is existing research to suggest that CSR directly influences brand evaluations, loyalty and recommendations, evidence to suggest that CSR directly influences the purchase behaviour of consumers is not conclusive.

Brown and Dacin (1997), concluding their deductive, quantitative study involving 229 participants, suggested that CSR awareness will only have an indirect effect on purchasing intention by influencing the attitude towards a brand, which has the direct effect on purchase intention. However, Sen and Bhattachaya (2001) oppose this view, stating that CSR activity in certain domains such as employee relations and for consumers with certain CSR beliefs have a direct effect on consumers’ decisions to buy the product. Alternatively, Alniacik et al. (2011) found that positive and negative CSR information is a predictor, but not to the same extent as investment and employment intentions, thus confirmative of Sen and Bhattachaya (2001). Each of these studies is limited in that they do not research where the source of positive and negative information came from. Positive and negative information of CSR activity from the company itself may be treated with a level of scepticism than if heard through a friend who works for organisation (Morsing et al. 2008). Nonetheless, the theoretical implications of CSR on purchase intention remains only of theoretical value if consumers show to have little CSR awareness.

In order to consider brands CSR initiatives as part of their decision-making consumers must first be aware of them (Maignan and Ferrell, 2004; Mohr et al., 2001; Pomeroy and Dolnicar 2008). A study measuring awareness of the concept of CSR has shown 56% of Georgian consumers to state that they were unsure of what the term meant (Gigauri, 2012). Review of literature has found that most studies measure the impact of CSR awareness on purchase behaviour and attitudes towards a brand by providing individuals with additional information, though studies measuring actual awareness levels are far and few between (Sen and

Bhattacharya, 2001; Auger et al., 2003; Pomeroy and Dolnicar, 2008). Mohr et al. (2001 p.12) believe that the lack of studies determining awareness could be due to the fact that “*CSR is a broad and complex concept that is challenging to measure*”. Pomeroy and Dolnicar (2008) postulate that future studies of CSR awareness and associated scepticism levels would provide as a useful caveat for future research.

According to Schmelz (2012), the value of working with CSR in a corporate context is limited if the engagement is not communicated to relevant stakeholder groups. While the communication of CSR has grown as an integral part of most organisations’ communications strategy, firms typically face challenges since these attempts can often increase scepticism levels instead of effectively illustrating their CSR activity (Waddock and Googins, 2011). Scepticism occurs when individuals believe that an organisation is acting in self-interest, for example to improve its reputation, as opposed to the benefit of society (Elving, 2013). When a firm communicates their CSR involvement, it is highly likely that consumers will initially view this with a level of suspicion (Bae and Cameron, 2006). The increase in CSR reporting has raised questions surrounding the motives of those organisations (Lin-Hi and Müller, 2013) especially when CSR is communicated in response to an event/crisis related to the firm or industry (Brønn and Vrioni, 2001). This is supported by Schmelz’s (2012) study of Danish consumers, which found that 90.9% of consumers believed an aim of improved brand reputation to be the main reason behind CSR communications. However Heidinger (2012), in a survey measuring attitudes towards corporate CSR statements on brands’ websites, found consumers not to be sceptical when asked questions related to whether the brands illustrated, exaggerated their efforts and if they are communicating for their own benefit, thus studies in this area are not unanimous.

Similar to scepticism, firms often face a CSR communication paradox where there are conflicting ideals between a general distrust in large and multinational corporations and their intention to be socially responsible (Waddock and Googins 2011) also known as “greenwashing”. Communication level paradox is the issue that when a firm communicates its CSR efforts in an attempt to persuade consumers to view them as an ethical organisation, it may just do the opposite (Waddock and Googins 2011). For example, in Schultz and Morsing’s (2003) study of Danish consumers, they found that consumers regarded the use of CSR communication within marketing contexts distasteful, despite ironically, they may otherwise hold little knowledge of an organisation’s CSR activity.

Communication issues can be a problem for organisations since it can influence attitudes towards a brand (Sen and Bhattacharya, 2001) and the level of trust consumers have for an organisation (Vlachos et al., 2009). Most studies have found that a consumer may view CSR activity with higher legitimacy if it appears to ‘fit’ with the organisation at hand (Sen and Bhattacharya, 2001; Becker-Olsen et al., 2006; Ellen et al., 2006) therefore a company may wish direct CSR efforts so that they are in line with the core values of the organisation in order to reduce scepticism levels and the paradoxes associated with it. In addition, information efforts coming from independent sources such as the media, word of mouth and employees (Morsing et al., 2008; Du et al., 2010), and information conveyed in a less conspicuous manner (Morsing et al., 2008) may be seen as more legitimate, with 50% of respondents stating that they view this information with less scepticism (Du et al., 2010). These problems can also come from a lack of understanding of the CSR message or a conflict of the message regarding prior beliefs or attitudes towards the brand (Pomeroy and Johnson, 2009), again emphasising the need for message ‘fit’. Also, Bhattacharya and Sen (2004) propose that consumers treat the CSR information of some sectors with higher scepticism than others, indicating different industries may suffer CSR communication issues of different strengths.

Originally, an organisation's main form of CSR communication would be within a sustainability report on their company website, though more recently, firms are using social media to convey their messages, thus reaching out to consumers with their CSR posts (Birth et al. 2008). CSR information is no longer only available to those that are actively seeking it, but to anyone that interacts on social media. For organisations that spend time and resources into the communication of CSR, it is important that their efforts are received well by consumers. The SMI Sustainability Index (2012) found that the number of major companies that had dedicated resources and social media channels for CSR communications had grown from 60 to 176 within just two years. This shows that organisations are increasingly realising the importance of communicating their CSR activity in a more interactive manner beyond the sustainability report and thus initiating a two-way dialogue between organisations and consumers. For organisations, social media is an effective platform for targeting certain groups, meaning that CSR information can be diverged more effectively now than in previous years. Indeed, in a study by Lee et al. (2013) of the Twitter accounts of the Fortune 500 companies, it was found that communications to and from socially responsible organisations are more likely to go viral, and thus increasing awareness of the firms.

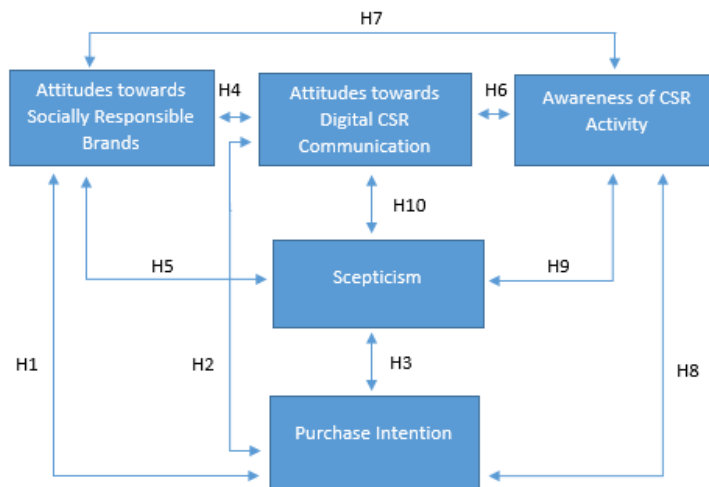
While brands are using a vast range of channels to communicate CSR (e.g websites, social reports, awards and events, cause related marketing) (Motwani, 2012), websites, social reports and advertising appear most prominent (Birth et al. 2008) with CSR advertisement, for example on social media websites, notably least researched (Farache and Perks, 2010). Studies in this area are very important since social reports and websites are considered as softer promotional techniques that are less effective than direct advertisement (Motwani, 2012), which would explain recent the uptake in CSR advertisement as opposed to traditional methods. More consumers are looking online to find more detailed information on CSR as part of their purchasing decisions (Lundquist, 2014) though studies specific to CSR advertising, are well under-researched (Motwani, 2012).

Studies into consumer perceptions of CSR communication is scarce (Smith et al. 2010), with most empirical research focusing on the effects of awareness of CSR information on attitudes towards brands and purchase intention. Review of existing literature suggest that there are no:

- Studies measuring the scepticism of UK consumers towards CSR communication
- Recent published studies relating to UK consumer attitudes towards CSR and its effects on purchase intention
- Research measuring actual awareness levels of CSR based on consumers within the UK
- Quantitative studies investigating UK consumer attitudes towards digital CSR communications

These gaps will be closed through testing the hypotheses summarised in Figure 1.

**Figure 1. Conceptual Model**



## Method

To address research aim the mixed method of analysing survey data (testing hypothesis) as well as netnographic study of the digital content (to get in-depth understanding of issues revealed by the survey). The survey was created using PollDaddy because it contained the feature of media embedment - the inclusion of YouTube videos and social media images. This allowed for the introductory message about CSR to be more interactive and visually stimulating for respondents, permitting a clearer idea of the concept when thinking about responses. The survey was distributed via Facebook using snowballing method of reaching greater sample. Total of 102 responses were usable. All respondents were UK consumers. The gender distribution was relatively even, though the majority of respondents stated to be less than 30 years old (79%), thus most reflective of younger consumers. Survey was sectioned into three parts: the first section illustrated the logos of five brands and asked respondents if they could recall the CSR activity of them; the next section was designed to pertain attitudes towards CSR in general (using a Likert-scale statements adapted from the existing literature since all measures generate above .7 Cronbach Alpha) and lastly, a demographic profile of the participant in terms of age range and sex. Survey has been tested using regression analysis, results of which are presented in the next section.

As part of the netnographic research, this study looks at six organisations that proactively communicate their CSR efforts digitally and will evaluate consumer awareness levels and attitudes towards their CSR posts on Facebook. To our knowledge, there are no other studies that have investigated attitudes towards CSR posts for several organisations on social media. Six organisations were decided upon the results of the latest Lundquist Online CSR Awards (2014), which measures the online CSR activity of organisations and ranks them out of 100 based around seven pillars. We have chosen to select six organisations (including the winning brand, DHL) that are well known in the UK and have a rating of at least 39 points, which positions each of the organisations within the top 50 for digital CSR communication within Europe. Using organisations that are well known and have a high standard of CSR communication is particularly relevant to this research topic since there is more chance of higher CSR awareness levels.

## Results

Statistically significant according to ANOVA and the Model of Coefficients ( $F= 16.027$   $p=<0.0001$ ), a moderate positive correlation between attitudes towards DCSR (Digital CSR) and awareness of CSR activity (hereinafter awareness) has been found through regression analysis in this study, signifying relationship strength of 20% ( $R^2 = .203$ ). If attitudes towards DCSR changed by one unit, awareness is likely to change by approximately .595. Results show attitudes towards brands and awareness to have a moderate positive correlation (.522) with 27% of the respondent score for the independent variable accounting for the score for the dependant variable ( $R^2 = .273$ ). An increase in awareness by .597 is likely to correlate when an increase by one in Attitudes towards Brands occurs. The regression model at hand has shown statistically significant in the ANOVA and Model of Coefficients tests ( $F= 37.517$   $p=<0.001$ ). A statistically significant model according to ANOVA and the Coefficient Matrix ( $F=27.924$   $p=<0.001$ ), purchase intention and awareness show to have a moderate positive correlation (.467). An  $R^2$  result of .211 indicates that 21% of the average respondent score of awareness is explained by the construct of purchase intent. If purchase intent changes by one unit, awareness is likely to correspond by a change of .589.

Awareness and Scepticism has been found to have a weak negative correlation (-.367) with 14% of the result of Awareness explained by levels of Scepticism ( $R^2 = .135$ ). A change in Scepticism by one unit is likely to affect Awareness by -.449. ANOVA and the Coefficient Matrix illustrate Scepticism to be a significant variable ( $F=15.614$   $p=<0.001$ ). Attitudes towards DCSR and Scepticism correlate with a moderate negative relationship (-.471). An  $R^2$  outcome of .222 means that 22% of the result of Attitudes towards DCSR can be explained by Scepticism levels and similar to Attitudes towards Brands, a change by one unit in Scepticism is likely to impact attitudes in the other direction ( $B= -.471$ ). All 10 hypotheses were accepted (Table 1).

**Table 1. Hypotheses testing results**

| Hypothesis   | Results  |
|--|----------|
| 1. Purchase Intention is positively correlated with Attitudes towards Socially Responsible Brands                          | Accepted |
| 2. Purchase Intention is positively correlated with Attitudes towards Digital CSR Communication                            | Accepted |
| 3. Purchase Intention is negatively correlated with Scepticism   | Accepted |
| 4. Attitudes towards Socially Responsible Brands is positively correlated with Attitudes towards Digital CSR Communication | Accepted |
| 5. Attitudes towards Socially Responsible Brands is negatively correlated with Scepticism                                  | Accepted |
| 6. Awareness of CSR Activity is positively correlated with Attitudes towards Digital CSR Communication                     | Accepted |
| 7. Awareness of CSR activity is positively correlated with Attitudes towards Socially Responsible Brands                   | Accepted |
| 8. Awareness of CSR Activity is positively correlated with Purchase Intent   | Accepted |
| 9. Awareness of CSR Activity is negatively correlated with Scepticism  | Accepted |
| 10. Attitudes towards Digital CSR Communication is negatively correlated with Scepticism                                   | Accepted |

Several themes emerged from the analysis of the Facebook comments across the 25 CSR posts on Facebook (Table 2). Remarks from the brand itself, comments that were irrelevant to the post and responses rated neutral though sentiment analysis were discounted from the study since they would not describe general attitudes towards the post accurately. A total of 45.5%

of responses showed positive attitudes towards the post while the rest showed some kind of negativity. Summaries of each of the themes in terms of how many comments related to the theme, the relative size of themes as a percentage of total comments and colour codes are included in Table 2.

**Table 2. Themes emerged from the netnographic analysis**

| Type of Comment   | Number of Comments | Percentage of Total Comments |
|---|--------------------|------------------------------|
| Confliction with Prior Attitudes or Beliefs about the Brand | 58                 | 27.2%                        |
| Positive Attitudes Towards Message                          | 97                 | 45.5%                        |
| Disagreement with Use of CSR                                | 9                  | 4.2%                         |
| Scepticism  | 16                 | 7.5%                         |
| Negative Response to Message                                | 33                 | 15.5%                        |

### Conclusions and Implications

In summary, this study indicates that consumers have positive attitudes towards socially responsible brands. Results from the survey specify that consumers also have positive attitudes towards the CSR communication by brands, though netnography analysis suggests that consumers who already hold a positive regard for the organisation are more welcoming. While consumers are interested in learning more about CSR, they do not actively search for this information, indicating that softer promotional techniques such as websites and social reports, are less likely to increase awareness levels of the brand's CSR initiatives and thus supportive of Motwani (2012). Awareness levels of the respondents were slightly higher than other studies, this could be reflective of the organisations chosen, which had been assessed by Lundquist (2014) as having effective digital CSR communication techniques, therefore suggestive of the fact that these methods do in fact increase awareness. Moreover, prior studies had been tested on consumers outside of the UK, whom are likely to have different attitudes towards CSR. With 45% of respondents stating that they do not pay close attention to CSR as part of purchasing decisions and 36% affirming that they would not feel guilty purchasing from an unethical firm, results suggest that consumers consider other purchasing criteria with more importance e.g. price.

Overall, consumers have not shown to be overly sceptical across both the survey and netnography, though 50% of those surveyed stated that they trust social recommendations more than company written reports, thus a limitation of self-communicating CSR. That said, with researchers indicating that information from outside sources are seen with higher legitimacy, and results from netnography indicating that a healthy amount of employees are already engaging in posts about CSR, could promoting internal engagement with posts about CSR, be a new, potentially effective way of decreasing scepticism towards them?

This study has highlighted that for organisations with an aim to make consumers aware of their CSR efforts, they must proactively reach out to them since many consumers will not avidly seek this information themselves. Netnographic analysis has shown consumers to respond well to CSR posts that are not blatantly self-praising, however self-praising posts can also be received well if consumers agreed with this use of budget, thus emphasising the importance of tailoring CSR initiatives towards the interests of stakeholders. Negative responses to CSR posts indicate that CSR initiatives and associated posts are less likely to be received well if they are contradictory to other acts or behaviours that are viewed less ethical. Therefore, for CSR posts to be received well by consumers, it is important that their whole business operations coincide with consumer expectations of responsible behaviour. Indeed, for brands communicating CSR as a reactive strategy, particular care must be taken. Though a smaller sample of posts analysed showed employee engagement, and more research is needed,

generally these messages fared well in terms of positive to negative comment ratios thus, brands may wish to use CSR messages as an internal, in addition to external marketing initiative.

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