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The Relationship between Corporate Philanthropy and Corporate Reputation: Examining the Consumer-Company-Cause Triad

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2. Beurteilerin/ 1. Beurteiler: **Prof. Vincent-Wayne Mitchell**

von **Ilona Szócs**

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Foreword

Writing a dissertation is a long, uncertain, and often lonely journey with its ups and downs. But for this very reason one needs some stages with “refreshments”, i.e. inspiring people with sincere thoughts. Numerous colleagues and friends accompanied me on this way and I am indebted for their support, ideas, energy, advice, as well as criticism. At this point, I would like to name a few to whom I am particularly thankful: Professor Bodo Schlegelmilch from the WU and Professor Vince Mitchell from the Cass Business School in London for pushing me to my intellectual limits, Professor Mike Hoffman and Professor Bob McNulty from the Center for Business Ethics at Bentley University for their friendly review on parts of this dissertation, Prof. Elfriede Penz and Prof. André Martinuzzi from the WU for their availability as accompanying members of the PhD committee and valuable feedbacks on the research proposal, all my colleagues and administrative staff at the Institute for International Marketing Management, and last but not least Angelika for her continuous belief in me.

**The Relationship between Corporate Philanthropy and Corporate
Reputation: Examining the Consumer-Company-Cause Triad**

Abstract

Although studies in scholarly journals suggest that corporate philanthropic activities may enhance corporate reputation, little systematic research on this effect exists. In fact, our knowledge of consumer responses to corporate philanthropic initiatives is limited. While corporate success relies on the support of customers, business benefits from corporate generosity – such as improved corporate reputation – are lacking. This dissertation investigates consumer perceptions of corporate philanthropy. Specifically, it explores the congruence among consumer perceptions of different philanthropic cause types, their geographical deployment, and the company-cause fit. Moreover, it aims to provide an understanding of the link between corporate philanthropy and corporate reputation by highlighting the role of ethnocentrism in shaping this relationship. The empirical research draws on balance theory, the sociological concept of ethnocentrism, and cultural dimensions to provide a framework and model for the relationship between consumer Attitudes toward Corporate Philanthropy and Customer-based Corporate Reputation. I employ three methodological approaches (interpretive, experimental, and survey-based) to investigate three sets of research questions. Firstly, an exploratory design is employed to uncover consumer and corporate perceptions of corporate philanthropy. Secondly, an experimental design is used to shed light on consumer evaluations of different corporate philanthropic causes and their dimensions by testing three propositions. Finally, a survey design is applied to test six hypotheses, and consequently to provide an understanding of the link between corporate philanthropy and corporate reputation in two distinct cultural contexts. The latter consists of two large-scale surveys in which two leading telecommunication companies, one in Austria and one in Egypt, are examined. Data is analyzed by applying qualitative computing, nonparametric tests, regression analyses, and structural equation modeling.

Three consumer views emerge from the interviews: egoistic, altruistic, and pragmatic. The corporate view, in contrast, is largely of strategic nature (i.e. gaining sustainable competitive advantage by means of responsible management). Some weak ethnocentric tendencies appear in terms of consumer preferences for domestic philanthropic support as opposed to distant support. Furthermore, findings point toward congruence in the perceived importance of social causes by consumers, with health-related causes favored most and art-related causes least. The geographical focus of corporate philanthropy (i.e. domestic versus distant) is perceived differently for the education-related cause across all seven industries examined in the

experiment. For other causes, however, such as health- or environment-related causes, a significant difference is found in the oil and consulting industries, respectively. This indicates that consumers' evaluation of corporate philanthropic activities is partially dependent on the geographical focus. Additionally, results confirm the existence of weak industry-specific preferences. The support of causes with a close fit to the core business is favored by consumers unless another cause type (less industry-related) is perceived as more worthy of support. In terms of corporate reputation, corporate philanthropy has a small to medium impact on perceptions of the corporation in Egypt and Austria, respectively, varying by respondent subgroup. Consumer Ethnocentrism impacts upon Attitude toward Corporate Philanthropy negatively in Egypt, while in Austria, the absence of Consumer Ethnocentrism moderates the relationship between Attitude toward Corporate Philanthropy and Customer-based Corporate Reputation positively and more strongly than moderate Consumer Ethnocentrism.

The research presented in this dissertation advances the extant literature in three important ways. First, it focuses on a relatively neglected area of corporate social responsibility, namely corporate philanthropy – an unconditional contribution by a corporation to a social cause. Second, it embraces corporate reputation as a multidimensional construct (as opposed to a unidimensional construct) and thus contributes to the relatively few studies within reputation measurement that exclusively address the consumer stakeholder group (e.g. Walsh et al. 2009). Furthermore, to best of my knowledge, no scholarly research has examined the relationship between corporate philanthropy and Customer-based Corporate Reputation to date. Third, by examining real customers and real-life companies, this work aims to overcome the limitations of the laboratory settings that have traditionally been preferred in this area of research. For managers, the findings offer valuable consumer insights into corporate philanthropy and indicate strategies to improve business outcomes from philanthropic activities. Suggestions for how corporate philanthropic activities should best be communicated through various channels are provided. In this context, the role of word-of-mouth and social media in disseminating philanthropic information is discussed.

Abstract (in German)

Obwohl Studien in wissenschaftlichen Zeitschriften darauf hinweisen, dass unternehmerische Philanthropie das Ansehen der Firmen hebt, existiert wenig systematische Forschung zu diesem Effekt. Genauer gesagt besteht ein beschränktes Wissen darüber, wie KonsumentInnen auf philanthropische Bemühungen seitens der Unternehmen reagieren. Während der Geschäftserfolg von der Unterstützung der KundInnen abhängt, fehlen Erkenntnisse dazu, inwiefern sich derartige (philanthropische) Initiativen z.B. auf ein verbessertes Unternehmensrenommee auswirken. Vorliegende Dissertation untersucht, wie KonsumentInnen unternehmerische Philanthropie wahrnehmen. Dabei wird die Übereinstimmung der Wahrnehmung der KonsumentInnen zu folgenden Punkten untersucht: die Art des philanthropischen Engagements, dessen geographischer Fokus und das Zusammenpassen von Unternehmen und Unterstützungsgegenstand. Darüber hinaus wird beabsichtigt festzustellen, ob Ethnozentrismus im Zusammenwirken von unternehmerischer Philanthropie und Reputation eine Rolle spielt. Um einen Rahmen und ein Modell für die Beziehung zwischen der Einstellung der KonsumentInnen zur unternehmerischen Philanthropie und der Unternehmensreputation zu bieten, beruht der empirische Teil der Studie auf der Balance Theorie, dem soziologischen Konzept des Ethnozentrismus und kulturvergleichender Dimensionen. Zum Einsatz kommen drei Methoden (qualitativ, experimentell und Umfrage bezogen), um drei Sets von Forschungsfragen zu beantworten: Als erstes wird ein qualitatives Forschungsdesign angewendet, welches die Wahrnehmung von KonsumentInnen sowie auch von Firmenangehörigen in Bezug auf unternehmerische Philanthropie sichtbar macht. Als zweites wird ein experimentelles Forschungsdesign genutzt, welches Aufschluss zu den Bewertungen von KonsumentInnen in Hinsicht auf die unterschiedlichen Arten und Dimensionen des philanthropischen Engagements gibt. Zur Testung kommen dabei drei Hypothesen. Ein umfragebasierendes Forschungsdesign bildet den Abschluss des empirischen Teils, bei dem sechs Hypothesen getestet werden. Ziel ist es, ein Wissen zur Verbindung zwischen unternehmerischer Philanthropie und Reputation im Vergleich zweier unterschiedlicher gesellschaftlicher Kulturen zu schaffen. Das eben genannte Forschungsdesign besteht aus zwei groß angelegten Umfragen zu jeweils einer führenden Telekommunikationsfirma in Österreich bzw. Ägypten. Die Datenanalyse erfolgt durch eine Software zur qualitativen Auswertung, durch nonparametrische Tests, Regressionsanalysen und Strukturgleichungsmodelle.

Aus den Befragungen der KonsumentInnen ergeben sich folgende drei Sichtweisen – egoistisch, altruistisch und pragmatisch. Die Firmensicht ist im Gegensatz dazu weitgehend strategischer Natur. Das heißt, es geht um die Erlangung von Wettbewerbsvorteilen durch verantwortungsvolles Management. Vergleicht man innerösterreichische philanthropische Projekte mit geographisch weiter entfernten, so finden sich in Bezug auf die Präferenzen der KonsumentInnen ethnozentrische Tendenzen in geringem Ausmaß. Die weiteren Ergebnisse deuten auf eine Übereinstimmung in der Wahrnehmung von philanthropischen Unterstützungsarten durch die KonsumentInnen hin. Gesundheitsbezogene Unterstützungsarten werden deutlich bevorzugt, während die kunstbezogenen den letzten Platz einnehmen. Die Relevanz geographischer Nähe von unternehmerischer Philanthropie (d.h. heimisch versus entfernt) wird für bildungsbezogene philanthropische Aktivitäten in allen sieben den ProbandInnen vorgelegten Industriezweigen unterschiedlich bewertet. Bei der Wahrnehmung des geographischen Fokus zeigen allerdings andere philanthropische Unterstützungsarten signifikante Unterschiede: Die gesundheitsbezogene internationale Unterstützung wird in der Ölindustrie, und die umweltbezogene heimische Unterstützungsart in der Unternehmensberatung bevorzugt. Dies deutet an, dass die Bewertungen von philanthropischen Aktivitäten teilweise von ihrer geographischen Reichweite abhängig sind. Außerdem bestätigen die Ergebnisse die Existenz von industriespezifischen Präferenzen. Eine Übereinstimmung von Kerngeschäft und Unterstützungsgegenstand wird von den KonsumentInnen befürwortet, sofern nicht ein anderer Unterstützungsanlass, der weniger mit dem Kerngeschäft zu tun hat, generell als förderungswürdiger erkannt wird. In Österreich hat die unternehmerische Philanthropie einen mittleren Einfluss auf das Unternehmensrenommee, in Ägypten hingegen nur einen kleinen. Dieser Effekt verändert sich je nach Untergruppen der Befragten. Der Ethnozentrismus der KonsumentInnen hat einen negativen Einfluss auf die Einstellung zur unternehmerischen Philanthropie in Ägypten. In Österreich hingegen moderiert der Mangel an Ethnozentrismus (d.h. Aufgeschlossenheit) die Beziehung zwischen der Einstellung zur unternehmerischen Philanthropie und kundInnenbezogener Unternehmensreputation stärker als moderat ausgeprägter Ethnozentrismus.

Die Forschungsarbeit dieser Dissertation bringt die bestehende Literatur in drei wesentlichen Richtungen voran: Erstens fokussiert sie sich auf ein relativ vernachlässigtes Gebiet der Unternehmerischen Gesellschaftsverantwortung (CSR), nämlich das der unternehmerischen Philanthropie, welche den vorbehaltlosen Beitrag eines Unternehmens für soziale Zwecke bezeichnet. Zweitens behandelt sie das Thema Unternehmensreputation als ein

multidimensionales Konstrukt (im Gegensatz zum unidimensionalen Konstrukt), und trägt so zu den relativ raren Reputationsstudien, die ausschließlich auf die KonsumentInnen Stakeholdergruppe abzielen (z.B. Walsh et al. 2009), bei. Des Weiteren hat nach derzeitigem Wissensstand bisher keine wissenschaftliche Untersuchung die Beziehung zwischen unternehmerischer Philanthropie und konsumentInnenbezogener Unternehmensreputation erforscht. Drittens strebt diese Arbeit an, mit der Einbeziehung von eigentlichen KonsumentInnen und reell existierenden Unternehmen, die Beschränkungen von den traditionell erfolgten Laboruntersuchungen in diesem Forschungsbereich zu beseitigen. Für ManagerInnen bieten die Ergebnisse einerseits ausgesuchte Einblicke in die unternehmerische Philanthropie, andererseits die Resultate implizieren Möglichkeiten zur Verbesserung des Geschäftserfolgs mit Hilfe von philanthropischen Aktivitäten. Empfehlungen dahingehend, inwiefern philanthropische Aktivitäten durch die verschiedene Kanäle am besten kommuniziert werden sollten, sind dargestellt. In diesem Zusammenhang wird die Rolle von Mundpropaganda und sozialen Medien in der Verbreitung von philanthropischen Informationen diskutiert.

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List of Abbreviations

ACP	attitude toward corporate philanthropy
CBR	customer-based corporate reputation
CEO	chief executive officer
CET	consumer ethnocentrism
CFA	confirmatory factor analysis
CP	corporate philanthropy
CRM	cause-related marketing
CSR	corporate social responsibility
FMCG	fast-moving consumer goods
NGO	non-governmental organization
NPO	non-profit organization
SEM	structural equations modeling
WOM	word of mouth

1 Introduction

1.1 Problem Statement

Corporate Social Responsibility (CSR) has been identified as “a growing strategic tool gaining increased respect in the marketplace as an effective marketing method” (Pirsch et al. 2007: 137). Corporate philanthropy (CP), as an expression of CSR, is gradually taking up a more prominent position in business strategy (Meijer et al. 2006). A Google search in August 2012 revealed over 4.5 million hits for the term CP. From 2007 to 2010, aggregate total giving has risen worldwide¹ by 23%, while non-cash giving has grown by 39% (CECP 2011). Recent prominent examples are The Coca-Cola Foundation (the global philanthropic arm of The Coca-Cola Company), which awarded US\$26 million in grants to 85 community organizations during the first quarter of 2012 (CSRWire 2012a), or Deloitte’s recent announcement that its multi-year investment in pro bono services will rise to US\$ 110 million by 2015 (CSRWire 2012b). Moreover, both the social need for CP and the business case for giving are growing exponentially (CECP 2008). Effective organizations regard CP as an opportunity rather than an obligation. Companies are beginning to adopt a holistic approach to CP: moving away from check-writing to a more collaborative effort. CP is also becoming increasingly focused, resulting in fewer yet larger grants in a smaller number of focus areas (CECP 2012). As a result, firms are gradually considering philanthropic initiatives with a “strategic intent and examining the most efficacious programs with the main goal of impressing customers” (Hoeffler et al. 2010: 86). In fact, 95 percent of the 250 largest global companies report on their corporate responsibility activities (KPMG 2011). Firms are therefore gradually more willing to make their philanthropic programs successful, i.e. to achieve business and social success. Consequently, CP – an unconditional contribution by a corporation to a social cause – is becoming an important means for most corporations to develop their strategic advantage in the marketplace.

The public is holding companies to account how they behave as corporate citizens. Over the last decades, firms have felt increasing pressure from various stakeholder groups, such as shareholders, consumers, employees and managers, to include social engagement in their business activities (Berrone et al. 2007). In particular, consumers’ mounting expectations

¹Sample included 184 leading companies (63 of top Fortune 500) worldwide. For more details see CECP (2011).

of the role of business in society have augmented the pressure on corporate leaders. Prior studies indicate that addressing the interests of relevant stakeholders, particularly customers, can lead to competitive advantage (e.g. Luk et al. 2005) and that CSR through positive stakeholder relations has the ability to create firm value (Barnett 2007). CSR activities in fact are generally perceived positively by consumers (Sen and Bhattacharya 2001). For example, the Cone Corporate Citizenship Study (Cone Inc. 2004) shows a link toward a more positively perceived company image, willingness to switch brands to a cause-supporting product, and greater trust in companies that support a cause. However, despite an increasing attention and various findings relating to CSR at large (e.g. Lev et al. 2010), when it comes to companies' philanthropic activities, there is little academic research on the potential effects of these initiatives to guide managerial decisions (Hoeffler et al. 2010). In fact, we know that philanthropic acts may even create *negative* reactions and raise protests from consumers and other stakeholders: Sheikh and Beise-Zee (2011) argue that consumers who hold a negative cause affinity might turn away from the firm, while a cause perceived favorably can support consumer-company identification. Thus, many companies are concerned that their philanthropic efforts could create conflicts with their customers (Forbes Insights 2011), which indicates that corporations should vet causes very carefully.

To make matters worse, academic research draws attention to the lack of congruence between the prioritization of social issues by consumers and companies (e.g. Simon 1995). Firms are not meeting social goals or stakeholder expectations very effectively, and business leaders often show a lack of understanding about what consumers really expect from companies (McKinsey 2008). To attract consumers, companies have to cater not only for their needs in terms of products or services, but also in terms of socially responsible business practice. Research suggests that companies should give stakeholders high level of importance and integrate their values and beliefs in the decision process on social engagement (Gilbert and Rasche 2008). Porter and Kramer (2002) claim that "When corporations support the right causes in the right ways – when they get the where and the how right – they set in motion a virtuous cycle" (p. 14). The selection of the right social causes is in fact crucial since companies are highly dependent on the judgment of their stakeholders in terms of their approval of the causes (Merz et al. 2010). While on the one hand firms are advised to take consumer perspectives into account when planning their philanthropic activities, on the other hand "marketers' knowledge of stakeholder responses to specific CSR activities is fairly limited" (Peloza and Shang 2011: 127). In this regard, Bonini et al. (2007a) refer to a 'trust gap' between consumers and executives: consumers are less positive than executives are

about the contributions that large global companies make to the public good². Moreover, consumers and corporate leaders prioritize socio-political issues differently. Given the extent of investments in CSR activities – such as donations – companies need to gain a better understanding of consumer responses to CP if they intend to win their trust (Bonini et al. 2007a) and create value via socially responsible practices. From a strategic vantage point, such knowledge may create a closer bond with their customers and eventually boost customer loyalty. Hence, it may help managers in focusing corporate resources in those areas where social or environmental impact is supported by economic arguments (Peloza and Shang 2011).

1.2 Aim of the Study and Research Questions

Based on the above problem statement, this dissertation aims to explore whether corporate actions result in the consequences companies want. It also investigates what companies should do to get more positive outcomes from their philanthropic investment and under which circumstances CP has a positive effect on corporate reputation.

More specifically, three sets of research questions are posed:

(1) How do consumers and corporations perceive corporate philanthropy? Do their perceptions align? How should corporate philanthropy be communicated in order to achieve sustainable corporate success³ (e.g. in terms of enhanced reputation)?

² Based on a survey conducted in 2006, which included 4.063 consumers from China, Europe (France, Germany, and the United Kingdom), India, Japan, and the United States. For more details see Bonini et al. (2007a).

³ For the purpose of this dissertation, sustainable corporate success is defined as a response to a social need while taking advantage of market circumstances with regard for moral principles and consequences for others. Thus, success is not guided by opportunist behavior (although self-interested motives such as profit maximization may be part of it), but rather long-term success, which benefits the business through including all its stakeholders into the value creation. In this line of reasoning, Enron for instance may not be regarded a successful company (although was claimed to be several times by Fortune magazine during its existence).

(2) How do consumers prioritize different types of corporate philanthropic causes? Is consumer evaluation of corporate philanthropic causes dependent on their geographical scope? Is consumer evaluation of corporate philanthropic causes dependent on the company's industry?

(3) How effective is corporate philanthropy in improving corporate reputation as perceived by consumers?

Although corporate philanthropic actions have an influence on diverse stakeholder groups, the primary focus of this dissertation lies on one key external stakeholder group, namely consumers⁴. Furthermore, it also sheds some light on the managerial view of CP. On the one hand, corporate beliefs behind CP and the expected outcomes are investigated; on the other hand, corporate views are compared with consumer perceptions to reveal whether alignment exists.

For the purpose of this dissertation, CP is regarded as a subset of CSR, i.e. “a direct contribution by a corporation to a charity or cause, most often in the form of cash grants, donations and/ or in-kind services” (Kotler and Lee 2005: 144). CP can include a range of activities, such as monetary support to social and charitable causes, employee volunteerism, or donations of assets or facilities to social cause advertising (Merz et al. 2010).

While conceptually, CP is part of CSR, the former has a number of characteristics that merits a specific focus on the subjects. First, CP is usually more visible to consumers than other CSR initiatives. A major corporate donation to a charity is more likely to be reported in the press than, for example, a company internal CSR measure aimed at improving the working conditions of employees. Second, CP is communicated relatively transparent in annual reports of corporations. Finally, CP represents a personally relevant CSR-related information to consumers; one that may directly affect them and their attitude toward the philanthropic company, especially if conducted locally: “CSR activity focused in a home country increases consumers’ stated intentions to patronize the company in the future compared to a CSR activity focused in a foreign country. ...if consumers perceive that the company is doing something beneficial to them, they reward them with greater patronage”

⁴ The standard picture of value creation and trade among stakeholder theorists depicts consumers (among employees, suppliers, financiers and communities) as primary stakeholders of the firm (Freeman et al. 2007).

(Russell and Russell 2010: 72). CP is thus a key tool for companies to gain increased patronage from consumers. Despite of these idiosyncrasies, CP is a relatively neglected area of CSR. Campbell et al. (2002) formulate it this way: “Charitable contribution as an expression of social responsibility, however, is somewhat less explored than the more general theme of social responsibility, despite the fact that the quantities of money donated are substantial” (pg. 29).

In this regard, *how* philanthropy is presented in marketing communications has an influential role on consumers. Corporate messages of social responsibility have been found to yield potential business benefits (Maignan et al. 1999), but also attract critical stakeholder attention (Du et al. 2010, Ashforth and Gibbs 1990). Therefore, in line with Morsing and Schultz (2006), an improved mutual understanding of consumer expectations towards business and vice versa is crucial for successful business-customer relations. Additionally, Du et al. (2010) stress the urgent need for both academicians and practitioners to get a deeper understanding of how to communicate CSR more effectively to stakeholders. CP is becoming an important way for corporations to communicate with their customers; however, to communicate socially responsible activities entails risk. Companies are simultaneously encouraged to be socially active and discouraged to communicate their engagement. Morsing et al. (2008) refer to this phenomenon as ‘Catch 22’: meaning, consumers have on the one hand high regard for those companies associated with social responsibility, while on the other hand the majority of consumers encourage companies either not to communicate about these activities or to communicate in a less conspicuous way. As CP communication is a delicate matter, a key challenge for companies is to overcome stakeholder skepticism and to generate favorable social responsibility attributions.

One important dimension of business success is good corporate reputation. This may be achieved by demonstrating social responsiveness (Brammer and Millington 2005, Luo and Bhattacharya 2006) that addresses customer interests. Several authors refer to CSR as one of the key elements and drivers of reputation (e.g. Fombrun and van Riel 2004). In fact, CSR-related perceptions (i.e. *citizenship, governance, and workplace*) comprise 42% of an organization’s overall reputation (Reputation Institute 2012a). Moreover, *citizenship* (which includes philanthropic activities) accounts for 14% of a company’s reputation (third most

important dimension after *products/services* and *governance*)⁵. Corporate citizenship activities are identified as the most salient determinants of firms' reputation among a large number of variables assessed by Weiss (2007). In addition, enhanced corporate reputation is often stated by managers as the main business goal to reach with their philanthropic programs (McKinsey 2008). While this indicates that a positive link between CP and corporate reputation is taken for granted by managers (Brønn and Vidaver-Cohen 2009), consumers are uncertain about what companies are doing 'to deliver on citizenship'. Based on a study by the Reputation Institute, only six percent of the companies surveyed⁶ are perceived as strong on corporate citizenship. The vast majority is ranked average. Even the most reputable companies in terms of social responsibility such as The Walt Disney Company and Microsoft do not receive excellent scores on CSR (Reputation Institute 2012b). Companies invest in CP, prepare CSR reports and communicate their efforts via owned, earned or paid media. However, the fundamental question is whether these programs leverage investments in terms of enhanced reputation⁷. Despite increasing attention to companies' philanthropic activities, the link between corporate responsibility and corporate reputation is still not clear. On the one hand, theory suggests that companies with high level of responsibility should have a good reputation (Waddock 2002). On the other hand, research finds mixed results (Brammer and Pavelin 2005). Ricks Jr (2005) in his experimental study found that CP has an overall positive effect on consumer perceptions of corporate associations. Hillenbrand and Money (2007) suggest that the link between corporate responsibility and reputation is contingent on the multiple expectations of stakeholders, which may be segmented in terms of their expectations of responsibility. Williams and Barrett (2000) examine the level of improvement in corporate reputation through CP and show a weak positive relation between corporate giving and reputation. The authors also show that charitable giving helps firms to restore their reputation following the commission of illegal acts.

⁵ The Reputation Institute lists seven key dimensions (or drivers) of reputation. These are: products/services, innovation, workplace, governance, citizenship, leadership, and financial performance.

⁶ Sample included 100 companies worldwide with an above average reputation in home market between 2006-2011, with global footprint in production/distribution, and with high familiarity with consumers in the 15 largest economies. For more details see the 2012 CSR RepTrak 100 Study (Reputation Institute 2012b).

⁷ A different question is whether companies should only engage in CP to enhance their reputation or CP can be considered a moral/societal duty. While this is an important issue for debate, the present dissertation does not pursue this argument.

Besides the above mentioned substantive gap (the unclear link between corporate responsibility and corporate reputation), past research reveals a number of specific empirical shortcomings which make the need for further research more compelling:

Firstly, although studies in scholarly journals suggest that corporate philanthropic activities may enhance corporate reputation, little systematic research on this effect exists. Bae and Cameron (2006) point out that scarce empirical research has been undertaken in attempting to quantify corporate reputation; a claim that applies even stronger for a particular strategy employed in corporate reputation, namely CP. Moreover, academic studies of corporate reputation measurement neglect the opinion of consumers. Many authors measure reputation by using surveys which solicited views from senior executives, outside directors, and financial analysts about the largest firms in their own industries (e.g. Williams and Barrett 2000). In fact, to the best of my knowledge, no scholarly research has examined the relationship between CP and Customer-based Corporate Reputation (CBR) to date. Research in related area focuses on either consumer perceptions of CP (e.g. Lii and Lee 2012, Bhattacharya and Sen 2003) alone, or on CBR (e.g. Walsh et al. 2009), yet research overlooked the link between the two. However, it is unclear whether the overall customer-based reputation of companies is in fact enhanced through their CP – what most managers of philanthropic companies expect. In the light of the above, this dissertation aims to fill the gap that exists between the widely accepted notion that CP may improve corporate reputation as perceived by customers and the lack of empirical evidence. Thereby this research aims to respond to a recent call for more work on consumer perceptions of and response to CSR practices (Luo and Bhattacharya 2009) and shed light on the business value of CP from a key stakeholder standpoint.

Secondly, this research focuses on a relatively neglected area of CSR, namely CP. When CP is discussed separately of CSR at all, the work usually centers on *conditional* donations to a cause, namely cause-related marketing (e.g. Peloza and Shang 2011, Landreth and Garretson 2007, Gupta and Pirsch 2006, Bhattacharya and Sen 2003). Cause-related marketing (CRM) involves a company's promise to donate a certain amount of money to a nonprofit organization or to a social cause when consumers purchase the company's products/services (Nan and Heo 2007). Thus, the donation is tied to a commercial exchange. CP is different from CRM since donations are not tied to a sale. Furthermore, practices of unconditional donations to a cause (i.e. CP) are claimed to be viewed differently by consumers than conditional donations: Dean (2003) explored the effects of the type of corporate donation on consumer attitude toward the brand in an experimental setting. His

findings show that CRM is perceived significantly more mercenary than unconditional donation (such as CP). In his study, socially irresponsible firms benefitted from either type of donation (CRM or CP), while average firms benefitted only from unconditional type of donation. Moreover, for scrupulous firms, neither type of donation was helpful. Lii and Lee (2012) also found support for the dominant effect of philanthropic types of CSR initiatives in influencing consumer attitudinal evaluations as opposed to CRM and sponsorship. Pirsch et al. (2007) furthermore show that consumers perceive promotional (CRM) and institutional (comprehensive) CSR programs differently: the former evoke more consumer suspicion. Ricks (2005) in this context claims that “traditional philanthropy may be effective for corporate or brand image objectives, but ineffective for brand evaluation and purchase objectives” (pg. 130), for which he suggests CRM as a better alternative. However, firms that tie donations to sales may be attributed egoistic motives (Ellen et al. 2006) and thus have lower intrinsic value for stakeholders (Peloza and Shang 2011: 120). CRM is claimed to be less effective than cash donations and employee volunteerism at improving attitudes toward the firm, willingness to pay and product choice (Creyer and Ross 1996). Cash donation was found to improve purchase intentions (Cui et al. 2003) as well as attitudes (Dean 2003) more than CRM. Therefore, this dissertation aims to shed light on non-cause-related support that has received little attention in previous research.

Thirdly, there is a lack of non-experimental studies in the CSR area. The majority of studies rely on data derived from experimental settings where participants receive prior information about fictitious social support. Peloza and Shang (2011) found only four studies (i.e. Liechtenstein et al. 2004, Strahilevitz and Myers 1998, Osterhus 1997, Henion 1972) that use field experiments to measure actual consumer response in the market as opposed to laboratory experiments with hypothetical consumer choices and purchases. Thus, in most studies an artificial awareness of CP is created. In contrast, this study captures the genuine awareness and perceptions of real customers about existing philanthropic support. Dean (2003) acknowledges that fictitious companies used in experimental designs are treated as unidimensional (i.e. subjects are briefed with limited information about the firm). This poses a research limitation since a unidimensional representation of firms does not reflect reality. Real life companies may not be easily duplicated in laboratory settings.

Fourthly, this research sheds light on specific dimensions of CP, namely local (domestic) and international (foreign) CP. The geographical proximity of corporate philanthropic activities is an area that has been under-researched so far and the few results on

consumers' preferences in this regard are somewhat contradictory (e.g. Ross et al. 1992, Grau and Folse 2007, or Rampal and Bawa 2008).

Finally, this dissertation intends to initiate an international comparison of how CP is shaping CBR in different cultural contexts. Thus, by comparing two countries with distinct cultural backgrounds (individualistic versus collectivistic societies), it seeks to address a call for more comparative studies across countries (Brammer et al. 2009, Vaidyanathan 2008) and fill in the research gap that exists on a cross-national perspective in the field of CP.

1.3 Structure of the Dissertation

The dissertation is structured around five main chapters. The first chapter introduces the topic of interest and the aim of the research along with the research questions. The second chapter provides a thorough theoretical background on CP. It discusses related terms, such as CSR, morality, ethicality, and stakeholder-related approach. Furthermore, it offers a critical view on the well-established CSR definition and examines new approaches toward a clearer picture about CP. The third chapter presents three different designs used for the empirical research. Each design entails a theoretical framework relevant for the concrete method section and where appropriate, the derived research propositions or hypotheses. In addition, samples and data generations are described. Chapter four focuses on the results, structured by the research method types. It outlines the analysis of the qualitative as well as quantitative data by the use of appropriate analytical tools and statistical methods, and discusses the results in light of the extant literature. The final chapter summarizes the key findings and debates the academic and managerial relevance of the research. It concludes with pointing out research limitations and suggestions for potentially promising future avenues to explore.

2 Theoretical Background: Corporate Philanthropy and Ethicality

Corporations today are increasingly expected to act as ‘good corporate citizens’. The growing number of corporate scandals in the past years fostered public mistrust in companies and made corporate social performance an important assessment criterion of companies’ behavior (Blowfield and Murray 2008). These forces have also elevated the expectations of the public of what a responsible business should be. As a result, corporate decision-makers more and more realize that their business goals should not be restricted solely to maximizing profit, but should include responsible actions towards society.

Responsible businesses practice is not a new phenomenon. It has been discussed since the very beginnings of business activity. For example, the Code of Hammurabi already 4000 years ago required farmers, builders and innkeepers to avoid acting negligently by causing death to others (or they themselves would be put to death). Moreover, the deontological principles of the world’s religions (such as Judaism, Christianity and Islam), which have existed for thousands of years, require responsible business practices. However what is new – and constantly changing – is how corporate responsibility should manifest itself. This provides an ever increasing challenge for companies. Porter and Kramer (2011) posit that the business today is caught in a vicious circle. On the one hand, there is more pressure on firms from stakeholders to act responsibly, while on the other hand, the more businesses embrace social responsibility, the more they are blamed for society’s failures. Companies nowadays are much more aware that they are embedded in a web of social and environmental communities and that stakeholders are critical for their success. As a result, they are encouraged to regain the respect of the general public, reexamine their role in the large civic arena and take the lead in bringing the seemingly opposite forces of business and society back together.

One of the issues of growing importance for marketers is corporate ethical decision making. This dimension includes CSR, of which an often named subset is CP. The importance of corporate ethical decision making is evidenced by the fact that in academic journals the theme has reached by far a high number of citations and publications over the past 50 years (Schlegelmilch and Öberseder 2010). This indicates that the topic has attracted research since the early stage of the marketing ethics field. However the ethicality of social responsibility is often ignored by many in the CSR field (Schwartz 2011).

Discussions about companies' social responsibility invariably include a debate over corporate philanthropic efforts. Before turning to discuss the ethicality and morality of CP, firstly the concept of CP is defined.

2.1 Corporate Philanthropy

Philanthropy originates from the ancient Greek word *philanthrōpía*, meaning 'love of mankind'⁸. It is defined as the disposition or active effort to promote the happiness and well-being of others; practical benevolence, now especially as expressed by the generous donation of money to good causes.⁹ While philanthropy is a well-established and defined concept, several definitions of CP exist. For instance, Kotler and Lee (2005) define CP as "a direct contribution by a corporation to a charity or cause, most often in the form of cash grants, donations and/ or in-kind services" (p. 144). They claim it is perhaps the most traditional of all corporate social initiatives which has historically been a major source of support for communities. Other scholars describe CP as activities such as monetary support, employee volunteerism, and donations of assets and facilities to social cause advertising (Merz et al. 2010). Another definition by The Council on Foundations stresses the voluntary component of CP by labeling it as "the activities a company voluntarily undertakes to responsibly manage and account for its impact on society. It includes cash contributions, donations of products and services, volunteerism, and other business transactions to advance a cause, issue, or the work of a nonprofit organization" (The Council on Foundations 2012: 2). However a common denominator of the many definitions is the donation of corporate resources to support organized efforts intended for defined beneficial social purposes. The resources donated can be money, goods, time, training and use of facilities or services usually over an extended period of time and with regard to a defined objective (Leisinger 2007).

CP is constantly transforming and will continue to evolve. Research on the state of CP and interviews with practitioners from the field revealed the following perspectives:

- (1) Pressure to align CP with the business is increasing: In order to achieve business success, these discretionary actions need to be designed according to clearly defined and

⁸ Based on <http://dictionary.reference.com/browse/philanthropy> (Accessed Nov. 20, 2012)

⁹ Based on Oxford English Dictionary Online, <http://www.oed.com/view/Entry/142408?redirectedFrom=philanthropy#eid> (Accessed Nov. 20, 2012)

implemented guidelines. It is therefore essential to specify goals in advance and to include philanthropic actions into the overall accounting system (The Council on Foundations 2012).

- (2) Communications and knowledge sharing must improve: Goldberg (1997) stresses that promoting the charitable donation or action is at least as important as the activity itself. Moreover, charitable activities need to be communicated to the community with emphasize on credibility (Bruch and Walter 2005).
- (3) Measurement and return on investment remain critical challenges (e.g. Griffin and Mahon 1997): An important implication of CP is the necessity of measurement of positive effects on the company's performance, which is gaining more and more weight. To profit from their own discretionary activities, companies often support community groups from which the highest return for the business can be expected.
- (4) Collaboration for collective impact is important: Supporting charities which relate to companies' corporate philosophy and to their customer base is critical to achieve win-win outcomes (e.g. Porter and Kramer 2002).

There are, in fact, various possible interpretations of CP, depending on one's viewpoint. One view is based on the 'theory of warm glow', introduced by Andreoni (1990). Based on this view, philanthropy is neither an obligation of a corporation nor a marketing tool, but merely a product supplied by companies in response to market demand (Henderson and Malani 2009). The argumentation suggests that people feel good when they engage in altruism as this produces a 'warm glow'. The reason for donating to a charity for example is the happiness which the person feels when knowing that another person's life has been improved. Philanthropy is therefore a good for which preferences exist. Corporations can produce and deliver altruism to individuals in order to satisfy the existing market demand. This demand may originate from shareholders, employees as well as from customers. Consumers looking for altruism may accept to pay a premium for a company's product when knowing that the corporation engages in philanthropic activities. This premium is the price for consuming altruism. The same applies to shareholders, who may accept a lower return on investment and employees who may take lower wages. A company can deliver the 'good' called altruism to customers, shareholders and employees simultaneously. The supply of altruism by companies is explained by the fact that firms may be more efficient in producing this good than nonprofits and governments. This efficiency advantage is due to several facts.

Firstly, firms may achieve economies of scope between their typical product and the altruistic product. Secondly, the bundling of the private and public good increases the sum value of the two separate values and therefore reduces the free riding problem on other consumers' contributions to that public good. Thirdly, unlike the government, a company can specifically tailor its altruism to the preferences of its customer base. Further, corporations may reduce agency costs by eliminating intermediaries. Finally, the corporate supply of philanthropy may have positive network effects which increase the value (i.e. the amount of warm glow) for the individual donator¹⁰.

2.1.1. Motivation for Corporate Philanthropy

The engine of CP appears to be rather complex. Campbell et al. (1999) define two general categories of motivations for giving: business motives and corporate benevolence (or social responsiveness). Business motives stress CP as a marketing strategy that has an impact on firms' sales; decreases disposal costs by giving items away, or reduces costs by yielding advantageous tax benefits (Grahn et al. 1987). Corporate benevolence on the other hand, incorporates empathy and personal value systems of individual managers.

Academic literature suggests four possible motivations for philanthropic involvement, i.e. strategic, altruistic, political and managerial utility (Campbell et al. 2002). Furthermore, concepts such as ethical egoism, altruism, social responsibility, utilitarianism and virtue ethics may also play roles in CP (c.f. Campbell et al. 1999). In the following the four types of motivations for corporate philanthropic involvement are explained further:

- Commercial (or strategic)

In this type of motivation the benefit to the corporation is the primary reason for giving (e.g. to enhance the overall corporate image, foster brand recognition for corporate goods and services, attract frontline talent, or community investment where support is important to the long-term success of the business and serves a critical community need). Porter and Kramer (2002) maintain that corporations can and should engage in strategic philanthropy by using charitable efforts to improve their competitive context, i.e. the quality of the business environment in the location(s)

¹⁰ For a more detailed explanation of these facts see Henderson and Malani (2009).

where they operate. By definition, the concept of philanthropy suggests a form of practical benevolence (Campbell et al. 2002). L'Etang (1995) claims, that the decision on CP may be influenced by the criterion of maximum publicity.

- Political

One of the motivations why firms engage in CP is to improve relations with political stakeholders (c.f. Liston-Heyes and Ceton 2007). Firms find it increasingly lucrative to overlap in areas traditionally catered for by the government. Liston-Heyes and Ceton (2007) examined how CSR strategies of leading US corporations impact on and/or are influenced by the political environment in which the firms operate. They found that the redistribution process (redistribution of funds from the firm to the general public through CP), if targeted appropriately, can help deliver the political mandate of an elected candidate, thereby increasing his or her chances of re-election and/or promotion within the political organization. The authors furthermore point out that there is a certain degree of interaction between the political and corporate world and that the political stance of the state is determined by both spheres of influence. Therefore, state policies might predate CSR initiatives of firms, although the causality may be the other way.

- Altruistic/charitable

This type of motivation is characterized by reactive community giving for which little or no business benefit is expected (e.g. matching-gift programs)¹¹. These benevolent motivations are influenced by the personal value systems of management, social consciousness, or civil courage to stand up for nonmainstream engagements. The altruistic motive for philanthropic giving has been characterized as generosity, concern for the less fortunate, desire to share (Varadarajan and Menon 1988), practicing good citizenship, an obligation to maximize public welfare and giving with nothing expected in return (Campbell et al. 2002). Campbell et al. (2002) argue that the notion of *noblesse oblige* seems to underpin these related ideas: businesses give of their relative largesse for social benefit.

¹¹ See CECP (2008)

- Managerial utility

Campbell et al. (2002) stress the human element as an engine for CP. Managers may use their position to express personal (as opposed to corporate) altruism (Arulampalam and Stoneman 1995). Personal attitudes of managers may interact and play a vital role in a firm's decision to become involved in philanthropic activities. Haley (1991) refers to this motivation as 'social currency'; i.e. giving to causes which are personally favored by managers. There is also high empirical correlation between how decision makers feel about social issues (personal sense of social consciousness as a function of personal values) and their giving behavior (Campbell et al. 1999).

2.1.2. Typology of Corporate Philanthropy

Porter and Kramer (2002) argue that current philanthropic programs will likely fall into three categories: (1) Communal obligation: support of civic, welfare and educational organizations, motivated by the company's desire to be a good citizen; (2) goodwill building: contributions to support causes favored by employees, customers, or community leaders, often necessitated by quid pro quo of business and the desire to improve the company's relationships; and (3) strategic giving: philanthropy focused on enhancing the competitive context. A company's social actions can indeed be managed differently; however not all actions lead to effective outcomes. Bruch and Walter (2005) provide an overview of four types of philanthropy (see Figure 1). The authors place the typologies in a matrix along two types of orientation, namely market orientation (vertical axis) and competence orientation (horizontal axis). Market orientation refers to designing corporate philanthropic actions according to external expectations by stakeholders. This has the advantages of high attractiveness to the community and the possibility of enhancing stakeholder attitudes towards the company. Competence orientation, on the other hand, has an internal focus, i.e. the corporation serves a social cause with its abilities and core competences. Along these two coordinates the authors introduce a grid involving four types of corporate philanthropy.

Figure 1: Four Types of Philanthropy



Source: Bruch and Walter (2005)

Peripheral philanthropy occurs when market orientation is high and competence orientation is low. This is a situation when social activities are driven by external stakeholder expectations but are unrelated to the company's core business. Enhanced reputation may be a benefit for the company, but the danger of superficial appearance is large. A situation where market orientation is low and competence orientation high produces *constricted philanthropy*. A company applying this kind of philanthropy focuses on synergies between its core competences and the social activity, but the lack of market orientation may result in an engagement that is of low relevance for its stakeholders and the needs of the community. A low market and competence orientation lead to *dispersed philanthropy*. This type of CP is often characterized by uncoordinated and small project funding without a clear strategy. It may eventually lead to confusion and a lack of positive impacts of the social activities. *Strategic philanthropy* in this grid attributes to high market orientation as well as high competence orientation. This type of corporate philanthropy is deemed to be the most effective, taking into account both core business competences and stakeholder expectations. In the following, a closer look is taken at strategic CP.

2.1.3. Strategic Corporate Philanthropy

Traditionally, CP was considered an altruistic act. It is rooted in the belief that supporting social issues is the right thing to do and therefore no commercial return is sought by the company. However over time philanthropic activities of firms have been increasingly

criticized for being ‘ad hoc’ actions without being part of a consistent giving strategy. This criticism resulted in a gradual transformation to an innovative approach to CP; one that supports the overall marketing strategy and therefore the long-term profitability of the company (Collins 1993). In an early publication Chrisman and Carroll (1984) describe the historical evolution of CP to *strategic* CP. The view on CP varies according to the different combinations of activities and consequences which can be either economic or social. The traditional view of corporate responsibility, which prevailed during the industrial revolution, encompasses business activities as well as their consequences solely from an economic angle. However this attitude led to unethical behavior of companies and as a consequence, to a tighter legal environment at the beginning of the 20th century. At the same time, businesses expanded their view of responsibilities to activities aiming at social consequences, which marks a new approach to CP. Especially in the 1990s, companies started to employ a more strategic view of philanthropy and tried to align their engagements with business goals (Blowfield and Murray 2008). This development led to CP’s acceptance as a valuable “marketing tool per se” (Collins 1993: 46). While the sole marketing impact of contributions to the community was originally aimed at promoting a company’s image, more and more companies tried to exploit philanthropic actions as marketing strategies which were also aimed at improving the bottom line. Thus, the challenge became to employ contributions in a way in which company objectives are sustained and further competitive advantages may be gained (Collins 1993). Goldberg (1997) refers to the imperative of modern corporate philanthropy as: “Give to good causes that help people. But be sure the company gains recognition and stature from its donation” (p. 22). The new goal of philanthropy introduced at the end of the 20th century was using it strategically to improve business performance. Collins (1993) proposes that “It would be naïve to suggest that the patronage of multinational firms is without the expectation of any commercial return” (p. 50). Collins therefore rejects the opinion that philanthropic actions should be motivated by pure altruism and argues that the contemporary motivation for discretionary activities should go beyond mere altruism. Saiia et al. (2003) follow up and claim that assuming a CP continuum, strategic philanthropy is located at the opposite end to altruistic CP. The authors suggest aligning a corporation’s discretionary actions with its core values and mission in order to achieve synergies and greater effectiveness. In their view, strategic philanthropy is managed by an empowered giving manner. It identifies social issues which best fit the company’s values; includes all resources, functions and levels of the company; and it is mission driven and must be regularly evaluated and adapted like any other business activity of the firm.

Why did this change from an altruistic to a marketing approach of CP occur? One reason can be found in the accelerating globalization process which became more and more evident in the 1990s. This resulted in an ever-increasing competitive pressure on companies to be more efficient and more profitable. Many firms tried to gain competitive advantage by conducting business socially responsibly and at the same time, sought to improve their bottom lines (Collins 1993). The new approach to philanthropy also changed the behavior of nonprofit organizations. These began to advertise themselves as advantageous business partners and stressed the possibility of mutual benefits to both parties. Moreover, public awareness for corporate philanthropy rose as criticism and mistrust increased due to numerous corporate scandals and wrongdoings in the 1980s. Companies felt the need to respond to consumer demands and to build sustainable business relations (Collins 1993). In this context, Saiia et al. (2003) point out the importance of business exposure, defined as “the extent to which a firm is open and vulnerable to its social environment” (p. 175). Philanthropy in fact may be regarded as a tool to manage business exposure. Apart from reinforcing a positive corporate image, philanthropic programs can also promote the internal image of a company – the image which is presented to the workforce and builds motivation and loyalty. Thus, philanthropy is an investment in the long-term profitability of the firm (Collins 1993). Bruch and Walter (2005) concur by emphasizing that “Effective philanthropy must be run no less professionally than the core business” (p. 49). Concurrently, they point out that although a strategic perspective has already been widely assumed only a few businesses succeed in achieving sustainable positive impacts on the society as well as on the company. Porter and Kramer (2002) condemn that CSR and corporate philanthropic strategies focus too much on the tensions between business and society while they should rather stress the interdependencies between them. They indicate that strategic philanthropy “[...] addresses important social and economic goals simultaneously, targeting areas of competitive context, where the company and society both benefit because the firm brings unique assets and expertise” (p. 58). In their view societal and corporate goals are not conflicting but dependent on each other on the long run. Along these lines, a company’s competitiveness can be improved by applying strategic philanthropy since it enhances its productivity by creating a favorable business environment. Therefore, a company must look for possibilities to create combined social and economic benefits by its discretionary actions. This can be done by, for example, supporting education and training in the community where the company is located, or taking other actions to improve the quality of life in order to attract skilled employees. Choosing unique competitive positions that benefit the community as well as the company

implies that the greater the impact of the social issue on the firm's competitiveness, the higher the possibility to leverage its resources invested into the social cause (Porter and Kramer 2006). Thus, in order to be effective, philanthropic actions need to address corporate and societal goals jointly to create competitive advantages.

While the above reasoning may sound rational, there are differing opinions about whether this view is ethically sound. Is the strategic approach to philanthropy based on self-interest morally acceptable? As previously mentioned, strategic philanthropy seeks win-win situations by allocating resources in a way that both the community and the company benefit from it. The assumption that supporting the community creates a positive corporate image leads however to public suspicion that financial motivations prevail. Consumers and other stakeholders are mistrustful and companies are often suspected to draw attention towards their social activities in order to hide ethical failures in their day-to-day business (Koehn and Ueng 2010). Stakeholders question whether leaders of corporations truly care about society's welfare. Building goodwill via a responsive approach, which tries to mitigate all adverse effects a company may have on the society, may therefore not be a sufficient goal for CP (Porter and Kramer 2002). The ethical approach of leaders could depend on whether they fall in one of the three moral categories of management as introduced by Carroll (1991), namely immoral, amoral and moral management. Immoral managers actively oppose to what is supposed to be ethically right and make profitability and success their only criterion for judging actions. Amoral managers do not explicitly negate ethical principles, but are not aware of the fact that their business decisions can have adverse social effects. Moral managers apply ethical standards to their business activities and strive to make profit in a morally sound and fair way. Businesses which employ an ethical stance act philanthropically because they regard it as 'the right thing to do' to give back to the community on which the company depends. Being a good corporate citizen justifies a company's existence and is therefore a highly ranked goal. It is primarily an altruistic attitude without concern for financial reward for the company (Saiia et al. 2003).

2.1.4. Corporate Philanthropy versus Cause-Related Marketing

Throughout the academic literature the question arises whether CP includes CRM activities. CRM is defined as “[...] the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organization and individual objectives” (Varadarajan and Menon 1988: 60). It is therefore a concept whereby a company donates a certain amount of money to a charitable cause for every product or service purchased by the consumer. This implies that CRM incorporates charitable activity within an act of exchange and allows companies to enrich their products with a social aspect which leads to a higher willingness to pay. Thus, it increases sales directly while at the same time, funds are raised for the social cause as well. CRM is therefore often deemed to provide win-win situations. Such an argumentation points toward a utilitarian view of business ethics as it is reasoned by the fact that CRM produces mutual benefits. However whether the motives for CRM engagement are morally sound may be questioned since CRM results rather in a shift of donations (from the consumer to the beneficiary).

While CRM may be a part of companies’ overall ethical drive, concerns arise about its primary employment as a marketing tool, employed to create a moral corporate image. Simcic Brønn and Belliu Vrioni (2001) refer to CRM as a communication tool which helps companies to demonstrate their corporate social responsibility to consumers; however consumer skepticism and distrust leads to questioning this type of communication. Garretson Folse et al. (2010) found that increasing the necessary purchase quantity has a negative effect on consumer perception of the CRM campaign. Higher purchase quantities may in fact undermine corporate intentions and lead to consumer suspicion of increasing short-term sales. However a higher donation amount per product purchase has been found to have a positive effect on consumer perception as it promotes the firm’s altruistic motives. Furthermore, a greater congruence between the social cause and the company was also found to result in greater effects on corporate image and purchase intentions (Yang and Li 2007). For CRM campaigns to be effective, companies must take into account how customers perceive the firm’s motivation behind it. Consistent and trustworthy efforts are claimed to be valued by consumers and have the power to enhance the corporate image (Simcic Brønn and Belliu Vrioni 2001).

Some scholars argue that CRM is a type of CP with a commercial dimension (Wymer 2006) and refer to CRM as a form of CP (Ricks 2005, Campbell et al. 1999). These scholars claim that various forms of CP include monetary giving through corporate foundation or ad-hoc monetary giving, giving goods or services, assisting in the charity's solicitation process (e.g. by including a message for the charity in the company advertising), gift-matching and CRM (although is financed from the marketing and not the philanthropic or CSR budget). On the other hand, Porter and Kramer (2002) distinguish CP from CRM which they argue must stand on its own merits. They posit that philanthropy is increasingly used as a form of public relations or advertising, promoting a company's image or brand through CRM or other high-profile sponsorships. CRM in their view was one of the first practices cited as 'strategic philanthropy' and is more sophisticated than disperse corporate contributions. However, it cannot be deemed to be true strategic philanthropy as its focus remains favorable publicity rather than beneficial impacts on society. Other views which oppose the link between CP and CRM posit that CRM is a marketing activity; a way for a company to do well by doing good, however distinct from CP which does not involve commercial gains (Varadarajan and Menon 1988, Yang and Li 2007). Similarly, Williams (1986) describes CRM as a strategy for selling, not for making charitable contributions. The rationale of these scholars suggests that CP is *not* contingent upon a consumer engaging in a revenue-producing transaction with the firm and offers no economic incentive to the consumer to engage in an exchange relationship with the firm. Applying CRM's definition, this behavior involves an act of exchange and direct purchase activity by the consumer in order to stimulate sales and to promote the corporate image. This approach may not hold for CP in general. Especially the traditional (altruistic) view of CP, where the only motive to engage in social activities is the duty to do something good, provides a disparity with the definition of CRM. Since CRM is closely linked to the performance of a particular product, its strategic aspect is apparent (Mellahi et al. 2010). Thus, a connection to strategic corporate philanthropy can be assumed. Both concepts aim at enhancement of the corporate image. However to regard CRM as being part of strategic philanthropy may seem farfetched, as strategic philanthropy is claimed to have no direct influence on purchase activity or on sales volume. Moreover, strategic philanthropy aims primarily at creating an overall competitive advantage for the company, while CRM is applied on a product-level.

Previous research reveals that CP generates significantly more favorable attitudinal evaluations compared to sponsorship or CRM (Lii and Lee 2012). Compared to philanthropy

and sponsorship, CRM was found to perform worst on consumer evaluations. The authors posit this result as reasonable given the fact that CRM requires consumers to make a purchase – a clear benefit to the company – while philanthropy and sponsorship do not require consumers to make any purchase effort. Bae and Cameron (2006) claim that while CRM and sponsorship can cause consumers' suspicion of a company's motive, pure philanthropy can be considered as the most effective CSR initiative to minimize consumers' suspicion due to its unconditional nature.

Taken collectively, both CP and CRM are widely accepted forms of socially responsible corporate behavior and therefore part of the larger domain of CSR. In light of the ever-increasing need for firms to differentiate themselves, both activates offer the possibility to express social engagement and to create public goodwill. In the following, the concept of CSR is discussed.

2.2 Corporate Social Responsibility (CSR)

CP is often referred to as part of a broader concept, namely CSR, since many CSR activities are considered to be philanthropic. A plethora of definitions and views on CSR have been suggested and discussed over the years, which have enabled companies to work within broad boundaries in terms of defining their own conceptions of CSR. As the concept is inherently vague and ambiguous, there is no single established definition. An early definition is provided by McGuire (1963): “The idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations” (p. 144). More recent definitions present CSR as a more tangible and precise concept. For example, in 2011, the European Commission put forward a new definition of CSR which refers to is as “the responsibility of enterprises for their impacts on society” (EC 2011: 6). It further states: “To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

- maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;

- identifying, preventing and mitigating their possible adverse impacts” (p. 6).

Another CSR definition by Mellahi et al. (2010) “[...] concerns businesses taking into account the socio-political and environmental impact of their activities, the monitoring of this process, and the promotion of best practice” (p. 240). Johnson (2003) describes CSR as a broad continuum ranging from exploitive companies to those for which social change is a central part of their mission. The term CSR is nowadays in vogue and has been defined an uncountable amount of times. Most definitions, however, remain vague and include terms which are hard to operationalize (Crowther and Rayman-Bacchus 2004). The main reason for this is the large number of differences between companies with regard to size, sector, branches, resources, profitability and their impact on society (Carroll 1999). Crowther and Rayman-Bacchus (2004) suggest several dimensions in which CSR can be defined. Broad definitions of CSR are concerned with the relationship of global corporations to countries’ governments and to individual citizens while narrow definitions involve the relationship to the local society in which a company operates. Other definitions emphasize the relation between a corporation and its groups of stakeholders. One of the several perspectives which can be applied in this context is rooted in the social contract theory. This theory points at an organization’s accountability for its actions, since it is viewed as a member of the society by which it is sustained. Another perspective focuses on the social responsibilities of multinationals due to their increased power in our modern ‘global village’ (Crowther and Rayman-Bacchus 2004).

The most cited and widely accepted definition and classification of a corporation’s social responsibilities is the ‘four-part definition’ by Archie B. Carroll, also known as ‘the Pyramid of CSR’ (Figure 2). Based on this concept, CSR consists of four layers of responsibility, described as follows: “The social responsibility of business encompasses the *economic, legal, ethical, and discretionary* expectations that society has of organizations at a given point of time” (1979: 500). In the following, each layer is briefly introduced.

Figure 2: The Pyramid of Corporate Social Responsibility



Source: Carroll (1991)

Economic Responsibilities

Economic profitability is a sine qua non condition and forms the basis of the CSR pyramid (Carroll 1998). It is based on the notion that the primary incentive for business to engage in economic transactions is profit. These economic responsibilities include being consistently as profitable as possible, maximize earnings per share, maintaining a competitive position and operating at a high level of efficiency (Carroll 1991). Without being profitable, none of the other responsibilities can be fulfilled.

Legal Responsibilities

Apart from being profitable, corporations are expected to act in accordance with the law. Laws can be regarded as ‘codified ethics’ and are established to govern the relationships between the company and its key stakeholders. Legal duties are also regarded as minimal requirements for an ethical conduct and provide a framework for economic activity (Carroll 1998). These include complying with federal, state and local regulations, fulfilling legal obligations in accordance with expectations from the government and respecting regulations concerning products and services (Carroll 1991).

Ethical Responsibilities

Ethical responsibilities include practices which are not codified by law but expected or prohibited by society in ethical custom. It is a good corporate citizen’s responsibility to not compromise ethical conduct for corporate goals, to apply behavior that goes beyond merely respecting the law and to respect what the community regards as fair and just (Carroll 1991).

Carroll (1991) lists three ethical principles upon which ethical responsibilities rest: justice, rights and utilitarianism.

Philanthropic Responsibilities

Philanthropic responsibilities form the top of Carroll's pyramid of CSR and include actions that are voluntary and not expected from a corporation by society (Carroll 1991). Carroll (1993) states that the essence of philanthropic activities is that they are generally not *expected* of a business in an ethical sense. The idea of voluntary corporate engagement is a core debate in CSR and undoubtedly applies for philanthropic responsibilities. Businesses can choose to, or by virtue of neglect, fail to meet responsibilities to the major stakeholders of companies, shareholders and employees (Matten and Moon 2005).

Based on Carroll's model of CSR, it seems that there is a hierarchy of being 'good' (Walker and Marr 2001). Firstly, good companies begin from a foundation of performance. A company must have a winning business model and a strategy and be able to execute it. Secondly, company leadership must have strong core values and integrity to earn the trust of employees and other stakeholders. Finally, on this platform of performance and integrity, the leading firms will reach out to offer a portion of their corporate resources to specific causes and communities in need. Such outreach, in the form of donations or volunteer help, can be called corporate citizenship. A good corporate citizen should actively seek to improve the society's welfare on a voluntary basis. Related practices include participating in charities for example, or to provide financial assistance to society projects (Carroll 1991). A parallel approach has been taken by Reidenbach and Robin (1991) to describe corporate moral development, which will be discussed later. Now, a closer look is taken at CP and its relation to CSR.

2.2.1 CSR and its Relation to Corporate Philanthropy

Due to the fact that the concept of CSR is rather broadly defined, definitions vary on CP's relationship to CSR and different opinions among scholars prevail. While certain scholars (e.g. Carroll 1991) position it within the CSR theory and argue that CP is an integrative part of the concept, supporters of the legitimacy theory (e.g. Dowling and Pfeffer

1975, Chen et al. 2008) view it as an independent corporate instrument to gain social legitimacy.

On the one hand, discussions of CSR include a debate over corporate philanthropic efforts (Shaw and Post 1993). Charitable donations are perceived to be closely related to CSR strategies (Brammer et al. 2009) and many CSR activities are considered to be philanthropic (Schwartz 2011). In fact, CSR's earlier image included predominantly philanthropic activities. However this view has changed over the years and a move away from CSR as charitable donations was noted (Whitehouse 2006). The amount of money donated to charity does not reflect the extent to which the company is socially responsible or meeting stakeholder expectations. CP thus constitutes only one part of the overall CSR agenda which is much wider than solely philanthropic acts. Matten and Moon (2005) see CSR as a cluster concept which overlaps with such concepts as business ethics, corporate citizenship, sustainability and environmental responsibility, and corporate philanthropy. CSR in this view is a dynamic and contestable concept that is embedded in each social, political, economic and institutional context, of which CP represents an explicit form. These scholars argue that Carroll's definition captures probably the lowest common denominator of CSR. According to Carroll (1991) CP represents one component of companies' CSR activities, although its importance varies over time and according to culture (Pinkston and Carroll 1994). While there are growing social expectations that firms be more active in charitable causes, philanthropic contributions are generally described as entirely voluntary (Hemingway and Maclagan 2004) and decisions concerning CP are often at management's discretion (Buchholtz et al. 1999). Carroll (1991) sees CP as the discretionary part of a company's social responsibilities, which "encompasses those corporate actions that are in response to society's expectations that businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill" (p. 42). Thus, there is a general tendency to include both strategic and non-strategic philanthropy as part of CSR. The distinguishing feature between philanthropic and the preceding ethical responsibilities is that the former are not expected in an ethical or moral sense. Carroll (1991), however, points out that philanthropic activities cannot be set without a preceding compliance with ethical responsibilities.

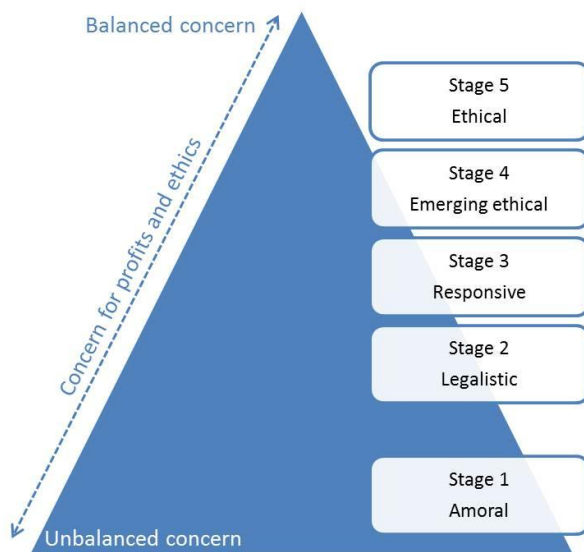
A number of researchers on the other hand consider CP as a distinct literature to CSR. It is reflected upon as an alternative theme, grounded in separate theoretical debates (De Bakker et al. 2005) and should therefore be distinguished from CSR.

Critics of Carroll's theory argue that CP can be made irrespectively of a general ethical performance of a company and suggest that CP is not a part of CSR, but a way to legitimate a company's existence and therefore guarantee its survival. Similarly, Chen et al. (2008) claim that companies do not engage in philanthropic activities altruistically, but because it helps them to get legitimacy from society. O'Higgins (2005) for example claims that it is inconceivable that any organization can be socially responsible unless it behaves ethically and correctly, since many unethical companies such as Enron or Parmalat were very philanthropic. Therefore, CSR in her view is not philanthropy and using CSR and good deeds as a cover can itself be deemed unethical. Other scholars also hold the opinion that CP is different from CSR. L'Etang (1995) for example argues that CP is not based on any kind of obligation or responsibility but simply upon the desire to do good.

2.3 Corporate Moral Development

Similarly to Carroll (1991), Reidenbach and Robin (1991) use a pyramid to depict their conceptual model of corporate moral development. The authors classify corporate moral development in five stages: amoral organization, legalistic organization, responsive organization, emergent ethical organization and ethical organization (Figure 3). They suggest that the top of the pyramid represents the highest or most advanced stage of moral development (i.e. the 'ethical' corporation), while the base of the pyramid portrays the lowest or least advanced stage (i.e. the 'amoral' corporation). Corporations can move up from one level to another (an exception is stage 1).

Figure 3: Corporate Moral Development



Source: Reidenbach and Robin (1991)

Amoral organizations are those which cannot adjust to the rules and values of society and have a relatively short file cycle. Reidenbach and Robin (1991) describe them as ‘a culture that is unmanaged with respect to ethical concerns’ and “shaped by a strong belief in Adam Smith’s invisible hand and the notion that the only social responsibility of business is to make a profit” (p. 275). An analogous philosophical position to Friedman’s may be sensed in these cultures, namely that business is not subject to the same rules as individuals and that owners are the most important stakeholders.

The legalistic stage is referred to as “compliance with the *letter* of the law as opposed to the *spirit* of the law” (Reidenbach and Robin 1991: 276), meaning these organizations adhere to the legality of an act rather than the morality of an act. In these organizations legal equals with right and just and will produce good results.

The third stage of moral development is characterized by some signs of balance between profits and doing the right thing. However, ‘doing right’ is rather an instrument to respond to social pressures than a sincere realization of corporate social duties and obligations.

In stage four (emerging ethical) organizations realize their role in society. Both ethical consequences of an action as well as its potential profitability are taken into account by management. However organizational actions with a social content are characterized by an ad hoc nature. Hence, an attempt is made to be ethical and moral, but there is still a lack of experience how to make it work effectively.

In the final (ethical) stage organizations arrive to the highest ethical level. In such firms a common set of ethical values are infused into the organizational culture. The quest for being ethical and profitable is thus perfectly balanced and the organization is committed to ethical behavior.

2.4 The Morality and Ethicality of Corporate Philanthropy

Can corporations have social and moral responsibilities? As legal organizational entities, are they capable of being held responsible for their actions? What kind of moral worth can be attributed to corporate social endeavors? These are some underlying questions that emerge when trying to capture the moral and ethical side of corporate behavior. The view of a corporation's responsibilities evolved from being originally purely economic to one involving also moral duties. In the following, some main arguments to answer the above questions are outlined.

If we follow the argumentation of the Nobel Prize winning economist and the most prominent representative of shareholder theory, Milton Friedman, then only individuals can be held morally responsible for their actions. In his renowned article published in the New York Times in 1970 he presents three main arguments against corporations bearing moral responsibilities. Firstly, a corporation – in contrast to a natural person – is a legal and therefore an artificial person which can only have artificial responsibilities. Therefore, a company cannot have ethical responsibilities. If only individuals can be held responsible for their action, then it is impossible even to discuss or debate 'corporate' social responsibility. Only individuals working within firms (whether employees, managers, executives, or members of the board of directors) could then be held accountable and punished for socially irresponsible behavior, as opposed to firms. Secondly, Friedman introduces the principal-agent argument, which rests on the belief that a corporation's manager acts as an agent to its owners. The manager thus has to act according to the owners' interest; that is making as much money as possible. Spending money on social causes implies spending the owners' money, which is not in their interest. Finally, Friedman argues that a manager spending money on social causes simultaneously imposes taxes. Thus, the manager acts as a legislator without being elected by the public, which eventually harms the basics of a free society.

CP has been criticized by Friedman as roughly the equivalent of theft, i.e. spending someone else's money. He argues that corporate managers operate under a moral mandate to 'make as much money for the stockholders as they can within the limits of the law and ethical custom' and should engage in 'full and fair competition without deception or fraud' (Friedman 1970). Although Friedman fails to describe in detail what ethical custom is, he does not categorically oppose CP if there is some degree of positive economic feedback to the firm. Hence, Friedman endorses CP endeavors as long as they are based upon strategic considerations, maximize the bottom line and are not done in a deceptive or fraudulent manner. However he also stresses that it should be the role of law, rather than the role of corporation, to combat social evils. The latter should be delegated to democratic institutions. One could indeed ask the question, why is CSR more than just complying with the law and why is CP therefore part of CSR? Should it not be enough for being ethical to act in accordance to legal standards? Milton Friedman believes that it is a democratically elected government that should protect society's interests and therefore policy decisions are best left to this institution. Nevertheless, what if the government is not able or willing to protect its citizens? For example, several developing countries maintain weaker legal standards as a means of encouraging foreign firms to operate within their territories. How should firms operate within these countries? There are also signs of concerns that legislation rooted in nations and states is not adequate anymore to regulate the ever-increasing global business activity of multinational companies (Blowfield and Murray 2008).

During the 1980s a somewhat different view from Friedman on firms' social responsibility emerged. This view is represented by Edward Freeman and his stakeholder theory. According to this theory, not only the interests of shareholders must be taken into consideration when making business decisions, but the interests of all stakeholders. Profit is not the only goal of a business and the focus is on making profit in an ethical way as well as providing value to stakeholders. Freeman (1984) defines stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (p. 46). A corporation's stakeholders are therefore employees, customers, competitors, the general public, as well as shareholders.

Yet, is the connection between business and its many social constituencies foremost, a moral connection? The diversity of current literature on business ethics, CSR and its strategic application suggests that businesses do have moral responsibilities. Their extent, however, is

still vividly discussed. Shaw and Post (1993) stress the moral component of doing business and link CP with the quest to develop repeat business as opposed to mere survival. They refer to this approach as “capitalist market morality” (p. 749) and posit that rule utilitarianism is more compelling and morally fulfilling justification for CP than ethical egoism. The authors list the moral injunctions of honesty, fairness and truth-telling as essential elements for lasting, long-term business relationships. These behaviors should advance the greatest benefit for the greatest number, while opposite traits such as lying, breach of trust or bad faith may work counterproductive. The latter are claimed to produce only short-term gains and destroy the hope for productive relationships. Contrary to Friedman, Murphy (2005) points out the weaknesses of managers acting as merely agents. The reason is that managers can never entirely override their personal responsibility when following organizational pressures. Moreover, they might not completely understand what is in the best interest of the organization and they have an ‘irrevocable responsibility’ to external stakeholders. Schwartz (2011) argues that whether or not there is a proper theoretical justification for holding corporations morally responsible for their actions is not critical for discussion purposes: “Since most people in society tend to ‘blame’ corporations as entities and hold them, rather than individuals, accountable for their actions, the view that firms (as opposed to just individuals) can act responsibly or irresponsibly still arguably maintains legitimacy on this basis alone” (p. 16).

Having addressed the morality of corporate social behavior, a brief introduction to selected ethical theories follows along with a discussion of their relation to CP in the context of CSR.

2.5 Ethical Theories in Light of Corporate Philanthropy

When discussing firms’ social responsibilities, Schwartz (2011) suggests going back to seven moral standards, namely (1) universal ethical values, (2) relativism, (3) egoism, (4) utilitarianism, (5) Kantianism, (6) moral rights and (7) justice. In the following, a closer look at each of these moral standards as well as their critique is taken.

- (1) Universal ethical values: This standard includes a collection of core ethical values such as trustworthiness, responsibility or accountability, caring and citizenship. In terms of citizenship, the core idea is that firms should have the same obligations as

individual citizens (i.e. obeying the law, assisting the community, or protecting the environment). Citizenship can be used to justify many philanthropic acts, especially community involvement, environmental practices, or even contributions to environmental or community organizations. These values may however, come into conflict; e.g. accepting an ethically problematic law as part of good corporate citizenship.

- (2) Relativism: Based on this standard, an action in question is morally acceptable if the majority group of individuals (i.e. a particular reference point) believe it is. The most prevalent form of this approach is cultural relativism (see Murphy 2005) which refers to different practices among cultures and different considerations of right and wrong among cultures. Therefore, in some cultures CP may have a higher moral standard than in other cultures. Vissier (2006) in fact mentions that due to the socioeconomic situation, philanthropic activities are considered a norm in Africa, thereby constituting the second level after economic responsibilities. Religion undoubtedly contributes to the ethical standards in the world and shapes what is considered right and wrong. For example, the Islamic religion stresses the importance of giving which has been integrated into the culture of countries following this religion. Personal philanthropy in these countries has often been part of the culture for religious as well as compassion reasons. The most common type of charitable giving in Islam are: (a) zakat and (b) sadaqqa. Zakat is a requirement by all Muslims having savings, wealth, assets accumulated over a year to give away 2.5% of its value to those in need. Sadaqa is in contrast, a voluntary charitable contribution given at any time for any purpose.

The problem with this ethical value lies in the acceptance of the majority's position (which might swiftly change in an opposite direction, but would still be deemed ethical). Consequently, the moral rights of individuals in minority can thus be ignored.

- (3) Egoism: Egoism as a moral standard indicates that the morally appropriate action is what is perceived to maximize the long-term best self-interest of the individual. Consequences are judged only based on how they affect the individual. Thus, decision-makers in an organization should take those steps that most efficiently advance the self-interest of themselves or their organization or division within the firm (Murphy 2005). Managerial egoism is often used in conjunction with a legalistic approach, i.e. Carroll's second layer 'Obey the law'.

Based on egoism as a guiding ethical principle however, purely altruistic CP would be considered unacceptable in society.

(4) Utilitarianism: As one of the most applied consequentialist ethical theory, utilitarianism focuses on the consequences of a given action, i.e. deals with its outcomes or end goals. One of the most used formulations of utilitarianism is expressed by the 19th century philosopher, Jeremy Bentham: ‘the greatest good for the greatest number of people’. Thus, the morality of an action depends solely on its consequences and not on the motive behind it. Proponents of strategic philanthropy apply a utilitarian view to corporate philanthropy, in which win-win situations are formed from which both the community and the corporation benefit. The greater the advantages for both parties, the higher the value of the social activity.

The most evident limitation of utilitarianism is the concern who decides what the ‘greatest good’ is and which perception of what ‘good’ shall prevail (Murphy 2005)? In utilitarianism end may sometimes justify otherwise unacceptable means (i.e. a penalty or expense for some parties while achieving a noble end). Because an action is economically beneficial, it does not mean that it is just and proper - even though it may produce the greatest economic good for the greatest number of people.

(5) Kantianism: This non-consequentialist ethical theory is centered on motives and duties. The moral worth of an action is based on the reasons or motive for acting (i.e. one’s ‘good will’). The rightness of an action is determined by the causing motive and not the consequence. Further, morally right actions cannot result from feelings, but the motive for an action is always the duty to do so (Harrison 2005). Thus, the altruistic view of CP being a responsibility of a business firm is in line with Kant’s ethics of duties. A corporation should engage in philanthropic actions because it is the organization’s duty to do so. It has been however condemned that the motive for an action might be discriminative (based on different conclusions of one’s ‘good will’).

(6) Moral rights: Based on this ethical principle an action is considered morally right or wrong only if it respects the rights of individuals affected by the action. Conversely, there are several rights that conflict with each other (e.g. in the CSR field the conflict between shareholder versus stakeholder rights).

(7) Justice: This ethical theory confers whether a firm's actions can be considered just or fair. If outcomes are determined to be fair, an action is ethical. The potential weakness of this standard is the unclear criterion for determining what is fair.

Schwartz (2011) argues that applying all seven moral standards will provide several potentially differing ethical views that can lead one to better justify one's own decision making or to better critique the decision-making of others, including the actions of business firms. The above distinctions are not mutually exclusive. However they show how attitudes toward CP may be supported from different moral points of view. This is due to the existence of different ethical theories which use diverse criteria for judging actions. There are numerous ethical theories which try to explain what makes a decision ethical or not. The ones presented above are some that provide an idea of how the moral soundness of an action can be assessed.

2.6 Business and Society: A Moral Connection?

Business is considered as not separate from society and the connection to its "many social constituencies is, foremost, a moral connection" (Shaw and Post 1993: 750). Similarly, Porter and Kramer (2011) agree that "the competitiveness of a company and the health of the communities around it are closely intertwined" (p. 66).

Philanthropy is claimed to be an important part of what makes a company a 'good corporate citizen'. However it is often viewed as "thinly-disguised public relations activity" (Shaw and Post 1993: 745) and consumers frequently question whether CP is simply a marketing gimmick, a purely egoistic endeavor, or a convincing moral justification. Regrettably, quite often only these two extremes (egoistic versus altruistic business activity) emerge in the foreground, shadowing other possible (and perhaps more realistic) reasons for CP.

According to Shaw and Post (1993) the "moral limbo" (p. 745) of CP lies in the fact that it is an extension of personal giving. In this sense, giving away the money of somebody else (i.e. that of shareholders') by those who are not owners of the company is questionable. But even if CP's moral foundation is the personal agenda of the owner, such programs are claimed to be always suspect and under attack (Shaw and Post 1993). Since any organization wanting to measure business outcomes from philanthropy must seek feedback from

stakeholders, especially employees, customers and community leaders, the skepticism of these segments may hurt to achieve the desired business outcomes. It is usually anonymous philanthropy which is considered an honorable act as it typically means giving selflessly, without ulterior motives. However making CP public has also its noble reasoning: it can exhibit leadership and encourage other firms to follow. It is in fact interesting how the notion of ‘giving back’ is valued differently for individuals and firms. For instance, many celebrities in entertainment and professional sports frequently support worthy causes. These acts remain rarely hidden and enjoy wide publicity. Yet, the public finds this form of individual philanthropy (unlike publicized CP) admirable and positive. Probably the most impressive aspect of CP is the fact that it is voluntary. Thus, voluntary giving, finding ways to ‘pay back’ by helping others, becomes special and appreciated stakeholders.

Porter and Kramer (2011) raise their concern however that businesses have rarely approached societal issues from a value perspective but have treated them as peripheral matters, which has obscured the connections between economic and social concerns.

2.7 Business Ethics and other CSR-related Terms

How does CSR and CP in particular relate to business ethics? Can we assume a clear connection? Not necessarily. In the academic literature several views exist on this question, which eventually may add to confusion. According to De George (1987) CSR forms a part of the larger, business ethics domain. Others claim that CSR incorporates business ethics (e.g. Joyner and Payne 2002). Moreover, these constructs are often used interchangeably by the academic and business communities.

What we can state with more certainty, however, is that the roots of business ethics reach far back in the past. As McMahon (1997) points out: “concern about ethical issues in business goes back as far as history itself; there has always been some form of mandate for people in commerce” (p. 317). Business ethics as a separate field of study developed during the 1970s, predominantly owing to the works of Richard De George. A recent definition describes the construct as “a specialized study of moral right and wrong. It concentrates on how moral standards apply particularly to business policies, institutions, and behavior” (Velasquez 2006: 12). The core of business ethics is grounded in moral philosophy, which

aids to assess the ethicality of business activity and to prescribe ethical courses of action (Schwartz 2011). It is thus normative in nature (as opposed to CSR) and focuses on expected behavior that goes ‘beyond the law’ (Laczniak 1983). In particular, business ethics emphasizes the ethical responsibilities of business (as opposed to legal, economic and philanthropic responsibilities) and pays specific attention to the ethical responsibilities of managers and employees within a business context. This individual-level focus is often ignored by the CSR construct which tends to focus on organizational responsibilities.

An alternative concept discussed in relation to CSR is corporate citizenship. On the one hand, corporate citizenship initiatives are included into the CSR agenda; while on the other hand, CSR is presented as a subset of corporate citizenship (Sharma 2004). This is due to the fact that corporate citizenship was originally focusing on CP and community involvement. In fact, a narrow characterization of the term focuses on CP and neglects the ethical dimension (e.g. in Carroll’s pyramid of CSR corporate citizenship activities are presented above the ethical dimension). However over time it has transformed into a broader business and society framework which even appears to replace CSR (Logsdon and Wood 2002). According to Schwartz (2011), corporate citizenship differs from CSR in that it focuses “on the rights and duties of corporations *as citizens* with respect to all of society” (p. 129). However Schwartz further states that its potential deficiency is the unclear sufficient substance to differentiate it from CSR.

Another concept that is frequently used in a CSR context is stakeholder management. Wheeler et al. (2003) refer to CSR, stakeholder management and sustainability as “three interwoven concepts” (p. 2). On a more general level, Harrison and Freeman (1999) recommend stakeholder management as “an integrating theme for the business and society discipline” (p. 479). While there are certainly links between CSR and stakeholder management, several scholars point toward apparent disparities. One of the existing differences lies in the level of analysis (i.e. society versus organization). In contrast to CSR, which focuses on society, stakeholder theory centers on stakeholders (Elms et al. 2011). Freeman et al. (2007) emphasize that stakeholder theory is meant to shift attention away from the relationship of corporation and an amorphous society and focus instead on the nature of its relationships with particular stakeholders. Freeman (2010) explicitly stresses managers’ responsibility to serve the interests of the corporation’s stakeholders – not simply to serve the general interests of society. Thus, an equation between stakeholders and society in this sense does not occur.

Since the relationship between CSR and stakeholder theory is a highly debated topic among academics, in the following a closer look is taken at this relationship.

2.8 The Relationship between Stakeholder Theory and CSR: Criticism, Boundaries and Mutual Influences

Over the past three decades CSR has not been spared from criticism. Already back in 1984, Edward Freeman indicates as the “most troubling issue” (p. 40) the separation of CSR from business policy; the conceptual split between profit-making and profit-spending. Consequently, he calls for a need to analyze the economic, legal, ethical and philanthropic forces in an integrative fashion. The isolation of social and economic issues in his opinion “misses the mark both managerially and intellectually” (p. 40). Further, he posits that any theory which does not consider all of the above four forces will eventually give an unrealistic picture of the business world. Freeman (1994) critically names CSR’s tendency to treat business separate from ethics as ‘The Separation Thesis’ and notes with Harrison in 1999 that the stakeholder management approach – as an antithesis to CSR – is striving to integrate both the economic and the social dimensions. Freeman (2010) further states: “The concept and capabilities of CSR, which rely on a separation between business and society and also a separation of business and ethics, fall short in addressing all the three problems that stakeholder theory aims to solve” (p. 241). The three problems are as follows: Firstly, the problem of value creation, which he claims does not fall within the scope of CSR since ethics is rather an ‘afterthought’ in the value-creation process. The second problem represents the tension between capitalism and ethics. Freeman claims that CSR only ‘exacerbates’ this problem and refers to the recent financial crises in which due to the inability of firms to connect ethics to their core business and to meet responsibilities to their stakeholders, the value for the entire economy got destroyed. The third problem is that of managerial concerns. Managers are advised to tie closely ethical issues to their daily activities. The disclosure of CSR is abstracted from managerial concerns and fails to embed ethics in management. According to Freeman, CSR “keeps the description of capitalism and business as amoral and tries to add an ethical safeguard too late in the process. Without redescribing the managerial function as a moral function, the CSR literature perpetuates the interpretation of business that allows moral concerns to be marginalized” (p. 241).

In fact, several demarcations between CSR and stakeholder theory exist:

Firstly, stakeholder theory is claimed to be business-centric (Elms et al. 2011). Its primary concern is the firm, i.e. advancing business rather than creating a better world. Donaldson and Preston (1995) propose that stakeholder theory must be ‘managerial’, leading to improvement of the ways in which the firm engages in the business of creating and distributing value. The betterment of society thus may be an indirect effect of stakeholder theory through a strategic approach to management. On the contrary, CSR is society-centric (cf. Porter and Kramer 2006, Fort 2008, Margolis and Walsh 2003) and centers on societal outcomes (such as poverty reduction, world peace, or the reduction of other human misery) rather than on business outcomes.

Secondly, stakeholder theory identifies who matters to the firms, i.e. the stakeholders. In narrow terms, such identification urges firms to attend to those groups that have the power to affect them (Freeman 1984); in broad terms, to include those groups that lack the power to mitigate the effects of company behavior (Post et al. 2002). It includes groups and individuals that might be little affected by the firm’s operation but play a key role in society at large. Since CSR explicitly includes discretionary matters, its scope includes many claims, issues and groups that firms choose to consider. This notion of responsibility derives not from the specific claims of singular groups but from the power that companies have accrued; and the general obligation to society to use this power wisely (Davis and Blomstrom 1975). CSR thus urges firms to take account of social issues which are beyond the scope of company behavior – not because societal actors have the ability to affect firm objectives but because firms have the ability to affect societal objectives (Bowen 1953).

Thirdly, while CSR is universalistic in nature by implying that the firm owes moral obligations to society rather than to any particular stakeholder, stakeholder theory is more particular. However it stops short of positing a responsibility to society as a whole (Agle et al. 2008, Clarkson 1995).

Finally, societal improvement is incidental in stakeholder theory. If firms create value and treat their immediate stakeholders appropriately, they might well contribute to societal well being, but there is no guarantee for this outcome. CSR’s aim on the other hand is to make society better, healthier or more peaceful.

While based on the above a number of differences between the two concepts exist, the two approaches may also complement each other and advance the other domain. Since CSR research remains normatively under-theorized (Elms et al. 2011), stakeholder theory may encourage further normative reflection about the concept of CSR. It may initiate a debate among CSR advocates on how moral obligations to society might exist beyond the obligation to treat particular stakeholders well. Stakeholder theory further offers a convenient list of a firm's relationships with society for CSR theorists (Rowley and Berman 2000). Society-level outcomes of CSR are suggested to be a function of the ways that firms tend to interact with their stakeholders in that society. However recognizing the complexities of stakeholder theory should lend greater scholarly rigor and thus credibility to CSR research. CSR may in return encourage additional normative reflection by stakeholder theorists. While stakeholder theory is claimed to be the more normatively developed domain, it has still potential for improvement. In particular, the examination of CSR programs in practice may help to establish the content of moral obligations to stakeholders. In this regard, a clearer differentiation of stakeholder theory from CSR might clarify further to whom the firm owes a normative obligation. Finally, firms' approach to CSR (e.g. how they respond to more general obligations to society) helps to understand specific firm-stakeholder relationships better and may serve as an important signal to individual stakeholder groups about what sort of treatment they can expect toward them.

2.9 The Pyramid of CSR Re-Examined

Should firms be required to go beyond the bottom line in order to be considered socially responsible? Is CP a responsibility or a voluntary act? Should corporate social behavior be an 'add-on' or an integral part of the entire business model?

In the following, the earlier introduced CSR model of Carroll (1991) is re-examined and new approaches toward the definition of CSR are presented.

As noted earlier, Carroll (1991) defines philanthropy as a business responsibility. Corporate philanthropy forms the upper part of the CSR framework, having economic, legal and ethical responsibilities as a foundation. The form of a pyramid may indeed suggest a certain hierarchy of these diverse responsibilities, meaning that without fulfilling those below, the company cannot act philanthropically. First, a company has to be profitable and has to

adhere to legal standards set up by the government so that the society can rely on the continuance of the business. This is an important condition for ethical conduct because the community depends on companies and a positive economic environment. A company is regarded as ethical if it avoids and minimizes harm to its stakeholders. Philanthropy is presented as entirely voluntary, not expected from a company by the society as such, although desired and viewed as highly valuable. However according to Schwartz (2011) this is not the kind of ranking of priorities that Carroll intended in his CSR pyramid, since he stipulates that the economic and legal domains are the most fundamental, while CP is considered less important than the other three domains.

As the different layers of responsibilities address different stakeholder groups, the CSR framework shows close connections to the stakeholder theory. While economic responsibilities primarily address the owners of the company, legal and ethical responsibilities predominantly govern relationships with its employees and customers. Ethical behavior also concerns these two groups as their moral expectations are to be met. Philanthropic responsibilities, however, are associated with the community as a whole (Carroll 1996). Carroll also mentions some possible conflicts between the four responsibilities and states that especially economic and legal, economic and ethical as well as economic and philanthropic responsibilities create the most significant tensions. However a business should regard these as organizational realities and simultaneously take into account all four responsibilities when making decisions.

Ethical businesses decisions should be made in line with sound moral principles (Harrison 2005). Making profit is an important prerequisite for companies to be successful; though doing it in an ethical way while avoiding exploiting societies in home and foreign countries is highlighted by business ethics. Since the law can be ambiguous in many cases, CSR often has to 'go beyond' legal regulations. Therefore, it is argued that in certain cases the firm possesses additional ethical obligations to protecting its stakeholders, as well as the particular country's citizens from unnecessary harm (Schwartz 2011).

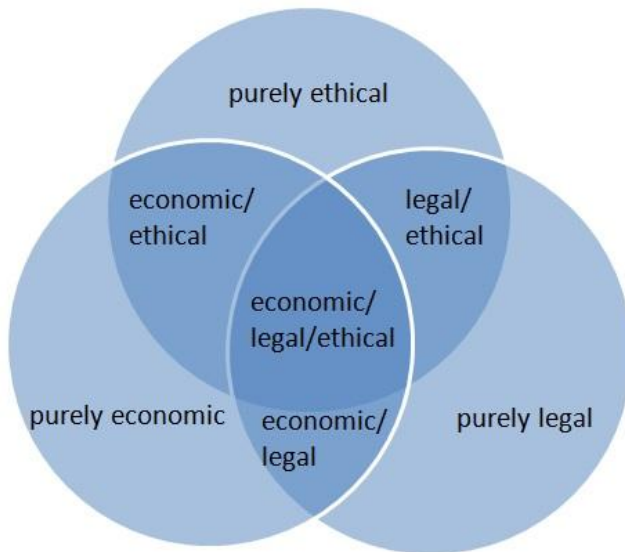
2.9.1 New Approaches toward CSR and Corporate Philanthropy

The usage of a pyramid to define CSR has been identified to lead to possible misunderstandings due to the overlapping nature of CSR domains. In particular, the ‘philanthropic’ category has been deemed as confusing and unnecessary (Schwartz 2011). Carroll acknowledges that it may be in fact “inaccurate” (Carroll 1979: 500) or “misnomer” (Carroll 1993: 33) to call such activities ‘responsibilities’ due to their voluntary nature. Others, such as L’Etang (1994) or Stone (1975) also agree that philanthropy cannot be considered as a responsibility in itself. It is rather something that is merely desirable or beyond what duty requires. This is a domain which is “difficult to ascertain and evaluate” (Aupperle et al. 1985: 455) and is suggested to be removed from Carroll’s CSR pyramid (Strong and Meyer 1992) or subsumed under ethical and/or economic responsibilities (Schwartz 2011). The rationale for the latter is that (1) it is difficult to distinguish between ‘philanthropic’ and ‘ethical’ activities and (2) philanthropic activities might simply be based on economic interests. A more detailed explanation for both of these rationales follows:

- (1) At a theoretical level, the ethical principle of utilitarianism (especially rule utilitarianism) can be used to justify many philanthropic activities. In this vein, it can be argued that philanthropic activities are simply an example of an ethically motivated activity. Thus, it appears reasonable to include CP under the ethical responsibilities. Another reason to include CP under the ethical dimension might be the fact that in light of the recent corporate scandals, CP is becoming more and more expected by society instead of just ‘desired’. As a result, CP could fall under the ethical domain rather than being separated into a philanthropic domain.
- (2) CP may be primarily based on economic motives (Shaw and Post 1993), often referred to as ‘strategic giving’ or ‘strategic philanthropy’ (Yankee 1996, Porter and Kramer 2006). This type of CP can help sustain the bottom line in the long run. When corporations engage in CP for economic reasons (e.g. increase sales, improve public image, improve employee morale), they are simply acting based on their economic responsibility, as opposed to any distinct philanthropic obligation.

Based on the above, Schwartz and Carroll (2003) propose a new model of the CSR pyramid with 3 domains: economic, legal and ethical (see Figure 4) where CP is subsumed under ethical or economic domains, reflecting the differing motivations for CP.

Figure 4: The Three-Domain Model of Corporate Social Responsibility



Source: Schwartz and Carroll (2003)

Schwartz and Carroll allow overlapping between each domain. Thus, in total seven CSR segments may be outlined; i.e. purely economic, purely legal, purely ethical, economic/ethical, economic/legal, legal/ethical and economic/legal/ethical. The authors also develop each domain more completely and discuss their overlapping. Below, each segment is briefly introduced.

Purely Economic Segment

This domain is very similar to Carroll's original formulation. It embraces those activities which are intended to have either a direct or indirect positive economic impact on the firm (i.e. the maximization of profits and the maximization of share value). However Schwartz and Carroll add that activities falling here must be also illegal, amoral and unethical. Most likely, the 'amoral' organizations as defined by Reidenbach and Robin (1991) fit best into this segment. In these organizations law and ethics are absent and have "a culture that is unmanaged with respect to ethical concerns" (Reidenbach and Robin 1991: 275). The case of Enron (deceiving its shareholders by shifting losses from its balance sheet) represents one example for this segment.

Business activities in this segment are widely declined by scholars. For example, Shaw and Post (1993) remark that breach of trust, lying, or bad faith is counterproductive and produces only short-term gains. Similarly, Milton Friedman would oppose the purely economic segment, because these activities are not guided by the "ethical custom" (Friedman

1970: 121), nor by “open and free competition without deception or fraud” (Friedman 1970: 126). However it has to be noted that Friedman fails to provide a detailed explanation for ‘ethical custom’.

Purely Legal Segment

Schwartz and Carroll include here all those corporate activities which are not ethical and have no (direct or indirect) economic benefit for the firm. The authors in fact acknowledge that there may be only very few corporate activities that would qualify for this category. The example of Napster, which initially allowed users to share music on its website for free falls under this category.

Purely Ethical Segment

Schwartz and Carroll broaden Carroll’s concept of the ethical domain by including three ethical standards: conventional, consequential and deontological.

Conventional standards include “those standards or norms that have been accepted by the organization, the industry, the profession, or society as necessary for the proper functioning of business” (Schwartz 2011: 98). The consequentialist (or teleological) standard focuses on the consequences of an action. While both egoism and utilitarianism are part of this ethical standard, only utilitarianism is considered relevant for the purely ethical segment. Thus, only an action that promotes the good of society, or produces the greatest benefit to society (when compared to all other alternatives) can be considered ethical. The deontological standard, which encompasses one’s duty or obligation, includes two of Carroll’s ethical principles, namely moral rights and justice. However deontology embraces a broader range of ethical justification (e.g. religious doctrine, Kant’s categorical imperative, or Ross’s prima facie obligations).

Schwartz (2011) suggests that purely ethical business activities must be performed based on at least one of these three moral principles. Here may be included those CP activities which are not based on economic interests (e.g. corporate philanthropic engagement out of altruistic motives). Although, to assess whether altruistic CP will not produce indirect economic implications may be a challenge. Schwartz himself acknowledges that “it is difficult to find and defend corporate practices or decisions that illustrate purely ethical motives because it is impossible to know fully all the motives that went into the decision...and the resulting consequences” (p. 103).

In their endeavor to provide ethical arguments in support of CP, Shaw and Post (1993) regard CP as an action that is undertaken with prudence (i.e., with the objective of advancing the corporate good and the good of the whole) and use similarly utilitarianism in support of the concept of CP. With this focus, they argue that shareholders, as members of the social community, share with all others the obligation to act in a way which will maximize the public welfare. Therefore, the use of corporate funds to support the quality of life is consistent with the law and with ethical theory. Shaw and Post believe that corporations should have an expanded citizenship role and that they do have a moral duty to advance the public welfare. The authors find that rule utilitarianism supports the efforts of the business community to develop and maintain lasting relationships with stakeholders. This objective is neither achievable nor sustainable through immoral conduct such as deception, lying, or breach of trust.

The above purely ethical dimension may in fact contradict the idea of business. Porter and Kramer (2011) oppose the purely ethical view by saying “Businesses acting as businesses and not charitable donors, are the most powerful force for addressing the pressing issues we face” (p. 64).

Economic/Ethical Segment

In this segment the corporate activity is ethical and economic simultaneously. Schwartz and Carroll include here activities which produce benefits both for the business and society (e.g. strategic CP). In this context, Shaw and Post (1993) state that CP is “far too important as a social instrument for good to depend on ethical egoism for its support” (p. 747) and propose rule utilitarianism as a more compelling moral foundation for CP. According to them self-interest in CP “is not incompatible with a morally compelling justification for corporate giving” (p. 747) as the giver is a member of the community that reaps the reward. Moreover, the inability of governmental resources to meet many of society’s most pressing problems reinforces the justification for an expanded commitment to CP. According to Shaw and Post (1993) economic and ethical behaviors advance the greatest benefit for the greatest number of people, namely for those whose well-being is affected by the corporation; that is all stakeholders.

Economic/Legal Segment

Under this segment fall all those activities that are economic and legal, but unethical (e.g. operating in countries with lower environmental or safety standards). Alike in the purely

ethical segment, very few activities can be categorized here. One example is that of Yahoo operating in China and obeying laws that often deny basic freedoms to Chinese citizens. The legalistic corporation (see Figure 3) defined by Reidenbach and Robin (1991) corresponds to this segment.

Legal/Ethical Segment

All legally required activities that are ethical may fall under this segment. Examples include installing an anti-pollution device because it's legally required and considered ethical by the company (i.e., responding to pressures from external stakeholders). These activities do not bring any economic benefits for the company.

Economic/Legal/Ethical Segment

This segment represents the intersection of economic, legal and ethical domains. Thus, in here all three categories of responsibility are met. Schwartz and Carroll suggest that this central segment is where firms should seek to operate whenever possible. Firms operating in this segment focus on the bottom line while following the law and ethical principles. Similarly, according to Shaw and Post (1993), the motivation for CP is an amalgam of altruism, good citizenship, prudence and sound investment strategy. CP thus should not be regarded of less quality if it reflects positively upon the image, reputation and goodwill of the firm. Similarly, the motivations of managers (owners) are honorable motives and their self-interest is in need of no apology. Reidenbach and Robin's (1991) stage four and five (i.e. emerging ethical and ethical organization) are comparable to this segment.

The above model by Schwartz and Carroll (2003) embraces all relevant aspects of CSR and presents an alternative means of describing CSR activities. Moreover, contrary to Carroll's CSR model, it helps to eliminate the assumption of a hierarchical relationship amongst the domains. It also considers the placement of CP under economic and/or ethical spheres more appropriate particularly for business ethics applications. However the authors recognize the limits of their proposed seven-segment model and state that it may be difficult to find 'pure' categories as there will be always overlaps between the segments.

While the different CSR domains are widely acknowledged in academic literature, a new view at how firms should act as entities that are sensitive to societal issues is emerging. This view is introduced by Porter and Kramer (2011) under 'shared value' – a concept driven

by the growing social awareness of citizens and the increased scarcity of natural resources. The authors oppose the social responsibility mind-set in which they claim societal issues are more at the periphery than at the core of business activities. They label the CSR-view as a narrow and “outdated approach to value creation” (p. 64) and condemn its short-term approach to financial performance and ignorance toward the long-term success. This has arguably prevented business from harnessing its full potential to meet broader societal challenges. Porter and Kramer therefore call for “a more sophisticated form of capitalism” (p. 77), i.e. a self-interested behavior which creates economic value by creating societal value. They argue that economic value must be created in a way that also creates value for society by addressing its needs and challenges. This assumes a connection between corporate success and social progress – two complementary, not clashing goals. Porter and Kramer (2011) suggest that firms must move beyond treating their social consciousness as a trade-off or a necessary expense: “The purpose of the corporation must be redefined as creating shared value, not just profit per se” (p. 64). In comparison to the CSR-approach, shared value creation moves beyond compliance with the law and ethical standards or lessening any harm caused by the business. It treats firms’ impact on society as a productivity driver rather than a reaction to external pressure. As regards to consumer behavior and marketing, the authors claim that the direction of these “will have to move beyond persuasion and demand creation to the study of deeper human needs and how to serve nontraditional customer groups” (p. 77).

3 Methodology

Three different methodological approaches are used to explore the previously outlined research questions (in section 1.2). The rationale for using a multi-method approach is the attainment of methodological triangulation, which allows to gain a more complete and detailed data (Denzin 1978). One of the advantages of such approach is that it reveals different aspects of empirical reality (Patton 1990), and thus deepens one's understanding of an issue (Hall and Rist 1999). Moreover, "Studies that use only one method are more vulnerable to errors linked to that particular method ... than studies that use multiple methods in which different types of data provide cross-data validity checks" (Patton 2002: 248).

Firstly, an exploratory design is employed to uncover consumer and corporate perceptions of CP. Secondly, an experimental design is used to shed light on consumer evaluations of different corporate philanthropic causes and their dimensions. Finally, a survey is used to provide an understanding of the link between corporate philanthropy and corporate reputation. The subsequent parts of this chapter explain each design in detail.

3.1 Exploratory Design¹²

As the first set of research questions aims to acquire an in-depth understanding of consumers' perceptions and compare them with the perceptions of corporate leaders, a qualitative approach is employed. The analytical perspective is phenomenological and hermeneutical. Phenomenology – next to grounded theory and ethnography – witnessed a steady growth in its application within marketing (Goulding 2003). Specifically, the work of Craig Thompson highlights both the underlying principles of phenomenology (e.g. Thompson et al. 1989) and its application to various research situations (e.g. Thompson and Haykto

¹² I realize that in interpretive research the term 'design' poses a paradox. However, "design in a naturalistic sense ... means planning for certain broad contingencies without ... indicating exactly what will be done in relation to each" (Lincoln and Guba 1985: 226). Therefore, I refer here to a design that remains sufficiently open and flexible to permit exploration of the CP phenomenon.

1997). Numerous other consumer studies provide examples of phenomenology in practice (e.g. Woodruffe-Burton et al. 2002, Goulding et al. 2002, Seebaransingh et al. 2002). Phenomenology aims to enlarge and deepen understanding of the range of immediate experiences (Spiegelberg 1982). It is thus a critical reflection on conscious experience, rather than subconscious motivation, designed to uncover the essential invariant features of that experience (Jopling 1996). Phenomenology is appropriate in this setting because the study aims to gain a deeper understanding of the nature and meaning of consumers' as well as managers' everyday experiences with CP. The research captures and describes carefully and thoroughly how consumers and managers perceive, describe, feel about, judge, remember and make sense of, and talk about companies' social engagement. To gather such data, Patton (2002) suggests undertaking interviews with people who have directly experienced the phenomenon of interest, that is they have 'lived experience' as opposed to secondhand experience. Since phenomenological reflection is retrospective, the interviews focus on reflections on experiences that have already passed or lived through. Therefore, not the factual status of particular instances is studied, but rather the essence of the experience of CP, and its interpretation.

3.1.1 Theoretical Framework

Research in marketing addressing the question of success of CSR initiatives falls into three principle research streams: One stream is focusing on the **company-cause** link (e.g. Lafferty et al. 2004). The second stream investigates the **consumer-company** link and examines the degree of congruence between these two as perceived by the consumer (e.g. Bhattacharya and Sen 2003). While both of these streams examine the relationship between the two components separately, the third research stream examines the **consumer-company-cause** relationships in a holistic manner (e.g. Gupta and Pirsch 2006). In the following, each link is briefly described.

The Company-Cause Link

This link is referred to in the marketing literature as 'company-cause fit'. Fit is defined as the perceived link between the company's image, positioning and target market and the cause's image and constituency (Ellen et al. 2000, Varadarajan and Menon 1988).

Academic literature presents both benefits and disadvantages of a close company-cause fit. The support of a cause congruent with the brand is recommended in previous literature. A close match between a company's core business and a cause is likely to transfer positive feelings of consumers about the cause to the company (Hoeffler and Keller 2002). Several studies show that a higher fit improves consumer attitude toward the firm (Bigne-Alcaniz et al. 2009, Samu and Wymer 2009, Barone et al. 2007, Nan and Heo 2007, Basil and Herr 2006, Becker-Olsen et al. 2006, Ellen et al. 2006, Simmons and Becker-Olsen 2006, Trimble and Rifon 2006, van den Brink et al. 2006, Hamlin and Wilson 2004, Lafferty et al. 2004). Moreover, fit also improves consumer attitudes toward the activity and purchase intentions (Gupta and Pirsch 2006). In this context, Du et al. (2010) caution companies to balance selecting a 'hot' issue with consideration of CSR fit, as stakeholders expect companies to address issues that are relevant to their core business and where they can have the most impact. Other studies find that close fit may lead to negative customer inferences, such as the company being exploitive (e.g. Hoeffler et al. 2010).

In contrast, low-fit CSR initiatives were found to have a negative influence on consumers' beliefs, attitudes and purchase intent (Becker-Olsen et al. 2006). Lafferty et al. (2004) found that a lack of fit results in a negative attitude towards the company-cause link, while the presence of fit produces a favorable attitude towards the link. Similarly, Simmons and Becker-Olsen (2006) provide evidence for the positive effect of high fit sponsorships in terms of increased brand equity. However, the authors also show that the unfavorable effects of low fit may be reduced by message content and source. Gupta and Pirsch (2006) claim that consumers' attitude toward the company-cause fit is more positive when they hold a positive attitude toward the company. Thus, the company-cause fit does influence consumers' attitude toward the fit which, in turn, influences their intent to purchase the cause-related product. While most of the research stresses the positive effects of company-cause fit on consumers, a very loose or nonexistent fit may be considered altruistic (Hoeffler and Keller 2002) and may improve consumer attitudes toward the firm (e.g. Forehand and Grier 2003). For example, Menon and Kahn (2003) show that in some circumstances a high company-cause fit does not necessarily lead to more positive consumer ratings of CSR. In particular, the authors found that in the case of advocacy advertising (focusing on the social issue), a lower congruence between the sponsor and the cause led to higher ratings of CSR. However, a very loose fit can also encourage customers to question the rationale behind a firm's involvement (e.g. Dean 2002, Drumwright 1996, Menon and Kahn 2003, Rifon et al. 2004). Others find no

importance of the company-cause fit (Lafferty 2009, 2007, Hoek and Gendall 2008, Mizerski et al. 2001).

The Consumer-Company Link

Research on this link focuses on the amount of congruence between the company's and consumer's character (e.g. Gupta and Pirsch 2006). When discussing this link and focusing on consumers' perceptions about the company, academic literature uses the term company identity (e.g. Bhattacharya and Sen 2003). It embodies external stakeholders' perceptions about corporate identity, company image, and reputation. Through CP companies can verbally and non-verbally symbolize their values (Ashforth and Mael 1989) and communicate their identity to consumers (Sen and Bhattacharya 2001). Bhattacharya and Sen (2003) explore this link and propose that consumers are more attracted to companies when the company satisfies at least one of the consumer's needs for self-continuity, self-distinctiveness and self-enhancement. They suggest that consumer perceptions of and feelings about the sponsoring company play a key role in enhancing the success of a CRM campaign. Lafferty et al. (2004) suggest that consumers' overall attitude toward a philanthropic company plays an important role in influencing purchase intent of the sponsored product.

An individual's ability to identify with an organization has both an emotional and a cognitive component (Bergami and Bagozzi 2000). Gupta and Pirsch (2006) suggest that consumers may make two different assessments of the philanthropic company: a cognitive one – where the consumer compares her/his own identity to that of the company, and an affective or emotional one – where the consumer relies more on her/his heart than head. It is thus a mixture of cognitive and affective reactions which can shape consumers' attitude toward a philanthropic company. Accordingly, if the consumer feels good about the reputation of the philanthropic company, in turn she/he therefore has a more positive attitude toward this company's actions (such as CP activities). Therefore, "arming consumers with concrete information,..., in conjunction with establishing positive affect toward the company itself is critical in creating an overall positive image in the consumer's mind" (Gupta and Pirsch 2006: 323).

The Consumer-Cause Link

Certain causes might be viewed controversial by consumers. If consumers cannot disentangle the company from what causes it chooses to support, the image of the company can be worsened. Therefore, firms are cautioned to be sensitive to the fact that CP can be

political and shift the balance against consumers' desire to support certain issues and organizations (Forbes Insights 2011). Research demonstrates that a pre-existing charity attitude is a strong determinant of attitude change toward the company (Basil and Herr 2006). Moreover, cause choice is found to influence attitude towards the company-cause fit (Gupta and Pirsch 2006). Dean (2003) found that tying negative information to the firm moderates response to CRM activities.

CP may vary in geographic focus and consumer attitudes toward a cause may depend on the geographical scope of the support. Companies engage in philanthropic activities directed at domestic and/or foreign recipients. In this regard, Landreth and Garretson (2007) refer to donation proximity; the distance between the donation activity and the consumer. The term 'proximity' has already been used by Varadarajan and Menon (1988) who categorize the geographical distance of philanthropic activities as national, regional, or local. Engagement in domestic CP can be regarded as a means of establishing good local relationships crucial for a firm to survive. Global CP, on the other hand, might be an additional tool to enhance company reputation and to acquire more visibility from existing and potential consumers. The geographic scope of corporate philanthropic activities is an area that has been under-researched so far and the few results on consumers' preferences in this regard are somewhat contradictory. On the one hand, research shows consumers' greater support for local than national or international causes (Ross et al. 1992, Cone Communications 2011), suggesting companies should focus their philanthropic efforts on local rather than global issues. Landreth and Garretson (2007) advise that local donations may evoke interests of those less involved with the cause and do not alienate those more involved with the cause. Varadarajan and Menon (1988) also suggest that regional or local scope might lead to superior results by tying-in with causes that particularly appeal to regional or local target groups. On the other hand, local causes do not get more positive evaluations than national causes (e.g. Rampal and Bawa 2008). In this context, constructs that reflect behaviors promoting self-gratification (such as ethnocentrism) have been investigated. For example Russell and Russell (2010) found that local corporate social activity increases more strongly consumers' intentions to patronize the company in the future compared to foreign corporate social activity. The authors base their reasoning on the principle of reciprocity, i.e. if a company's action is beneficial to consumers, they will reward this company. However, this tendency is reduced when consumers have a strong identity as global citizens.

3.1.2 Sample and Data Generation

Purposeful sampling is used to achieve maximum variation on relevant dimensions of interest and to identify important common patterns. The criteria for constructing the consumer sample were based on lived experiences of CP, social status, and demographics. The criteria for constructing the corporate sample were based on the level of involvement in CP, type of CP activity, and industry. Thus, shared patterns or central themes that may materialize through this sampling cut across cases and derive their significance from having emerged out of heterogeneity.

Firstly, background philanthropy-related data from company websites, annual reports, and leaflets were generated to increase the researcher's pre-understanding (cf. Gummesson 2005). Secondly, semi-structured, in-depth interviews with 17 consumers and nine multinational companies have been conducted. The companies were in pharmaceutical, consumer goods, consulting, banking, telecommunication, insurance, electricity, and electronics. Managers responsible for philanthropic activities were chosen as informants. Data were collected in Austria between December 2010 and May 2012. For a detailed description of consumer characteristics see Appendix 7.1.

Separate interview guidelines for both types of respondents were developed. All interviews started by briefly explaining the purpose of the study, assuring anonymity, and asking permission to audiotape. Questions proceeded from the general to the more specific. Consumer interviews began inquiring about the criteria in general that a business must meet for consumers and continued through discussing their experiences with corporate social engagement. The consumer interviews then centered on issues such as awareness, experiences, feelings, and expectations concerning CP, current pressing social problems, preferences for geographical deployment of corporate support, CP's influence on purchase decision, their involvement in CP, as well as preferences for corporate communication of CP activities. The company interviews addressed firms' philanthropic programs and their organization, geographical deployment of corporate support, stakeholder group involvement in CP, and the dissemination of philanthropic activities.

In order to assure quality in the interviews, caution was exercised not to give informants any normative lines. Moreover, questions were formulated in a way that they could initiate a narrative and avoided yes/no answers. Guidelines were forming the frame for the interviews; however, no rigid adherence to the questions in the guidelines occurred. Questions were rather asked in the appropriate moment and not always in their prescribed

order. Some questions were not asked at all, because the answers were already given before, or based on the course of conversation, additional questions were asked. Throughout the conversation complex questioning was avoided and diction was used that appeared natural to the interviewees. Thus, the conversation was brought as closely as possible to the interviewees' everyday language which allowed conducive talk. Labels were used that accurately represent the phenomenon of CP. The term CP was not used during the interviews, and was rather described as "companies' social engagement; donations; help for those in need", etc. In order to prevent a possible error in the interviews by deviating from the topic (e.g. by discussing the more general theme of CSR, or CRM), the direction of the conversation was carefully guided toward CP. Moreover, to eliminate researcher's bias, constant self-interrogation and bracketing was applied. Thereby, the data collection process aimed at minimizing any influence of the researcher's own expectations, preconceptions and theory on the conversation. The researcher strove for data reliability through stability and replicability. As a result, special attention was given to consistency in coding. Three types of coding has been used: descriptive coding, topic coding, and analytical coding.

Interviews lasted 30 minutes to 1¼ hours and were transcribed verbatim, comprising a data set of 489 pages. Additionally, after each interview, supplementary memos have been produced about the interview situation and the researcher's impressions. For data analysis the NVivo 9.2 software was used. Analytical methods entailed reading and rereading the transcriptions in delivering thematic units of meaning. Statements that were relevant to CP were identified and thematized. The experiences of consumers and managers were bracketed, analyzed and compared to identify the essences of the phenomenon of CP.

3.2 Experimental Design

3.2.1 Theoretical Framework and Research Propositions

The focus of a responsible business is twofold: making profit in an ethical way, and providing value to customers. Holbrook (2006) views customer value as the foundation for all effective marketing activity: a key factor for a successful marketing strategy, as well as for its

ethical justification. Holbrook defines value as an interactive relativistic preference experience. It is interactive since value can be created only when a firm and stakeholder come together. The relativistic character is reasoned by differing evaluations of individuals. Value is moreover depending on preference: people judge corporate actions as good/bad, positive/negative, or favorable/unfavorable experience. In this line, if consumers for example perceive the corporate philanthropic support as less socially desirable, it may diminish the potential extrinsic value for them.

Stakeholder views on which social issues are the most important for companies to address are shifting over time (Du et al. 2010). For example, a Cone study reports that while in the early 90s Americans ranked crime prevention, the environment and homelessness as priority issues, after the turn of the millennium, education, health and disease, and the environment were paramount (Cone 2008)¹³. Moreover, 85% of consumers have a more positive image of a product or a company when it supports a cause they care about (Cone 2010¹⁴). Previous research by Rampal and Bawa (2008) has found that the positive effects of a company's social engagement are diverse and based on the personal feelings of consumers. The authors claim that differences in the perceived importance of social causes offer valuable clues to develop appropriate philanthropic strategies. Similarly, Sen and Bhattacharya (2001) report that the perceived importance of social causes may vary among different consumers and link the importance of social causes to consumers' personal support of the companies' philanthropic engagement. As a result, companies are advised to monitor what are considered the priority issues by their key stakeholders. In terms of exploring consumer assessment of different CP types, the following two propositions are made:

H0: Consumers will have no preference for certain types of corporate philanthropic causes over others.

H1: Consumers will favor certain types of corporate philanthropic causes more than others.

¹³ Findings based on an online survey conducted in 2008 among demographically representative U.S. sample of 1071 adults.

¹⁴ Findings based on an online survey conducted in 2010 among a demographically representative U.S. sample of 1057 adults.

In terms of preferences for geographical focus of CP activities, a subtle shift has been witnessed as well. While preferences remain for local support, more and more consumers think that companies should prioritize support of issues that affect the quality of life globally (Cone 2008). Research on one hand suggests that a cause supported domestically is perceived more favorably than the same cause supported in a distant country (Russel and Russell 2010) and that donations to local charities improve customer attitudes toward the CSR and purchase intentions (Grau and Folse 2007). A local form of social engagement can result in benefits for the company, if it is responsive on a national level and caters for the local needs of the society (Muller 2006). On the other hand, donation proximity has been found to have no impact on attitudes toward the company or the charity (Ross et al. 1992).

Based on the above, the following proposition is made:

H2: Consumers will have higher preference for corporate philanthropic support in their home country than for corporate philanthropic support outside their home country.

In terms of industry, CP is not related to a single industry and consumers are holding all industries accountable for supporting social and environmental causes (Cone 2010). However, corporate philanthropy is believed to vary by industry (Buchholtz et al. 1999, Useem 1988). Seifert et al. (2004) point out that “Industry norms appear to pressure firms to create an image of generosity, even though firms’ stockholders may limit executive discretion in philanthropic gestures” (p. 152). To connect the philanthropic program area with the industry is common practice by businesses. Typical support by industry includes health and social services by health care companies or consumer discretionary companies; education by industrial, financial, and information technology companies; environment by energy companies; and arts and culture by energy companies (CECP 2011)¹⁵.

Consumers seem to welcome such industry-related support. For example, consumers perceive the environmental impact of petroleum production as vital and expect companies active in the oil industry to invest in minimizing their negative environmental impact and in alternative energy sources (Bonini et al. 2007). Recent catastrophes such as the explosion of the Deepwater Horizon operated by British Petrol in the Gulf of Mexico in April 2010 may

¹⁵ Corporate Giving Standard Survey on 2010 contributions of 184 companies, including 63 of the top 100 companies in the Fortune 500.

even strengthen consumer views on the role of oil companies in addressing these issues. Disasters of such scale are believed to influence the perceived importance of single social causes (Rampal and Bawa 2008, Cui et al. 2003).

Another example is the food and beverage industry, where health and obesity are the often named issues that should be paid attention to by companies in this industry. As a result, the initially positive perception of this industry has experienced downturns (Siegle 2005). While consumers agree that individuals are primarily responsible for rising levels of obesity, many think that food and beverage companies share considerable responsibility (Bonini et al. 2007a).

As a final example, pharmaceutical companies are under pressure to address the rising health inequalities between the developing and the developed countries (Chong 2003) and they utilize their products, services, and medical expertise to align with programs serving health and social services (CECP 2011). In general, consumers expect of pharmaceutical companies to enhance the global accessibility to medicaments and their affordability especially in developing countries responsibility (Bonini et al. 2007a). In this context, Vachani and Smith (2004) highlight the importance of socially responsible pricing of drugs for developing countries. Hence, people perceive the need to cater for health inequalities between developed and developing countries as a pressing issue.

The above discussion leads to the next proposition:

H3: Consumers will have higher preference for industry-relevant corporate philanthropic support than for industry-irrelevant corporate philanthropic support.

To test the research propositions, an online experiment with the use of scenarios was conducted. Scenario-based experiments reduce biases caused by memory retrieval, rationalization tendencies, and inconsistency factors (Grewal et al. 2004). The aim of this method was to observe customer prioritizations among various causes supported by companies as well as their geographical focus. Philanthropic causes were adopted from existing definitions of CP and giving types that typically receive high support¹⁶. To assess

¹⁶ See e.g. Wang et al. 2008 who define CP as “gifts given by corporations to social and charitable causes, such as support for *education, culture, or the arts*; minorities or *health care*; or for relief funds for victims of natural disasters” (p. 144). For types of giving and percentage of support by program area see CECP 2011.

customer evaluations regarding four corporate philanthropic activities and their geographical deployment, customers were asked to rank-order eight scenarios for each hypothetical company from seven different industries (pharmaceutical, petroleum, finance, telecommunications, fast moving consumer goods, consulting, and transportation)¹⁷. Thus, the experiment is manipulated by varying the industry of the philanthropic company. The same eight scenarios (4 types of causes and local/int. dimension) are used throughout the experiment, but with different industry. Thus, next to the different CP types, the experiment also distinguishes between domestic and international giving and tests whether the particular industry in which a firm operates determines customer evaluations of corporate social commitment. In particular, a 4 (CP type: health, education, art, environment) x 2 (geographic focus of CP: local, international) x 4 (industry: insurance, telecommunication, transport, and consumer goods) within-subject design in group 1 and a 4 (CP type: health, education, art, environment) x 2 (geographic focus of CP: local, international) x 3 (industry: oil, pharmaceutical, consulting) within-subject design in group 2 was employed. The advantage of within-subject design compared to between-subject design is that it requires fewer participants. Though, the disadvantage of this research design is the problem of carryover effects, i.e. the first test may influence the subsequent ones. Furthermore, a long experiment with multiple conditions may fatigue participants. This could decrease their performance on the last test. Alternatively, the practice effect may lead to more confidence through experience after taking the first test and thus to automated responses. To counterbalance these disadvantages of within-subject designs (e.g. by shortening the timeframe for the experiment and by reducing automated answers), the experiment was carried out in two steps (group 1, group 2). Group 1 participants assessed the scenarios in four industries (insurance, telecommunication, transport, and consumer goods) and group 2 participants assessed the scenarios in three industries (oil, pharmaceutical, consulting). The survey instrument was made available in English and German language to increase response rate (see Appendix 7.2).

3.2.2 Sample and Data Generation

¹⁷ These industries represent six top level economic activities according to the International Standard Industrial Classification (ISIC) of all economic activities (UN 2008).

Two sampling methods were applied. On one hand, snowball sampling was used. This sampling method relies on referrals from respondents to generate additional respondents. On the other hand, judgment sampling was employed. Its objective is to retain a sample based on personal judgment. The advantage of this sampling method is the large amount of respondents reached with relatively little effort. The limitation of both techniques, however, is the reduced probability of a heterogeneous sample (e.g. Johnston and Sabin 2010). Data collection took place in February 2011. The experiment was first pre-tested in a paper and pen format among bachelor students in class at the Vienna University of Economics and Business (WU). Subsequently, the survey instrument was made accessible via the online survey platform esurveyspro. Potential respondents were informed about the link to the survey via social network sites and the mailing list of the WU. All respondents were granted anonymity and were assured that the experiment was carried out for university purposes solely. In total 305 respondents completed the survey (91 in group 1 and 214 in group 2).

3.3 Survey Design

3.3.1 Theoretical Framework

In the following section, firstly an introduction to the academic debate about customer responses to CP is given. Then the various views and definitions of corporate reputation are discussed, before turning the focus on the relationship between CP and corporate reputation. Based on this theoretical framework, the study model is subsequently introduced and hypotheses are developed.

3.3.1.1 Customer Responses to Corporate Philanthropy

CP "... plays a significant role in influencing the perceptions of external stakeholders such as consumers..." (Brammer et al. 2006: 241). Marketing research indicates that socially responsible activities often have a positive effect on customers' perceptions of the company

(Sen and Bhattacharya 2001). After all, corporate philanthropic actions associate the company with an image of responsiveness to the needs of the society it depends on survival (Marin et al. 2009). Hoeffler et al. (2010) claim that the prime objective of such activities is to persuade customers “to think, feel, and act in more favorable ways toward the company” (p. 79). Customers may respond to CP by increasing their demand for the firm’s products or services, or by paying premium prices (Bhattacharya and Sen 2003). Increasing stakeholder expectations for CP suggest that whether and to what extent a firm engages in charitable causes will have an impact on how stakeholders relate to the firm (Lee et al. 2009), which may in turn have effects on firms’ financial outcomes (Wang et al. 2008, van Beurden and Gossling 2008). This is related to the economic responsibility aspect of corporate social responsibility (Carroll 1999).

However, philanthropic acts may also create negative reactions (e.g. Dean 2003) and raise protests from customers and other stakeholders. Brown and Dacin (1997) found that “negative CSR associations ultimately can have a detrimental effect on overall product evaluations...” (p. 69). One example is that of Yellow Tail, an Australian wine produced by Casella Wines Pty Ltd. In early 2010, angry customers in the US were pouring out Yellow Tail wines as a reaction to the company’s announced donation for an animal protection organization. Another controversial case involved Abercrombie and Fitch, an American retailer of casual wear, which donated a significant financial contribution to the Nationwide Children’s Hospital (US) in 2008. In honor of that gift, the hospital decided to name its new emergency and trauma center after the corporate benefactor, which led to strong criticism for both parties. Sheikh and Beise-Zee (2011) state that customers who hold a negative cause affinity might turn away from the firm while a favorable cause can support customer-company identification.

These findings and examples indicate a need to analyze consumer reaction to CP in more depth.

3.3.1.2 Corporate Reputation

Corporate reputation, the collective opinion of an organization held by its stakeholders, has been identified as a construct of growing importance (Kitchen and Laurence 2003, MacMillan et al. 2002). Among other factors, reputation has been identified as playing a significant role in improving firm value (Fombrun and Shanley 1990, Gregory and Wiechmann 1991), enhancing consumer perceptions of product quality (Grewal et al. 1998, Milgrom and Roberts 1986), raising employee morale, productivity and improving recruitment and retention (Garbett 1988, Gregory and Wiechmann 1991, Turban and Cable 2003), and permitting access to cheaper capital (Beatty and Ritter 1986). Corporate reputation, as experienced by various stakeholders, helps to reduce transaction costs, and positively influences consumer trust and loyalty (Caruana et al. 2004, Roberts and Dowling 2002, Dowling 2001, Williamson 1985, Shapiro 1983, Kreps and Wilson 1982). Indeed, Kay (1993) identified corporate reputation as an important factor in achieving corporate success. Several authors suggest that companies with a good reputation have a competitive advantage and are likely to attract more customers (Gardberg and Fombrun 2002, Gotsi and Wilson 2001, Groenland 2002) and investors since good corporate reputation implies relative investment security (Marconi 1996, Gregory and Wiechmann 1991).

The term has been addressed in many different disciplines, such as psychology, sociology, economics, management, and marketing (Fombrun 1996). Table 1 provides an overview of the diverse definitions associated with corporate reputation in the literature.

Table 1: Definitions of Corporate Reputation

Author(s)	Definition/Conceptualization
Fombrun and Shanley 1990: 234	Corporate reputations are the outcome of a competitive process in which firms signal their key characteristics to constituents to maximize their social status.
Herbig and Milewicz 1993: 18	Reputation is an aggregate composite of all previous transactions over the life of the entity, a historical notion, and requires consistency of an entity's actions over a prolonged time.
Fombrun and Rindova 1996: 10	A corporate reputation is a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders. It gauges a firm's relative standing both internally with employees and externally with its stakeholders, in both its competitive and institutional environments.
Doney and Cannon 1997: 37	We define supplier reputation as the extent to which firms and people in the industry believe a supplier is honest and concerned about its customers.
Weiss et al.1999: 75	Thus, whereas image reflects what a firm stands for, reputation reflects how well it has done in the eyes of the marketplace.
Fombrun et al.2000: 243	A reputation is therefore a collective assessment of a company's ability to provide valued outcomes to a representative group of stakeholders.
Bromley 2001: 317	Reputation can be defined as a distribution of opinions (the overt expression of a collective image) about a person or other entity, in a stakeholder or interest group.
Gardberg and Fombrun 2002: 304	A corporate reputation is a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders.
Wang et al. 2003: 76	In essence, reputation is a result of the past actions of a firm.
Rose and Thomsen 2004: 202	Is identical to all stakeholders' perception of a given firm, i.e. based on what they think they know about the firm, so a corporation's reputation may simply reflect people's perceptions.

In the strategy literature, corporate reputation is considered an intangible asset that can contribute to a competitive advantage in the marketplace of goods and services (Dowling

2004, 1994, Barney 2002, Hall 1992, Milgrom and Roberts 1982). In this context, Fombrun (1996) refers to this intangible asset as reputational capital. Consistent with the resource-based view of the firm, reputation may be viewed as a valuable resource that should be managed by the firm (Barney 2002, 1991, Dowling 2001, van Riel 1997). Fombrun and Shanley (1990) view corporate reputation as the outcome of a competitive process in which a firm signals its key characteristics to constituents in order to maximize its economic and non-economic status.

In the marketing and management literature, corporate reputation is discussed primarily with regard to people that have ties to a firm. The concept of reputation is founded on the general premise that a favorable general estimation that the public has of an individual or organization will positively impact the public attitude and behavior toward that entity (Fombrun 1996, Fombrun and Rindova 1996, Fombrun and Shanley 1990).

Concerning the dimensionality of the corporate reputation construct, there is little agreement in the academic literature as to whether CR is a unidimensional or multidimensional construct.

The unidimensional construct characterizes the general perceptions of the public about a company in question (Smaiziene and Jucevicius 2010). For example, practitioner corporate reputation ratings such as the U.S.-based Fortune America's Most Admired Companies or Germany's Manager Magazin rating offer unidimensional measures. These ratings primarily rely on the perceptions of senior executives, directors, and financial analysts, who are not necessarily customers of the firms they are evaluating. Indeed, the Fortune approach was criticized on several grounds, with Fombrun et al. (2000) arguing that it relies "on the perceptions of a limited respondent pool that over-represents senior managers, directors, and financial analysts" (p. 245-246). Moreover, Fryxell and Wang (1994) demonstrate that the majority of the eight Fortune dimensions are related to financial performance, under representing other dimensions of corporate reputation.

The multidimensional construct, on the other hand, suggests that reputations embody the contradictory interests of self-interested constituents (such as investors, employees or customers) (e.g. Walsh and Beatty 2007, Davies et al. 2003). When measuring corporate reputation, only few studies focus on the consumer stakeholder group (Walsh et al. 2009). Walsh and Beatty (2007) argue that different stakeholders may hold different views of the same firm's reputation based on their needs, own economic, social and personal background (Zinkhan et al. 2001, Fombrun 1996) and on their different relationships with the firm

(Dowling 2001). Since a firm's corporate reputation encapsulates the history of other people's experience with a firm (Fombrun 1996), a firm can have multiple reputations, with a different set of attributes for different stakeholder groups (Wartick 2002). For example, whereas customers can assess a service firm's service quality and might be able to judge its community and environmental friendliness, they may struggle to judge its use of assets. Thus, the various dimensions of corporate reputation may be perceived differently by different audiences and different audiences may attach different weights to these dimensions or even use somewhat different criteria to evaluate a firm.

Herbig and Milewicz (1994) state that both operationalizations (i.e. unidimensional and multidimensional) are relevant for the business world. This dissertation follows the argument that an organization has multiple reputations; one of them being the corporate reputation perceived by consumers.

Customer-based corporate reputation (CBR) is a unique concept that unlike other corporate reputation measures, explicitly considers customers' personal experiences and perceptions about a firm. It is defined as "the customer's overall evaluation of a firm based on his or her reactions to the firm's goods, services, communication activities, interactions with the firm and/or its representatives or constituencies (such as employees, management, or other customers) and/or known corporate activities" (Walsh and Beatty 2007:129). This evaluation may serve as a 'quality promise' which could push a firm to focus on serving its customers with high quality goods and services with integrity and honesty. If executed well, a strong CBR can reduce perceived risk of customers, and act as a formidable barrier to entry (Rose and Thomsen 2004, Dierickx and Cool 1989). Moreover, CBR has to be distinguished from brand associations as it focuses on customers' overall evaluations of a company rather than a brand. CBR is thus a broader construct embracing also other factors besides products or services.

3.3.1.3 The Relationship between Corporate Philanthropy and Corporate Reputation

The relationship between corporate engagement in social initiatives and corporate reputation is not a new phenomenon. Already back in 1973 Davis proposed that "Social goals are now top priority with members of the public, so the firm which wishes to capture a

favorable public image will have to show that it also supports these social goals” (p. 313). Davis argues that because of the *institutional viability of business*, it can only remain competitive if it meets society’s demands and “those who do not use power in a way society considers responsible will tend to lose it” (Davis and Blomstrom 1971: 95).

In spite of the apparently strong orientation of commonly available metrics of corporate reputation towards the financial performance of organizations, a small but developing body of work has sought to understand the relationship between social responsiveness and corporate reputation. Fombrun and Shanley’s (1990) seminal study of the influences on the reputations of large US companies found that there is a positive association between corporate reputation and the level of corporate charitable donations. More recently, Williams and Barrett (2000) provide further evidence in support of a positive link between philanthropy and firm reputation. In addition, Williams and Barrett find evidence that the link between philanthropy and reputation is stronger among companies that more frequently violate occupational health and safety and environmental regulations, arguing that, among other things, “charitable giving appears to be a means by which firms may partially restore their good name following the commission of illegal acts” (Williams and Barrett 2000: 348).

Williams and Barrett (2000) found that while a firm’s reputation can be diminished through its violation of various government regulations, the extent of the decline in reputation may be significantly reduced through charitable giving. Brammer and Millington (2005) suggest that companies which spend more on philanthropic activities are likely to have better reputations. Moreover, Pelozo (2006) argues that a visible social agenda provides a reputational insurance which has the ability to protect firms’ profitability in times of crisis. Furthermore, Lee et al. (2009) found that if corporate philanthropy is perceived to be conducted for public reasons, a significant positive relationship between corporate philanthropy and attitude toward the corporation appears. Another related study by Siltaoja (2006) found that CSR and corporate reputation are highly dependent and correlated. However, it was highlighted that this relationship is dependent on several factors: the elements of corporate reputation, the context of corporate social responsibility, the firm’s value priorities and stakeholder’s value priorities. De Quevedo-Puente et al. (2007) also highlight the link between corporate social performance and corporate reputation. These authors consider CSR as an objective variable, whereas, corporate reputation as a perceptual variable. Moreover, corporate social performance describes the past, whereas, corporate

reputation predicts the future. Thus, a company that had good corporate social performance in the past is expected to have a future positive corporate reputation. Finally, the work by Hildebrand, Sen and Bhattacharya (2011) suggests that CSR directly and indirectly affects corporate reputation and organizational identity. They propose that the effect of CSR on corporate identity is moderated by the organizational social values and is mediated by corporate communications and identity authenticity. The effectiveness of CP communication is dependent on the audiences which vary in terms of their expectations of businesses and information needs (Du et al. 2010). As many companies are including philanthropic initiatives into their business model, corporate decision makers need to have a better understanding of how their key stakeholder group, i.e. customers, respond to corporate philanthropic initiatives and communications in order to match CP with their customers' expectations.

3.3.2 Development of Hypotheses and Conceptual Model

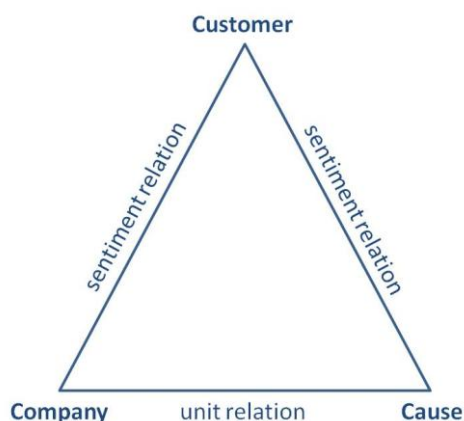
3.3.2.1 *Consumer Attitudes toward Corporate Philanthropic Support and Balance Theory*

Consumer attitudes represent the overall affect the individual has toward the product or object (Bettman 1979). The attitude toward one object has been shown to 'spill over' onto other associated objects (Simonin and Ruth 1998). Companies investing in socially responsible initiatives enjoy favorable consumer attitudes and rewards (Brown and Dacin 1997). Previous research has found that CP generates corporate image and social recognition in the community that can result in positive feelings and improvements in the attitudes of consumers toward the firm (Brown and Dacin 1997, Bhattacharya and Sen 2003). Customers' feelings of affinity or identification with the social cause often have been found as the drivers of more favorable ratings and may increase the likelihood of brand choice (Lichtenstein et al. 2004, Bhattacharya and Sen 2003). In fact, the Cone Cause Evolution Study 2010 reveals that American consumers have a more positive image of a product or a company when it supports a cause they care about and they wish *more* companies would support causes. Luk et al. 2005 found in their study of Chinese service companies that a narrow focus on customers may contribute to corporate social performance because the company is perceived as having a high level of devotion to customer welfare, regardless of what it takes. Such a devoted commitment to customer welfare can positively affect a company's reputation. Furthermore,

Barone et al. (2000) provide evidence that consumers' perceptions about the motivations for CP affect their attitudes towards a company. Becker-Olsen et al. (2006) also report a positive relationship between a company's philanthropic activities and consumers attitudes towards a company.

In the context of customer response to corporate support for a cause, earlier studies (e.g. Basil and Herr 2006, Dean 2002, Crimmins and Horn 1996) have employed Heider's (1958) balance theory. Balance theory belongs to the group of cognitive consistency theories (along with the theories of congruity and cognitive dissonance), which encompass the belief that consumers value harmony among their thoughts, feelings, and behaviors and that they are motivated to maintain consistency among these elements. It examines relational triads and considers relations among entities an individual may perceive belong together. The evaluation of an object is affected by how the evaluation will fit with other related attitudes held by the person. In accord with Dean (2002), balance theory is useful in explaining consumers' attitude formation and attitude change. Thus, this study bases argumentations for explaining desired outcomes of corporate philanthropic activities on balance theory, and considers three entities linked in a triangular relationship: the company, the specific cause supported by the company, and the consumer (see Figure 5). In doing so, a consumer-centric perspective to CP discussion is brought.

Figure 5: The Customer-Company-Cause Triad



Source: adapted from Heider (1958)

In this triad, the consumer evaluates the pairing of two separate elements; the company and the cause. In terms of the various philanthropic causes supported by companies,

consumers are likely to have diverse preferences and their company assessments may depend on the congruence between the apparent behavior of the firm and their expectations. In this context, (in)congruence can be perceived between the consumer and the corporate philanthropic activity, between the consumer and the firm, and between the firm and the corporate philanthropic activity. There are two types of mutually interdependent relationships in this triad: unit and sentiment relations. The company and the cause form a unit when the consumer perceives these two as belonging together. Sentiment relations occur between the consumer and the company and between the consumer and the cause. A balanced state among these three entities occurs when the perceived unit relation (i.e. the company and the philanthropic cause supported by the company) and sentiment relations (i.e. positive or negative feelings of valuation to the company and the cause) co-exist without stress; thus there is no pressure toward change (cf. Heider 1958). The conditions of (im)balance are defined as follows: “A triad is balanced when all three of the relations are positive or when two of the relations are negative and one is positive. Imbalance occurs when two of the relations are positive and one is negative. The case of the three negative relations is somewhat ambiguous” (Heider 1958: 202). This suggests that a consumer’s attitude toward a philanthropic company should consist of some combination of her or his attitude toward the company, the cause, and the pairing of these two. The consumer will strive for ‘balanced’ relationships (positive or negative) toward both entities of the unit. Applying this logic in a consumer-company-cause context, if the relation between the consumer and the cause is positive, that is, the consumer likes the cause (e.g. values the corporate support of socially marginalized children and youngsters). The unit relation is positive if the company supports the cause (e.g. the concrete company supports socially marginalized children and youngsters). The relation between the consumer and the company is positive if the consumer likes the company. Consequently, the three positive relations are harmonious and will produce a balanced state. Similarly, a balanced state occurs when both the company and the supported cause are perceived negatively by the consumer (negative sentiment relations and positive unit relation). Imbalance occurs when, for example, the consumer likes the company but does not approve the cause the company is supporting (one positive and one negative sentiment relation, and positive unit relation). To conclude, the consumer’s attitude is in balance if by multiplying the signs in the three relations the algebraic result is positive (Cartwright and Harary 1956). Thus, for example two negative relations and one positive relation indicate a balance since $(-)*(-)*(+) = +$. Still, balance may not necessarily indicate a pleasant situation.

Jordan (1953) points out that for a situation to be pleasant, both balance and positive relations are required.

The above argumentation suggests that consumers will strive for ‘balanced’ sentiments (positive or negative) toward both entities of the unit (the company and the cause). Therefore, the following hypotheses are proposed (see Figure 6 for a graphical illustration of the hypotheses):

H1: Positive attitude toward a company’s specific type of philanthropic support will positively affect the overall perception of that company.

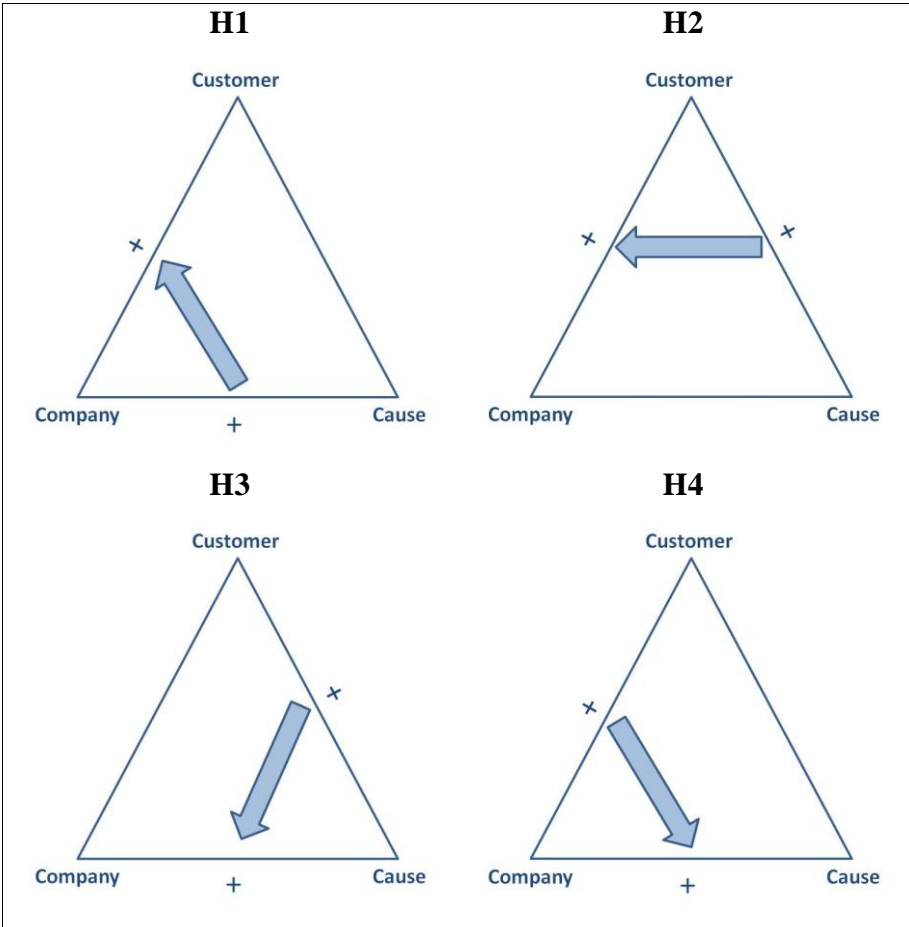
H2: Positive assessment of a specific type of corporate cause will have a positive effect on the overall perception of a company supporting that specific type of cause.

H3: Positive assessment of a specific type of corporate cause will have a positive effect on the attitude toward a company’s philanthropic support of that specific type of cause.

Since corporate reputation often serves as a pre-existing scheme upon which stakeholders rely to interpret ambiguous information about the company (Fombrun and Shanley 1990), it may influence the effectiveness of CP. Companies with good reputation, perceived to have high source credibility, will probably find the positive effects of their philanthropic actions to be amplified, whereas the effects of CP in the case of companies with poor reputations will be dampened or even backfire (cf. Yoon et al. 2006). This yields to the following proposition:

H4: The overall positive perception of a company will positively affect attitudes toward this company’s philanthropy.

Figure 6: Graphical Illustration of the Hypotheses



3.3.2.2 The Geographical Proximity of Corporate Philanthropy and Consumer Ethnocentrism

Regarding the geographical scope of corporate philanthropic activities, CP is both domestic (local) and global (international) in scope. Many companies engage in philanthropic activities directed at domestic or foreign recipients. In this regard, Grau and Folse (2007) refer to *donation proximity*; the distance between the donation activity and the consumer and is categorized as national, regional, or local (Varadarajan and Menon 1988). Engagement in domestic CP can be regarded as a means of establishing good local relationships crucial for the firm to survive. International or global CP, on the other hand, might be an additional tool to enhance company reputation and to acquire more visibility from existing and potential customers. The geographical proximity of corporate philanthropic activities is an area that has been under-researched so far and the few results on customers’ preferences in this regard are

somewhat contradictory. On the one hand, the literature shows customers' greater support for local than national or international causes (Russell and Russell 2010, Cone Communications 2011, Ross et al. 1992), suggesting companies to focus their philanthropic efforts on local rather than global issues. Grau and Folse (2007) advise that local donations may evoke interests of those less involved with the cause and do not alienate those more involved with the cause. Similarly, Varadarajan and Menon (1988) suggest that regional or local scope might lead to superior results by tying-in with causes that particularly appeal to regional or local target groups. On the other hand, local causes do not get more positive evaluations than national causes (e.g. Rampal and Bawa 2008). Consequently, there is a need to investigate differences in customers' perceptions when the designated beneficiary is a domestic or global cause. This research aims to examine the dimension of donation proximity by introducing ethnocentrism.

Ethnocentrism refers to the universal tendency for people to favor their own group over others. The sociological concept of ethnocentrism was introduced more than a century ago by Sumner (1906), who provided its first formal definition: "...the view of things in which one's own group is the center of everything, and all others are scaled and rated with reference to it...Each group nourishes its own pride and vanity, boasts itself superior, exalts its own divinities and looks with contempt on outsiders" (p. 13). Decades later, several authors argue that ethnocentrism is part of human nature (e.g. Lynn 1976). In the marketing literature ethnocentrism, as a domain specific concept for the study of consumer behavior with marketing implications, was introduced by Shimp and Sharma (1987). The authors use the term Consumer Ethnocentrism to capture the beliefs held by "consumers about the appropriateness, indeed morality, of purchasing foreign-made products" (p. 280). Their results show that general attitudes toward foreign-made products as compared to domestic products are strongly negatively correlated with ethnocentric tendencies.

Ethnocentrism at the community level may manifest itself in expressions of support for the economic health of the community (Lantz and Loeb 1998). Consumers can have several different group identities, one of them is their local/regional identity of the place where they live and work. The salience of this particular group identity (e.g. local community, national identification) may become important when evaluating companies' philanthropic actions. A strong local identity could lead to ethnocentric tendencies of consumers and higher expectations for local corporate support. As a result, corporate support of a local hospital, for

instance, may be viewed more favorably by ethnocentric consumers than corporate support of a hospital in a far away country. Thus, ethnocentrism arguably acts as moderator between consumer attitude toward CP and CBR. Furthermore, Russell and Russell (2010) report that local corporate social activity increases more strongly consumers' intentions to patronize the company in the future compared to foreign corporate social activity. The authors base their reasoning on the principle of reciprocity, i.e. if a company's action is beneficial to consumers, they will reward this company. However, this tendency is reduced when consumers have a strong identity as global citizens. Based on the assumption that high ethnocentrism leads to preference for local CP (as opposed to global CP) and that low ethnocentrism suggests a global mindset, valuing both local and global CP, an additional proposition results:

H5: Low ethnocentrism will positively and more strongly moderate the relationship between attitude toward a specific type of corporate philanthropic support and overall perception of the philanthropic company than high ethnocentrism.

3.3.2.3 Cross-National Differences

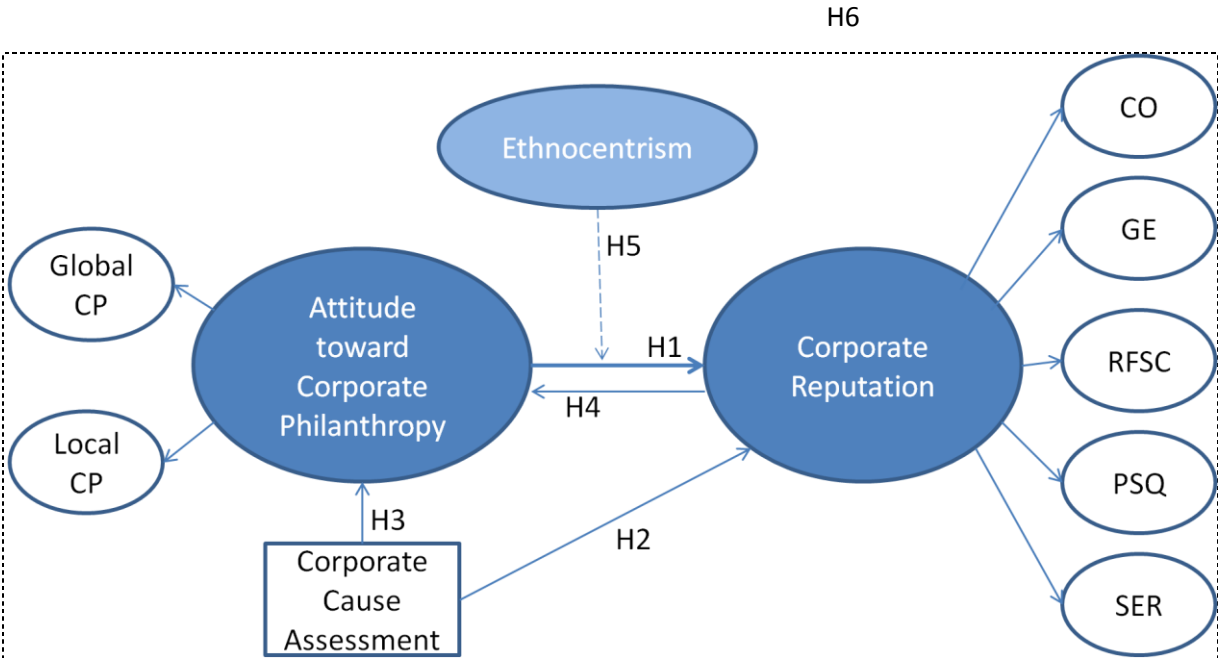
An additional complexity is caused by looking at consumer attitudes toward CP in different country settings. Attitudes of the general public toward CSR vary across countries and commonly much greater emphasis is put on the significance of CSR in western economies (Brammer et al. 2009). Moreover, differences in attitudes are to some degree attributable to factors such as national culture and religiosity. Waldman et al. (2006) founds that institutional collectivism positively predicts managerial CSR values (shareholder/owner, stakeholder relations, and community/state welfare CSR dimensions), while power distance negatively predicts these values. Since a collectivist culture emphasizes social responsibility (cf. House et al. 2004), the concept of CP might be perceived differently in collectivist versus individualist cultures (cf. Dean 2003). Specifically, in a collectivist country where giving has a long tradition and is ingrained into the everyday life, CP may seem as a valued act, however, more expected than in a country with no such giving tradition (i.e. an individualistic country). Thus, due to the strong role of philanthropy in society, CP may have a lesser effect on the overall perception of the philanthropic company as opposed to the overall perception of the philanthropic company in a country where philanthropy in general is less emphasized (e.g.

due to the more developed welfare state and the stronger role of governments in supporting causes). Therefore, the following final hypothesis is proposed:

H6: Customers' attitude toward corporate philanthropy in a collectivistic country will less positively affect corporate reputation than in an individualistic country.

The conceptual model below (Figure 7) reflects the main constructs and summarizes the proposed hypotheses.

Figure 7: Conceptual Model



Note: Latent constructs are shown in ellipses and observed variables are shown in rectangles. CO = Customer Orientation; GE = Good Employer; RFSC = Reliable and Financially Strong Company; PSQ = Product and Service Quality; SER = Social and Environmental Responsibility; CP = Corporate Philanthropy.

3.3.3 Empirical Setting

This research uses primary data collected via an online questionnaire in Austria and Egypt. These countries were chosen because there are substantial cultural and economic differences between them.

Due to their distinct cultural backgrounds, these two countries are assigned to different societal clusters and they score differently on the nine GLOBE cultural dimensions as well as on the six leadership dimensions (House et al. 2004). Austria is assigned to the cluster of the Germanic countries while Egypt is assigned to the Middle East countries. In particular, Egypt is considered a collectivist society while Austria an individualist society. Especially on the *humane orientation* (society practices) dimension, Egypt scores high compared to Austria (4.73 and 3.72, respectively)¹⁸. Humane orientation is defined as “the degree to which an organization or society encourages and rewards individuals for being fair, altruistic, friendly, generous, caring, and kind to others” (House et al. 2004: 569). In these societies people are responsible for promoting the well-being of others (the state is not actively involved). In addition, humane societies tend to foster humane organizations and in highly humane-oriented societies the state has less influence on business. In contrast, on the humane orientation society values (should be) dimension Austria scores high (5.76) compared to Egypt (5.17). This indicates that Austrians long for greater humane orientation. Austria is classified in band A, which includes countries with the highest scores on the construct. Egypt belongs to band C (among countries with low scores on the construct).

Austria represents one of the developed European countries with a GDP of 42.500 USD per capita (2012 est., CIA 2013a) and is part of the European Union since 1995. Egypt is part of the Common Market for Eastern and Southern Africa since 1999 with a GDP of 6.600 USD per capita (2012 est., CIA 2013a). At the time of this research, the country is undergoing a political transition. The chosen countries can therefore provide a contrast and offer the opportunity to gain an overview of how consumers’ view CP not only in the observed countries, but in similar countries of the region too.

3.3.3.1 Corporate Philanthropy in Austria

The discussion about CSR started relatively early in Austria and philanthropic purposes are broadly supported both by the government and society. CP was first discussed in the framework of sustainable development in the late 1980s (Strigl 2005). Corporate

¹⁸ Higher scores reflect greater humane orientation.

sustainability programs therefore had an important role in shaping socially responsible business practices in the country. The concept of sustainable development ensures a well-balanced and equal treatment of the economic, social and environmental interests and is therefore closely related to CP (Todaro and Smith 2004). Another equally important concept in the Austrian CP tradition is the social partnership. It is a common cooperation platform between employers, trade unions, public authorities and the voluntary sector. Social partnership involves a broad dialogue with representatives of all sectors and the civil society that tries to solve social problems jointly. All the participating parties contribute resources to the partnership and try to reach a consensus that is acceptable and beneficial to all of them (Falkner and Leiber 2004). The long tradition of social partnership in Austria provides a good opportunity for cooperation between companies and the non-profit sector, which considerably influences CP actions in the country. Additionally, the dialogue between social partners is a good means for NGOs and the civil sector to convince business decision-makers to engage in CP (America 1995).

Austria, like other European countries, is a highly regulated state. A number of environmental, labor and social protection laws are setting minimum standards for business behavior and CP. The Companies Act dating back to 1966 states that a corporation must be managed in a way that benefits not only shareholders and employees, but also public interest. The majority of Austrian companies are SMEs with less than 250 employees. These enterprises often enjoy low public attention and therefore do not actively engage in CP. The most important forms of support include money and in-kind donations and volunteering programs (Strigl 2005).

3.3.3.2 Corporate Philanthropy in Egypt

Egyptians for a long time have been known for their tradition of giving. Egyptians by nature are raised with the culture of giving to others, whether this includes money, food, clothes, medicine and other objects. The culture of giving is not restricted only to those less well-off, but more of a tradition done with friends, family and neighbors. The Islamic religion stresses the importance of giving which has been integrated into the culture of Egyptians. Thus, personal philanthropy has always been part of Egyptian culture for religious as well as compassion reasons. The most common type of charitable giving in Islam are: (1) zakat and

(2) sadaqqa. Zakat is a requirement by all Muslims having savings, wealth, assets accumulated over a year to give away 2.5% of its value to those in need. It is estimated that Egyptians give almost \$1 billion USD in zakat each year (Atia 2008). Sadaqa is a voluntary charitable contribution given at any time for any purpose.

The period before the 1970's was characterized by strong state institutions and a vast majority of public sector organizations. Since the 1970's, and with the open door policy and the increase in private sector participation in the economy, there was a gradual interest by institutions, especially private institutions to engage in social contributions and philanthropy (Hafid 2009). Nowadays it is apparent that all businesses are expected to engage in some form of philanthropic/social responsibility. While there is no obligation to pursue such voluntary activities, yet the philanthropic practices are expected by all corporations. Many businesses have realized how this is critical nowadays, especially where around 20% of the Egyptian population live under the poverty line (2012 data, CIA 2013b).

3.3.4 Design and Respondents

Respondents were asked to evaluate a leading telecommunication company in their home country and its selected philanthropic activity on global and local level. Both companies in the survey are CSR frontrunners within their industry.

The telecommunications industry context was considered interesting for three reasons: Firstly, it is a rapidly growing sector and one of the major providers of employment in the world. The worldwide telecommunications industry revenues for 2010 account for 3.1 trillion USD (Plunkett Research 2011). Despite the fact that CSR has become an important issue in this industry – reflected by the fact that as of April 2012, 4.22% of the companies represented in the Dow Jones Sustainability Index were in the telecommunications sector (DJSI 2012), and as of May 2012, there are 59 businesses in the mobile telecommunications sector participating in the United Nations Global Compact (UNGC 2012), in the academic CSR literature the industry has been under exposed (Runhaar and Lafferty 2009). Secondly, the telecommunication industry was selected because it includes a high amount of customer-service provider employee contact and interaction opportunities (Batt 2000). Finally, reputations are particularly important for service firms because their services – due to their

intangible nature – are difficult for customers to evaluate (Hardaker and Fill 2005). Therefore, service firms may be more likely to rely on their reputation than other firms (Kim and Choi 2003, Fombrun 1996). Especially firms with high visibility among consumers seem to exhibit greater concern to improve the corporate image through social responsibility information disclosure (Branco and Rodriguez 2006). Legitimacy theory offers a justification for this behavior. Better-known service firms have more reason to justify their existence to society by means of social responsibility disclosure.

To measure customers' overall perceptions of a company the five-factor 13-item CBR scale was adopted from Walsh et al. (2009). Items were measured on a 1-5 scale (1=disagree completely, 5=agree completely). This scale explicitly considers customers' personal experiences and perceptions of service firms. Customers' attitude toward a selected education/youth-related cause supported internationally by the telecommunication company is measured along a four-item (good/bad, useful/useless, positive/negative, charitable/greedy) five-point semantic differential scale. Customers' attitude toward the same cause (education/youth) supported domestically is measured along a two-item (useful/useless, positive/negative) five-point semantic differential scale. Items were taken from the 'Attitude toward the Product/Brand' scale (e.g. Batra and Stayman 1990). Consumer Ethnocentrism (CET) is measured by six items adapted from the CETSCALE (Shimp and Sharma 1987) measured on a 1-5 scale (1=disagree completely, 5=agree completely). All study constructs and individual items are reported in Tables 7 and 8.

Moreover, respondents were asked to assess the importance of corporate support for a specific cause (corporate support of a cause related to children/education in general) without mentioning any concrete company or geographical dimension¹⁹. This measurement was necessary in order to strengthen the consumer-cause sentiment relation link. The awareness of respondents of the concrete global and local philanthropic activity of the telecommunication company was measured with one item each on a binary scale. In addition to standard demographic information (i.e. age, gender, and education), data relating to whether the respondent is an actual customer of the concrete telecommunication company in question, and data relating to the length of being a customer of that company were gathered. At the end of

¹⁹ Austrian respondents were asked: "Please assess the following statement: It is important for companies to support children and youngsters", and Egyptian respondents: "Please assess the following statement: It is important for companies to support communities in the area of education". Items were measured on five-Point Likert-type scales where 1 is 'disagree completely' and 5 is 'agree completely'.

the survey, a free space was provided for respondents to share their comments about the topic and the survey.

The online questionnaire was developed and used in English for both Austrian and Egyptian respondents. In order to reduce common method variance, the anonymity of the participants has been assured and fact-based, unambiguous questions were used. The questionnaire was made accessible through a link which was sent to respondents (mainly students of a major business university in Austria and Egypt). University students seem appropriate for the sample of this study because they use the services of telecommunications companies regularly and are likely to be customers of the company used in the survey. The data collection process lasted three weeks in December 2011.

4 Results and Discussion

4.1 Results of the Exploratory Research

First, general consumer and corporate perceptions of CP are described and the three main views on CP that emerged from the interviews are presented. Then, the results are linked with the three CSR research streams discussed in the theoretical framework (section 3.1.1.) and the qualitative findings are compared to the notion of balance theory. The section concludes with the discussion on the dissemination of CP activities.

4.1.1 Consumer and Corporate Perceptions of Corporate Philanthropy

In terms of corporate responsibilities, responses covered all layers of Carroll's (1991) CSR pyramid. Economic responsibilities, forming the bottom of the CSR pyramid, are expressed by a consumer as follows:

"...a firm should focus on being profitable. That's the crucial driver; otherwise it doesn't have any right to exist". (male, 28)

Corporations have a similar view in terms of their economic responsibilities:

"Well, the first responsibility is certainly to have a solid pillar in economic terms. ... If my business does not stand on healthy pillars then I can't comply with my responsibilities toward my employees, customers, and other stakeholders". (bank manager)

Legal responsibilities, forming the second layer, are depicted by a consumer along these lines:

"If everybody would really follow the rules of the game [the law], we wouldn't need all that 'philanthropy'. Firstly, the state would have sufficient tax money to do something on its own. Secondly, 90% of the social problems would not exist." (female, 30)

This respondent refers to the fact that CP would be unnecessary if everyone would just behave legally. For her, CSR could be fulfilled already at this second layer. While Carroll points out that all four layers of responsibilities belong to a moral management, some consumers tend to focus only on the base layers.

Business managers do not explicitly mention corporations' legal responsibilities. Following the 'rules' is possibly so apparent that after pointing out economic responsibilities managers follow discussing ethical and philanthropic responsibilities.

Views on ethical and philanthropic corporate responsibilities, which represent the third and the top level of the CSR pyramid, respectively, are also strongly represented by consumers:

"...Firms should act ecologically and have, in principle, social responsibility toward all their stakeholders: their employees, suppliers, and the whole chain. They have an ethical and moral responsibility". (male, 45)

By the same token, business leaders encompass the belief of corporate citizenship:

"Every business has responsibility toward the location where it operates. Since each business is part of the society and it falls back on the society, it is only fair that the society expects the business – like any citizen – to get socially active". (manager, electronics company)

In addition, three views on CP emerge:

CP as a Form of Egoism

Consumers often judged CP as an *egoistic* behavior. Firms are perceived as exploitive and non-transparent. True corporate intentions behind their philanthropic activities are questioned and often evoke suspicion about the sincerity of a company's motive. CP is thus discounted as another marketing gimmick or image-building maneuver. This is in line with past research on corporate social engagement which reveals considerable public skepticism about the reasons companies engage in social initiatives, and many assume these activities are undertaken purely for self-interest (Simcic Brønn and Belliu Vrioni 2001, Webb and Mohr

1998). One element that evokes such skepticism and distrust is ambiguity about the philanthropic message:

“In my opinion, especially for big corporations, it [CP] is rather a question about positioning themselves”. (male, 28 years)

“I don’t think companies engage in social projects out of goodwill. They do it because they want to develop a new market”. (female, 30 years)

While in consumer perceptions about CP as an egoistic behavior a mixture of cognitive and affective assessments prevail, corporations build their perceptions about CP on cognitive arguments and see their principal role to be profitable. They link philanthropy primarily to business reasons, e.g. to improve reputation, increase employee motivation, and to appeal to consumers or customers. Neglecting ‘strategic’ CP is associated with competitive disadvantage. A manager of a multinational consumer goods company expressed the consequence of no corporate social engagement in this way:

*“At some point of time we would fall behind...because in consumers’ awareness we would be moving backwards, or being not up-to-date.”
(manager, consumer goods company)*

The above is in line with previous findings which suggest that managers’ argumentation about social activities coincides with consequentialism or utilitarianism, i.e. companies engage in these activities to avoid negative impacts and they see a utility of being socially responsible (Arvidsson 2010).

CP as a Form of Altruism

CP is also viewed by consumers as an *altruistic* behavior. This perception includes a strong affective element. CP in this sense is idealized and highly valued by consumers. In fact, previous research found that terms such as CSR, corporate social performance or corporate citizenship imply an underlying moral driver such as duty, accountability, stewardship and contain explicit normative overtones (e.g. Altman and Vidaver-Cohen 2000, Matten and Moon 2008, Waddock 2004). According to this idealistic consumer view, firms are supposed to perform ‘quiet help’ (i.e. to keep their good deeds undisclosed). A possible explanation is that consumers project their own norms and values on philanthropic firms.

Statements differ for small firms versus big corporations. While the former are seen as being philanthropic out of conviction, the latter are believed to have a selfish motive behind their good deeds:

“Well, ... regarding smaller businesses, family-owned businesses, I would argue that there is a true intention of the owner. ...there is a different motive [as opposed to big corporations]... I assume that social engagement runs in the family or the person himself or herself... it’s really an end in itself, he/she really believes in it what he/she does”. (male, 28 years)

Companies have moved away from this view on CP. They do not consider themselves as philanthropists:

“No, no, I wouldn’t describe us as philanthropists”. (PR Director, pharmaceutical company)

Corporations consider philanthropy in its altruistic sense (i.e. ‘simply to do something good’) as outdated, insufficient, and not appropriate in their tough business environments:

“...we want to do more than just distributing [profits] or giving something [to the society] because we are good people.....only distributing money philanthropically we would certainly not do”. (executive board, consulting company)

CP as a Form of Pragmatism

Another consumer view of CP focuses on *pragmatism*. This view relies on cognitive processes. CP is seen by consumers as a win-win situation for both society and firm, and a way to share corporate know-how. This view encompasses the idea that companies, as part of the ‘whole’, should be responsible for the redistribution of resources, and compensate their exploitative conduct by acting philanthropically. Accordingly, Mullen (1997) describes in broader terms the public as one “that supports free enterprise and competition, but doesn’t approve if profit is the only criterion for measuring success” (pp. 43).

“....it [CP] is a means to an end for both. It helps those in need, but also the company. The company does not do it out of conviction but out of business sense. However, this is certainly not negative”. (male, 48 years)

Similarly, as Lerner (1980) proposes in his influential psychological theory *belief in a just world*, consumers do believe in a ‘just world’ in which everyone gets what they deserve and deserves what they get. However, consumers also believe in their own power to restore justice, e.g. through their purchase behavior. This behavior is grounded in perceived self-efficacy; consumer beliefs in their capabilities to produce effects. Consumers who are of this view believe CP should be communicated to stakeholders because it may encourage other companies to follow suit and thus achieve the highest benefit for all.

Corporate motives for social initiative tend to cluster around strategic justifications. This stance is comparable to the *pragmatic* consumer view. It represents a holistic approach to CP; one that is an integral part of the company’s business model:

“...we want to make strategic decisions in order to help best where we can. Not everywhere, but rather there, where there is a match [with our core business]... The point is that one sees strategically the win-win situations.” (executive board, consulting company)

This finding corroborates earlier studies which found that firms are becoming increasingly strategic in their philanthropic activities (Saiia et al. 2003). More recently, it has been argued that strategic reasons have replaced altruistic motives for corporate social engagement (Kotler and Lee 2005). Similarly, the 2011 Forbes Insights study on CP reports that CP is not an exercise in pure altruism but rather a way for business to create economic value by creating societal value.

In the following, both consumer and corporate perceptions in light of the three links introduced earlier (i.e. company-cause, consumer-company, and consumer-cause) are discussed.

First, in terms of the *company-cause* link, both managers and consumers prefer a logical connection between the firm and the philanthropic cause. From a consumer perspective, a higher degree of fit is seen positively; a way for companies to use their core competencies while supporting social causes. Absurd or paradoxical firm-cause combinations are ill received.

“I find it good if the support or the beneficiary can somehow be related to the firm’s business activity.” (female, 41)

This is in line with corporate perceptions, which favor CP that matches core business competencies.

„When engaging in a social project I think it is important to be consistent with the corporate policy. It [the social project] should also fit us. That is important; otherwise the customers wouldn't understand it and would ask 'Why is [the company] engaging in this or that issue?' This means, the customer is always at the back of our head and we consider whether the measures that we take are compatible.” (manager, insurance company)

Second, the *consumer-company* link suggests that supporting a cause does not automatically result in a more favorable perception of the firm. Consumers question the ‘how’ of philanthropic behavior and its execution; simply supporting a cause that appeals to consumers is not enough. And while CP has the ability to restore negative corporate image or reputation, this ability depends on what caused the negative company image and its perceived gravity. To this end, prior, self-generated impressions about a company play an important role. One respondent expresses his view about British Petrol’s (BP) social and environmental activities in light of the 2010 oil spill at the Gulf of Mexico as follows:

“Well, after all that happened BP should redress a lot. ... I think as a general rule they should compensate for the damages fourfold to restore what they did....I don't think this can happen fast...because they did harm in such a large-scale extent.” (male, 32)

These impressions are pre-existing attitudes about the company which contribute to reactions to this company’s philanthropic actions. If a consumer has already developed negative attitude toward the company, she/he will fear that philanthropy is just a ‘gimmick’ that the firm uses to manipulate and to polish up its tainted reputation. These findings are analogous to Hoeffler et al. (2010), who claim that perceptions of firm commitment and fairness are important determinants of whether corporate social initiatives are successful.

While consumers show mixed feelings toward CP projects, firms do not evaluate their philanthropic activities. Managers often rely simply on a ‘gut-feeling’ that their engagement will be well accepted by consumers.

“I think that our social engagement is accepted well. Well, we do not have concrete numbers saying how many customers find it good. But in our brand

evaluations that we do, [our social project] comes up consistently an important part of our activities. This means, it is well accepted by the customers”.
(manager, telecommunication company)

Interestingly, this managerial approach (i.e. the lack of CP assessment) is in fact contradictory to the prevailing corporate perception that CP is strategic.

Third, the characteristics of the *consumer-cause* link show that consumers have a strong local identity in their buying behavior (e.g. preference for Austrian food products). This tendency, according to Lantz and Loeb (1998) is a result of community-based ethnocentrism. Ethnocentrism at the community level may manifest itself in expressions of support for the economic health of the community (Lantz and Loeb 1998). Since consumers can have several different group identities, one of them is their local/regional identity. The salience of this particular group identity (e.g. local community) may become important when evaluating companies' philanthropic actions. In fact, some ethnocentric tendencies emerge also in terms of preference for domestic philanthropic support. These are manifested in statements such as “*charity begins at home*”, or “*a lot [of help] goes abroad but one shouldn't forget our country*”. A strong local identity could lead to ethnocentric tendencies of consumers and higher expectations for local corporate support. As a result, corporate philanthropic support focused locally may be viewed more favorably by consumers than corporate philanthropic support in a faraway country. However, on the whole, both local and global corporate engagement is valued:

“I think especially in today's global times it doesn't matter where one locates [its donations]. Because everything is simply so cross-linked ... that one has to operate worldwide. I don't think that the priority should be on Austria. It's nice, if so. If not, also fine”. (male, 28)

These views imply consumer “worldmindedness”. The concept of worldmindedness, denoted as a socio-psychological antecedent of consumer ethnocentrism, points to a world-view of the problems of humanity (Skinner 1988). It is considered as a “state of mind” in which “consumers use humankind as the primary reference group instead of respective nationalities” (Rawwas et al. 1996: 22). Rawwas et al. provide empirical support for the negative relationship between worldmindedness and consumer ethnocentrism. In this context, results show again a more pragmatic view, where effectiveness of CP rather than the

geographical proximity is the decisive factor. The perceptions of the geographical scope of CP, however, may be dependent on the institutional environment. In fact, findings of Saiia et al. (2003) indicate that institutional-level influences (next to firm-, and individual-level influences) precipitate CP. In Austria, high standards of living and social welfare may neutralize ethnocentric tendencies and thus expectations for local CP. However, in countries where the established regulatory, cognitive and normative arrangements are different, consumers might express other preferences.

Corporations have realized that both domestic and international philanthropic engagement is highly desirable. Due to the fact that all interviewed companies are international players, their strategic approach to philanthropy recognizes the importance of a diversified geographical scope. Philanthropic engagement is thus an activity governed by the headquarters, but also an independent social engagement tailored to local needs:

“..our focus is local...each subsidiary does its own local support and then there are the global programs managed by the headquarter. Supporting global programs would go beyond the scope of our subsidiary”. (PR Director, pharmaceutical company)

4.1.2 The Consumer-Company-Cause Triad

The above qualitative findings provide a basis for comparison with existing theories. Creswell (2007) suggests that it is consistent with the inductive model of thinking to use a theory relatively late in the research process. The research draws on Heider's (1958) balance theory to elaborate the nature of consumer-company-cause relationships. Balance theory may be applied to understand consumer behavior and design effective marketing strategies (Solomon 1999).

In the hermeneutical perspective balance theory may be useful in interpreting and in better understanding consumers' attitude formation and attitude change toward CP. Thus, three entities are considered to be linked in a triangular relationship: the company, the specific cause supported by the company, and the consumer (see Figure 5 and section 3.3.2.1. for a detailed discourse on balance theory). In light of balance theory, from the consumer perspective findings suggest two set of conclusions concerning the consumer-company-cause

triad: (1) consumers tend to prefer a balanced triad, (2) the main force for attitudinal change may be attributed to the sentiment relation between the consumer and the company. Thus, in line with extensions to balance theory, such as the *Principle of Congruity* (Osgood et al. 1965), the amount of shift in reaction toward congruity depends on the strength of self-generated impressions about the philanthropic company.

4.1.3 Dissemination of Corporate Philanthropic Engagement

Turning to the research question on *how corporate philanthropy should be communicated*, findings imply that consumers have low awareness of corporate philanthropic activities. This points toward a mismatch with firms' strategic intent in CP (e.g. to enhance their reputation) and suggests room for improving the dissemination of philanthropy-related messages through a larger portfolio of channels. Corporations disseminate their CP-related information via classical marketing channels such as corporate website, social media, customer as well as internal newsletters, or printed media. CP topics of high importance are communicated through press conferences, often done jointly with the beneficiaries (e.g. NGOs or NPOs). Most consumers, however, do not proactively seek CP-related information. They often become aware of such activities by chance, typically through the Internet, media (printed media, TV, radio), word-of-mouth (WOM), or point of purchase communication (e.g. through McDonald's piggy bank at the cashier to collect donations for the Ronald McDonald Foundation). Self-reported CP by the company itself (corporate philanthropic message) or any other source putting the philanthropic company in a flattering spotlight evokes skepticism in consumers and is scorned as self-promotion. Therefore, communicating CP through traditional advertising may over-accentuate the good deeds of the company and can lead to mistrust of the message. For consumers, the corporate motives behind CP are often unclear (as compared to CRM, where the moves are clear: donation based on purchase). Since there is no appeal encouraging the consumer to buy the sponsor's product, skepticism of consumers may rise. This suggests employing different marketing strategies for communication. Menon and Kahn (2003) propose that CRM is viewed by consumers as a usual business promotion because it focuses on purchasing the product. In contrast, CP may seem to be a rather unusual way of promoting the business. Consumers gave their preference for philanthropic initiatives that are communicated with discretion through 'minimal release' channels directly by the

philanthropic company (such as annual reports and corporate websites) or indirectly through independent or ‘impartial’ third persons or organizations. Neutral (non-corporate, such as earned media) sources are generally seen as more credible. The following passage illustrates this view:

“I think it is important for the firm that the whole issue [CP] stays serious. When the firm markets it completely and shouts it from the rooftops, then it is kind of...well, as a consumer I do wonder about what is intended. But when I get to know about it indirectly via independent people or media,...then it comes through more positively.” (male, 32)

Awareness of CP activities is regarded as a precondition of CP success (cf. Sen et al. 2006). If the philanthropic activity is related to the product, the consumer has a higher likelihood of becoming aware of it since product characteristics form the center of nearly all consumer decisions. Du et al. (2007) find evidence that when a brand positions itself as a ‘CSR brand’ (as opposed to a brand that just engages in CSR activities), consumer awareness levels increase. For instance, both well-known yoghurt brands, Danone and Yoplait, engage in philanthropy. However the ‘CSR brand’ Stonyfield Farm (world’s leading organic yogurt company²⁰) incorporates CSR into its products in numerous ways (e.g. over 80% of its product portfolio is organic; it has innovated in product packaging to reduce waste; donates 10 percent of its profits to environmental causes; pays farmers not to use synthetic growth hormone; measures and reduces its carbon footprint; and supports several acres of organic farming). Moreover, the communication of the CSR activity requires no intermediary involvement because the product itself serves as the media. The company also uses low-cost ways to build loyalty (e.g. via short entertaining videos on its website – called Yo-Tube – where the CEO sings a ‘Just Eat Organic’ rap song²¹) and to present the business transparently. As a result, consumers shopping for yoghurts are more likely to be aware of the CSR activities of Stonyfield Farm than of competing yoghurt brands. This way, the company has successfully applied CSR as a means of differentiation.

²⁰ For more information see the lecture monograph from October 18, 2011, “Inventing a Win-Win-Win-Win-Win Future” by Gary Hirshberg, Raytheon Lectureship in Business Ethics, Center for Business Ethics, Bentley University, available at <http://cbe.bentley.edu/sites/cbe.bentley.edu/files/hirshberg-monograph.pdf>.

²¹ To see the rap song visit <http://justeatorganic.com/>

While corporate websites and annual reports seemingly inform consumers about good corporate citizenship, only a few consumers take the time and effort to study these sources. Instead, the information received is often distorted or has a negative undertone. Especially through WOM, negative rumors about companies' misconduct spread fast. Consumers do talk about companies' social engagement, more often in a negative sense. This was expressed by one female interviewee when she was asked about discussing CP-related topics with her friends and colleagues:

“In a negative sense [we discuss CP-related topics] definitely more often! Well, if one is reading something and is getting upset and has to vent one’s anger, then one talks about it for sure. Now in a positive sense ... I honestly cannot recall any instance.” (female, 30)

The strength of WOM may be explained by the personal nature of communication which yields more credibility than any marketer-created source. Grewal et al. (2003) argue that this is due to the fact that the receiver of WOM communication seems to believe the communicator is honest and communicates without receiving any incentives for referrals. However, judgmental effects of WOM information are reduced significantly when consumers have prior, self-generated impressions about a company (cf. Herr et al. 1991). If self-generated impressions are strong, positively perceived CP does not have the ability to offset them. Prior, self-generated impressions are more diagnostic (relevant) to a consumer than WOM information. Thus, in line with Herr et al. (1991), although WOM information is highly accessible from memory, its impact on judgment is reduced when more diagnostic information is available.

The Internet triggers new and efficient ways of managing WOM activity. Scholars began to put an increased emphasis on relationships between consumers and their networks (e.g. Kozinets et al. 2010). Naturally, the Internet is a main source of information for consumers when it comes to companies' philanthropic activities. Especially social media (such as personal blogs, message boards and social networking sites) provide statements and comments about corporate philanthropic engagements and encourage consumers to get involved. The following passage, outlining the dissemination of the philanthropic message via a marketer-generated Facebook platform, reveals this fact:

“I am not a customer [of this telecommunication company], but I noticed this [philanthropic] campaign via Facebook...added myself as a fan and followed it a

bit, quite casually, through the messages that appeared there, and found it good.”
(female, 34)

Consumers also expressed their interests to learn more about CP activities. Moreover, they want to be engaged in decisions about corporate philanthropic projects, for example through giving their votes for potential philanthropic projects. However, given that their time is limited and precious, consumers prefer to give short feedback. Consumers view such measures by corporations as means to enhance a sense of shared responsibility that makes the public aware of social problems. Bhattacharya and Sen (2003) suggest that “companies must devise strategies for sustained, deep, and meaningful consumer-company interactions that embed consumers in the organization and make them feel like insiders” (p. 86). Consequently, CP activities that involve consumers actively in the decision-making may be beneficial in this regard.

4.2 Results of the Experimental Research

The majority of the respondents were female and belonging to age group 18-24. For sample characteristics see Table 2.

Table 2: Sample Characteristics (Experiment)

	Group 1 (n=91)	Group 2 (n=214)
Age (%)		
18-24	37.4	50.5
25-34	11.0	34.1
35-44	7.7	10.7
45-54	13.2	3.7
55-65	30.8	0.5
>65	0.0	0.5
Gender (%)		
Female	58.2	57.5
Male	41.8	42.5
Highest Education (%)		
Compulsory School	0.0	1.4
Apprentice Training	3.3	1.4
Vocational school	13.2	3.3
High school	34.1	53.3
University/College	49.5	40.7
Citizenship (%)		
Austria	90.1	84.6
other	9.9	15.4

4.2.1 One-Sample Chi-Square Tests

Data were analyzed with one-sample chi-square tests. This nonparametric test helps to decide whether a distribution of frequencies for a variable in a sample is representative of, or ‘fits’, a specified population distribution.

The null hypothesis proposed that consumers will have no preference for certain philanthropic causes over others. The hypothesis test summaries (see Table 3) show that in group 2 the null hypothesis may be rejected for all categories. In group 1 the null hypothesis may be rejected in all categories except environment_local (within the airline industry); education_local, environment_international and environment_local (within the insurance industry), environment_international (within the FMCG industry); and education_local,

environment _international, and environment_local (within the telecommunication industry). Results of the one-sample chi-square tests confirm H1, i.e. consumers do favor certain types of corporate philanthropic causes and their dimensions more favorably than other types. Table 3 summarizes the results of the one-sample chi-square test for both groups.

Table 3: Results of the One-Sample Chi-Square Test

Hypothesis Test Summary for Group 1 (industries: airline, insurance, FMCG, telecom; n=91)

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Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The categories of educ_int_airline occur with equal probabilities.	One-Sample Chi-Square Test	,025	Reject the null hypothesis.
2	The categories of educ_loc_airline occur with equal probabilities.	One-Sample Chi-Square Test	,017	Reject the null hypothesis.
3	The categories of art_int_airline occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
4	The categories of art_loc_airline occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
5	The categories of health_int_airline occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
6	The categories of health_loc_airline occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
7	The categories of env_int_airline occur with equal probabilities.	One-Sample Chi-Square Test	,003	Reject the null hypothesis.
8	The categories of env_loc_airline occur with equal probabilities.	One-Sample Chi-Square Test	,326	Retain the null hypothesis.
9	The categories of educ_int_insurance occur with equal probabilities.	One-Sample Chi-Square Test	,022	Reject the null hypothesis.
10	The categories of educ_loc_insurance occur with equal probabilities.	One-Sample Chi-Square Test	,121	Retain the null hypothesis.
11	The categories of art_int_insurance occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
12	The categories of art_loc_insurance occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
13	The categories of health_int_insurance occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
14	The categories of health_loc_insurance occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is ,05.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
15	The categories of env_int_insurance occur with equal probabilities.	One-Sample Chi-Square Test	,143	Retain the null hypothesis.
16	The categories of env_loc_insurance occur with equal probabilities.	One-Sample Chi-Square Test	,445	Retain the null hypothesis.
17	The categories of educ_int_fmog occur with equal probabilities.	One-Sample Chi-Square Test	,010	Reject the null hypothesis.
18	The categories of educ_loc_fmog occur with equal probabilities.	One-Sample Chi-Square Test	,027	Reject the null hypothesis.
19	The categories of art_int_fmog occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
20	The categories of art_loc_fmog occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
21	The categories of health_int_fmog occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
22	The categories of health_loc_fmog occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
23	The categories of env_int_fmog occur with equal probabilities.	One-Sample Chi-Square Test	,523	Retain the null hypothesis.
24	The categories of env_loc_fmog occur with equal probabilities.	One-Sample Chi-Square Test	,027	Reject the null hypothesis.
25	The categories of educ_int_telecom occur with equal probabilities.	One-Sample Chi-Square Test	,004	Reject the null hypothesis.
26	The categories of educ_loc_telecom occur with equal probabilities.	One-Sample Chi-Square Test	,053	Retain the null hypothesis.
27	The categories of art_int_telecom occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is ,05.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
28	The categories of art_loc_telecom occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
29	The categories of health_int_telecom occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
30	The categories of health_loc_telecom occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
31	The categories of env_int_telecom occur with equal probabilities.	One-Sample Chi-Square Test	,326	Retain the null hypothesis.
32	The categories of env_loc_telecom occur with equal probabilities.	One-Sample Chi-Square Test	,057	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is ,05.

Hypothesis Test Summary for Group 2 (industries: consulting, oil, pharmaceutical; n=214)

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The categories of educ_int_consulting occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
2	The categories of educ_loc_consulting occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
3	The categories of art_int_consulting occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
4	The categories of art_loc_consulting occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
5	The categories of health_int_consulting occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
6	The categories of health_loc_consulting occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
7	The categories of env_int_consulting occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
8	The categories of env_loc_consulting occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
9	The categories of educ_int_oil occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
10	The categories of educ_loc_oil occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
11	The categories of art_int_oil occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
12	The categories of art_loc_oil occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
13	The categories of health_int_oil occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.
14	The categories of health_loc_oil occur with equal probabilities.	One-Sample Chi-Square Test	,000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is ,05.

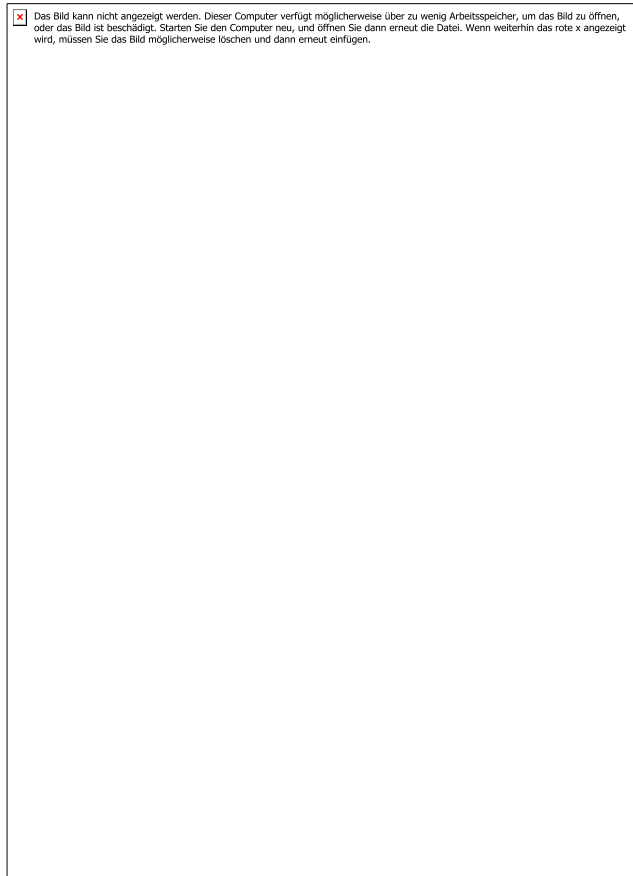


Table 4 shows the means and standard deviations for each type of cause by the industry. For a visual illustration of the means see Appendix 7.3 (Error Bar Graphs). The actual distribution of frequencies of scenarios by industries is shown in Appendix 7.4. The lowest mean (i.e. the most favorably ranked scenario) occurs in the pharmaceutical industry, where the internationally supported health-related cause accounts for a mean of 2.45. The residual of the chi-square test for this particular scenario accounts for 62.3 (see Appendix 7.5) and 41.6% of the respondents ranked this scenario highest. In contrast, the highest mean (i.e. the least favorably ranked scenario) occurs in the oil industry, where the internationally supported art-related cause accounted for a mean of 6.91. The residual of the chi-square test for this particular scenario accounts for -29.6 (see Appendix 7.5) and 38.8% of the respondents ranked it lowest.

Table 4: Means and Standard Deviations of Cause Types by Industry

Philanthropic Cause	Industry													
	FMCG		Airline		Telecom.		Insurance		Pharma.		Oil		Consulting	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
<i>Health (int.)</i>	2.80	1.94	3.00	2.02	2.82	1.98	3.02	1.98	2.45	1.78	3.18	1.69	2.88	1.76
<i>Health (local)</i>	2.81	1.85	3.10	1.95	3.19	2.05	3.10	2.00	2.71	1.73	3.52	1.89	3.09	1.90
<i>Environment (int.)</i>	4.49	2.06	4.33	1.99	4.49	2.04	4.63	2.01	4.44	1.72	3.57	2.07	4.66	1.69
<i>Environment (local)</i>	4.09	2.12	4.36	2.20	4.62	2.24	4.44	2.31	4.53	1.85	3.74	2.01	4.26	1.84
<i>Education (int.)</i>	4.07	1.93	4.01	2.03	3.85	1.98	3.98	2.05	3.72	1.74	3.62	1.79	3.43	1.90
<i>Education (local)</i>	5.25	1.96	5.15	2.14	5.19	2.07	4.95	1.99	4.60	1.87	4.72	1.91	4.24	2.02
<i>Art (int.)</i>	6.42	1.81	6.20	2.00	5.97	2.02	6.13	2.02	6.83	1.38	6.91	1.31	6.85	1.48
<i>Art (local)</i>	6.07	1.83	5.85	2.04	5.88	1.99	5.76	2.14	6.71	1.65	6.75	1.68	6.59	1.81
<i>N</i>	<i>91</i>		<i>91</i>		<i>91</i>		<i>91</i>		<i>214</i>		<i>214</i>		<i>214</i>	

Note: lower scores indicate more favorably ranked scenarios (1=most favorable, 8= most unfavorable), FMCG = fast moving consumer goods.

The comparison of the lowest and second lowest (internationally supported health-related cause, FMCG industry, $M = 2.80$, $SE = 0.20$) means, respondents favored the internationally supported health-related cause by the pharmaceutical company significantly more than the same cause supported by a food and beverage company: $t(213) = -2.858$, $p = 0.005$. Therefore, health-related causes are favored significantly higher than the other three causes. The means also reveal that education (international) was ranked third in all industries but the oil industry where the environment-related cause received slightly better scores ($M = 3.57$). Consulting is the only industry where both international and local education-related support was ranked immediately after the health-related causes. In all other industries education (local) was ranked sixth. See Table 5 for the final ranking of scenarios by industries.

Table 5: Final Ranking of Scenarios by Industries

Rank	Industry						
	FMCG	Air Carrier	Telecom.	Insurance	Pharmaceutical	Oil	Consulting
1.	health_int	health_int	health_int	health_int	health_int	health_int	health_int
2.	health_loc	health_loc	health_loc	health_loc	health_loc	health_loc	health_loc
3.	educ_int	educ_int	educ_int	educ_int	educ_int	env_int	educ_int
4.	env_loc	env_int	env_int	env_loc	env_int	educ_int	educ_loc
5.	env_int	env_loc	env_loc	env_int	env_loc	env_loc	env_loc
6.	educ_loc	educ_loc	educ_loc	educ_loc	educ_loc	educ_loc	env_int
7.	art_loc	art_loc	art_loc	art_loc	art_loc	art_loc	art_loc
8.	art_int	art_int	art_int	art_int	art_int	art_int	art_int
<i>n</i>	91	91	91	91	214	214	214

In terms of the geographical dimension (local/international), consumers favor more internationally deployed health-related as well as internationally deployed education-related causes. Additionally, the results show no clear preference for either local or international environment-related aid across the industries. In contrast to health-related and education-related causes, customers evaluate more favorably local over international art-related support. These results refute H2. On the whole, consumers do not have higher preference for corporate philanthropic support in their home country as opposed to corporate philanthropic support outside their home country. However, their preference in terms of this dimension is dependent on the type of cause supported and the company's industry.

Consumers seemingly favor internationally supported causes more than locally supported causes. However, these preferences are not significant throughout all causes and industries. While in all seven industries the internationally supported health-related cause was

ranked higher compared to the locally supported health-related cause, a significant difference occurs within the petroleum industry only ($t(213) = -2.192, p = 0.029$). The education-related cause has been ranked significantly differently on the geographical dimension in each industry, favoring the international over the local dimension. In terms of the environment-related cause, the results are mixed. In some industries the international dimension is favored (airline, telecommunications, pharmaceutical, oil), while in other industries the local dimension obtains higher rankings (FMCG, insurance, consulting). However, a significant difference is confirmed within the consulting industry only, favoring the local over the international dimension ($t(213) = 2.651, p = 0.009$). In contrast, regarding the art-related cause, in each industry the local dimension outperformed the international dimension. However, the difference is not significant. Details of the paired samples tests are in Appendix 7.6.

Results further confirm industry-relevant preferences for corporate philanthropic support. Particularly, between the pharmaceutical company and health-related causes, the food company and health-related causes, the oil company and the internationally deployed environment-related cause, as well as the consulting company and the internationally deployed education-related cause. Art is most associated with insurance ($M = 5.76$; local dimension). The proposed H3 is therefore accepted.

4.2.2 Discussion

Results of the experiment support the existence of significant differences in the perceived favorability of social causes, their geographical deployment, as well as their industry-specific relation from a consumer viewpoint.

Some causes (e.g. health-related) are perceived as more favorable to support than other (e.g. art-related) independently from the philanthropic company's industry. One reason for the highly favored health-related and low favored art-related cause may be the way how consumers regard these causes to directly influence their lives. In this respect, the causes may be regarded as either interdependent or independent. Interdependent causes are perceived as having a direct effect on the respondents and therefore present higher concerns, while independent causes are perceived as issues not directly affecting the lives of the respondents.

Consequently, health may be perceived as an interdependent issue since in our globalized world infectious diseases may spread fast (such as in 2009 declared pandemic of H1N1 flu by the World Health Organization). In contrast, art-related causes are perceived as independent, since it is controllable how much role art plays in our lives.

Another explanation for the ranking of philanthropic causes may be the perceived need for help. Participants possibly judged the scenarios according to where the need for help is higher. Blum (2001) argues that recent dramatic events may cause people to prioritize issues differently. Media coverage confronts people all over the world with global issues and thus events at the time of the survey may have influenced the results of the experiment (e.g. the 2011 nuclear plant disaster in Japan caused by tsunami and earthquake, the 2010 Haiti earthquake, or the 2010 oil spill disaster in the Gulf of Mexico). Besides environmental destruction, severe health and social problems caused by these catastrophes caught the attention and sympathy of the whole world. Moreover, the international affordability of drugs especially in developing countries is a widely discussed topic in international press (Chong 2003). In light of these devastating problems people may have been influenced by these tragedies and ordered their prioritization of causes accordingly.

Comparing the responses of corporate philanthropic activities conducted in respondents' home country to those conducted in outside their home country, the results suggest higher preferences for internationally supported health-related causes and education-related causes, and locally supported art-related causes. The environment-related cause did not receive uniform preferences in terms of the local/international dimension across the seven industries. In both groups, over 84% of participants are from Austria; a well-developed market economy with high standard of living (CIA 2013a) and known for the willingness of its inhabitants to engage in charitable donations (OECD 2010). Moreover, previous research shows that consumers' expectations and beliefs regarding a company's philanthropic engagement often match with their private support for social causes (Creyer and Ross 1997). Thus, the focus of attention on international charitable giving may be associated with the relatively high living standard at home. On the other hand, art and culture may be viewed as a locally-relevant issue; one that has enjoyed a long tradition in corporate support in Austria.

The favorability of philanthropic causes is however dependent not only the local/international dimension but also on the philanthropic company's industry. Results

suggest higher favorability for causes with a higher company-cause fit. This result is comparable with previous findings (e.g. Bigne-Alcaniz et al. 2009, Samu and Wymer 2009, Barone et al. 2007). Consumers regard as especially favorable for pharmaceutical companies and food companies to support health-related causes on an international level. The pharmaceutical company and the support of health-related cause were perceived as particularly congenial. These results are similar to Bonini et al. (2007a) who suggest pharmaceutical companies and FMCG companies to actively invest in global health issues. Concerning the FMCG industry, the strong connection to health may be due to the growing concerns about obesity and food and beverage companies' responsibility for this issue²². Another close connection is noticeable between the oil company and the international support of environment-related cause. Respondents favored higher the oil company to tackle environmental issues on an international level. The reason may be attributable to the fact that oil companies are perceived as businesses operating on a global scale and as such consumers see their responsibility to handle global issues. Moreover, since the core product of this industry is potentially damaging to the environment, key concerns in the oil sector are the environmental and social impact on local communities where oil drilling takes place. The consulting industry has been strongly associated with education. This link is in fact promoted by the consulting companies themselves since the support of knowledge, education, and creativity is an often named facet of their engagement (e.g. Deloitte Austria, Ernst and Young Austria, or KPMG Austria). Lastly, art-related support is most associated with the telecommunications and insurance industry. In Austria, many companies operating in these sectors traditionally support arts and culture and establish their own foundations (e.g. Generali, Bank Austria, Erste Bank, etc.). It appears that most Austrian customers are familiar with this type of connection and perceive it as favorable.

The above discussion leads to the question which of these three dimensions (i.e. type of cause, geographical deployment, and company-cause fit) is the most important. Both company-cause fit and geographical focus proved to have an effect on the perceived favorability of corporate philanthropy, however, their effect is marginal compared to the cause type. The type of cause supported has higher priority to the consumer than its fit with

²² See e.g. the EIRIS report on "Obesity concerns in the food and beverage industry" (2006), available at <http://www.eiris.org/files/research%20publications/see-riskobesityfeb06.pdf>, or The Economist 2012 report at <http://www.economist.com/news/special-report/21568064-food-companies-play-ambivalent-part-fight-against-flab-food-thought>

the philanthropic company's industry or the geographical focus of support. Health-related aid was ranked higher than the other types of causes, independently from the company-cause fit. Similarly, art-related support was ranked lower than the other types of causes, again, independently from the company-cause fit. Previous research has found that fit influences consumer evaluations of a sponsoring firm (e.g. Nan and Heo 2007, Barone et al. 2007, Berens et al. 2005). While this research finds certain connections between fit and favorability, results confirm the cause type as a decisive dimension in comparison to the other dimensions.

4.3 Results of the Survey-based Research

4.3.1 Data Analysis

4.3.1.1 Examination of Data and Basic Assumptions for Parametric Tests

A total of 1146 people answered the questionnaire. After data cleaning 943 respondents (756 Austrian and 187 Egyptian respondents) remained in the final sample. All those respondents were eliminated who indicated that they do not live in either Austria or Egypt (n=102). Furthermore, 64 Austrian and 5 Egyptian respondents had to be excluded from the study as they completed the survey in an extremely short time (below three minutes). As the average timeframe to complete the survey was about five minutes, these respondents very likely did not provide sincere answers. After careful consideration, 33 more cases were removed which, via analyzing the boxplots, appeared repeatedly as outliers. Outliers "are cases that differ substantially from the main trend of the data and can lead to a biased model, as they affect the values of the estimated regression coefficients" (Field 2005: 162). It is suggested to detect outliers. Furthermore, as the survey was constructed in a way which only allowed complete answers, no missing values had to be detected and handled. The reason for different Austrian and Egyptian sample sizes may be explained by the sites where the majority of data was collected from: large-sized Austrian university in comparison to a smaller university in Egypt.

Most of the respondents fell in the 18-29 age category and were female. More than half of the respondents has completed an high school or higher degree (for sample characteristics, see Table 6).

Table 6: Sample Characteristics (Survey)

	Austria (n=756)	Egypt (n=187)
Age (%)		
18-29	87.6	74.9
30-39	10.3	19.8
40-49	1.2	4.3
50-59	0.7	1.1
>60	0.3	0.0
Gender (%)		
Female	50.9	64.2
Male	49.1	35.8
Education (%)		
Compulsory school	0.1	0.0
Vocational school	0.4	0.0
High school degree	55.7	13.4
Bachelor degree	25.3	61.0
Master degree	17.3	19.8
Doctorate	1.2	5.9
Customers of the telecom. company	354	120
<i>Length of being a customer of the telecom. company</i>		
Less than 6 months	36	4
6-12 months	48	3
1-2 years	79	10
2-5 years	80	20
More than 5 years	111	83

In the subsequent part of data examination, data transforming (i.e. summated scores for each construct and factor) was carried out. Next, statistical assumptions were tested.

Descriptive statistics and histograms provided an initial picture of the distribution of the data. In order to obtain separate descriptive statistics for customers and non-customers, each sample (Austrian and Egyptian samples) has been divided into customers and non-customers of the concrete telecommunication company.

The tests of normality (skewness, kurtosis, and normal Q-Q plots) indicated that the distributions are normal in both the Austrian and Egyptian sample (see Appendix 7.6 for the results of normality tests).

Scale Validation

Scale reliability was assessed by applying the internal consistency method. Cronbach's alpha provided a reasonable estimate of internal consistency. All values exceeded the recommended threshold of 0.7 (Nunnally 1978). Table 7 and 8 show the results of the study constructs measurements for both Austrian and Egyptian samples, respectively.

Table 7: Study Constructs (Austrian Sample)

Construct	Indicators	Indicator Reliability	Average Variance Extracted	Cronbach's Alpha	Construct Reliability
Attitude toward Corporate Philanthropy (modified from Batra and Stayman 1990)			73.64%	0.89	0.82
<i>Attitude toward Global Corporate Philanthropy</i>	What do you think about [telecom. company's] effort of supporting socially marginalized children and youngsters worldwide?¹				
	good__bad	0.74			
	useful__useless	0.68			
	positive__negative	0.90			
	charitable__greedy	0.66			
<i>Attitude toward Local Corporate Philanthropy</i>	What do you think about [telecom. company's] effort of supporting socially marginalized children and youngsters in Austria?¹				
	useful__useless	0.63			
	positive__negative	0.81			
Customer-based Corporate Reputation (modified from Walsh et al. 2009)	Please evaluate the following statements regarding [company X]²:			0.82	0.90
<i>Customer Orientation</i>	Has employees who treat customers courteously.	0.70	75.00%		
	Has employees who are concerned about customer needs.	0.82			
	Is concerned about its customers.	0.73			
<i>Good Employer</i>	Looks like a good company to work for.	0.73	68.67%		
	Seems to treat its people well.	0.73			
	Seems to have excellent leadership.	0.60			
<i>Reliable and Financially Strong Company</i>	Tends to outperform competitors.	0.76	71.50%		
	Seems to recognize and take advantage of market opportunities.	0.67			
<i>Product and Service Quality</i>	Is a strong, reliable company.	0.78	74.00%		
	Offers high quality products and services.	0.70			
<i>Social and</i>	Seems to make an effort to create new jobs.	0.56	65.33%		

<i>Environmental Responsibility</i>	Seems to be environmentally responsible.	0.75		
	Would reduce its profits to ensure a clean environment.	0.65		
Consumer Ethnocentrism (modified from Shimp and Sharma 1987)				
	Please evaluate the following statements ² :		50.00%	0.85
	Purchasing foreign-made products is un-Austrian.	0.56		
	It is not right to purchase foreign products because it puts Austrians out of jobs.	0.78		
	We should purchase products manufactured in Austria instead of letting other countries get rich off us.	0.81		
	It is always best to purchase Austrian products.	0.66		
	Austrians should not buy foreign products because this hurts Austrian business and causes unemployment.	0.82		
	It may cost me in the long run, but I prefer to support Austrian products.	0.56		

¹ Items were measured on a five-point semantic differential (very much / somewhat / neither / somewhat / very much).

² Items were measured on five-point Likert-type scales where 1 is 'disagree completely' and 5 is 'agree completely'

Table 8: Study Constructs (Egyptian Sample)

Construct	Indicators	Indicator Reliability	Average Variance Extracted	Cronbach's Alpha	Construct Reliability
Attitude toward Corporate Philanthropy (modified from Batra and Stayman 1990)			78.83%	0.90	0.83
<i>Attitude toward Global Corporate Philanthropy</i>	What do you think about [telecom. company's] effort of supporting schools worldwide? ¹				
	good__bad	0.83			
	useful__useless	0.86			
	positive__negative	0.94			
	charitable__greedy	0.73			
<i>Attitude toward Local Corporate Philanthropy</i>	What do you think about [telecom. company's] effort of supporting schools in Egypt? ¹				
	useful__useless	0.65			
	positive__negative	0.72			
Customer-based Corporate Reputation (modified from Walsh et al. 2009)	Please evaluate the following statements regarding [company X] ² :			0.88	0.91
<i>Customer Orientation</i>	Has employees who treat customers courteously.	0.72	81.33%		
	Has employees who are concerned about customer needs.	0.89			
	Is concerned about its customers.	0.83			

<i>Good Employer</i>	Looks like a good company to work for.	0.73	75.33%		
	Seems to treat its people well.	0.78			
	Seems to have excellent leadership.	0.75			
<i>Reliable and Financially Strong Company</i>	Tends to outperform competitors.	0.76	68.50%		
	Seems to recognize and take advantage of market opportunities.	0.61			
<i>Product and Service Quality</i>	Is a strong, reliable company.	0.73	76.50%		
	Offers high quality products and services.	0.80			
<i>Social and Environmental Responsibility</i>	Seems to make an effort to create new jobs.	0.73	64.00%		
	Seems to be environmentally responsible.	0.61			
	Would reduce its profits to ensure a clean environment.	0.58			
Consumer Ethnocentrism (modified from Shimp and Sharma 1987)	Please evaluate the following statements ² :		44.83%	0.83	0.80
	Purchasing foreign-made products is un-Egyptian.	0.57			
	It is not right to purchase foreign products because it puts Egyptians out of jobs.	0.85			
	We should purchase products manufactured in Egypt instead of letting other countries get rich off us.	0.61			
	It is always best to purchase Egyptian products.	0.50			
	Egyptians should not buy foreign products because this hurts Egyptian business and causes unemployment.	0.82			
	It may cost me in the long run, but I prefer to support Egyptian products.	0.59			

¹ Items were measured on a five-point semantic differential (very much / somewhat / neither / somewhat / very much).

² Items were measured on five-point Likert-type scales where 1 is 'disagree completely' and 5 is 'agree completely'

Means of the Constructs

Overall, both Austrians and Egyptians responded positively to CP; however, Austrians assessed the concrete telecommunication company's specific type of philanthropic activity (i.e. support of socially marginalized children and youngsters) significantly higher ($t(755) = 3.551, p = 0.000$) than Egyptians. The mean for Attitude toward CP was 4.333 and 4.083 for Austrian and Egyptians, respectively, on a five-point scale (see Table 9).

Interestingly, the Corporate Cause Assessment (which was formulated on a general level and was not linked with the concrete telecommunication company) was evaluated higher by the Egyptian respondents than their Attitude toward CP. On average, Egyptian respondents assessed the corporate cause significantly higher ($M = 4.350, SE = 0.053$), than the philanthropic activity of the concrete telecommunication company ($M = 4.083, SE = 0.000$,

$t(186) = 5.069, p = 0.000, r = 0.35^{23}$). This may indicate that the name of the concrete telecommunication company could have negatively influenced their assessments of global and local CP. In contrast, Austrians valued the philanthropic activity of the concrete telecommunication company significantly higher ($M = 4.333, SE = 0.022$), than the corporate cause ($M = 3.930, SE = 0.030, t(755) = 11.611, p = 0.000, r = 0.39$).

Table 9: Means and Standard Deviations of the Variables

Variables	Austria (n=756)		Egypt (n=187)	
	Mean	SD	Mean	SD
Attitude toward Corporate Philanthropy	4.333	0.611	4.083	0.755
Attitude toward Global Corporate Philanthropy	4.327	0.628	4.029	0.808
Attitude toward Local Corporate Philanthropy	4.345	0.681	4.190	0.815
Corporate Cause Assessment	3.930	0.824	4.350	0.728
Customer-based Corporate Reputation	3.221	0.474	3.597	0.541
Customer Orientation	3.245	0.695	3.740	0.723
Good Employer	3.308	0.650	3.747	0.714
Reliable and Financially Strong Company	3.341	0.826	3.703	0.817
Product and Service Quality	3.744	0.765	3.890	0.700
Social and Environmental Responsibility	2.682	0.597	3.036	0.611
Consumer Ethnocentrism	2.398	0.781	2.776	0.805

Note: SD = standard deviation. Items were measured on a 5-point scale. Higher numbers indicate higher evaluations for the respective variable.

Both telecommunication companies reveal a favorable reputation. Nevertheless, the Egyptian perceptions of the telecommunication company are significantly higher ($t(186) = 9.490, p = 0.000$) than that of Austrians. Breaking down reputation into the five factors, all respondents valued most Product and Service Quality and the least Social and Environmental Responsibility. This result is in line with the Reputation Institute's 2012 Global RepTrak study, in which the *products/services* dimension accounts for the highest percentage (18%) of all seven corporate reputation dimensions and thus comprises the strongest dimension²⁴. The means for Social and Environmental Responsibility indicate that on the average respondents

²³ To convert the t -value into an r -value Rosnow and Rosenthal's (2005) equation was used.

²⁴ The Reputation Institute lists seven key dimensions (or drivers) of reputation. These are: products/services, innovation, workplace, governance, citizenship, leadership, and financial performance.

gave neutral answers on questions related to responsibility (i.e. score 3). These results are comparable to the results of the 2012 Global CSR RepTrak 100 study, based on which 51-61% of consumers are neutral or not sure if companies can be trusted to deliver on *citizenship*. Only 35% believe companies are good corporate citizens that support good causes and protect the environment (top Fortune companies evaluated). Top 100 reputable companies in this study achieve average scores on *citizenship* – none of them have an excellent score. Moreover, the level of trust in business is declining. According to the Edelman Trust Barometer (2012) only one-third of consumers trust private enterprise ‘to do what is right’. Since the success of a company depends largely on the support of customers who buy its products or services, and their support is often linked to their trust, this fact puts companies who wish to enhance their reputation via CP in a rather difficult position.

The relatively low means for Social and Environmental Responsibility may be attributable to the very low awareness about the company’s CP activities especially in Austria. Only three percent of Austrian respondents did know about the telecommunication company’s concrete global philanthropic activity, and 6.9% were aware of its concrete local philanthropy (see Table 10). In contrast, over a quarter of Egyptian respondents did know about the telecommunication company’s concrete global philanthropic activity, and almost half of them were aware of its concrete local philanthropy. The better awareness of local philanthropy is not surprising as customers may be more attentive to local support. Actual customers of the telecommunication company however demonstrated a slightly better knowledge: 3.7% of Austrian customers had awareness of global CP and 8.8% of local CP. On the other hand, 27.5% of Egyptian customers had awareness of global CP, while 47.5% of local CP. It is interesting to note that in Austria the actual customers of the concrete telecommunication company had a higher awareness of CP while in Egypt actual customers of the concrete telecommunication company and non-customers of the concrete telecommunication company had about the same level of awareness of CP.

These results are in accordance with Alsop (2005) and indicate that people are most in the dark about corporate responsibility and questions about it elicit the most ‘don’t know’ responses. Arvidsson (2010) reports in her study with investor relation managers that the prime target group of firms when communicating CSR information is the stock market actors. However, this information may be meaningless for consumers or may not evoke their interests as it is tailored to investors’ needs. In fact, if firms want to consider philanthropic initiatives with a strategic intent and impress customers, then this suggests a need for different CP

communication channels for different stakeholders, i.e. a communication channel targeted exclusively towards consumers.

Table 10: Awareness of Corporate Philanthropy

	Awareness of global corporate philanthropy	Awareness of local corporate philanthropy
Austrians	3.0%	6.9%
<i>Austrian telecom. customers</i>	3.7%	8.8%
Egyptians	27.8%	46.0%
<i>Egyptian telecom. customers</i>	27.5%	47.5%

As regards of ethnocentrism, the means for both samples (Austria and Egypt) indicate low or moderate ethnocentric respondents. Ethnocentrism in the Egyptian sample is significantly greater than in the Austrian sample ($t(186) = 6.427, p = 0.000$). The slightly higher ethnocentrism in Egypt may be due to the weaker economic situation and standard of living in the country than in Austria. In the open comments section of the survey, Egyptian respondents expressed their preference for local corporate support as follows:

“I don’t think that [the telecom. company] supporting worldwide education is a good idea because Egypt is a developing country that needs help in the first place” (Egyptian respondent)

“I think [the telecom. company] will be directing its resources better if it focuses on Egyptian schools because they highly need help instead of spreading themselves thin and helping schools worldwide. It is better to start helping your community and country before trying to help the whole world!” (Egyptian respondent)

Confirmatory Factor Analysis

As a next step, an estimation of the two constructs (ACP and CBR) Confirmatory Factor Analysis (CFA) model using AMOS 20.0 was carried out. Five error terms were allowed to correlate (Byrne 2010, Meyers et al. 2006). An inspection of the model fit showed an acceptable global fit for both samples (Austrian sample: CMIN/DF = 2.003, CFI = 0.974, RMSEA = 0.036, $p < 0.001$; Egyptian sample: CMIN/DF = 1.473, CFI = 0.963, RMSEA = 0.050, $p < 0.001$) and thus a valid measurement model.

To assess convergent validity, the CFA regression weights are examined. All factor loadings were significant as required for convergent validity ($p < 0.001$). Standardized regression weights are shown in Tables 11 and 12. Moreover, squared interconstruct correlations were calculated as required for discriminant validity. In both samples the squared interconstruct correlations were lower than the Average Variance Extracted of each construct (Austrian sample: ACP \leftrightarrow CBR squared correlation 0.07; Egyptian sample: ACP \leftrightarrow CBR squared correlation 0.01). Based on these results, discriminant validity was established (Bagozzi et al. 1991, Churchill 1979).

Table 11: Standardized Regression Weights for the Default Model (Austrians)

	Estimate
PSQ <--- CBR	,896
SER <--- CBR	,386
RFSC <--- CBR	,562
GEM <--- CBR	,842
CO <--- CBR	,692
CBR1 <--- CO	,700
CBR2 <--- CO	,821
CBR4 <--- GEM	,729
CBR5 <--- GEM	,730
CBR6 <--- GEM	,603
CBR7 <--- RFSC	,760
CBR8 <--- RFSC	,674
CBR10 <--- PSQ	,781
CBR12 <--- PSQ	,704
CBR14 <--- SER	,748
CBR3 <--- CO	,734
CBR15 <--- SER	,653
CBR13 <--- SER	,563

	Estimate
LCP4 <--- ACP	,816
LCP3 <--- ACP	,626
GCP5 <--- ACP	,664
GCP4 <--- ACP	,902
GCP3 <--- ACP	,676
GCP1 <--- ACP	,740

Note: ACP=Attitude toward Corporate Philanthropy, CBR=Customer-based Corporate Reputation, CO=Customer Orientation, SER=Social and Environmental Responsibility, GCP=Global Corporate Philanthropy, GEM=Good Employer, LCP=Local Corporate Philanthropy, PSQ=Product and Service Quality, RFSC=Reliable and Financially Strong Company.

Table 12: Standardized Regression Weights for the Default Model (Egyptians)

	Estimate
PSQ <--- CBR	,879
SER <--- CBR	,620
RFSC <--- CBR	,784
GEM <--- CBR	,867
CO <--- CBR	,848
CBR1 <--- CO	,718
CBR2 <--- CO	,888
CBR4 <--- GEM	,730
CBR5 <--- GEM	,779
CBR6 <--- GEM	,750
CBR7 <--- RFSC	,762
CBR8 <--- RFSC	,614
CBR10 <--- PSQ	,730
CBR12 <--- PSQ	,805
CBR14 <--- SER	,728
CBR3 <--- CO	,826
CBR15 <--- SER	,613
CBR13 <--- SER	,576
LCP4 <--- ACP	,722
LCP3 <--- ACP	,654
GCP5 <--- ACP	,729
GCP4 <--- ACP	,940
GCP3 <--- ACP	,859
GCP1 <--- ACP	,833

Note: ACP=Attitude toward Corporate Philanthropy, CBR=Customer-based Corporate Reputation, CO=Customer Orientation, SER=Social and Environmental Responsibility, GCP=Global Corporate Philanthropy, GEM=Good Employer, LCP=Local Corporate Philanthropy, PSQ=Product and Service Quality, RFSC=Reliable and Financially Strong Company.

Moreover, a post hoc statistical test, Harman's Single Factor Method, was conducted to test the presence of common method effect. This test is widely reported and can be used to determine whether common methods variance occurs in the data. To execute this test, all the constructs (ACP, CBR, CET) were included in an exploratory factor analysis using SPSS and requested only a single factor, with no rotation. The objective was to determine how much variance was extracted by the single factor. The analysis revealed 20.4% (Austrian sample) and 23.3% (Egyptian sample) of variance explained by a single factor, which is well below the 50% threshold that would indicate common method problem with the data (Podsakoff and Organ 1986). Based on this test common method variance is not a concern and thus is unlikely to confound the interpretations of results.

4.3.2 Regression Analysis

4.3.2.1 Attitude toward Corporate Philanthropy's Effect on Customer-based Corporate Reputation (Bivariate Regression Analysis)

“Bivariate regression analysis is a statistical technique that uses information about the relationship between an independent or predictor variable and a dependent or criterion variable, and combines it with the algebraic formula for a straight line to make predictions” (Hair et al. 2006: 559). Regression analysis assumes that a linear relationship will provide a good description of the relationship between two variables.

As a first step, bivariate regression analysis was carried out for three samples, in each country. Results are shown in Table 13.

Table 13: Attitude toward Corporate Philanthropy's Effect on Customer-based Corporate Reputation

	B	SE B	β	R²	N
Constant					
<i>Austrian sample</i>	2.510	0.121			
<i>Austrian telecom. customers</i>	2.966	0.188			
<i>Austrian non-telecom. customers</i>	2.156	0.153			
<i>Egyptian sample</i>	3.226	0.217			
<i>Egyptian telecom. customers</i>	2.969	0.267			
<i>Egyptian non-telecom. customers</i>	3.701	0.330			
Attitude toward Corporate Philanthropy					
<i>Austrian sample</i>	0.164	0.028	0.211***	0.045	756
<i>Austrian telecom. customers</i>	0.073	0.043	0.091 ^a	0.008	354
<i>Austrian non-telecom. customers</i>	0.232	0.035	0.313***	0.098	402
<i>Egyptian sample</i>	0.091	0.052	0.127 ^a	0.016	187
<i>Egyptian telecom. customers</i>	0.178	0.065	0.246**	0.060	120
<i>Egyptian non-telecom. customers</i>	-0.067	0.079	-0.104	0.011	67

*** p < 0.001; ** p < 0.01; ^a Sig. (1-tailed) at p < 0.05

Overall, the results of the bivariate regression analysis reveal a positive relationship between ACP and CBR. ACP explains almost ten percent of the variance in CBR in the Austrian non-telecommunication customers' sample, six percent of the variance in CBR in the Egyptian telecommunication customers' sample, and 4.5 percent of the variance in CBR in the Austrian sample (for detailed statistical results see Appendix 7.8). Thus, the Austrian non-telecommunication customers' sample produces the highest R square. The simple correlation between ACP and CBR in this sample is 0.313, which indicates a medium effect (Field 2005). The relationship between CBR and ACP is positive and moderately strong in this sample (B = 0.232).

The F ratio is the result of comparing the amount of explained variance to the unexplained variance (Hair et al. 2006). The larger the F ratio the more variance in the dependent variable that is associated with the independent variable (Hair et al. 2006). In all but the Egyptian non-telecommunications customers sample the F ratio is larger than one (Austrian sample: F = 35.208; Austrian telecom. customers sample F = 2.937; Austrian non-telecom. customers sample: F = 43.448; Egyptian sample: F = 3.011; Egyptian telecom. customers: F = 7.584) and significant (at p < 0.01). Therefore, the regression model with these samples overall predicts CBR significantly well. Based on the value of the F ratio and its significance, one can conclude that a relationship exist between ACP and CBR.

In the Austrian non-telecom. customer sample the B value indicates that if there is no ACP influence on CBR, the mean of CBR will be 2.156. The other value ($b_1 = 0.232$) represents the change in the outcome (CBR) associated with a unit change in the predictor (ACP). For example, if ACP increased by one unit (1 point) then the model predicts that CBR will increase by 0.232. As the b-values are different from zero, this concludes that ACP makes a significant contribution (at $p < 0.05$) to predicting CBR. The example box below shows the predictions for CBR with highest and lowest ACP scores.

Examples – Predictions of Change in CBR

Model definition: $Y_i = (b_0 + b_1 X_i) + \zeta_i$

Example 1

$$CBR = 2.156 + (0.232 * ACP \text{ score})$$

$$CBR = 2.156 + (0.232 * 5)$$

$$CBR = 3.316$$

Example 2

$$CBR = 2.156 + (0.232 * ACP \text{ score})$$

$$CBR = 2.156 + (0.232 * 1)$$

$$CBR = 2.388$$

Based on the above examples, if ACP improves by 5 units, CBR will improve by 1.16 units ($3.316 - 2.156$). Similarly, if ACP improves only by one unit, CBR will improve by 0.232 units ($2.388 - 2.156$).

Next, only those respondents were examined that were aware of the telecommunication company's concrete philanthropic activity (either local or global philanthropy). The results of ACP's effect on CBR are shown in Table 14.

Table 14: Attitude toward Corporate Philanthropy’s Effect on Customer-based Corporate Reputation in Samples ‘Aware of CP’

	B	SE B	β	R ²	N
Constant					
<i>Austrians aware of CP</i>	2.127	0.531			
<i>Egyptians aware of CP</i>	3.199	0.381			
Attitude toward Corporate Philanthropy					
<i>Austrians aware of CP</i>	0.299	0.123	0.310*	0.096	58
<i>Egyptians aware of CP</i>	0.101	0.090	0.199	0.014	89

* p < 0.05

ACP explained almost ten percent of the variance in CBR by the Austrian sample. The F value for Austrians was 5.958 and significant at p<0.05. The t value of 2.441 in the Austrian sample was also significant at p<0.05, which confirms that the ACP variable is positively related to CBR in this sample. The F value for Egyptians was not significant which indicates a bad overall fit of the model for this sample.

The results indicate a positive and significant path between ACP and CBR in the Austrians aware of CP sample. There is in fact no difference between those Austrians who are non-telecom customers and those who are aware of the telecommunication company’s CP. Both samples explain about 10% of variance in CBR. However, a slightly higher B value was produced by those respondents who were aware of CP (0.299 versus 0.232).

The results in Tables 13 and 14 lead to the conclusion that ACP is significantly related to CBR in the samples shown in the above tables and therefore H1 is accepted, i.e. Positive attitude toward a company’s philanthropic support positively affects the overall perception of that concrete company.

4.3.2.2 Corporate Cause Assessment's Effect on Customer-based Corporate Reputation

Hypothesis 2 was tested by regressing Corporate Cause Assessment on the dependent variable CBR. This hypothesis predicted that a positive assessment of a specific type of corporate cause will have a positive effect on the overall perception of a company supporting that type of cause. The results of H2 testing are shown in Table 15.

Table 15: Corporate Cause Assessment's Effect on Customer-based Corporate Reputation

	B	SE B	β	R²	N
Constant					
<i>Austrian sample</i>	3.056	0.084			
<i>Austrian telecom. customers</i>	3.195	0.123			
<i>Austrian non-telecom. customers</i>	2.918	0.114			
<i>Egyptian sample</i>	3.090	0.238			
<i>Egyptian telecom. customers</i>	3.154	0.306			
<i>Egyptian non-telecom. customers</i>	3.062	0.348			
Corporate Cause Assessment					
<i>Austrian sample</i>	0.042	0.021	0.073*	0.005	756
<i>Austrian telecom. customers</i>	0.023	0.031	0.040	0.002	354
<i>Austrian non-telecom. customers</i>	0.062	0.028	0.110*	0.012	402
<i>Egyptian sample</i>	0.116	0.054	0.157*	0.025	187
<i>Egyptian telecom. customers</i>	0.123	0.069	0.162	0.026	120
<i>Egyptian non-telecom. customers</i>	0.084	0.080	0.130	0.017	67

* $p < 0.05$

Corporate Cause Assessment had a significant positive, however minor effect on CBR in the three samples shown above (i.e. Austrian sample, Austrian non-telecom. customers, and Egyptian sample). The highest significant variance explained by Corporate Cause Assessment in CBR (2.5 %) occurs in the Egyptian sample. Detailed statistical results for this sample are in Appendix 7.9.

In addition, solely those respondents in each Austrian and Egyptian samples were analyzed which were aware of the telecommunication company's concrete CP activity (either domestic or international support of youth/education). The results of this analysis are shown in Table 16.

Table 16: Corporate Cause Assessment's Effect on Customer-based Corporate Reputation

	B	SE B	β	R ²	N
Constant					
<i>Austrians aware of CP</i>	3.800	0.425			
<i>Egyptians aware of CP</i>	2.624	0.327			
Corporate Cause Assessment					
<i>Austrians aware of CP</i>	0.094	0.102	0.122	0.015	58
<i>Egyptians aware of CP</i>	0.228	0.074	0.315**	0.099	89

** $p < 0.01$

Corporate Cause Assessment had a significant positive and direct effect on CBR in the Egyptians aware of CP sample. In this sample Corporate Cause Assessment explains almost ten percent of the variance in CBR ($F = 9.587$), supporting H2. Detailed statistical results of the regression for this sample are in Appendix 7.9.

Taken as a whole, the results of H1 and H2 indicate that in Egypt Corporate Cause Assessment is more strongly related to CBR than ACP while in Austria ACP reveals the strongest positive relation to CBR.

4.3.2.3 *Customer-based Corporate Reputation and Corporate Cause Assessment's effect on Attitude toward Corporate Philanthropy*

To test H3 and H4, both CBR and Corporate Cause Assessment were regressed on the dependent variable ACP. A hierarchical regression was used, entering CBR first into the model as predictor variable because past research indicates that it is an important predictor of ACP (e.g. Yoon et al. 2006, Fombrun and Shanley 1990). Corporate Cause Assessment is therefore entered in the second block in hierarchy. Results of the regression are shown in Table 17.

Table 17: Customer-based Corporate Reputation and Corporate Cause Assessment's Effect on Attitude toward Corporate Philanthropy

Independent variables	Model 1				Model 2				N
	B	SE B	β	R ²	B	SE B	β	R ²	
Constant									
<i>Austrians</i>	3.457	0.149			3.117	0.174			
<i>Austrians aware of CP</i>	3.199	0.454			3.138	0.663			
<i>Austrian telecom. customers</i>	3.983	0.218			3.768	0.259			
<i>Austrian non-telecom. customers</i>	2.997	0.205			2.555	0.235			
<i>Egyptians</i>	3.448	0.370			3.280	0.462			
<i>Egyptians aware of CP</i>	3.668	0.461			3.430	0.534			
<i>Egyptian telecom. customers</i>	2.810	0.460			2.631	0.575			
<i>Egyptian non-telecom. customers</i>	4.676	0.667			4.531	0.814			
Customer-based Corporate Reputation									
<i>Austrians</i>	0.272	0.046	0.211***	0.045	0.260	0.046	0.202***	0.061	756
<i>Austrians aware of CP</i>	0.321	0.132	0.310*	0.096	0.323	0.134	0.312*	0.096	58
<i>Austrian telecom. customers</i>	0.113	0.066	0.091 ^a	0.008	0.109	0.066	0.088 ^a	0.015	354
<i>Austrian non-telecom. customers</i>	0.423	0.064	0.313***	0.098	0.398	0.064	0.295***	0.125	402
<i>Egyptians</i>	0.177	0.102	0.127 ^a	0.016	0.167	0.103	0.119	0.018	187
<i>Egyptians aware of CP</i>	0.141	0.126	0.119	0.014	0.104	0.133	0.088	0.023	89
<i>Egyptian telecom. customers</i>	0.340	0.123	0.246**	0.060	0.329	0.125	0.238	0.063	120
<i>Egyptian non-telecom. customers</i>	-0.163	0.193	-0.104	0.011	-0.171	0.196	-0.109	0.012	67
Corporate Cause Assessment									
<i>Austrians</i>					0.096	0.026	0.130***	0.061	756
<i>Austrians aware of CP</i>					0.013	0.103	0.016	0.096	58
<i>Austrian telecom. customers</i>					0.058	0.038	0.082	0.015	354
<i>Austrian non-telecom. customers</i>					0.127	0.036	0.165***	0.125	402
<i>Egyptians</i>					0.047	0.077	0.045	0.018	187
<i>Egyptians aware of CP</i>					0.085	0.096	0.100	0.023	89
<i>Egyptian telecom. customers</i>					0.050	0.095	0.048	0.063	120
<i>Egyptian non-telecom. customers</i>					0.040	0.127	0.039	0.012	67

*** p < 0.001; ** p < 0.01; * p < 0.05; ^aSig. (1-tailed) at p < 0.05

Hypothesis 3 proposed that positive assessment of a specific type of corporate cause will have a positive effect on the attitude toward a company's corporate philanthropy supporting that specific type of cause. Hypothesis 4 proposed that an overall positive perception of a company will positively affect attitudes toward this company's corporate philanthropy. Both the Austrian sample and the Austrian non-telecom. customers sample in particular reveal a positive significant relationship between the two independent variables (CBR and Corporate Cause Assessment) and ACP (Model 2). CBR and Corporate Cause Assessment jointly explain over six percent of the variance in ACP in the Austrian sample (F

= 24.650, $p < 0.001$) and 12.5 percent of variance in the Austrian non-telecom. customers sample ($F = 28.498$, $p < 0.001$). In these samples, both independent variables had a positive individual contribution to the regression model, supporting H3 and H4. Overall, CBR had a higher individual contribution than Corporate Cause Assessment, especially in the Austrian non-telecom. customers sample ($B = 0.398$).

Model 1 and 2 also produced a positive and significant relationship between CBR and ACP in the Austrians aware of CP sample ($R^2 = 9.6\%$, $p < 0.05$). However, Model 2 did not support Corporate Cause Assessment's impact on ACP.

Detailed statistical results of the hierarchical regression for the Austrian and Austrian non-telecom. customer samples are in Appendix 7.10.

The relationship between CBR and ACP is positive and significant in the Egyptian telecom. customers sample (Model 1). CBR explained six percent of the variance in ACP. The hierarchical regression model however, with both predictor variables (CBR and Corporate Cause Assessment) did not produce a significant relationship.

4.3.2.4 Testing Moderation

A moderating effect occurs when a third variable or construct changes the relationship between two related variables/constructs. H5 proposed that the relationship between ACP and CBR is moderated by ethnocentrism. In order to test this hypothesis, moderated multiple regression analyses in each country were conducted.

In the regression models, the two independent variables (ACP and CET) were mean-centered in order to enhance the interpretability of the results (Echambadi and Hess 2007). Furthermore, in line with Cohen et al. (2003), an interaction variable was created by multiplying the two mean-centered first order variables (i.e. $ACP * CET$). Then, several tests using hierarchical regression were conducted in order to verify the adequacy of the three regression models. For results see Table 18.

Multicollinearity was not detected as a problem in the regression models. In the collinearity statistics the highest variance inflation factor (VIF) is 1.042, thus well below the suggested cut-off value of 5, and the lowest tolerance is 0.960, well above the cut-off value of 0.10 (Hair et al 2006).

While in Model 3 (moderation model) the betas indicate a negative relationship, the interaction term (ACP*CET) is not significant, which reveals that ethnocentrism does not moderate the relation between ACP and CBR. Thus, H5 is rejected; ethnocentrism does not moderate the link between attitude toward a specific type of corporate philanthropic support and overall perception of the philanthropic company.

Table 18: Attitude toward Corporate Philanthropy and Ethnocentrism's Influence on Customer-based Corporate Reputation

Independent variables	Model 1				Model 2				Model 3				N
	B	SE B	β	R ²	B	SE B	β	R ²	B	SE B	β	R ²	
Constant													
<i>Austrians</i>	3.221	0.017			3.221	0.017			3.222	0.17			
<i>Austrians aware of CP</i>	3.412	0.065			3.412	0.065			3.412	0.066			
<i>Austrian telecom. customers</i>	3.286	0.025			3.286	0.025			3.285	0.026			
<i>Austrian non-telecom. customers</i>	3.164	0.022			3.164	0.022			3.165	0.022			
<i>Egyptians</i>	3.596	0.039			3.596	0.039			3.595	0.040			
<i>Egyptians aware of CP</i>	3.620	0.060			3.620	0.060			3.630	0.063			
<i>Egyptian telecom. customers</i>	3.692	0.050			3.692	0.050			3.691	0.051			
<i>Egyptian non-telecom. customers</i>	3.426	0.057			3.426	0.056			3.425	0.057			
Attitude toward Corporate Philanthropy													
<i>Austrians</i>	0.164	0.028	0.211***	0.045	0.061	.0.28	0.207***	0.051	0.160	0.028	0.206***	0.052	756
<i>Austrians aware of CP</i>	0.299	0.123	0.310*	0.096	0.299	0.123	0.309*	0.010	0.296	0.124	0.306*	0.105	58
<i>Austrian telecom. customers</i>	0.073	0.043	0.091 ^a	0.008	0.070	0.043	0.086	0.013	0.070	0.043	0.087	0.014	354
<i>Austrian non-telecom. customers</i>	0.232	0.035	0.313***	0.098	0.230	0.035	0.310***	0.104	0.228	0.035	0.308***	0.108	402
<i>Egyptians</i>	0.091	0.052	0.127 ^a	0.016	0.103	0.053	0.143 ^a	0.027	0.103	.0.53	0.144 ^a	0.028	187
<i>Egyptians aware of CP</i>	0.101	0.090	0.119	0.014	0.128	0.093	0.152	0.028	0.129	0.094	0.152	0.031	89
<i>Egyptian telecom. customers</i>	0.178	0.065	0.246**	0.060	0.191	0.066	0.263**	0.067	0.191	0.067	0.264**	0.067	120
<i>Egyptian non-telecom. customers</i>	-0.067	0.079	-0.104	0.011	-0.062	0.078	-0.097	0.053	-0.063	0.078	-0.099	0.056	67
Consumer Ethnocentrism													
<i>Austrians</i>					0.050	0.022	0.082*	0.051	0.050	0.022	0.083*	0.052	756
<i>Austrians aware of CP</i>					-0.39	0.084	-0.60	0.100	-0.30	0.086	-0.045	0.105	58
<i>Austrian telecom. customers</i>					0.044	0.033	0.071	0.013	0.045	0.033	0.074	0.014	354
<i>Austrian non-telecom. customers</i>					0.047	0.028	0.080 ^a	0.104	0.052	0.028	0.087 ^a	0.108	402
<i>Egyptians</i>					0.072	0.049	0.107	0.027	0.071	0.050	0.106	0.028	187
<i>Egyptians aware of CP</i>					0.080	0.073	0.121	0.028	0.081	0.073	0.122	0.031	89

<i>Egyptian telecom. customers</i>	0.056	0.064	0.080	0.067	0.055	0.064	0.080	0.067	120
<i>Egyptian non-telecom. customers</i>	0.118	0.069	0.206 ^a	0.053	0.118	0.070	0.208 ^a	0.056	67
Attitude toward Corporate Philanthropy x Consumer Ethnocentrism									
<i>Austrians</i>					-0.021	0.035	-0.021	0.052	756
<i>Austrians aware of CP</i>					-0.98	0.172	-0.075	0.105	58
<i>Austrian telecom. customers</i>					0.028	0.051	0.029	0.014	354
<i>Austrian non-telecom. customers</i>					-0.057	0.046	-0.059	0.108	402
<i>Egyptians</i>					-0.16	0.062	-0.019	0.028	187
<i>Egyptians aware of CP</i>					0.065	0.118	0.059	0.031	89
<i>Egyptian telecom. customers</i>					-0.006	0.073	-0.008	0.067	120
<i>Egyptian non-telecom. customers</i>					-0.043	0.113	-0.047	0.056	67

*** p < 0.001; ** p < 0.01; * p < 0.05; ^a Sig. (1-tailed) at p < 0.05

The regression analysis, however, revealed a direct effect of ethnocentrism on ACP. In the Egyptian telecom. customers sample CET had a negative effect on ACP ($B = -0.212$, $SE B = 0.087$, $\beta = -0.220$, $R^2 = 0.048$, $F = 5.995$, $p < 0.05$). This indicates that higher ethnocentric tendencies have a negative impact on ACP.

4.3.2.5 The Effect of Culture on the Link between Attitude toward Corporate Philanthropy and Customer-based Corporate Reputation

H6 predicted that attitude toward corporate philanthropy in a collectivistic country will less positively affect corporate reputation than in an individualistic country. The results show that Austrians and Egyptians respond to CP differently. Overall, global and local CP activity in Austria has a more positive influence on CBR than in Egypt. The Egyptian telecom. customers subgroup produced a positive significant relationship between ACP and CBR ($b=0.178$, $p < 0.01$, see Tables 13 and 14), however, the Austrian non-telecom. customers as well as the Austrians aware of CP subgroups produced a stronger positive significant relationship. Moreover, Austrians are influenced by the corporate cause in general and previous perceptions about the company when forming their attitudes toward CP. In Egypt, it is rather the assessment of the concrete corporate cause that affects CBR. Previous perceptions about the philanthropic company had a direct effect on forming Egyptians' (customers of the telecom. company) attitudes toward CP. Moreover, in this subsample, ethnocentrism had a direct negative effect on ACP. Taken collectively, these results support H6.

4.3.3 Structural Equations Modeling

Structural equations modeling (SEM) may be regarded as an extension of multiple regression analysis where "a hypothesized dependent variable becomes an independent variable in a subsequent dependence relationship" (Hair et al. 2010: 630). Since regression does not allow testing the key theoretical relationships in one technique, in the following a more complex statistical technique, covariance-based SEM is applied using AMOS 20.0. This

technique estimates multiple, interrelated dependence relationships based on two components: (1) measurement model (CFA) and (2) structural model.

4.3.3.1 Measurement Model

The previously established measurement model was used (see Confirmatory Factor Analysis above). The examination of multiple groups is essential since the applied theory created expectations that one group (Austrians) behaves differently than another (Egyptians). This examination enables measurement validation across groups (e.g. cross-cultural validation of metric invariance). Before moving on to measurement invariance, the two groups (Austrians and Egyptians) were examined by running the CFA model separately on these samples. Chi-square tests revealed significance, but all other diagnostics are acceptable for both samples (see Table 19). Therefore, loose cross-validation has been established because the measurement model criteria meet recommended minimum rules of thumb in both samples taken separately.

Table 19: Loose Cross-Validation

	Austrian sample	Egyptian sample
P	<0.001	<0.001
CMIN/DF	2.003	1.473
CFI	0.974	0.963
RMSEA	0.036	0.050

To proceed with multiple group analysis, metric invariance for the Austrian and Egyptian samples was tested. Firstly, tight cross-validation was tested (i.e. factor loadings, interfactor covariance, and error variance equivalence). It assumes Full Metric Invariance, full scalar invariance, and full construct covariance invariance. Each model revealed an acceptable fit (unconstrained model²⁵: CMIN/DF = 1.740, CFI = 0.971, RMSEA = 0.028; Full Metric

²⁵ A model allowing all hypothesized parameters to be uniquely estimated in each group (i.e. the parameters can vary between the groups but the factors are the same). Each group has its own covariance matrix and the chi-square and other fit heuristics indicate how well the model estimates the original matrices.

Invariance model²⁶: CMIN/DF = 1.762, CFI = 0.969, RMSEA = 0.028). The unconstrained model diagnostics support loose cross validation and factor structure equivalence (configural invariance) for the two models (Austria and Egypt). This provides support for applying the same measurement model to both groups. The difference in Chi-squares for the two models were significantly different (CMIN = 29.188, $p = 0.006$). These results indicate that the added constraints significantly worsen fit (i.e., the factor loadings are not invariant) when testing Full Metric Invariance. The diagnostics for the Full Metric Invariance model are not as good as for the totally free model. The Chi-Square increased from 497.504 to 526.692 ($p = 0.000$). Also, the Nested Model Comparison indicates the two models are statistically different ($p = 0.006$). Since Full Metric Invariance has not been established, Partial Metric Invariance has been tested, which may still enable us to claim Factor Loadings Equivalence based on equivalence between a minimum of two loadings per construct. To test this, we specified a new model (Partial Metric Invariance/Equivalence) in which Austrians are compared to Egyptians with specified constraints. This test constrains the CFA model by requiring the parameter estimates of the two groups to be equal (comparable) on a minimum of two factor loadings (weights) per construct. The objective is to identify at least two equivalent (invariant) factor loadings per construct between the two groups. Based on a visual inspection of the standardized regression weights, the most similar loadings were tested for equivalence. These loadings were constrained to be equal. Partial metric equivalence was first established by constraining two loadings to be equivalent for each construct. Following the initial test using the two most similar loadings, sequentially another loading constraint was added. Of the 13 possible loadings constraints, it was possible to constrain all loadings to be equal except one. Thus, the results demonstrate strong Partial Metric Invariance (Chi-square results for both models are acceptable: 497.504 for the unconstrained model and 515.308 for the Partial Metric Invariance model). The RMSEA is 0.028 for both models (in fact does not change). These fit indices provide further support for accepting the new Partial Metric Invariance model. Furthermore, the Nested Model Comparison indicates the two models are not significantly different ($p = 0.122$) on the 12 factor loadings assumed to be equal (DF = 12, CMIN = 17.804). Both models have good fit indicating support for applying the same measurement model to both groups. The standardized regression weights of the Partial Metric Invariance model indicate the strength of the model paths. In the Austrian model, all paths are

²⁶ Metric invariance (or equivalence) tests whether respondents from different groups interpret and use scales the same way so the differences can be compared directly. It relates only to constructs and their factor loadings, not to relationships between the constructs (i.e. interconstruct correlations).

significant and the strength of the ACP → CBR path is 0.272. In the Egyptian model the strength of the ACP → CBR path is 0.108. This path is however not significant. All other paths are significant. The results indicate a positive and significant relationship between ACP and CBR for Austrians and a positive and insignificant relationship between ACP and CBR for Egyptians.

The results for the Partial Metric Equivalence model are within established guidelines, and indeed strong (with 12 of 13 possible weights). Results indicate a Partial Metric Invariance (partial factor loadings equivalence) on the two construct model of the ACP-CBR Austrian and Egyptian CFA models. Therefore, the same factor structure is appropriate for either (Austrian or Egyptian) sample. Factor structure equivalence is supported and configural invariance is achieved for the Austrian-Egyptian comparison.

Next, the hypothesized relationships were evaluated in the structural model.

4.3.3.2 *Structural Model*

The tests reveal that positive ACP affects more positively CBR among Austrian respondents. In the Austrian sample ACP overall explains seven percent of variance in the CBR construct (CMIN/DF = 2.003, CFI = 0.974, RMSEA = 0.036, $p < 0.001$). In the Austrian non-telecom. customers sample ACP accounts for 16% of variance in the CBR construct (CMIN/DF = 1.600, CFI = 0.972, RMSEA = 0.039). While the Austrians aware of CP sample indicates a 21% of variance in the CBR construct, the effect of ACP is not significant. On the other hand, in the Egyptian samples the path between the predictor and the outcome variable is weaker or non-significant. Only in the Egyptian telecom. customer sample are the results significant, i.e., ACP accounts for five percent of the variance in CBR (CMIN/DF = 1.500, CFI = 0.943, RMSEA = 0.065, $p < 0.05$). The structural model results are shown in Table 20.

Similarly to the results of the regression analysis, the SEM results confirm a significant positive path between ACP and CBR. Therefore, in addition to the regression results, H1 is supported also based on the structural equation modeling results.

The model has also been tested with those respondents aware of CP. The results of this analysis were non-significant. In general, SEM requires a larger sample relative to other multivariate approaches because some of the statistical algorithms used by SEM programs are unreliable with small samples (Hair et al. 2010). Therefore, the non-significance accounted due to small sample sizes.

The Moderating Role of Ethnocentrism

As a next step, the path between ACP and CBR was tested by introducing a metric moderator, ethnocentrism.

Firstly, hierarchical cluster analysis on Ethnocentrism was carried out for both the Austrian and Egyptian samples. Cluster analysis groups objects (e.g. respondents, products, firms, variables, etc.) so that each object is similar to the other objects in the cluster and different from objects in all the other clusters. The aim was to cluster respondents in each country into groups based on their responses on the CETSCALE, where between-cluster variation is maximized and within-cluster variation is minimized. These steps were followed in cluster analysis: (1) selection of the variables, (2) determination if clusters exist using one-way Analysis of Variance (ANOVA), (3) verification if clusters are statistically different and theoretically meaningful, and decision how many clusters to use.

In the Austrian sample, three clusters were identified using hierarchical cluster analysis and one-way ANOVA: no ethnocentrism, low ethnocentrism, and moderate ethnocentrism. Full Metric Equivalence in CFA with these three groups has been demonstrated as a necessary precondition for testing moderation. The fit indices for each CFA model were good (Unconstrained: CMIN/DF = 1.447, CFI = 0.966, RMSEA = 0.024; Full Metric Invariance: CMIN/DF = 1.417, CFI = 0.966, RMSEA = 0.024). This provides support for applying the same measurement model to all three clusters. The difference in the Chi-squares for the two models is not significantly different (DF = 26, CMIN = 24.016, $p = 0.575$), which indicates that factor loadings are invariant. Thus, the diagnostics of the Unconstrained model support Loose Cross Validation for the three models (not ethnocentric, low ethnocentric and moderately ethnocentric). Moreover, the diagnostics of the Full Metric Invariance model and the Nested Model Comparison indicates the three models are

statistically not different. Thus, Full Metric Invariance (full factor loadings equivalence) can be claimed based on a rigorous test on a two construct model for the Austrian sample.

In the Egyptian sample, two clusters were identified using hierarchical cluster analysis and one-way ANOVA: no ethnocentrism and moderate ethnocentrism. Full Metric Equivalence in CFA with these two groups has also been demonstrated. The fit indices for each CFA model were good (Unconstrained: CMIN/DF = 1.544, CFI = 0.920, RMSEA = 0.054; Full Metric Invariance: CMIN/DF = 1.510, CFI = 0.921, RMSEA = 0.053). This provides support for applying the same measurement model to both clusters. The difference in the Chi-squares for the two models is not significantly different (DF = 13, CMIN = 10.111, $p = 0.685$), which indicates that factor loadings are invariant. Thus, the diagnostics of the Unconstrained model support Loose Cross Validation for the two models (not ethnocentric, and moderately ethnocentric). Moreover, the diagnostics of the Full Metric Invariance model and the Nested Model Comparison indicates the two models are statistically not different. Thus, Full Metric Invariance (full factor loadings equivalence) based on a rigorous test on a two construct model also for the Egyptian sample can be claimed.

As a next step, the moderation of the quantitative variable Ethnocentrism was tested in SEM for the Austrian and Egyptian samples separately. In the Austrian sample the Chi-square increased slightly between the Full Metric Invariance model and the Moderation model (from 644.878 to 655.117, respectively). Other fit diagnostics stayed constant. The Nested Model Comparisons test shows that the Moderation model is significantly different from the Full Metric Invariance model (DF = 2, CMIN = 10.239, $p = 0.006$). The results of the moderation test confirm H5 that ethnocentrism moderates the relationship between ACP and CBR in the Austrian sample.

In the Egyptian sample the Chi-square increased slightly between the Full Metric Invariance model and the Moderation model (from 451.601 to 452.514, respectively). Other fit diagnostics stayed almost constant in the Moderation model (CFI = 0.921, RMSEA = 0.052). The Nested Model Comparisons test shows that the Moderation model is not significantly different from the Full Metric Invariance model (DF = 1, CMIN = 0.913, $p = 0.339$). The results of this moderation test do not confirm H5 that ethnocentrism moderates the relationship between ACP and CBR in the Egyptian sample. Results of the moderation tests are shown in Table 20.

Table 20: Structural Equation Model Results

		<i>ACP → CBR</i>		<i>R</i> ²	<i>Hypothesis</i>	
		<i>Standardized Estimate</i>	<i>(C.R.)</i>			
<i>Basic Model</i>						
	<i>Austrians</i>	0.271***	(4.871)	0.07	H1	<i>confirmed</i>
	<i>Austrians aware of CP</i>	0.455	(1.493)	0.21		
	<i>Austrian telecom. customers</i>	0.117 ^a	(1.697)	0.01		
	<i>Austrian non-telecom. customers</i>	0.397***	(4.426)	0.16	H1	<i>confirmed</i>
	<i>Egyptians</i>	0.107	(1.270)	0.01		
	<i>Egyptians aware of CP</i>	0.058	(0.485)	0.00		
	<i>Egyptian telecom. customers</i>	0.230*	(2.079)	0.05	H1	<i>confirmed</i>
	<i>Egyptian non-telecom. customers</i>	-0.086	(-0.599)	0.01		
<i>Moderated Model^b</i>						
<i>Ethnocentrism Austrians</i>						
	No	0.315***	(4.103)	0.10	H5	<i>confirmed</i>
	Low	0.214	(1.519)	0.05		
	Moderate	0.266*	(2.173)	0.07	H5	<i>confirmed</i>
<i>Ethnocentrism Egyptians</i>						
	No	0.188	(1.632)	0.04		
	Moderate	0.034	(0.262)	0.00		

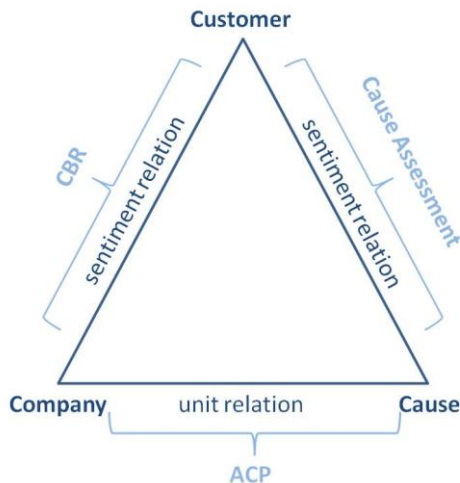
*Note: C.R. = Critical Ratio, ****p* < 0.001, **p* < 0.05, ^a Sig. (1-tailed) at *p* < 0.05, ^b Full Metric Invariance Model*

The results confirmed a positive moderating effect of no ethnocentric tendencies on the relationship between ACP and CBR in the Austrian sample. No ethnocentrism had a moderately strong impact (0.315), and moderate ethnocentrism had a small impact (0.266) on the relationship between ACP and CBR in the Full Metric Invariance model. This provides evidence in support for H5. Respondents who show no ethnocentric tendencies, value both local and global corporate philanthropic activities and evaluate the ACP-CBR path more favorably than those with moderate ethnocentrism. Low scores on Ethnocentrism may in fact suggest a global mindset. The process of globalization forces companies and individuals to develop such a mindset. These people value different norms of behavior, accept heterogeneity and diversity as natural and as sources of opportunity and strength rather than as necessary evils. Moreover, the distant location where the corporate support is located is perceived by salient global citizens as part of their in-group (Russell and Russell 2010). The service companies evaluated in the survey are companies with a global identity. It is therefore reasonable that their philanthropic activities are positively evaluated by those who have a global mindset. In contrast, in the Egyptian sample ethnocentrism did not moderate the ACP-CBR relationship.

4.3.4 Discussion

Employing the theoretical framework of Balance Theory, the relationships among three entities were measured: namely the customer, company, and the cause, from a consumer perspective. The sentiment relation between the customer and the company was measured by CBR, the sentiment relation between the customer and the cause was measured by Cause Assessment, and the unit relation between the company and the cause was measured by ACP (see Figure 8). Furthermore, Ethnocentrism was introduced as a moderator in the ACP-CBR relationship.

Figure 8: The Customer-Company-Cause Triad with Study Constructs



Results imply a positive significant relationship between ACP and CBR. Positive attitude toward a company's philanthropic support affects positively the overall perception of that concrete company. However, respondents in Austria and Egypt and their subgroups provide a different effect on reputation. Generally, in Austria, favorable perceptions of a concrete company's local and global CP translate stronger into a favorable perception about that specific company's reputation than in Egypt. Austrians value *humane orientation* (society values) considerably higher than Egyptians (House et al. 2004), which may have resulted in more positive perceptions of CP than in Egypt and a stronger effect on CBR. In a collectivistic society such as Egypt, philanthropic engagement is considered a common society practice. Vissier (2006) mentions that due to the socioeconomic situation, philanthropic activities are considered a norm in Africa, thereby constituting the second level CSR domain after economic responsibilities. Since in Egypt people care about other members

of the society and there is an expectation by the public to support the less fortunate, engagement in CP may not bring substantial ‘brownie points’ for companies. The lower value of philanthropic activities in Egypt is also highlighted by the fact that ACP in this country was assessed weaker than in Austria²⁷.

The above finding may be furthermore explained by the fact that individualists attach more importance to explicit promises and third parties than their collectivist counterparts (Laroche et al. 2005). Both the Austrian and Egyptian telecommunication company communicates its philanthropic activities extensively (e.g. on the corporate website). Egyptians, however, may prefer to rely on information from trusted sources (such as WOM or electronic WOM) in forming their expectations. Laroche et al. (2005) highlight the importance of WOM in shaping the expectations of collectivist respondents in particular. WOM may in fact communicate a rather negative company image. Mobile phones have played a big part in the Egyptian protests in 2011 and social media created harsh criticism of some mobile companies. Many pro-change activists blamed these for following Egyptian government orders and implementing a communications blackout at the height of the revolution. One Egyptian respondent expresses her/his thoughts in this regard as follows:

“Although [the telecommunication company] supports education and wants to establish an image as a caring responsible organization, during the 25 January Revolution in Egypt, people were very upset with all three mobile service providers because they complied with the government's directive to cut the service and cut the internet connection.” (Egyptian respondent)

Concerning the subgroups, the ACP-CBR relationship is strongest in the Austrian non-customer sample, followed by Austrians aware of CP. The Egyptian customer sample also reveals a significant positive, however weaker relationship. The reactions of different subgroups are interesting. In Egypt, actual customers of the telecommunication company provided positive overall perceptions of the company as a result of its philanthropy. This was not the case for non-customers. In Austria, on the contrary, non-customers of the telecommunication company provided positive overall perceptions of the company as a result of its philanthropy.

²⁷ ACP (Austria) Mean 4.333 vs ACP (Egypt) Mean 4.083, $t(755) = 3.551$, $p = 0.000$. See Table 5.

The differences in customer versus non-customer reactions in Egypt may be attributed to a number of cultural idiosyncrasies. Additional interviews with CSR managers in leading Egyptian corporations²⁸ offer explanations for the differences in customer versus non-customer reactions in Egypt. Egyptians are known to be emotional and companies believe that philanthropic activities have the ability to strengthen the emotional bond between the consumer and the company. CP is moreover an important component of advertising strategy in Egypt and high media spending (especially in television, press and radio) on CP is aimed at developing the loyalty of existing customers. Throughout the month of Ramadan, philanthropy is a main topic in Egypt and firms increasingly show their generosity particularly during this time. Moreover, many companies communicate with their customers via Facebook or other social media, which in return creates a community of fans. CSR-focused advertising, high television viewership, along with growing active participation of youth in social media is all contributing to a higher percentage of CP awareness. Results of this dissertation show that CP activities help companies to improve their reputation; however, CP may not be a good enough reason for Egyptians to switch providers. Consequently, while CP may not help in acquiring new customers in Egypt, it may help to strengthen the loyalty of existing customers.

Austrian non-customers in particular reveal positive perception of the telecommunication company as a result of CP. Since these respondents are not customers of the concrete philanthropic company, they possibly regard CP equally important (or unimportant) as any other factor comprising reputation. Consequently, if one factor (i.e. socially responsible behavior) strengthens, this favorably influences their overall perception of the company. CP thus may help in acquiring new customers in Austria. On the other hand, the almost no effect of ACP on CBR in the Austrian telecom. customer group may be due to the fact that the main expectations of this segment are not philanthropy-related, but rather core service-focused (such as price, quality, or customer care). Austrian customers expressed their preference for rather lower prices than a philanthropic company:

“I’d prefer it [the telecommunication company] would not rip off its customers and rather make less fuss about its charity”. (Austrian respondent)

²⁸ Interviews were conducted in three telecommunication providers and one global consumer goods company in Egypt in April/May 2013.

The worse image of Austrian telecom. customers of their service provider²⁹ compared to the Egyptian telecom. customers may be attributed to bad experiences (e.g. dissatisfied with nontransparent tariffs, impolite shop assistance, etc.). For actual customers of the telecommunication company there is naturally a greater chance of a negative incident occurring due to their frequent interaction with the service provider. Austrian customers thus may have weakened their belief in explicit promises. Another explanation for this result may be attributed to the corruption scandal of the Austrian telecommunication company in 2011. As a result of the negative news from the media, customers of this company may have felt betrayed and became skeptical about the company's actions (including its CP).

The better image of the Egyptian telecommunication company compared to the Austrian telecommunication company reflects its customers' support in public. Loyalty is an often named part of the Egyptian culture. However, the reputation of the Egyptian telecommunication company (although scored significantly higher than the telecom. company in Austria) faces challenges as well. Negative perceptions about the company may have affected respondents' ACP in the survey, who as a result, have inferred CP as a self-interested activity (cf. Bae and Cameron 2006). Egyptians do have high expectations from corporations (and less confidence and expectations from the government). They expect large corporations to fulfill the gap in social services such as education, health or clean water. Though, Egyptians also feel that philanthropic activities done by organizations are neither genuine nor effective. High corporate spending on promoting philanthropic activities often exceeds by far the amount of money that is spent on the actual philanthropic support. This causes a lack of confidence in philanthropic activities done by corporations. The general view about telecommunication operators in Egypt is one of big corporations with vast financial resources (reflected in the large amounts of money spent on advertisements in the media). Such a view may hold negative feelings and skepticism toward CP, as the one expressed below:

“I think that corporations like [the telecommunication company] rip us off and what it gives back to our communities is very small and if it were not for their huge media campaigns nothing would have noticed to have an impact.in comparison to other mobile service providers, me and many other friends think that [the telecommunication company] are thieves”. (Egyptian respondent)

²⁹ Egyptian telecom. customers CBR Mean 3.692 vs. Austrian telecom. customers CBR Mean 3.286, $t(119) = 7.968, p = 0.000$.

“CSR in Egypt in general is just a marketing activity”. (Egyptian respondent)

Corporate Cause Assessment had a minor direct positive effect on CBR in Austria. Thus, the specific type of corporate cause negligibly influences the overall perception of a company supporting that specific type of cause. For Austrians, it seems more important which company supports a specific type of cause. Arguably, the question of fit plays a role in this regard. For Egyptians, Corporate Cause Assessment had a medium effect on CBR among those respondents aware of CP. This suggests that Egyptians in general favor CP, which has the ability to improve their perception of companies. However, when CP is linked to a specific company, the reputation of the concrete philanthropic company as perceived by customers suffers. This shows that the credibility of CP activities is critical to gain stakeholders' trust.

In Egypt, Corporate Cause Assessment had no effect on ACP. Thus, for Egyptians the value of CP lies more in the actual cause than the company-cause connection. This implies that the best positive effects of CP in terms of enhanced reputation may be achieved via focusing on a cause that is appealing to stakeholders. In Austria, the opposite takes place. Corporate Cause Assessment had a stronger positive effect on ACP in Austria compared to its effect on CBR, especially among those respondents who are not customers of the Austrian telecommunication company. Hence, these respondents may favor that a specific cause receives corporate support; however, their Assessment of the Corporate Cause impacts CBR indirectly via the concrete company's CP activity. This finding is comparable to the finding that cause choice influences the attitude towards the company-cause fit (Gupta and Pirsch 2006).

Both Austrians and Egyptians form their Attitude toward CP based on the perceived reputation of the philanthropic company. CBR had a significant positive impact on ACP in both countries. This implies that the better the reputation of the philanthropic company, the better the attitudes toward this company's philanthropic support. In Austria, CBR had a stronger positive influence on ACP than Corporate Cause Assessment. As hypothesized, perceptions about the company serve as an important pre-existing schema to interpret information about the company's philanthropic support.

Interestingly, only in Austria had Ethnocentrism a moderating effect on the relationship between ACP and CBR (based on the SEM results). As hypothesized, the absence

of ethnocentrism had a stronger positive moderating effect than moderate ethnocentrism. Higher ethnocentrism thus weakens the positive relationship between ACP and CBR. On the other hand, in Egypt despite the higher ethnocentric tendencies (see Table 20) Ethnocentrism did not show a significant moderating effect. However, Ethnocentrism revealed a direct negative effect on ACP in the Egyptian telecom. customer sample. This indicates that the Egyptian customers' ACP is influenced by both their pre-existing image about the company and their level of ethnocentrism. A favorable pre-existing image is likely to affect ACP positively, while higher ethnocentrism is more likely to produce a less favorable attitude toward domestic and international CP.

As to the cross-cultural differences, findings show a dissimilar pattern in Austria and Egypt. In a collectivist society ACP impacts CBR less positively than in an individualist society. Moreover, in a collectivist society only pre-existing perceptions about the company influence ACP. In an individualist society both pre-existing perceptions about the company and Corporate Cause Assessment influence ACP. Corporate Cause Assessment has a medium direct positive effect on CBR in a collectivist society. Ethnocentrism has a direct negative effect on ACP in a collectivist society while a moderating effect on the ACP-CBR relationship in an individualistic society. People in a collectivist society hence form their attitude toward CP based on their image of the philanthropic company and on how helpful the support is for local people, while stakeholders in an individualist society form their attitude toward CP based on their image of the philanthropic company and the type of cause supported.

Finally, awareness of CP is an important issue that plays a role in forming perceptions about the philanthropic company. In Austria respondents aware of the specific philanthropic activity of the telecommunication company revealed a positive relationship between ACP and CBR. In Egypt, respondents aware of the specific philanthropic activity of the telecommunication company revealed a positive relationship between Corporate Cause Assessment and CBR. In both cases the strength of the effect was medium. Nevertheless, respondents find it difficult to evaluate the firm's philanthropic activity, which justifies the typically neutral answers on Social and Environmental Responsibility (see Table 9). Respondents are moreover skeptical about whether they can trust CP-related information:

“I think it is hard to say if a company's social work is truly honest or dishonest. A lot of companies use CSR as a marketing tool and a lot customers know that. So even if it is truly honest customers might think of it as a marketing campaign.” (Austrian respondent)

The above issue raises the question of how to communicate CP effectively. CP is becoming an important way for most corporations to communicate with their customers and satisfy their elevated expectations. However, to communicate socially responsible activities entails risk. Companies are simultaneously encouraged to be socially active and discouraged to communicate their engagement. Morsing et al. (2008) refer to this phenomenon as ‘Catch 22’: meaning, consumers have on one hand high regard for those companies associated with social responsibility, while on the other hand the majority of consumers encourage companies either not to communicate about these activities or to communicate in a less conspicuous way. This challenge is expressed by an Austrian respondent the following way:

“I did not know that [the telecommunication company] supports social projects. They do not promote it (at least not very well). But on the other hand: if I would know about it they would have to spend money on promoting it. And then it might not seem honest anymore but rather like they only do it to obtain a positive image.”(Austrian respondent)

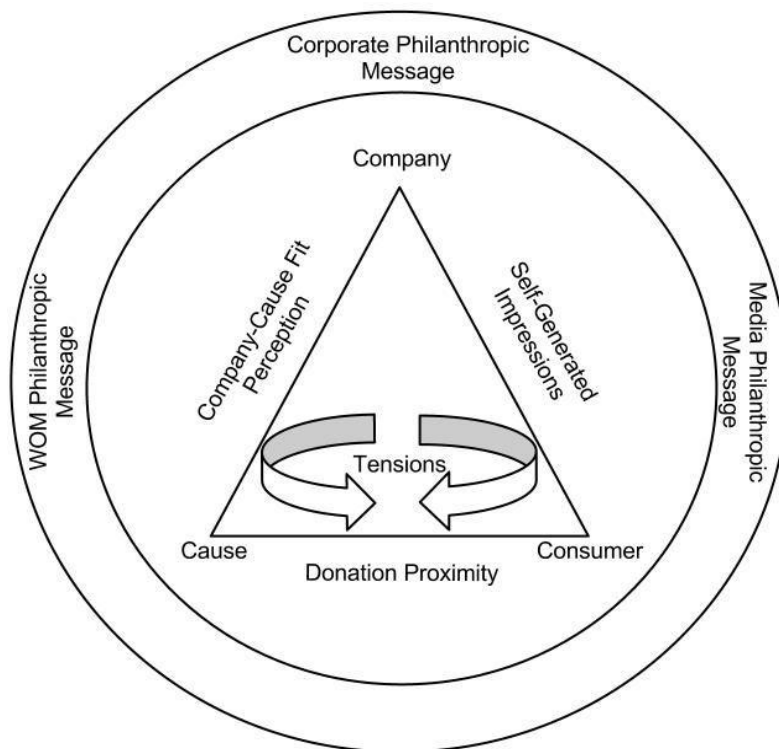
5 Conclusions

5.1 Key Findings

In the following, answers to each set of questions presented in section 1.2. are provided.

The first set of questions focused on consumer and corporate perceptions of corporate philanthropy and gave thought to whether these two perceptions align. Furthermore, the question on how to communicate CP in order to achieve sustainable corporate success has been brought to light. Taken collectively, results indicate that corporate and consumer perceptions of CP show different patterns. While three diverse views (egoistic, altruistic, and pragmatic) have been identified among consumers, on the whole, they are highly critical about CP. Companies, in turn, hold primarily a strategic view of CP and expect CP to be received positively by consumers and other stakeholders. The theoretical framework of balance theory has been utilized to examine the links between the consumer, company, and the supported cause. Figure 9 illustrates the main influences in the consumer-company-cause triad in a holistic picture. The three relationships in the triad are viewed as continuous. Self-generated impressions (diagnostic information) about the company, perceptions about the company-cause fit, and ethnocentric tendencies (resulting in preferences for geographically close donations) form tensions which are caused by imbalance. The attempts to eliminate these tensions determine the direction and the magnitude of shift toward congruity. In this triad, two issues are of vital importance: the intensity of consumer reactions toward the company or the cause, and the corporate communication of philanthropic activities. Moreover, messages received via corporate communication, various media or WOM have the ability to strengthen or release tensions within the triad. In terms of CP communication, findings suggest that communicating CP through traditional advertising (e.g. television, radio, printed, or other paid media) may over-accentuate the good deeds of the company and can lead to mistrust of the message. Philanthropic initiatives communicated with discretion through ‘minimal release’ channels (such as annual reports and corporate websites) or through neutral sources (such as earned media) are generally seen by consumers as more credible.

Figure 9: The Holistic Consumer-Company-Cause Triad



Source: author's concept

Findings fit well with the corollaries of balance theory and of the principle of congruity: consumers do strive toward a harmonious state between the perceived unit (the company and the philanthropic cause) and their experienced sentiments. Consumers' positive attitude toward the cause as well as toward the company-cause relation produces another positive link in the triad, i.e. a positive customer-company relation. These three positive relations are harmonious (balanced) and indicate a pleasant situation. However, the pressure toward congruity is not distributed equally between the company and the cause. Analog to the principle of congruity (Osgood and Tannenbaum 1955), the more polarized one sign (e.g. strong negative feelings toward the company) relative to the other (e.g. slightly positive feelings toward the cause), the less change it undergoes. Since pre-existing perceptions about the company (customer-company link) influence attitudes toward CP more strongly than the supported cause, a change in this link (e.g. when the customer negatively values the company) will produce an imbalanced state which causes customers to restore balance. This can happen through changing their formerly positive sentiment relation to the supported cause into a negative one. Two negative sentiment relations and one positive unit relation will produce a balanced state again. However, this state is not pleasant. Companies should avoid this state by restoring their reputation especially through quality products and services. Since stakeholders

tend to judge CP-related information in light of their overall perception of the company, it is more likely that in the customer-company-cause triad the root cause for an imbalanced state will be the changing sentiment relation between the customer and the company. This points toward the importance of managing well the overall corporate reputation, since consumers' negative perception about the philanthropic company is unlikely to change if their prior self-generated impressions about the company are stronger than their positive impressions about the cause. According to balance theory, this would lead to a negative attitude to the pairing of the company and the cause.

The second set of questions focused on consumer prioritizations of different types of corporate philanthropic causes and put forward the role of the geographical scope as well as the philanthropic company's industry as influencing dimensions of evaluations.

Findings show congruence in the perceived importance of social causes by consumers, favoring health-related causes most and art-related causes the least. The geographical focus of corporate philanthropy shows significant differences for the education-related cause across the industries. For other causes, however, such as health- or environment-related causes, a significant difference is found in the oil and consulting industries, respectively. Thus, consumer evaluation of corporate philanthropic activities is partially dependent on their geographical scope. Additionally, results confirm the existence of weak industry-specific preferences. The support of causes with a close fit to the core business is favored by consumers unless another cause type (less industry-related) is perceived as more worthy of support.

The final set of questions aimed at the effectiveness of corporate philanthropy in improving corporate reputation as perceived by consumers. Corporate philanthropy has a small to medium impact on perceptions of the corporation in both Austria and Egypt, varying by respondent subgroup. On one hand, in a collectivistic society, philanthropy slightly favorably affects the overall perception of the charitable company within the actual customer subgroup. On the other hand, in an individualistic society, philanthropy moderately favorably affects the overall perception of the charitable company within the non-customer subgroup. Overall, findings show that respondents value those attributes of the company more strongly which are closely connected to the core business (such as a reliable company, one that treats its employees well, develops innovative services, and offers high quality products and

services). CP activities are considered as less important and do not contribute substantially to building a strong reputation. A positively perceived CP is usually not the most important factor for customers when forming their perceptions about a company. However, it may be a deciding purchase factor when price and quality among competing products/services are equal (cf. Holmes 2011). In this respect, the Attitude toward CP and its assessment is contingent on awareness. Results confirm low awareness of CP, especially in Austria. Previous research suggests that the visibility of corporate philanthropic acts to key stakeholder constituencies such as customers is core to extracting the strategic advantages from giving (Brammer et al. 2006). Low consumer awareness of social activities has been in fact identified as “constituting a key stumbling block in the company’s quest to reap strategic benefits” (Du et al. 2010: 9). Thus, business returns from CP may be contingent on stakeholders’ awareness of companies’ philanthropic activities. Results support this, since in Austria, those respondents aware of CP produced one of the strongest positive relationships between CP and reputation.

Attitude toward CP is furthermore influenced by previous perceptions about the philanthropic company and partially by the cause supported. Telecommunication companies operate in an industry that has a negative halo. Based on the rankings of Global Industry Reputations, communication companies anchor at the bottom of the distribution and face an uphill battle in communicating with the general public (Reputation Institute 2012a). Since corporate reputation often serves as a pre-existing schema upon which stakeholders rely to interpret ambiguous information about the company (Fombrun and Shanley 1990), it may influence the effectiveness of CP. Companies with good reputation, perceived to have high source credibility, will probably find the positive effects of their philanthropic actions to be amplified, whereas the effects of CP in the case of companies with poor reputations will be dampened or even backfire (cf. Yoon et al. 2006).

5.2 Academic Contribution

The research presented in this dissertation followed the critical remark by Pelozo and Shang (2011) about the limited knowledge of marketers on stakeholder responses to specific CSR activities. It therefore investigated a specific stakeholder type – consumers, and a specific CSR activity – CP. Results shed light on consumer responses to corporate philanthropic activities and thus aim to contribute to a better knowledge for marketers as well

as for researchers within the CSR area. The empirical research presented in this dissertation implies several academic contributions:

First, it offers a focused view on a corporate social activity, approached from a consumer standpoint. Instead of investigating CSR in general, it examines one particular form of CSR, namely CP. When discussing CP, most studies draw attention to CRM or sponsoring (e.g. Barone et al. 2000, Basil and Herr 2006, Grau and Folse 2007). However, there are significant differences between how consumers perceive CP versus CRM (Lii and Lee 2012). Moreover, CP has been referred to as the most effective prosocial activity for minimizing public suspicion due to its unconditional nature while sponsorship and CRM have been perceived as contaminated prosocial activities due to their conditional nature (Bae and Cameron 2006). This empirical work is thus moving away from investigating a universal CSR and toward a finer-grained understanding of one of CSR's most visible elements, namely CP.

Second, this research is highlighting the role of CP in building the consumer-company bond. Thus, it contributes to the holistic consumer-company-cause marketing research stream (represented by e.g. Gupta and Pirsch 2006). It supports findings from earlier research examining the consumer-company (e.g. Hoeffler et al., 2010), company-cause (e.g. Sen and Bhattacharya 2001, Bhattacharya and Sen 2003), or consumer-cause (Dean 2003) link. Moreover, it interprets the findings through the theoretical lens of balance theory to explain CP's ability to consumer attitude formation and attitude change. This study thus contributes to the body of literature stream in consumer research which employs balance theory as a means to explain congruence-aspects and attitude change (e.g. Basil and Herr 2006, Dean 2002, Crimmins and Horn 1996). Furthermore, it adds an important new dimension into the discussion on the consumer-company-cause triad; namely ethnocentrism.

Third, through providing evidence to the differences in the perceived importance of social causes by customers, it offers new insights on the company-cause fit and the geographical proximity dimensions. Interestingly, this research suggests that company-cause fit is not the decisive factor for consumers when evaluating a philanthropic support. Rather, the type of cause evokes higher preferences. These findings thus add a new perspective to the current knowledge on company-cause fit favoring mostly a higher fit (e.g. Bigne-Alcaniz et al. 2009, Samu and Wymer 2009, Barone et al. 2007). Furthermore, the geographical proximity of firms' social activities is an area that has been under researched so far and mixed

results exist in scholarly papers (e.g. Grau and Folse 2007, Varadarajan and Menon 1988). Moreover, these papers study the national, regional, and local levels of donation, neglecting the global dimension. Thus, this work is contributing to the above literature stream by widening the research on the geographical proximity with the global dimension.

Fourth, in terms of reputation, consumer measurements of corporate reputation are neglected. This research therefore contributes to the narrow research stream focusing on CBR (e.g. Walsh et al. 2009, Walsh and Beatty 2007), and shifts the focus away from financial performance and to point toward less used metrics for capturing the value of CP.

Fifth, the majority of studies in CSR rely on data derived from experimental settings where participants receive prior information about a fictitious social support. In contrast, the survey part of this research is capturing the awareness and perceptions of real customers about existing philanthropic support.

Last, by offering a crosscultural comparison with regard to customer responses to corporate philanthropic behavior, this research broadens the neglected international perspective in the field of CP (Brammer et al. 2009, Vaidyanathan 2008).

5.3 Managerial Implications

From a managerial perspective, the research presented in this dissertation enhances the possibilities and limits of relationship-building with consumers in a CP context. Findings are especially relevant for business-to-consumer companies, as these tend to be better known to the general public and are dependent on revenues from individuals. Several managerial implications are outlined.

5.3.1 Relationships among the Philanthropic Company, the Consumer, and the Cause

In terms of the **company-cause link**, an alignment between consumers and managers exists. Both parties prefer and value a logical company-cause fit. However, philanthropic firms are advised not to leave consumers unclear about their motives for supporting a cause. A connection between the cause and the company should be established for the consumers. Moreover, to offset consumers' scarce knowledge about corporate philanthropic activities, marketers need to educate consumers about these activities if they want to reap benefits.

Another important link to focus on is the one between the **consumer and the firm**. Stakeholders tend to judge CP-related information in light of their overall perception of the company. As pre-existing unfavorable consumer perceptions about the corporation are likely to create negative attitude toward its philanthropy, maintaining a good reputation is key. Findings suggest that it is advisable to improve core business activities (especially through quality products and services) before trying to reap benefits from CP. The bad quality of services/products offered may weaken the effect of CP on reputation. As a result, corporate philanthropy may have little ability to offset such negative impressions of customers. Alternatively, a well managed overall corporate reputation may lead to positive consumer impressions about the supported cause, which ultimately may multiply the strategic benefits obtained from CP.

As regards the **customer-cause link**, in order to maximize CP's benefits, managers must be careful in selecting causes. They should obtain an insight into consumer expectations regarding CP and plan their philanthropic activities strategically (e.g. tailor their CP approaches in line with customer expectations and thus exploit CP's reputational impacts). Through better understanding of consumer responses to CP and how different CP activities impact their perceptions, managers may create a larger value proposition for stakeholders. Consequently, they can narrow the 'trust gap' that exists between them and the consumers (Bonini et al. 2007) and take a step ahead to win their trust. Results suggest that focus should be given primarily to cause specificity, secondly the geographical deployment of CP, and finally the company-cause fit. The international/local focus of philanthropic support is decisive in connection with the industry. Interestingly, findings regarding the cause types are not always in line with the areas that businesses typically support. This points toward a misalignment of consumer and company perceptions as regards of the favorability of corporate philanthropic support. Firms are therefore suggested to choose a portfolio of causes

to better comply with the expectations of different stakeholder groups. A cause that is appealing to one segment might be unappealing to another and may create negative emotions. These negative emotions can form tensions if a well-liked company supports a disliked cause. Hence, transformations from a balanced state (i.e. if a well-liked company supports a well-liked cause) to an unbalanced state take place. In this situation, the corporation has two options: (a) stop supporting the disliked cause and replace it with a well-liked cause, or (b) persuade the consumer that the cause is important and beneficial. Both options would create a new balanced state. Furthermore, consumers show a world-minded attitude toward domestic versus international support. In terms of cause types, especially those areas where the global need for help is highest (e.g. health, education) should not be left unnoticed. Since both dimensions are valued by non-ethnocentric and moderately ethnocentric customers, companies should invest in both global and domestic CP. However, preference for local support may arise with strong ethnocentric tendencies. In a collectivist society, high ethnocentrism may weaken the favorable attitude toward CP. Firms should therefore know the preferences of their focal consumer group as regards to the geographic proximity of a donation.

5.3.2 Awareness and Communication of Corporate Philanthropic Activities

From a managerial perspective, the low awareness of both domestically and internationally deployed CP activities suggests that firms have to communicate these deeds more effectively if they want to capture the business value of CP. Generally, companies have an extensive coverage of their social activities on their corporate websites. Nevertheless, this information does not get through to the stakeholders. Annual CSR reports are claimed to be increasingly static reference documents, used mainly for looking up facts and grading performance (Mohin 2012). Therefore, if firms want to enhance their reputation through their CP activities they need to engage in a two-way communication with their customers (e.g. via their social media sites) to create a higher visibility of CP. Since nowadays especially multinational companies regard social commitment as part of their business strategy, ensuring positive customer reaction is essential for the success of these activities. Previous research indicates that if companies do not inform customers well about their philanthropic initiatives,

they will not (or to a lesser extent) reap the benefits of their investments in social responsibility (van de Ven 2008). Results of this research support these past findings.

Apart from awareness, trust in CP should be a concern of companies. Customers are interested in the ways companies are supporting causes (Cone 2010). One of the key challenges for companies is that they are not leveraging the knowledge they need to be relevant to each stakeholder group, and that their actions are not aligned across departments (Reputation Institute 2012b). CP may be therefore regarded by respondents separately from the company as a whole – separately from its core business, and consequently unauthentic. Companies are advised to integrate CP into their core business by creating a *shared value* (cf. Porter and Kramer 2011, Hildebrand et al. 2011); this enables customers (and potential customers) to better judge CP – as it does not represent a stand-alone activity any more but an integral part of what a company is and what it stands for. Such an approach to CP may facilitate improved awareness and trust.

Still, the question which longs for an answer is how should companies communicate their good deeds? Should they “shout it out from the rooftops” or rather provide “quiet help”? Schlegelmilch and Pollach (2005) suggest that “Although corporate philanthropy has become *de rigueur* for large companies and is thus unlikely to help establish an ethical image, it should still be communicated but without any smack of self-congratulations” (p. 272). CP can easily be overlooked if it is not duly promoted, but it can backfire if consumers perceive it as just another profit-making maneuver. A key task is thus to make corporate philanthropic activities convincing through showing corporate commitment. Commitment is an important strategic element, especially in convincing the skeptical consumer and in strengthening competitive advantage. Without worthwhile commitment to CP its success may well be minimized. It is the responsibility of C-level managers to give good example; employees will follow. Some examples of companies that achieved long-term business success through their responsible behavior include Stonyfield, Patagonia, or Starbucks. Firms should not ignore the ethical dimension of CP, otherwise they expose themselves to risks that can lead to tainted reputation and as a result to competitive disadvantages. Therefore, companies are advised to select their CP-related communication channels carefully and articulate and communicate their CP clearly and transparently. One way to communicate CP is to use product packaging. Simple, short information on supporting a certain organization or cause has the advantage of high visibility and low costs. For consumers, this way of displaying CP-related information saves the effort to search for information via other means. Firms are also advised to move

beyond their traditional marketing practices and engage consumers for whom “push” advertising is irrelevant (cf. McKinsey 2011). To this end, the role of social media to inform about CP is growing. Scholars are pointing out the necessity of social media integration into firms’ marketing mix (e.g. Chu and Kim 2011, Mangold and Faulds 2009). The online environment poses new challenges and opportunities for companies to make their philanthropic programs successful and achieve business and social success. Therefore, numerous firms are trying to identify suitable and feasible ways of making profitable use of applications such as Facebook, Twitter, YouTube and Wikipedia (Kaplan and Haenlein, 2010). However, the fast-paced communication and dissemination effects of the Internet pose new challenges for firms to manage their reputation. Corporations therefore should also consider using such media in an innovative and transparent way to disseminate information about their philanthropic activities. However, they must recognize that the choice of this media is dependent on their target audience. The interactive nature of firm engagement in various social media sites is beneficial in that it makes the consumer feel more involved with the company. Innovative activities that involve consumers actively into the decision-making (e.g. through voting about CP choices via an online platform) should help companies to establish a loyal customer base. The philanthropic company could actively engage consumers in the social initiative by soliciting their input in selecting which philanthropic cause or non-profit organization to support. For instance, the company could offer a few options (such as three different philanthropic projects) and let consumers decide which one should be supported. This may be done online or directly in the store. Through this collaborative approach, consumers believe that trust and loyalty could be built between them and the firm. By being able to give feedback or suggestions to companies about their philanthropic engagement, consumer interest is evoked and consumers feel more in control. Additionally, firm engagement in social media may dilute the common pejorative picture of CP as a selfish marketing tool. In fact, increasing consumer engagement with the philanthropic company can create a positive effect through initiating a favorable buzz about the company. Davenport and Beck (2002) argue that we are living in an attention economy in which the attention of the consumers is one of the most challenging scarcities. This leads to the necessity of attention management, which can partly be achieved by using social media as a buzz channel. More and more firms realize the importance of these virtual networks and start setting up profiles on several platforms to engage consumers, by making them their ‘friends’ or ‘followers’ (Jansen et al. 2009). Such actions may provide a helpful tool to restore credibility and trustworthiness in CP because information is seen as being shared by the user’s personal contacts.

Furthermore, one-sided communication of CP that suggests only altruistic corporate motives may sound cynical and may even create harm for the company. In fact, true corporate motivation (i.e. an enlightened self-interest) should not be disguised from consumers. Findings also indicate that consumers give highest value to CP that is communicated through a neutral (non-corporate) source such as earned media. This way, the company does not promote proactively its doing-good actions to the general public. Rather, the beneficiaries of its giving actions promote this facet of the business.

5.4 Limitations and Suggestions for Future Research

While this research points toward some important results, it is not without limitations. At the same time, it also poses interesting questions for future research.

First, this study investigated only a limited number of CP dimensions: the type of cause, the geographical proximity, and the company-cause fit. Future research may focus on other important dimensions of CP such as the length of support (long-term versus short-term), or the mode of support (i.e. cash, foundation cash, non-cash). Moreover, exploring the best ways how to involve consumers in social initiatives which are of unconditional nature and thus raise their awareness would be another avenue to capture. In this regard, the role of communication without provoking skepticism is a challenging area to uncover.

Second, in the quantitative research (experimental design and survey design) I rely mainly on student samples acquired via university mailing lists. Thus, the results lack representativeness since the excluded population elements have an effect on the quality of the sample. In order to avoid inductive generalizations (the move of inductive arguments from particular premises to a general conclusion), one must be careful in making connections between the observed (consumers in the sample) and the unobserved (consumers not forming part of the sample). Furthermore, consumers' past behavior and future behavior might differ. It would be therefore incorrect to presuppose that the findings of this study will also hold for the future, as the course of the nature might change. There is no strictly logical basis for belief in the principle of the uniformity of nature. Consumers might not behave the same way in the future as they did in the past. The belief that the past will resemble the future reflects that there is no chance of improvement. If there is no chance of improvement (e.g. for

corporations to improve their image in their customers' minds through philanthropy) then every struggle may be in vain and the results of this research would have no meaning at all for future actions. Therefore, I refrain from concluding more than what is alleged in the premises. Additionally, this dissertation intended to find a casual relationship between CP and CBR, and in fact such a relationship has been justified by the here presented scientific investigation. However, is there a constant conjunction between these two concepts? Corporations might find it useful to learn about the potential causal link in order to produce expected effects (i.e. better reputation). However, one must keep in mind that reasoning about causal relations rest on certain generalizations. Therefore, one should avoid believing that the occurrence of good CBR can always be (partly) explained by CP actions. In fact, all that can be observed are temporal sequences and these are not enough to justify casual relationships. CP might be a sufficient condition for improved reputation, but certainly not the only way for companies to build favorable reputation. Good corporate reputation in the long-term takes place against a background of many factors which are difficult to identify. In this dissertation I solely focused on CP's impact on CBR, keeping in mind the fact that many other conditions (e.g. *ceteris paribus* clauses) beside CP activities can affect CBR (e.g. cultural norms and traditions, religion, laws and regulations, or economic development). As the strategic element of CP is a relatively new field of scientific research, one cannot depend upon analogical reasoning in predicting future. Therefore, the multiplication of instances is necessary to support previous findings. Future studies should repeat similar investigations to strengthen initial probability. A probabilistic approach should be adopted as it seems a reasonable approach against the problem of induction. Premises may predict a high probability of the conclusion, but they may not ensure that the conclusion is true (abductive reasoning).

Third, in the survey design, the disproportionate number of Austrian respondents compared to Egyptian respondents may have affected the analysis. Although 756 Austrian and 187 Egyptian respondents constitute a substantial sample size for research of this kind, the response rate in Egypt in particular could have been strengthened and is considered a limitation of the study. In addition, the online survey was introduced for both Austrians and Egyptians in English, which is not the mother tongue of either group of respondents. This results in a strong self-selection of participants. The comparability of the responses in Austria and Egypt concerning CP is limited since due to the real information about the telecommunication companies' philanthropic support slightly different questions had to be asked from the respondents in each country (support of socially marginalized children versus

support of schools). Moreover, the survey focused on one cause in each country, thereby overlooking other philanthropic activities of the telecommunication company (of which consumers may have been better aware of or may have perceived better/worse). In terms of ethnocentrism, the survey sample consisted of no-, low- and medium-ethnocentric respondents and thus prevents from testing the impact of high ethnocentrism on the conceptual model. Future studies could therefore test the results with a high ethnocentric sample.

Fourth, based on the two country comparison solely the survey results cannot be generalized to other collectivist or individualist societies. Future research could test whether other individualistic and collectivist societies produce similar results. One of the pressing research issues in this area is the need for cross-national comparisons. Therefore, conducting such a study in other countries, especially in non-English-speaking countries, could shed further light on the importance of cultural factors in influencing the formation of attitude toward CP and the role of ethnocentrism in the customer-company-cause relationship. In this vein, I used the cultural dimensions of the GLOBE study (House et al. 2004) to compare two culturally distinct countries. However, including a measurement of the institutional environment (such as the Country Institutional Profile by Kostova and Roth 2002), or a proxy could prove to be useful in providing an even more rigorous research. Kostova (1997) argues that reducing national environments to culture might be a case of simplification and suggests other aspects such as the economic and political system that significantly affect organizational behavior. Kostova (1997) suggests that institutional environments are comprised of three main types of institutions: regulatory (existing rules and laws), cognitive (cognitive structures and social knowledge), and normative (social norms, values, beliefs, and assumptions). These components may vary across countries and affect customers' attitudes toward CP as well as their evaluation of a firm depending on the established regulatory, cognitive and normative arrangements. Thus, the institutional profile developed by Kostova may be an alternative to other measures of country-level affects that have been used before (such as national culture and cultural dimensions).

Fifth, at the time of the survey data collection, Egypt was in a very dynamic political situation and therefore the results may not be reflecting the 'normal' responses as under stable circumstances. Therefore, the study could be replicated in more positive phases of the economic and political cycle in Egypt.

Finally, I am aware of the relative shortage of normative guidelines in this dissertation. Future research endeavors could therefore include an adequate debate on ethical aspects of

philanthropic engagement: focus on the ethicality of CP in more detail and propose managerial as well as theoretical conclusions to guide decision-making. Normative aspects in my view have a key strategic value and thus contribute to firms' competitive advantage gained via their responsible actions. I also realize that strong ethnocentrism embraces ethical implications which may be morally problematic and could provoke danger. Since the respondents in the survey sample did not show high levels of ethnocentrism, I refrained from discussing this issue further. However, upcoming studies may draw attention to this topic as well.

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7 Appendix

7.1 Description of Consumer Characteristics

Inter-view nr.	Age	Gender	Education	Occupation	Consumer Characteristics
1.	67	female	high school	retired	This consumer lives in a rural area where she is following closely social projects supported by local firms. She sees the responsibility of firms mainly in caring for their employees, being family-friendly and in offering a secure employment. In her opinion firms should primary support local communities.
2.	73	male	vocational school	retired	This interviewee is exposed to firms' local philanthropic activities in the rural area where he lives. He regards in general big corporations with suspicion and sees small firms as more philanthropic. In his view, corporate philanthropy should be driven by altruism.
3.	27	female	university	researcher	This respondent lives in an urban area and sees likewise corporate philanthropy as an altruistic act. Consequently, she holds the view that when a firm does something good not everybody should necessarily know about it. She is environmentally conscious and would prefer firms to support the environment more. She would also welcome if firms would engage consumers when making decisions about which philanthropic projects to support.
4.	55	female	vocational school	worker	This consumer lives in an urban area and experiences corporate philanthropy in her local community; such as activities by small entrepreneurs (e.g. baker gives away leftovers to those in need). She sees herself as a consumer who has to "support" the firm by buying its products so the firm may be philanthropic. Her motto is "only together are we strong". A slight tendency toward local philanthropic support is noticeable.
5.	27	female	university	physicist	This individual lives in an urban area and sees firms' philanthropic activities skeptically. She believes these acts are only done for image reasons, and thinks firms should rather improve their products/services before investing money in social projects. Philanthropic projects in her opinion should have a clear link to the core business. Moreover, she finds local philanthropic support more effective than global support.
6.	45	male	college	manager	This consumer lives in an urban area. Due to his frequent information search, he is very knowledgeable about companies' social engagement. He uses mainly the Internet to search for relevant information and sees himself as someone who has power to influence firms e.g. through social media, word-of-mouth, or his buying behavior. In his view independent news and internal corporate messages about philanthropic activities have to be in line.
7.	32	male	university	biologist	This respondent lives in a rural area. Given by his background as a biologist, he is very environmentally conscious and would prefer more corporate engagement especially in environmental projects. He sees corporate philanthropy as a marketing strategy which is done out of economic considerations, but still, according to his opinion firms should not shout it out from rooftops.
8.	30	female	university	lawyer	This person lives in an urban area. She is very skeptical about corporate philanthropy, which in her view is hidden advertisement. Firms should instead focus on abidance by the law and produce under fair standards.
9.	34	female	high school	student	This interviewee lives in an urban area. She receives information about corporate philanthropic activities through social media, which she believes is a credible source. She finds it appropriate when firms engage there where they pay their taxes. Moreover, companies that communicate their engagement well have more "personality" in her view.
10.	48	male	vocational school	worker	This consumer lives in a rural area. He sees firms' philanthropic behavior skeptically: as a means to make up for corporate mistakes, to appear good, and to improve corporate image. The ulterior motive for such engagement is advertisement. He is more influenced by negative news than the positive ones and believes only private people can be philanthropic out of conviction.
11.	27	male	high school	student	This person lives in an urban area. He is skeptical whether corporate donations arrive to their designated place and stresses the importance of transparence in corporate engagement. In his view philanthropic activities of well known firms are more credible while he is reserved toward unknown firms' social engagement and questions their seriousness. He prefers to receive information indirectly.
12.	50	male	university	medical doctor	This respondent lives in an urban area. In his view corporate philanthropy is more credible if it is connected to core business. His main information sources are newspapers and friends. The purchase of a product from a philanthropic firm gives him a feeling to have done something good because the money he spent for a product will be used for something positive. He finds philanthropic information useful because it provides a decision-making support for consumers when purchasing a product. He believes corporate philanthropy should be done as a long-term project.

13.	33	female	high school	lab assistant	This consumer lives in an urban area. She believes firms are egoistic and philanthropy is a good way to compensate that behavior. She is interested in knowing more about corporate philanthropic activities but those should be communicated to the public with appropriate extent. If consumers know about them, they may commit themselves in her view to the firm. Moreover, she thinks philanthropic firms are role models, which may trigger a chain reaction and thereby influence other firms to be philanthropic as well.
14.	40	female	high school	nurse	This consumer lives in a rural area. She thinks that small firms are more prone to show social engagement in their local communities. She finds corporate philanthropic activities very positive, independently from their geographical deployment (local or global).
15.	41	female	university	consultant	This person lives in an urban area. As a consultant, she thinks about corporate philanthropy in a strategic way. In her opinion it has to fit with core competencies and the corporate brand. Firms are part of the society and therefore should be socially active: the bigger a firm the more responsibility it has.
16.	28	male	university	consultant	This consumer lives in an urban area and prefers value for money. He finds philanthropic engagement good but when it comes to purchase decision, social engagement is not pivotal for him. In his view, when evaluating a company "gut feeling" has a role to play - that is, how does philanthropic engagement come over to the consumer; how credible it seems.
17.	28	male	high school	student	This respondent lives in an urban area. He has a strong sense for fairness and sees corporate philanthropy as a good tool to make the world more fair. He believes there should be a balance in giving-and-taking. In general though, he has a negative attitude toward global firms and thinks they engage in social projects only for their own sake. Moreover, he finds there is not enough information about corporate philanthropy out there for consumers and would welcome more.

7.2 The Survey Instrument (in English and German)

Please rank-order the following scenarios according to your preferences (rank 1 – very favorable, rank 8 – very unfavorable).

X is an Austrian consumer goods company producing cereal bars (air carrier/telecommunications company/insurance company/pharmaceutical company/oil company/consulting company), **offering its products** (services) **within as well as outside Austria.**

Scenario A

The company supports a development programme in Africa. Current projects include the distribution of books to school libraries.

Scenario B

The company supports a development programme in Austria. Current projects include the distribution of books to school libraries.

Scenario C

The company is funding art in Africa through its Foundation which offers sustained support to African artists.

Scenario D

The company is funding art in Austria through its Foundation which is committed to encourage the growth and understanding of contemporary art.

Scenario E

In cooperation with the Red Cross, the company is involved in health aid (a continuous supply of pharmaceutical products for a dispensary set up in Senegal).

Scenario F

In cooperation with the Red Cross, the company is involved in health aid (a continuous supply of pharmaceutical products for those without social insurance and/or who cannot afford to buy medicaments in Austria).

Scenario G

The company financially supports the work of an African environmental organization. Funds are used to ensure the management and conservation of the East African Coastal Forests.

Scenario H

The company financially supports the work of an Austrian environmental organization. Funds are used for the European Alpine Programme in Austria to ensure long-term conservation of the Alps.

Please rank the scenarios according to your preferences (rank 1 – very favourable, rank 8 – very unfavourable). You may not give the same ranking to more than one scenario, so please use each ranking only once!

Scenario A	
Scenario B	
Scenario C	
Scenario D	
Scenario E	
Scenario F	
Scenario G	
Scenario H	

Please indicate your demographic data below.

Gender

Female
Male

How old are you?

>18
18-24
25-34
35-44
45-54
55-65
< 65

Highest Education

Compulsory School
Apprentice Training
Vocational School
High School
University/College

Please indicate your country of residence

Austria
Other

The Survey Instrument (in German)

Bitte reihen Sie die folgenden Szenarien gemäß Ihrer Präferenzen (1- sehr günstig, 8- gar nicht günstig).

X ist ein österreichisches Konsumgüterunternehmen das Müsliriegel produziert
(Luftfrachtunternehmen/Telekommunikationsunternehmen/Versicherungsunternehmen/Pharmakonzern/
Ölkonzern/Unternehmensberatung), **und seine Produkte (Dienstleistungen) national wie international**
anbietet.

Szenario A

Das Unternehmen unterstützt Entwicklungsprogramme in Afrika. Ein aktuelles Projekt unterstützt die Verteilung von Büchern an afrikanische Schulbibliotheken

Szenario B

Das Unternehmen unterstützt Entwicklungsprogramme in Österreich. Ein aktuelles Projekt unterstützt die Verteilung von Büchern an österreichische Schulbibliotheken.

Szenario C

Das Unternehmen unterstützt Kunst in Afrika über ihre Stiftung, die afrikanische Künstler nachhaltig fördert.

Szenario D

Das Unternehmen unterstützt Kunst in Österreich über ihre Stiftung, die die Verbreitung und das Verständnis für zeitgenössische Kunst fördert.

Szenario E

In Kooperation mit dem Roten Kreuz setzt sich das Unternehmen für Gesundheitsvorsorge ein (nachhaltige Versorgung mit pharmazeutischen Produkten für eine in Senegal errichtete Apotheke).

Szenario F

In Kooperation mit dem Roten Kreuz setzt sich das Unternehmen für Gesundheitsvorsorge ein (nachhaltige Versorgung mit Medikamenten für jene ohne Sozialversicherung, und/oder für jene, die sich Medikamente in Österreich nicht leisten können).

Szenario G

Das Unternehmen gewährt finanzielle Unterstützung an eine afrikanische Umweltorganisation. Die finanzielle Unterstützung wird dazu verwendet, die Erhaltung und die Verwaltung der Küstenwälder Ostafrikas sicherzustellen.

Szenario H

Das Unternehmen gewährt finanzielle Unterstützung für eine österreichische Umweltorganisation. Die finanzielle Unterstützung wird für das europäische Alpenprogramm in Österreich verwendet um die langfristige Erhaltung der Alpen sicherzustellen.

Bitte reihen Sie die Szenarien gemäß Ihrer Präferenzen (1-sehr günstig, 8-gar nicht günstig). Bitte verwenden Sie jede Präferenz nur einmal!

Szenario A	
Szenario B	
Szenario C	
Szenario D	
Szenario E	
Szenario F	
Szenario G	
Szenario H	

Bitte geben Sie ihre demografischen Daten an.

Geschlecht

Weiblich
Männlich

Alter

< 18
18-24
25-34
35-44
45-54
55-65
< 65

Höchste abgeschlossene Schulbildung

Pflichtschule
Lehre
Berufsbildende mittlere Schule
Allgemein- berufsbildende höhere Schule
Universität/Hochschule

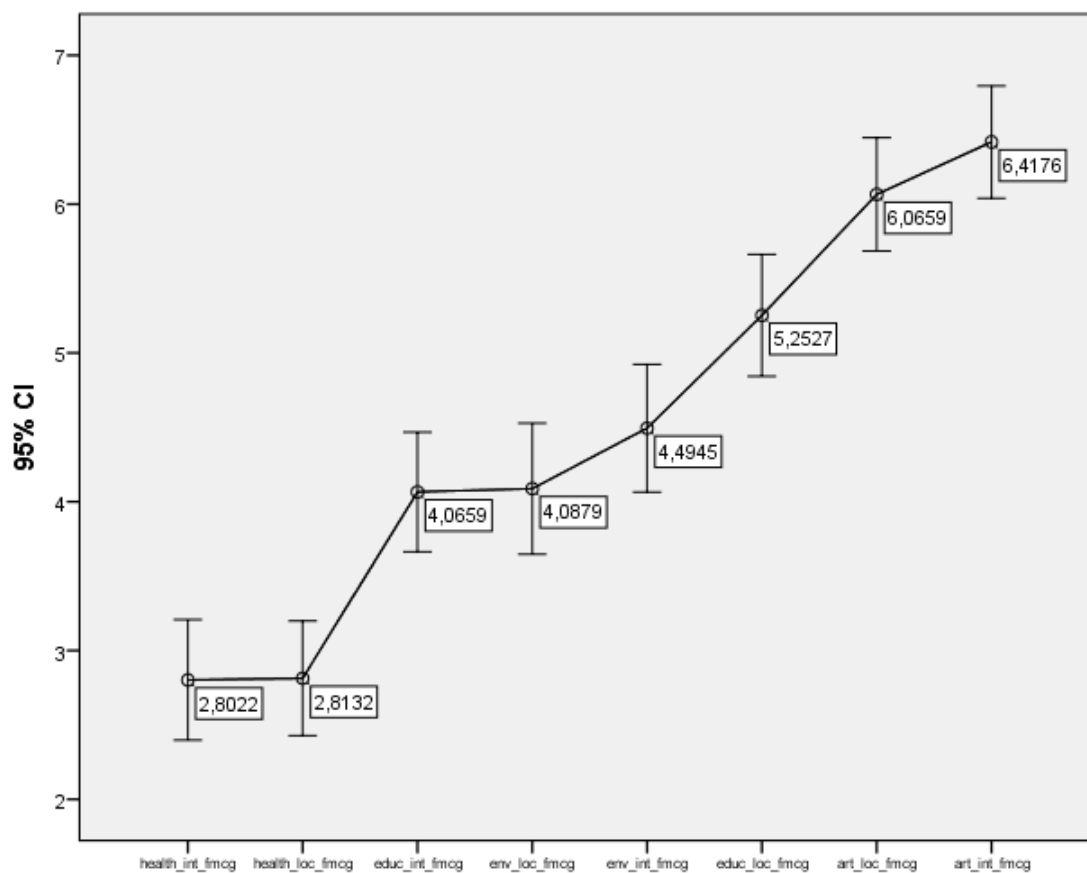
Bitte geben Sie Ihr Herkunftsland an

Österreich
Sonstige

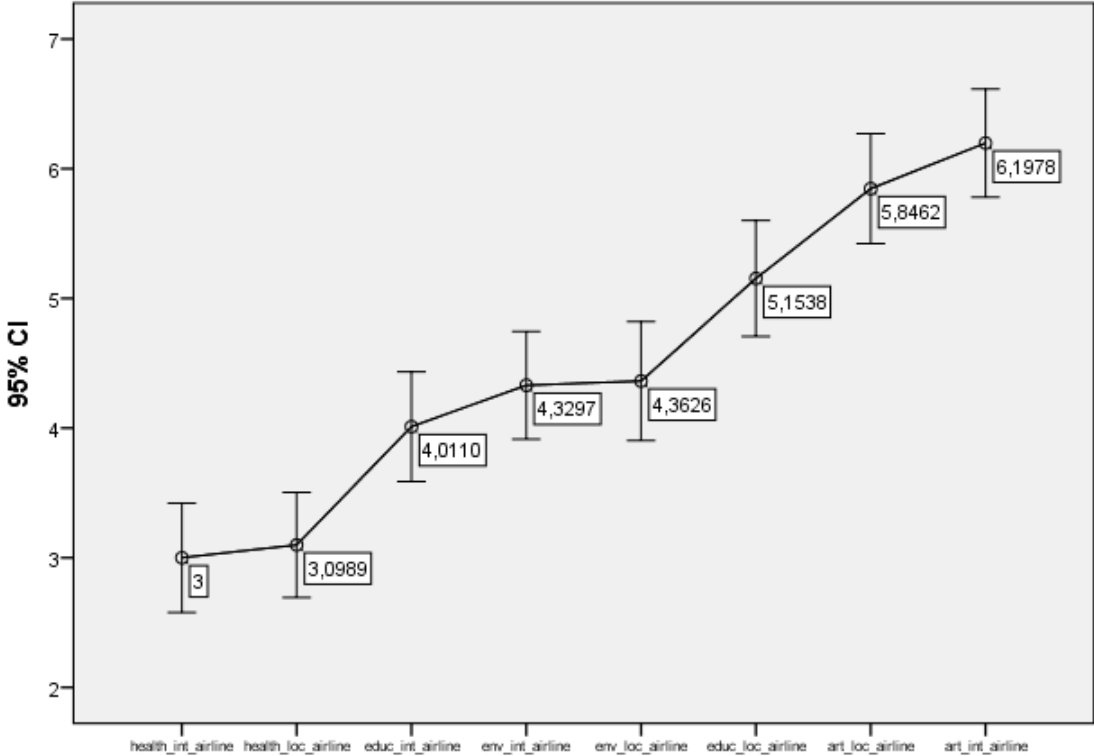
7.3 Error Bar Graphs

The error bar graphs below summarize the data by each industry. An error bar chart displays the mean and the 95% confidence interval (vertical bar) around that mean in each experimental condition. This interval contains the limits within which the true value of the mean (i.e. the value in the population) is likely to fall. If the confidence intervals of scenarios do not overlap, this is indicative of a significant difference between how the scenarios were ranked.

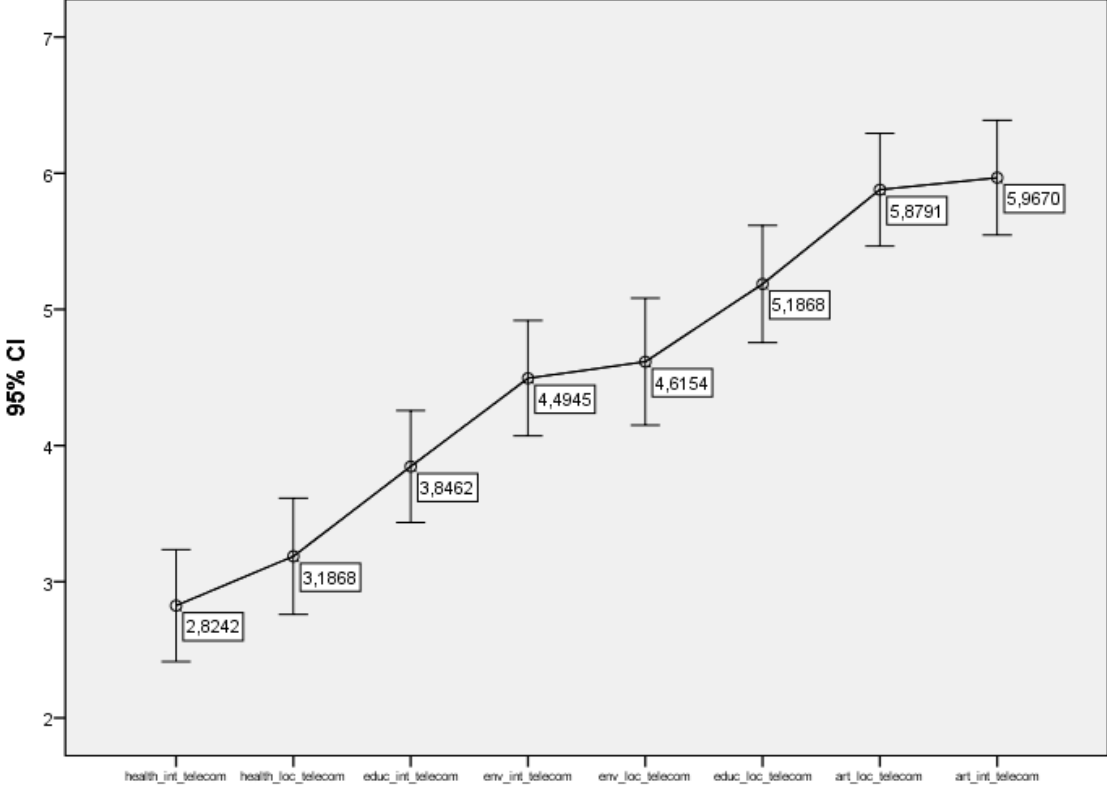
FMCG industry



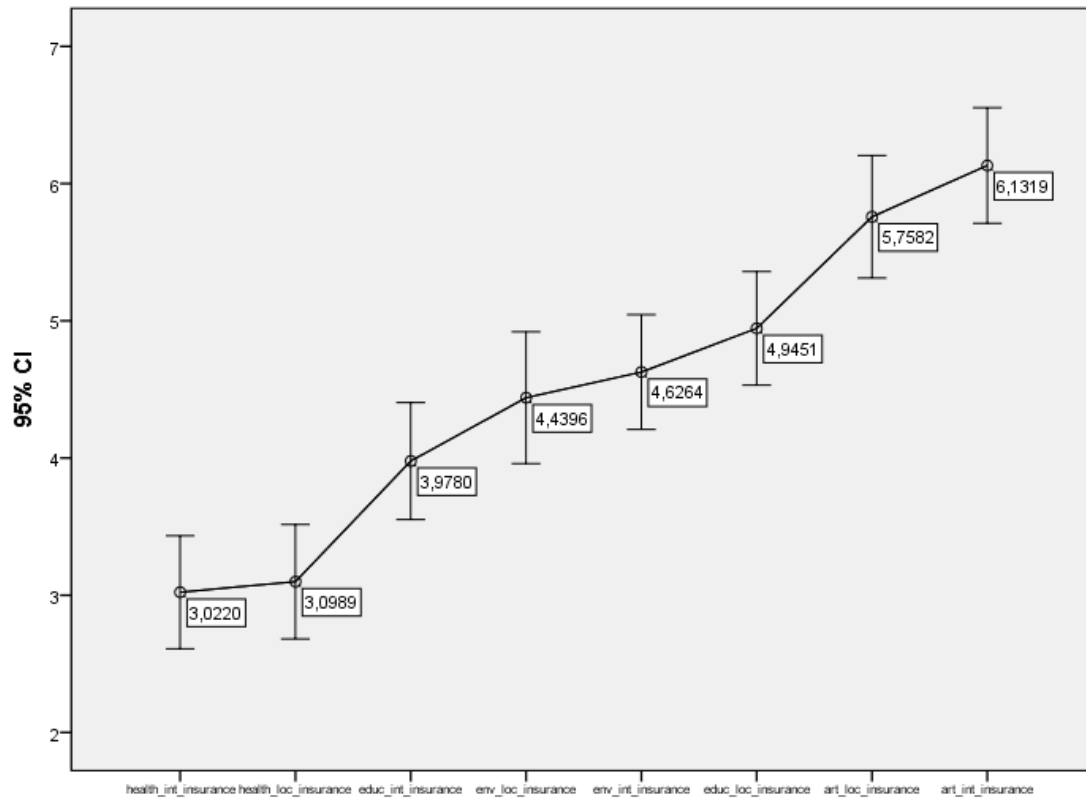
Airline industry



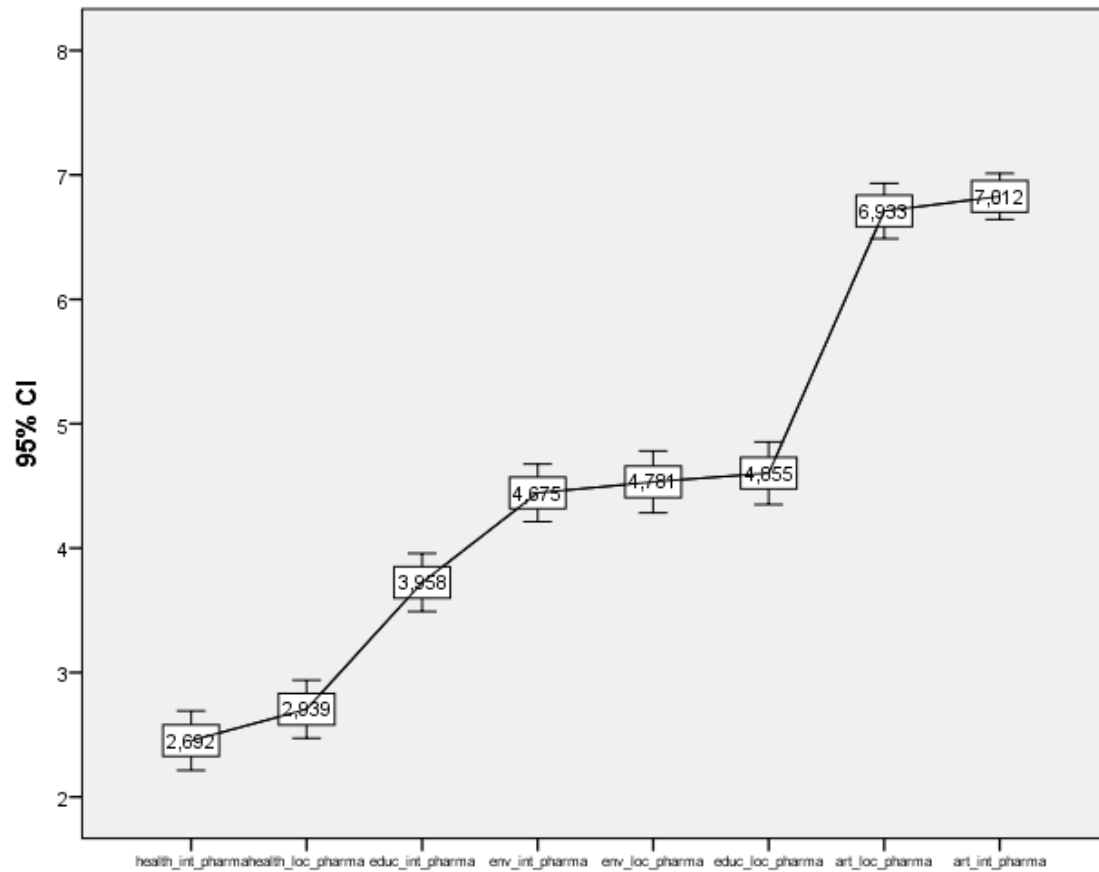
Telecommunication industry



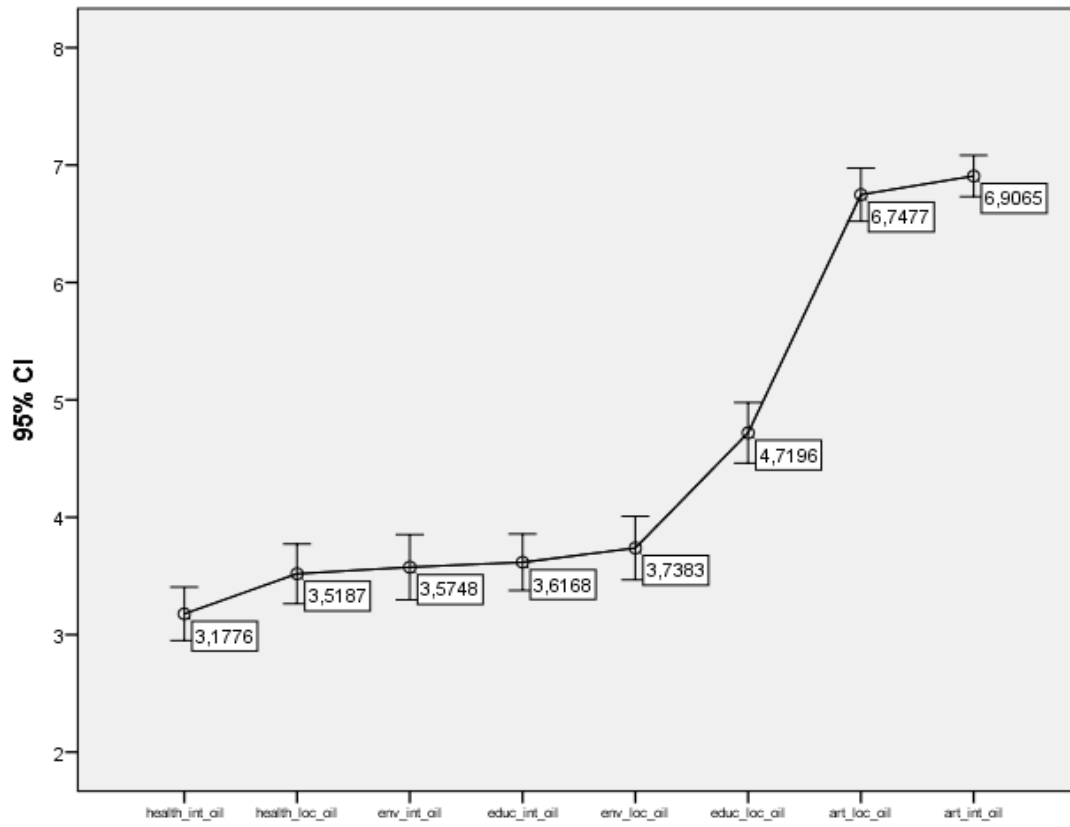
Insurance industry



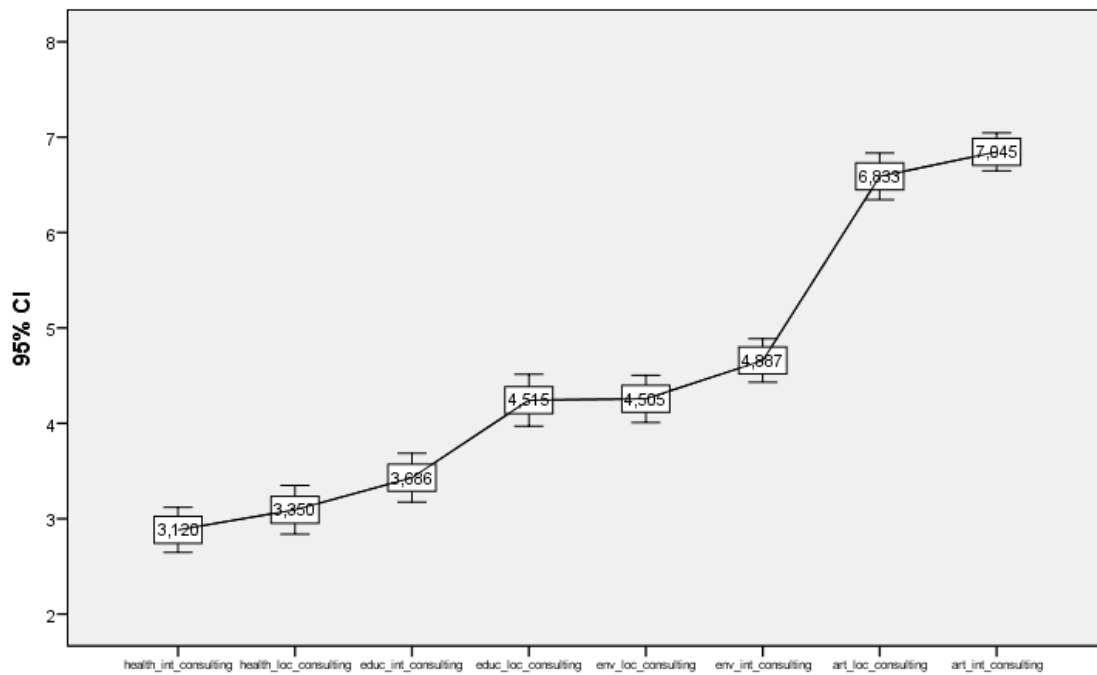
Pharmaceutical industry



Petroleum industry



Consulting industry



7.4 Distribution of Frequencies of Scenarios by Industries

Type of Corporate Support	Industry						
	FMCG	Airline	Telecom.	Insurance	Pharma.	Oil	Consulting
<i>Health (international)</i>	255	273	257	275	525	680	617
<i>Health (local)</i>	256	282	290	282	579	753	662
<i>Environment (international)</i>	409	394	409	421	951	765	997
<i>Education (international)</i>	370	365	350	362	797	774	734
<i>Environment (local)</i>	372	397	420	404	970	800	911
<i>Education (local)</i>	478	469	472	450	985	1010	908
<i>Art (local)</i>	552	532	535	524	1436	1444	1410
<i>Art (international)</i>	584	564	543	558	1461	1478	1465
<i>n</i>	<i>91</i>	<i>91</i>	<i>91</i>	<i>91</i>	<i>214</i>	<i>214</i>	<i>214</i>

Note: The frequencies present the sum of scores based on the rankings. Lower scores indicate more favorably ranked scenarios (1=most favorable, 8= most unfavorable), FMCG = fast moving consumer goods

7.5 Highest and Lowest Residuals of the Chi Square Test

Highest

health_int_pharma

	Observed N	Expected N	Residual
very favourbale	89	26,8	62,3
2	54	26,8	27,3
3	16	26,8	-10,8
4	22	26,8	-4,8
5	19	26,8	-7,8
6	6	26,8	-20,8
7	3	26,8	-23,8
very unfavourable	5	26,8	-21,8
Total	214		

Lowest

art_int_oil

	Observed N	Expected N	Residual
2	1	30,6	-29,6
3	7	30,6	-23,6
4	11	30,6	-19,6
5	6	30,6	-24,6
6	25	30,6	-5,6
7	81	30,6	50,4
very unfavourable	83	30,6	52,4
Total	214		

7.6 Paired Samples Tests

Paired Samples Test (Group 1)

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 health_int_fmcb - health_loc_fmcb	-,01099	2,40136	,25173	-,51110	,48912	-,044	90	,965
Pair 2 env_int_fmcb - env_loc_fmcb	,40659	2,76477	,28983	-,16920	,98238	1,403	90	,164
Pair 3 educ_int_fmcb - educ_loc_fmcb	-1,18681	2,85934	,29974	-1,78230	-,59133	-3,959	90	,000
Pair 4 art_int_fmcb - art_loc_fmcb	,35165	2,12066	,22231	-,09000	,79330	1,582	90	,117
Pair 5 health_int_airline - health_loc_airline	-,09890	2,73274	,28647	-,66802	,47022	-,345	90	,731
Pair 6 env_int_airline - env_loc_airline	-,03297	3,07481	,32233	-,67333	,60739	-,102	90	,919
Pair 7 educ_int_airline - educ_loc_airline	-1,14286	3,30176	,34612	-1,83048	-,45523	-3,302	90	,001
Pair 8 art_int_airline - art_loc_airline	,35165	2,49165	,26120	-,16726	,87056	1,346	90	,182
Pair 9 health_int_telecom - health_loc_telecom	-,36264	2,38289	,24979	-,85890	,13362	-1,452	90	,150
Pair 10 env_int_telecom - env_loc_telecom	-,12088	2,77623	,29103	-,69906	,45730	-,415	90	,679
Pair 11 educ_int_telecom - educ_loc_telecom	-1,34066	2,78177	,29161	-1,91999	-,76133	-4,597	90	,000
Pair 12 art_int_telecom - art_loc_telecom	,08791	2,16871	,22734	-,36374	,53957	,387	90	,700
Pair 13 health_int_insurance - health_loc_insurance	-,07692	2,52644	,26484	-,60308	,44923	-,290	90	,772
Pair 14 env_int_insurance - env_loc_insurance	,18681	2,81627	,29523	-,39970	,77333	,633	90	,528
Pair 15 educ_int_insurance - educ_loc_insurance	-,96703	3,00167	,31466	-1,59216	-,34191	-3,073	90	,003
Pair 16 art_int_insurance - art_loc_insurance	,37363	2,16358	,22680	-,07696	,82421	1,647	90	,103

Paired Samples Test (Group 2)

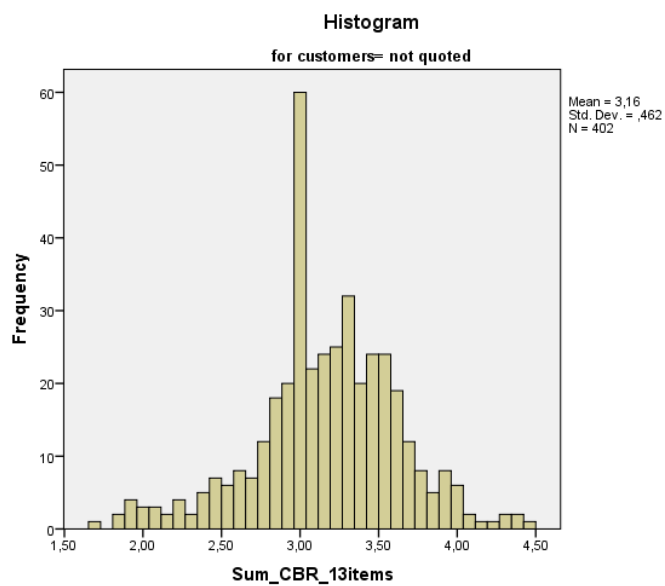
Paired Samples Test

		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	health_int_consulting - health_loc_consulting	-,210	2,462	,168	-,542	,122	-1,249	213	,213
Pair 2	env_int_consulting - env_loc_consulting	,402	2,218	,152	,103	,701	2,651	213	,009
Pair 3	educ_int_consulting - educ_loc_consulting	-,813	2,622	,179	-1,166	-,460	-4,536	213	,000
Pair 4	art_int_consulting - art_loc_consulting	,257	2,061	,141	-,021	,535	1,824	213	,070
Pair 5	health_int_oil - health_loc_oil	-,341	2,277	,156	-,648	-,034	-2,192	213	,029
Pair 6	env_int_oil - env_loc_oil	-,164	2,249	,154	-,467	,139	-1,064	213	,289
Pair 7	educ_int_oil - educ_loc_oil	-1,103	2,422	,166	-1,429	-,776	-6,660	213	,000
Pair 8	art_int_oil - art_loc_oil	,159	1,788	,122	-,082	,400	1,300	213	,195
Pair 9	health_int_pharma - health_loc_pharma	-,252	1,972	,135	-,518	,013	-1,872	213	,063
Pair 10	env_int_pharma - env_loc_pharma	-,089	1,898	,130	-,345	,167	-,684	213	,495
Pair 11	educ_int_pharma - educ_loc_pharma	-,879	2,159	,148	-1,169	-,588	-5,953	213	,000
Pair 12	art_int_pharma - art_loc_pharma	,117	1,779	,122	-,123	,357	,961	213	,338

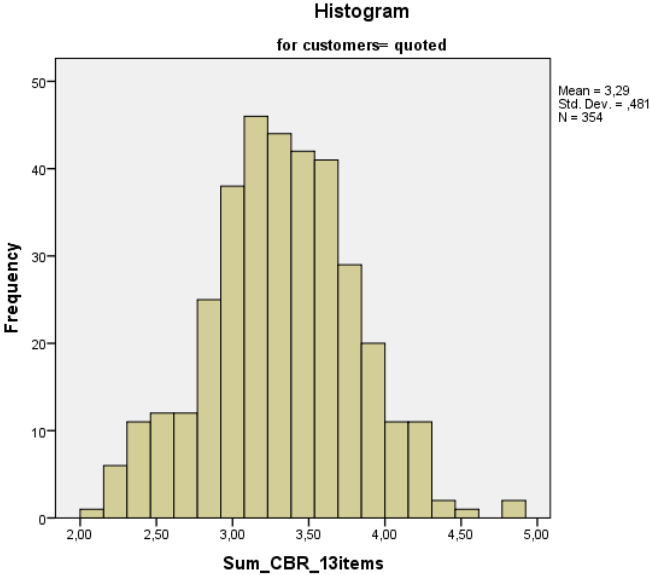
7.7 Results of Normality Tests

The tables below illustrate the histograms for each construct (Customer-based Corporate Reputation, Attitude toward Corporate Philanthropy, and Consumer Ethnocentrism). The visual check of the histograms indicates a normally distributed data in both Austrian and Egyptian sample. Based on the visual check of the histograms, Customer-based Corporate Reputation (CBR) is fairly normally distributed. In the Austrian non-customers sample a peak occurs. The Attitude toward Corporate Philanthropy (ACP) histogram has produced a negatively skewed data for both customers and non-customers (i.e. the majority of respondents perceived CP favorably and only a few unfavorably). This corresponds to what the skewness statistics indicates (see Skewness and Kurtosis Table).

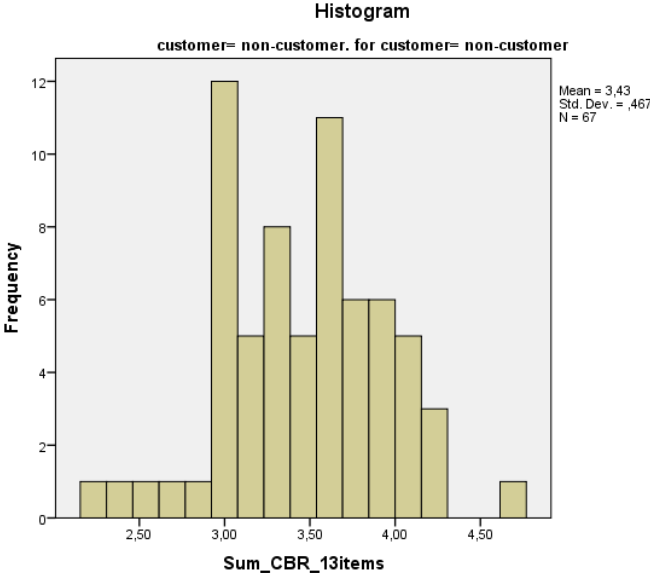
Austrian non-telecom. company customer sample – Customer-based Corporate Reputation (CBR)



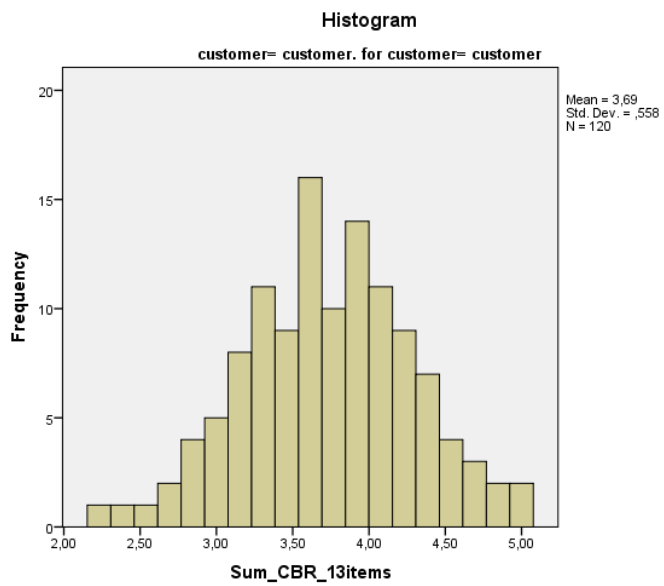
Austrian telecom. company customer sample – Customer-based Corporate Reputation (CBR)



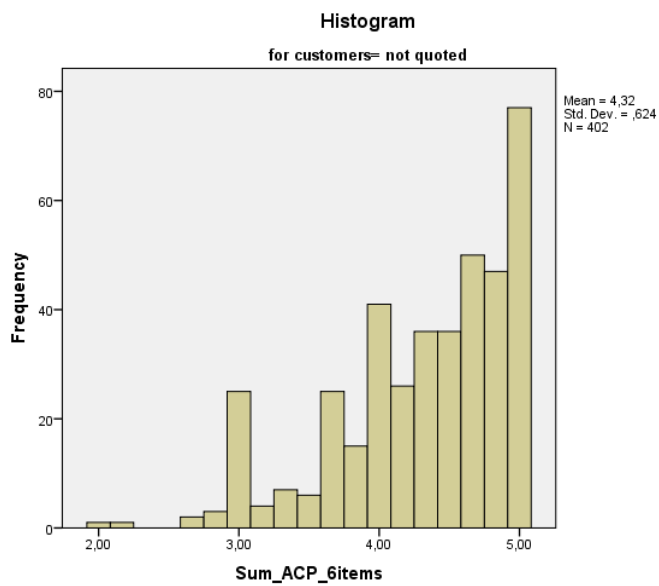
Egyptian non-telecom. company customer sample – Customer-based Corporate Reputation (CBR)



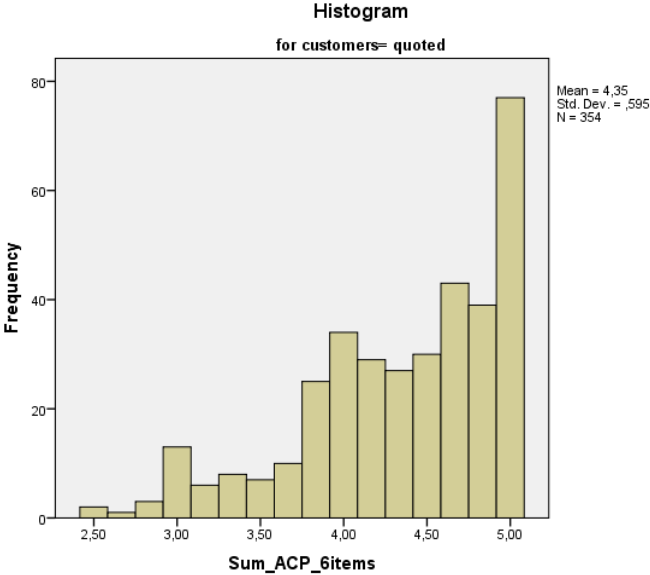
Egyptian telecom. company customer sample – Customer-based Corporate Reputation (CBR)



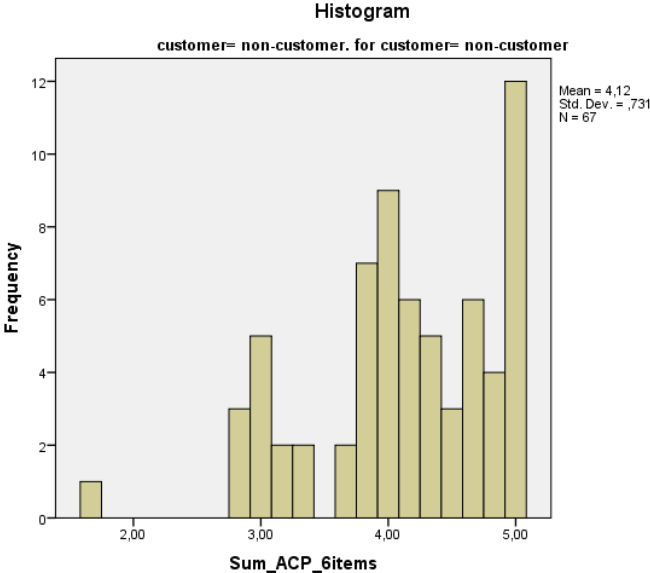
Austrian non-telecom. company customer sample – Attitude toward Corporate Philanthropy (ACP)



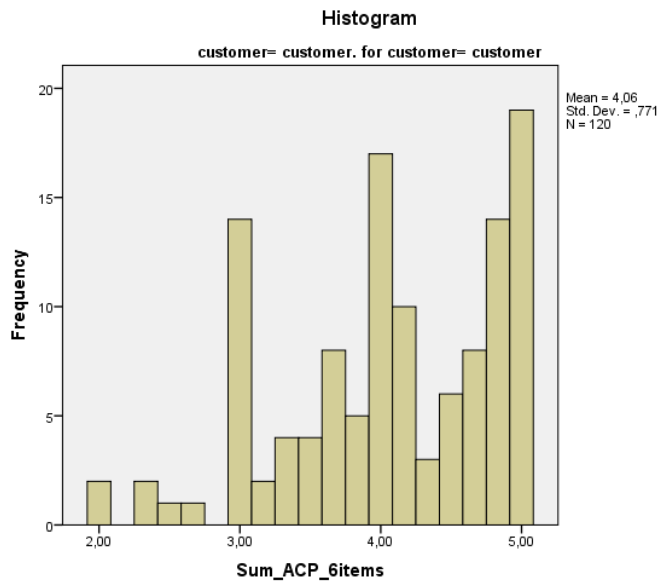
Austrian telecom. company customer sample – Attitude toward Corporate Philanthropy (ACP)



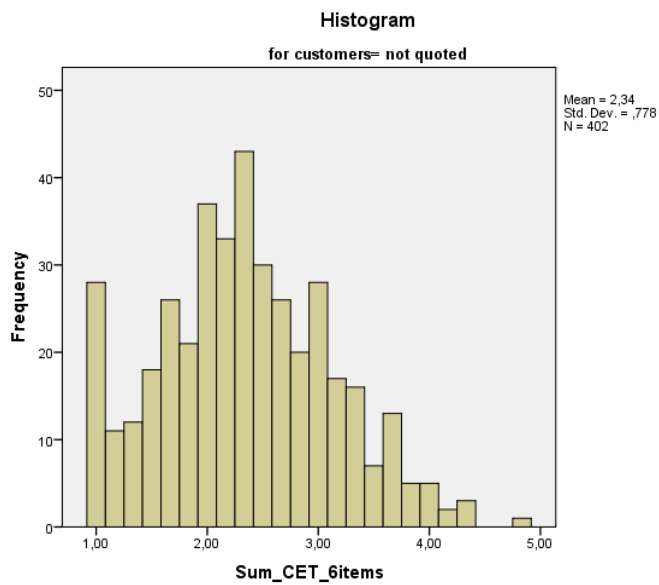
Egyptian non-telecom. company customer sample – Attitude toward Corporate Philanthropy (ACP)



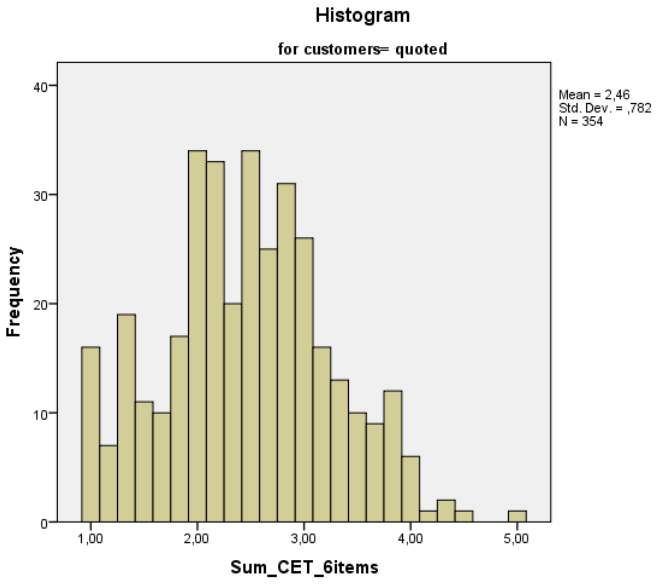
Egyptian telecom. company customer sample – Attitude toward Corporate Philanthropy (ACP)



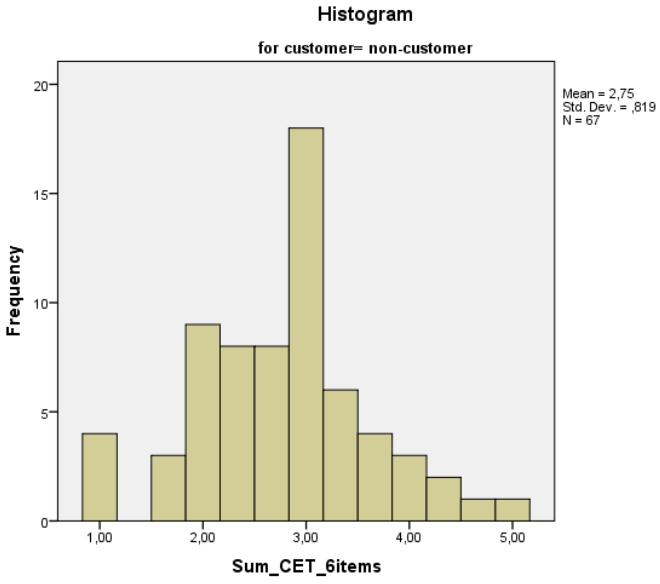
Austrian non- telecom. company customer sample – Consumer Ethnocentrism (CET)



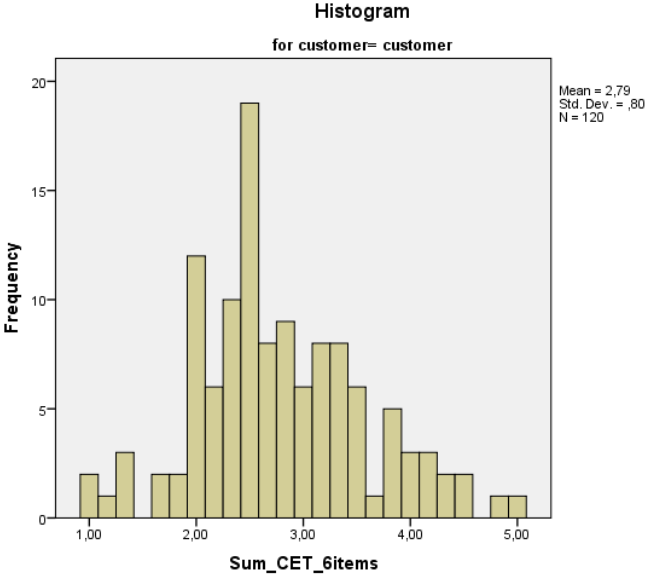
Austrian telecom. company customer sample – Consumer Ethnocentrism (CET)



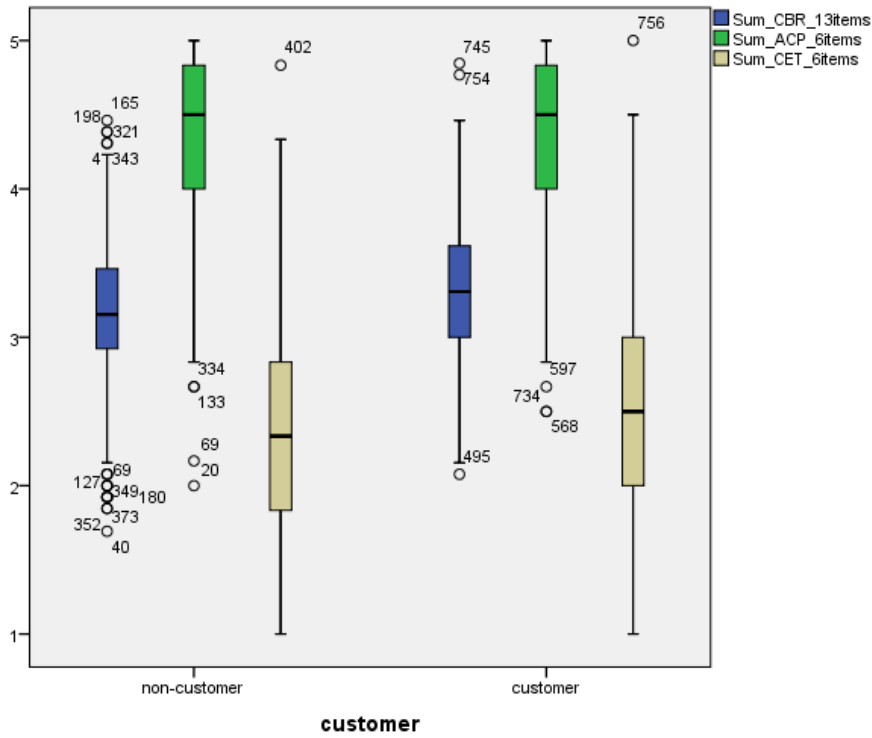
Egyptian non- telecom. company customer sample – Consumer Ethnocentrism (CET)



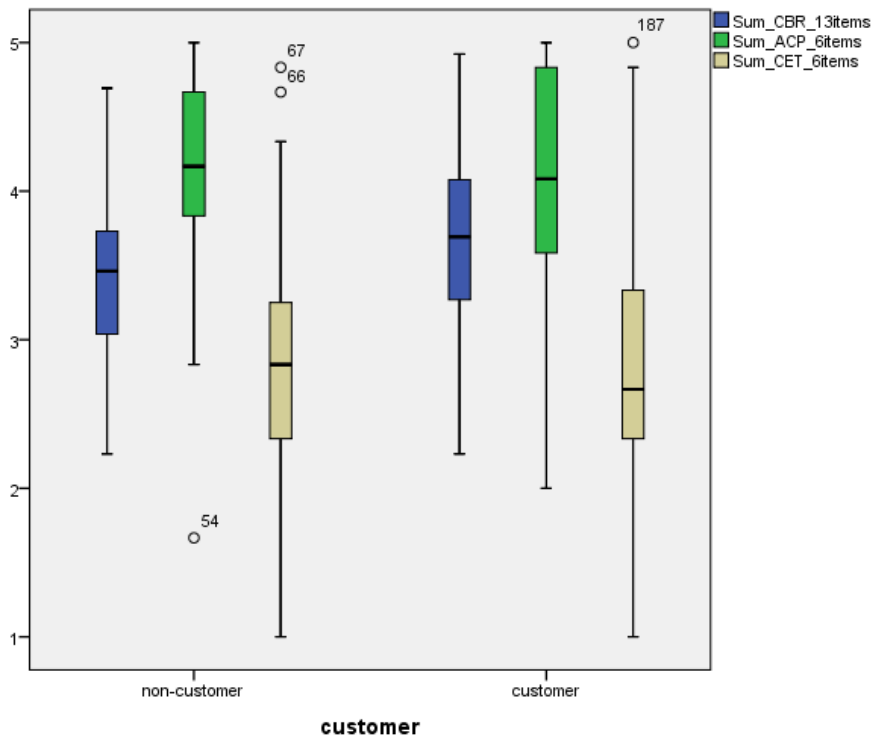
Egyptian telecom. company customer sample – Consumer Ethnocentrism (CET)



Development of Box Plots – Austrian non-telecom. company customer and telecom. customer samples



Development of Box Plots – Egyptian non-telecom. company customer and telecom. customer samples



Skewness and Kurtosis

Skewness measures departures from a symmetrical distribution (skewness for a symmetrical curve is 0). Values within +1 and -1 are accepted. Kurtosis measures the peakedness of a distribution (kurtosis for a normal curve is 0). Values greater than +1.5 indicate a distribution is too peaked and below -1.5 indicate the distribution is too flat. The descriptives below show skewness and kurtosis within the accepted departures from a symmetrical distribution.

Skewness and Kurtosis – Austrian sample

Descriptives				
	customers		Statistic	Std. Error
		Mean	3,1644	,02302
		95% Confidence Interval for		
		Lower Bound	3,1191	
		Upper Bound	3,2096	
		5% Trimmed Mean	3,1747	
		Median	3,1538	
		Variance	,213	
	not quoted	Std. Deviation	,46153	
		Minimum	1,69	
		Maximum	4,46	
		Range	2,77	
		Interquartile Range	,54	
		Skewness	-,312	,122
		Kurtosis	,702	,243
Sum_CBR_13items		Mean	3,2855	,02555
		95% Confidence Interval for		
		Lower Bound	3,2353	
		Upper Bound	3,3358	
		5% Trimmed Mean	3,2851	
		Median	3,3077	
		Variance	,231	
	quoted	Std. Deviation	,48073	
		Minimum	2,08	
		Maximum	4,85	
		Range	2,77	
		Interquartile Range	,62	
		Skewness	,023	,130
		Kurtosis	,074	,259
Sum_ACP_6items	not quoted	Mean	4,3159	,03111

		95% Confidence Interval for	Lower Bound	4,2548	
		Mean	Upper Bound	4,3771	
		5% Trimmed Mean		4,3593	
		Median		4,5000	
		Variance		,389	
		Std. Deviation		,62381	
		Minimum		2,00	
		Maximum		5,00	
		Range		3,00	
		Interquartile Range		,83	
		Skewness		-,933	,122
		Kurtosis		,274	,243
		Mean		4,3526	,03164
		95% Confidence Interval for	Lower Bound	4,2904	
		Mean	Upper Bound	4,4149	
		5% Trimmed Mean		4,3976	
		Median		4,5000	
		Variance		,354	
	quoted	Std. Deviation		,59535	
		Minimum		2,50	
		Maximum		5,00	
		Range		2,50	
		Interquartile Range		,83	
		Skewness		-,875	,130
		Kurtosis		,093	,259
		Mean		2,3412	,03881
		95% Confidence Interval for	Lower Bound	2,2649	
		Mean	Upper Bound	2,4175	
		5% Trimmed Mean		2,3237	
		Median		2,3333	
		Variance		,605	
	not quoted	Std. Deviation		,77810	
		Minimum		1,00	
		Maximum		4,83	
		Range		3,83	
		Interquartile Range		1,00	
		Skewness		,254	,122
		Kurtosis		-,303	,243
		Mean		2,4628	,04154
		95% Confidence Interval for	Lower Bound	2,3811	
	quoted	Mean	Upper Bound	2,5445	
		5% Trimmed Mean		2,4540	
Sum_CET_6items					

Median	2,500	
Variance	,611	
Std. Deviation	,78160	
Minimum	1,00	
Maximum	5,00	
Range	4,00	
Interquartile Range	1,00	
Skewness	,157	,130
Kurtosis	-.293	,259

Skewness and Kurtosis – Egyptian sample

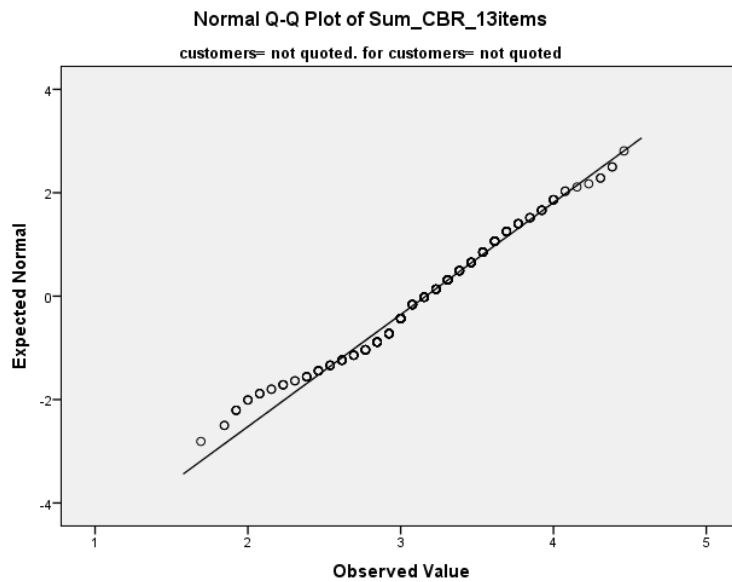
Descriptives				
	customer		Statistic	Std. Error
Sum_CBR_13items		Mean	3,4259	,05705
		95% Confidence Interval for Mean		
		Lower Bound	3,3120	
		Upper Bound	3,5399	
		5% Trimmed Mean	3,4301	
		Median	3,4615	
		Variance	,218	
	non-customer	Std. Deviation	,46701	
		Minimum	2,23	
		Maximum	4,69	
		Range	2,46	
		Interquartile Range	,77	
		Skewness	-,025	,293
		Kurtosis	,141	,578
		Mean	3,6917	,05091
		95% Confidence Interval for Mean		
		Lower Bound	3,5909	
		Upper Bound	3,7925	
		5% Trimmed Mean	3,6959	
		Median	3,6923	
	Variance	,311		
customer	Std. Deviation	,55769		
	Minimum	2,23		
	Maximum	4,92		
	Range	2,69		
	Interquartile Range	,83		
	Skewness	-,103	,221	
	Kurtosis	-,197	,438	
Sum_ACP_6items		Mean	4,1169	,08925
		95% Confidence Interval for Mean		
		Lower Bound	3,9387	
		Upper Bound	4,2951	
		5% Trimmed Mean	4,1585	
		Median	4,1667	
	non-customer	Variance	,534	
		Std. Deviation	,73054	
		Minimum	1,67	
		Maximum	5,00	
		Range	3,33	
		Interquartile Range	,83	
		Skewness	-,805	,293

		Kurtosis		,556	,578
		Mean		4,0639	,07035
		95% Confidence Interval for	Lower Bound	3,9246	
		Mean	Upper Bound	4,2032	
		5% Trimmed Mean		4,1096	
		Median		4,0833	
		Variance		,594	
	customer	Std. Deviation		,77066	
		Minimum		2,00	
		Maximum		5,00	
		Range		3,00	
		Interquartile Range		1,29	
		Skewness		-,586	,221
		Kurtosis		-,426	,438
		Mean		2,7537	,10009
		95% Confidence Interval for	Lower Bound	2,5539	
		Mean	Upper Bound	2,9536	
		5% Trimmed Mean		2,7506	
		Median		2,8333	
		Variance		,671	
	non-customer	Std. Deviation		,81925	
		Minimum		1,00	
		Maximum		4,83	
		Range		3,83	
		Interquartile Range		1,00	
		Skewness		,000	,293
		Kurtosis		,403	,578
Sum_CET_6items		Mean		2,7889	,07303
		95% Confidence Interval for	Lower Bound	2,6443	
		Mean	Upper Bound	2,9335	
		5% Trimmed Mean		2,7778	
		Median		2,6667	
		Variance		,640	
	customer	Std. Deviation		,79996	
		Minimum		1,00	
		Maximum		5,00	
		Range		4,00	
		Interquartile Range		1,00	
		Skewness		,366	,221
		Kurtosis		,116	,438

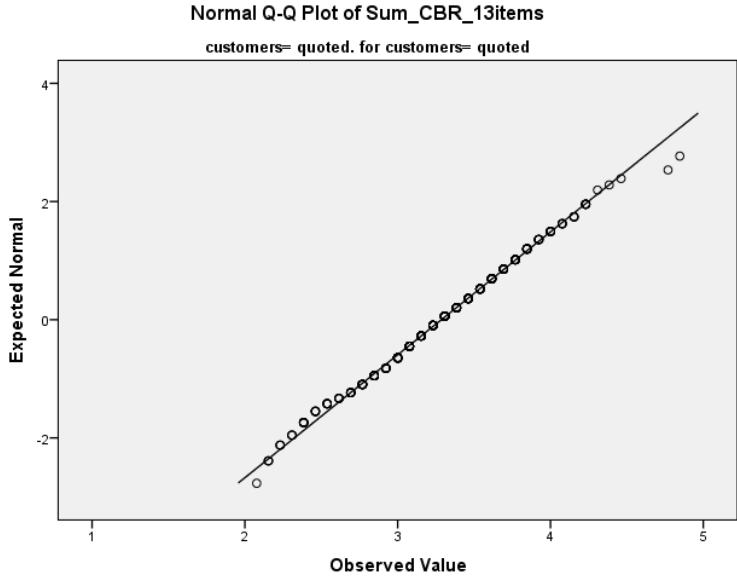
Normal Q-Q Plots

A Q-Q plot is a probability plot where Q stands for quantiles (i.e. data values at regular intervals on a distribution function). The data is normally distributed if the dots lie approximately on the 45-degree line. The normal Q-Q chart plots the expected values if the distribution were normal against the values in the data set (Field, 2005). The below Q-Q plots show only small deviations from normality and point to a normal distribution. The statistics used are robust and thus the decision is made to advance with this data and not use transformations.

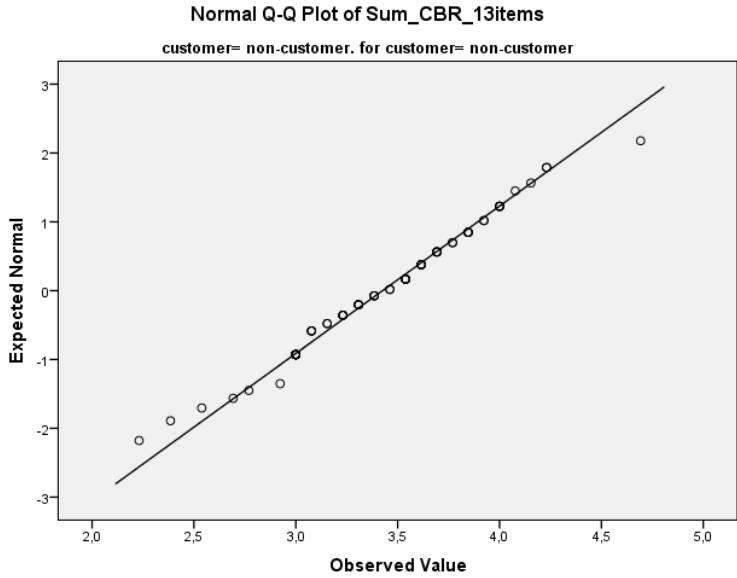
CBR: Austrian non-telecom. company customers



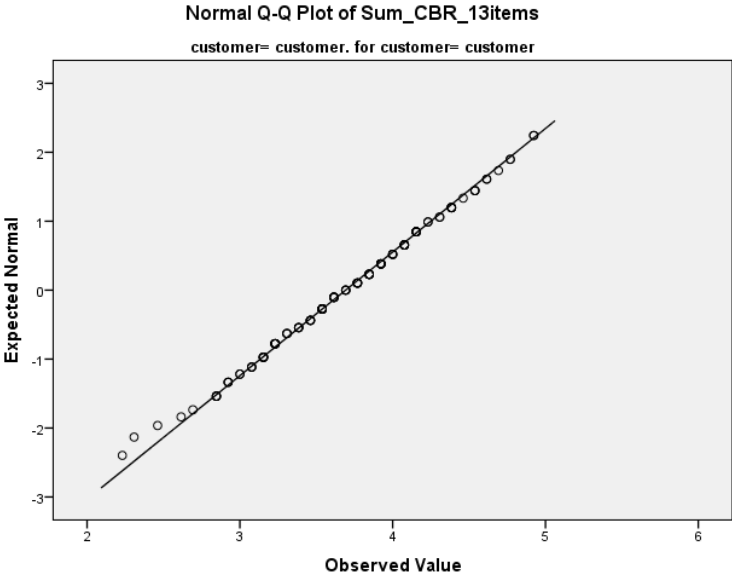
CBR: Austrian telecom. company customers



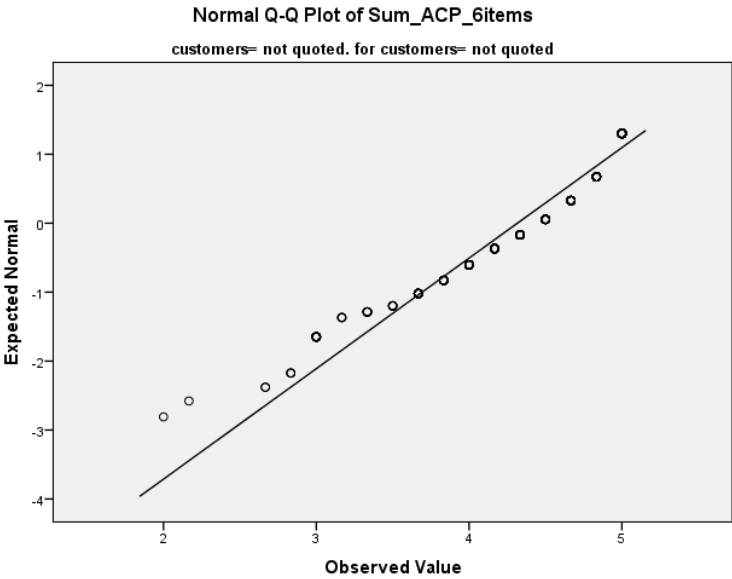
CBR: Egyptian non-telecom. company customers



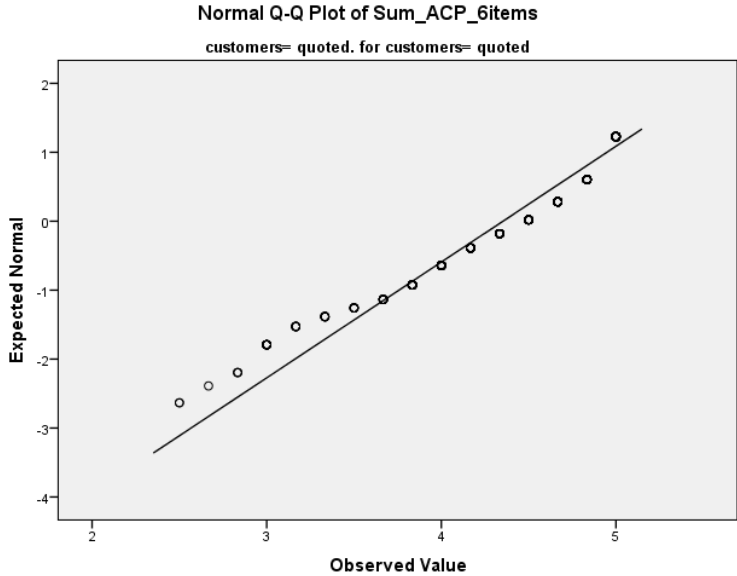
CBR: Egyptian telecom. company customers



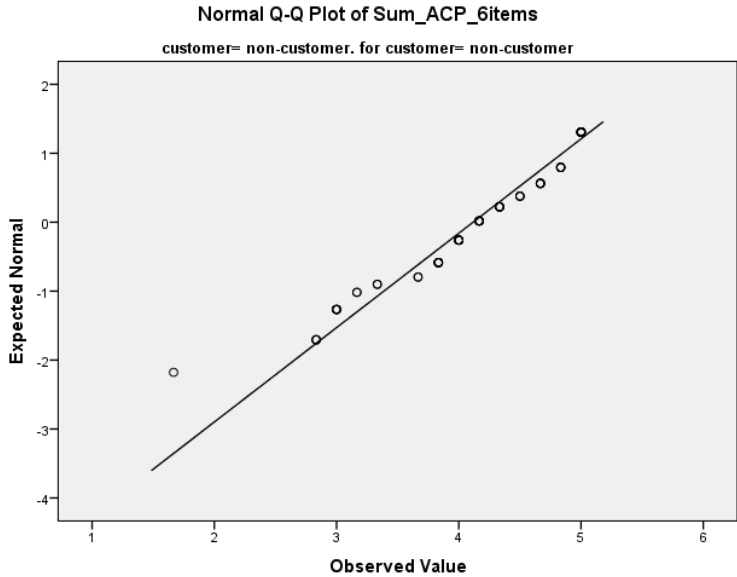
ACP: Austrian non-telecom. company customers



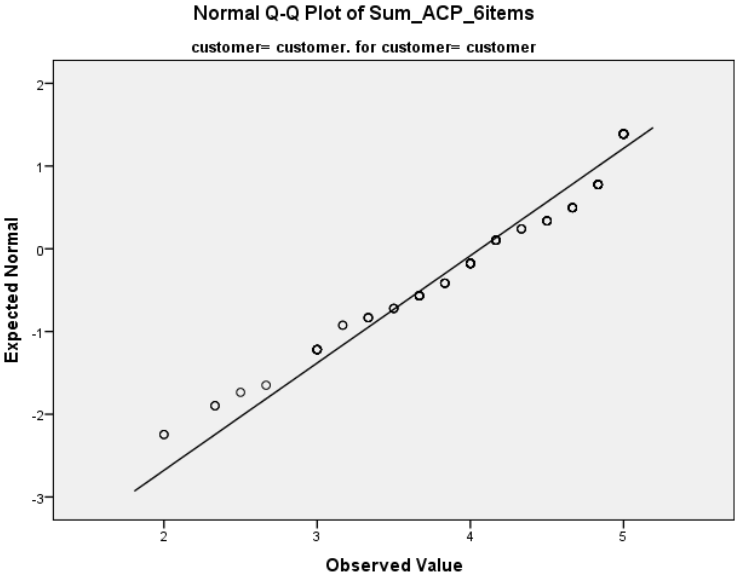
ACP: Austrian telecom. company customers



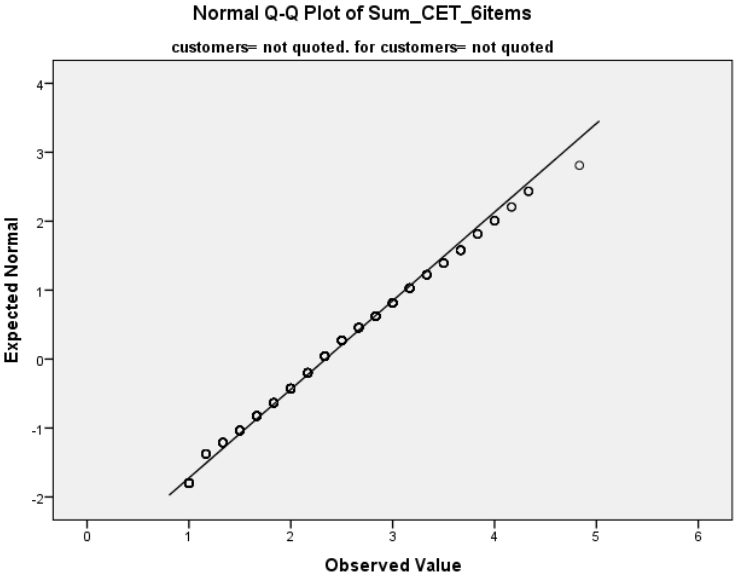
ACP: Egyptian non-telecom. company customers



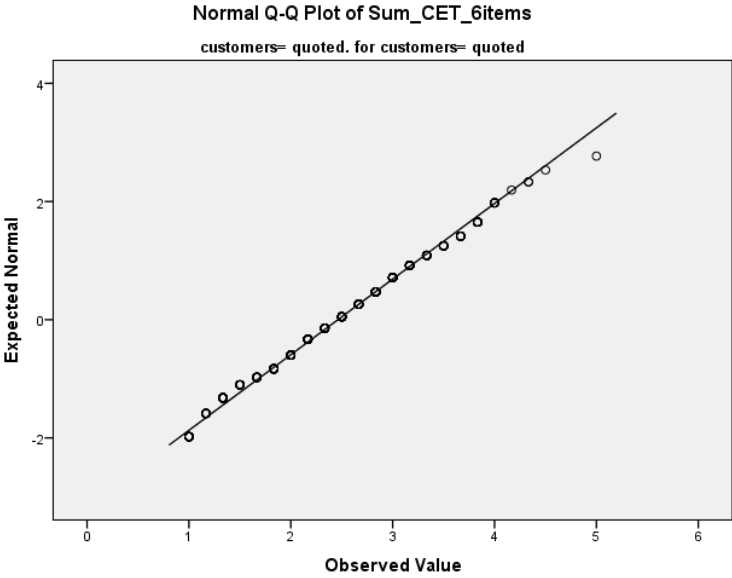
ACP: Egyptian telecom. company customers



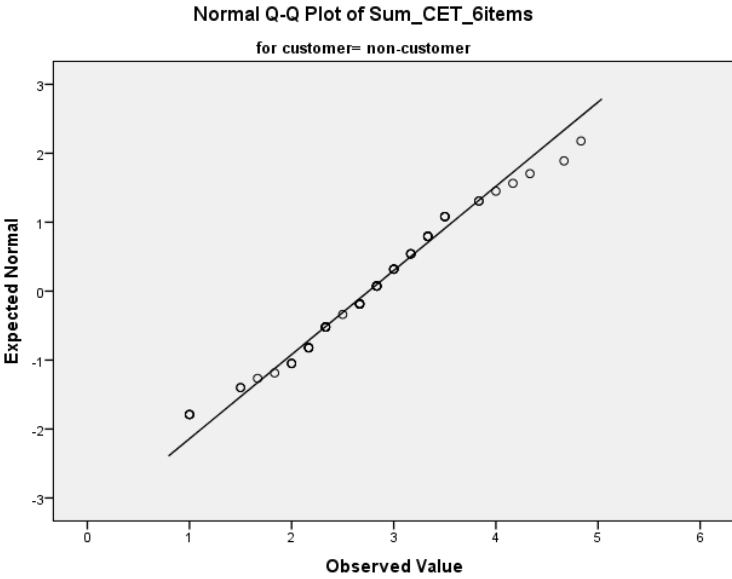
CET: Austrian non-telecom. company customers



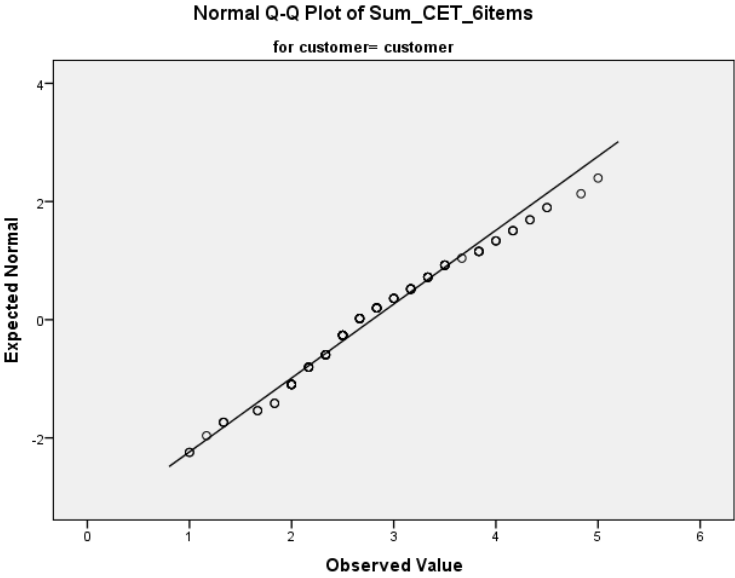
CET: Austrian telecom. company customers



CET: Egyptian non- telecom. company customers



CET: Egyptian telecom. company customers



7.8 Attitude toward Corporate Philanthropy's Effect on Customer-based Corporate Reputation (Results of the Bivariate Regression Analysis)

Austrian sample

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,211 ^a	,045	,043	,46379	,045	35,208	1	754	,000	2,054

a. Predictors: (Constant), Sum_ACP_6items

b. Dependent Variable: Sum_CBR_13items

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	2,510	,121		20,750	,000	2,273	2,748					
	Sum_ACP_6items	,164	,028	,211	5,934	,000	,110	,218	,211	,211	,211	1,000	1,000

a. Dependent Variable: Sum_CBR_13items

Austrian non-telecom. customers

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,313 ^a	,098	,096	,43888	,098	43,448	1	400	,000	2,037

a. Predictors: (Constant), Sum_ACP_6items

b. Dependent Variable: Sum_CBR_13items

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	2,165	,153		14,130	,000	1,864	2,466					
	Sum_ACP_6items	,232	,035	,313	6,592	,000	,163	,301	,313	,313	,313	1,000	1,000

a. Dependent Variable: Sum_CBR_13items

Egyptian telecom. customers

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,246 ^a	,060	,052	,54288	,060	7,584	1	118	,007	,123

a. Predictors: (Constant), Sum_ACP_6items

b. Dependent Variable: Sum_CBR_13items

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
	1	(Constant)	2,969			,267		11,117	,000	2,440	3,498		
	Sum_ACP_6items	,178	,065	,246	2,754	,007	,050	,306	,246	,246	,246	1,000	1,000

a. Dependent Variable: Sum_CBR_13items

7.9 Corporate Cause Assessment's Influence on Customer-based Corporate Reputation

Corporate Cause Assessment's influence on Customer-based Corporate Reputation (Egyptian sample)

Correlations

		Sum_CBR_13it ems	cause_ass
Pearson Correlation	Sum_CBR_13items	1,000	,157
	cause_ass	,157	1,000
Sig. (1-tailed)	Sum_CBR_13items	.	,016
	cause_ass	,016	.
N	Sum_CBR_13items	187	187
	cause_ass	187	187

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin- Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,157 ^a	,025	,019	,53578	,025	4,651	1	185	,032	1,996

a. Predictors: (Constant), cause_ass

b. Dependent Variable: Sum_CBR_13items

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1,335	1	1,335	4,651	,032 ^b
	Residual	53,107	185	,287		
	Total	54,442	186			

a. Dependent Variable: Sum_CBR_13items

b. Predictors: (Constant), cause_ass

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Correlations			Collinearity Statistics		
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero- order	Partial	Part	Tolerance	VIF	
		1	(Constant)	3,090			,238		12,984	,000	2,621	3,560		
	cause_ass	,116	,054	,157	2,157	,032	,010	,223	,157	,157	,157	1,000	1,000	

a. Dependent Variable: Sum_CBR_13items

Corporate Cause Assessment's influence on Customer-based Corporate Reputation (Egyptians aware of corporate philanthropy)

Correlations

		Sum_CBR_13it ems	cause_ass
Pearson Correlation	Sum_CBR_13items	1,000	,315
	cause_ass	,315	1,000
Sig. (1-tailed)	Sum_CBR_13items	.	,001
	cause_ass	,001	.
N	Sum_CBR_13items	89	89
	cause_ass	89	89

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin- Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,315 ^a	,099	,089	,54434	,099	9,587	1	87	,003	2,035

a. Predictors: (Constant), cause_ass

b. Dependent Variable: Sum_CBR_13items

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,841	1	2,841	9,587	,003 ^b
	Residual	25,779	87	,296		
	Total	28,620	88			

a. Dependent Variable: Sum_CBR_13items

b. Predictors: (Constant), cause_ass

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Correlations			Collinearity Statistics		
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero- order	Partial	Part	Tolerance	VIF	
		1	(Constant)	2,624			,327		8,034	,000	1,975	3,273		
	cause_ass	,228	,074	,315	3,096	,003	,082	,374	,315	,315	,315	1,000	1,000	

a. Dependent Variable: Sum_CBR_13items

7.10 Customer-based Corporate Reputation and Corporate Cause Assessment's Effect on Attitude toward Corporate Philanthropy

Austrian sample

The correlation matrix below shows firstly the value of the Pearson correlation for every pair of variables. The correlation between CBR and ACP is positive (0.211) and so is the correlation between the Corporate cause assessment and ACP (0.145). The correlation coefficient is a commonly used measure of the size of an effect. In this case, both correlations represent a small effect (Field 2005: 112). CBR correlates best with the outcome; therefore, it is likely that this variable will best predict ACP. Secondly, it shows the one-tailed significance of each correlation, which is significant (at $p < 0.05$). Finally, it displays the number of cases contributing to each correlation ($N = 756$). The correlation matrix is useful for checking multicollinearity. Correlations below 0.9 between predictors indicate no multicollinearity issue. In the matrix below the correlation between CBR and Corporate cause assessment is 0.073, which confirms that there are no multicollinearity issues.

		Sum_ACP_6items	Sum_CBR_13items	cause
Pearson Correlation	Sum_ACP_6items	1,000	,211	,145
	Sum_CBR_13items	,211	1,000	,073
	cause	,145	,073	1,000
Sig. (1-tailed)	Sum_ACP_6items	.	,000	,000
	Sum_CBR_13items	,000	.	,023
	cause	,000	,023	.
N	Sum_ACP_6items	756	756	756
	Sum_CBR_13items	756	756	756
	cause	756	756	756

The Model Summary describes the overall model and informs whether the model is successful in predicting ACP. It shows the simple correlation between CBR and ACP in Model 1 ($R = .211$). The next column supports that 4.5% of variability in the outcome (ACP) is accounted for by CBR. Model 2 represents the situation where both predictors (CBR and Corporate cause assessment) are included into the multiple regression. The inclusion of the new predictor into the model improved the R square (from 0.045 to 0.061) and thus this model explains a larger amount of variation in ACP than Model 1 (at $p < 0.001$). The Durbin-Watson statistics informs about whether the assumption of independent errors is tenable.

Values between 1 and 3 are acceptable, and a close value to 2 is optimal (Field, 2005, pg. 189). The value below is 1.141, which concludes that the assumption has been met.

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,211 ^a	,045	,043	,59714	,045	35,208	1	754	,000	
2	,248 ^b	,061	,059	,59225	,017	13,508	1	753	,000	1,141

a. Predictors: (Constant), Sum_CBR_13items

b. Predictors: (Constant), Sum_CBR_13items, cause

c. Dependent Variable: Sum_ACP_6items

The next output shows the analysis of variance (ANOVA). It tests whether the model is significantly better at predicting the outcome than using the mean. The sum of squares represents the improvement in prediction resulting from fitting a regression line to the data rather than using the mean as an estimate of the outcome. The residual sum of squares represents the total difference between the model and the observed data. The degree of freedom shows the number of observations (756) minus the number of coefficients on the regression model. The first model has 2 coefficients (1 predictor, 1 constant), the second 3 (2 predictors, 1 constant). The F-ratio represents the ratio of the improvement. An F value greater than 1 suggests that the improvement due to fitting the regression model is much greater than the inaccuracy within the model. For the initial model the F ratio is 35.208, which is very unlikely to have happened by chance ($p < 0.001$). For model 2 the value is lower (24.650) and also highly significant ($p < 0.001$).

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12,554	1	12,554	35,208	,000 ^b
	Residual	268,862	754	,357		
	Total	281,417	755			
2	Regression	17,292	2	8,646	24,650	,000 ^c
	Residual	264,124	753	,351		
	Total	281,417	755			

a. Dependent Variable: Sum_ACP_6items

b. Predictors: (Constant), Sum_CBR_13items

c. Predictors: (Constant), Sum_CBR_13items, cause

The coefficients table below shows the individual contribution of variables to the regression model. All Beta values are significant ($p < 0.001$). The standardized beta values refer to the number of standard deviations that the outcome will change as a result of one standard deviation change in the predictor. CBR has a higher degree of importance in Model 2 than Corporate cause assessment (with considering the magnitude of t-statistics). The average measure of multicollinearity, VIF (variance inflation factor), is not substantially greater than 1, which indicates that multicollinearity is not biasing the regression model (Myers 1990, Bowerman and O'Connell 1990). Similarly, all tolerances are above 0.2, indicating no multicollinearity problems (Menard 1995).

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	3,457	,149		23,169	,000	3,164	3,750					
	Sum_CBR_13items	,272	,046	,211	5,934	,000	,182	,362	,211	,211	,211	1,000	1,000
2	(Constant)	3,117	,174		17,867	,000	2,775	3,460					
	Sum_CBR_13items cause	,260	,046	,202	5,699	,000	,170	,349	,211	,203	,201	,995	1,005
		,096	,026	,130	3,675	,000	,045	,148	,145	,133	,130	,995	1,005

a. Dependent Variable: Sum_ACP_6items

Austrians aware of CP

Correlations

		Sum_ACP_6ite ms	Sum_CBR_13it ems	cause
Pearson Correlation	Sum_ACP_6items	1,000	,310	-,022
	Sum_CBR_13items	,310	1,000	-,122
	cause	-,022	-,122	1,000
Sig. (1-tailed)	Sum_ACP_6items	.	,009	,435
	Sum_CBR_13items	,009	.	,180
	cause	,435	,180	.
N	Sum_ACP_6items	58	58	58
	Sum_CBR_13items	58	58	58
	cause	58	58	58

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin- Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,310 ^a	,096	,080	,51173	,096	5,958	1	56	,018	
2	,311 ^b	,096	,064	,51628	,000	,016	1	55	,899	1,724

a. Predictors: (Constant), Sum_CBR_13items

b. Predictors: (Constant), Sum_CBR_13items, cause

c. Dependent Variable: Sum_ACP_6items

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1,560	1	1,560	5,958	,018 ^b
	Residual	14,664	56	,262		
	Total	16,225	57			
2	Regression	1,565	2	,782	2,935	,062 ^c
	Residual	14,660	55	,267		
	Total	16,225	57			

a. Dependent Variable: Sum_ACP_6items

b. Predictors: (Constant), Sum_CBR_13items

c. Predictors: (Constant), Sum_CBR_13items, cause

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	3,199	,454		7,043	,000	2,289	4,109					
	Sum_CBR_13items	,321	,132	,310	2,441	,018	,058	,585	,310	,310	,310	1,000	1,000
2	(Constant)	3,138	,663		4,731	,000	1,809	4,468					
	Sum_CBR_13items	,323	,134	,312	2,417	,019	,055	,592	,310	,310	,310	,985	1,015
	cause	,013	,103	,016	,127	,899	-,194	,220	-,022	,017	,016	,985	1,015

a. Dependent Variable: Sum_ACP_6items

Austrian non-telecom. customers

Correlations

		Sum_ACP_6items	Sum_CBR_13items	cause
Pearson Correlation	Sum_ACP_6items	1,000	,313	,198
	Sum_CBR_13items	,313	1,000	,110
	cause	,198	,110	1,000
Sig. (1-tailed)	Sum_ACP_6items	.	,000	,000
	Sum_CBR_13items	,000	.	,014
	cause	,000	,014	.
N	Sum_ACP_6items	402	402	402
	Sum_CBR_13items	402	402	402
	cause	402	402	402

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,313 ^a	,098	,096	,59320	,098	43,448	1	400	,000	
2	,354 ^b	,125	,121	,58498	,027	12,318	1	399	,000	1,213

a. Predictors: (Constant), Sum_CBR_13items

b. Predictors: (Constant), Sum_CBR_13items, cause

c. Dependent Variable: Sum_ACP_6items

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15,289	1	15,289	43,448	,000 ^b
	Residual	140,756	400	,352		
	Total	156,045	401			
2	Regression	19,504	2	9,752	28,498	,000 ^c
	Residual	136,540	399	,342		
	Total	156,045	401			

a. Dependent Variable: Sum_ACP_6items

b. Predictors: (Constant), Sum_CBR_13items

c. Predictors: (Constant), Sum_CBR_13items, cause

Coefficients^a

Model	Unstandardized		Standardized	t	Sig.	95,0% Confidence		Correlations			Collinearity		
	Coefficients		Coefficients			Interval for B		Zero-order	Partial	Part	Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound				Tolerance	VIF	
1	(Constant)	2,977	,205		14,505	,000	2,574	3,381					
	Sum_CBR_13items	,423	,064	,313	6,592	,000	,297	,549	,313	,313	,313	1,000	1,000
2	(Constant)	2,555	,235		10,852	,000	2,092	3,018					
	Sum_CBR_13items	,398	,064	,295	6,257	,000	,273	,524	,313	,299	,293	,988	1,012
	cause	,127	,036	,165	3,510	,000	,056	,198	,198	,173	,164	,988	1,012

a. Dependent Variable: Sum_ACP_6items