BAM2017

This paper is from the BAM2017Conference Proceedings

About BAM

The British Academy of Management (BAM) is the leading authority on the academic field of management in the UK, supporting and representing the community of scholars and engaging with international peers.

http://www.bam.ac.uk/

Strategic Levers of Corporate Social Responsibility:

A Supply-Demand Mapping Analysis

William Sun and Henri Kuokkanen

Leeds Beckett University

Contact: Dr. William Sun

Centre for Governance, Leadership and Global Responsibility

Leeds Beckett University

The Rose Bowl

Portland Crescent

Leeds LS1 3HB

Email: X.Sun@leedsbeckett.ac.uk

Strategic Levers of Corporate Social Responsibility:

A Supply-Demand Mapping Analysis

Abstract

Research on the correlation between corporate social responsibility and corporate financial performance has been inconclusive and often contradictory. Thus, the question of whether consumers really care about CSR becomes crucial (Öberseder, Schlegelmilch and Gruber, 2011). Theory suggests that financial gains would materialise should the attributes of CSR supplied match consumer demand. But CSR demand is likely to be latent and thus hard to define. In a quest to match CSR demand and supply, this study synthesizes consumer-oriented CSR research in one framework that focuses on how consumer demand for CSR can be defined based on consumer behavior analysis and how CSR supply as strategic levers of responsibility could match the demand. The study further explores current adoption of these levers by analysing the present supply of responsibility as reported by large companies. A comparison of CSR themes in corporate reports with the model highlights the requirement for further research to define and measure optimal use of the proposed levers. This study proposes an approach to bridge the gap in academic theory between the promise of responsibility as a scarce and valuable resource and the reality of an unclear link between corporate social and financial performances.

Strategic Levers of Corporate Social Responsibility:

A Supply-Demand Mapping Analysis

Introduction

Research in the past two decades have remained unsure about whether consumers are willing to choose or pay extra for products and services with CSR attributes (e.g., Castaldo, Perrini, Misani & Tencati, 2009; Parsa, Lord, Putrevu & Kreeger, 2015; Sen, et al., 2006). While Öberseder, Schlegelmilch & Gruber (2011) douted if consumers really care about CSR, some others argued that consumers who value CSR atributes are willing to pay more for the products that incorproate them (e.g. McWilliams and Siegel, 2001). But consumers may not responde to CSR supply simply because their demands for CSR could be latent (Devinney, Auger, Eckhardt & Birtchnell, 2006). According to Kotler (1973: 44), "a state of latent demand exists when a substantial number of people share a strong need for something which does not exist in the form of an actual product." Kotler suggested that managing the conversion from latent demand to actual demand requires recognising the true need and then proceeding to develop the right product to meet that need. This implies that a right fit between supply and demand is a prerequisite for consumer purchase of CSR-attributed products.

Consumers not responding to CSR supply could also be due to the matter of "corporate social cynicism" (Kuokkanen & Sun, 2016). Kanter and Mirvis differentiated cynicism from scepticism in that "skeptics doubt the substance of communications; cynics not only doubt what is said but the motives for saying it" (1989: 301). While it is possible to alleviate the mostly short-term effects of scepticism through well-designed communication of solid evidence, a cynical attitude may endure and contribute to an undesirable bias toward responsibility and lead to a blanket rejection of all CSR efforts. This explains why consumers do not act based on their stated intentions (e.g., Devinney et al., 2006; Kuokkanen & Sun, 2016; Skarmeas & Leonidou, 2013). Underlying consumers' cynicism is their mistrust in companies, often prompted by negative company behaviour (Chylinski & Chu, 2010). Research has demonstrated that a few brands that cynics truly trust can gain loyalty among them (Helm, 2004).

Latent demand and social cynicism have been little explored in the existing CSR research, particularly in CSR supply and demand analysis. The supply and demand theory of CSR

(e.g., Anderson & Frankle, 1980; Aupperle, Carroll & Hatfield, 1985; Freedman & Jaggi, 1982; McWilliams & Siegel, 2001) suggested that firms should only supply what are demanded by consumers and other stakeholders to maximise profits. But the theory did not pay attention to consumer latent demand and did not answer what should be right strategies of CSR supply if consumer needs are hidden, implicit and dynamic. Current research still leaves a big gap in thoroughly understanding consumer demand.

McWilliams and Siegel (2001) introduced a supply and demand framework and postulated that the demand for a product with CSR attributes is determined by several factors, such as product price, advertising, consumers' disposable income, and their tastes and preferences. However, the reality is that even if a product meets all the criteria in McWilliams and Siegel's framework, consumers may not prefer to buy it or pay extra. Consumer social cynicism may undermine or distort true demand for CSR products. Research with a focus purely on product attributes can do little to facilitate a better understanding of the balance of CSR supply and demand. Corporate CSR actions and interactions with consumers that can build resonance and mutual understandings would be fundamental for moderating and eradicating consumer cynicism.

McWilliams and Siegel (2001) realised that their research was limited because many of their hypotheses were not tested or difficult to test in practice. While consumers are supposed by most of the existing research to be passive, responsive, and static, the other sides of their characteristics as being active, proactive, and dynamic are often neglected. This results in the situation that when firms supply products and services with CSR attributes, they may presuppose what a consumer might demand by checking the demand criteria through a box-ticking exercise. The true demand and actual supply are then unfit and unbalanced.

This paper extends the existing research on the CSR supply and demand framework by accommodating the factors of latent demand for CSR and cynicism and trust/mistrust into the dynamic CSR supply-demand equilibrium based on consumer behaviour and psychological analysis. Earlier findings on the impact of responsibility on consumer behaviour are synthesised and further developed into a conceptual model, which integrates the previously separate and fragmented aspects into a holistic framework of supply and demand balance. The framework further classifies the factors to those that a company can control, dubbed as the strategic levers of CSR, and those on the consumer level. The argument is that the optimal level or effectiveness of balancing CSR supply and demand could be achieved by not just what McWilliams and Siegel (2001) suggested a pure cost-benefit calculation, but by the exact or potential match of supply and demand where consumers truly need, resonate with,

and trust what firms supply. Furthermore, consumers' willingness to pay for products with CSR attributes is far beyond product attributes themselves. It also depends on how firms act and interact with consumers effectively.

The paper further contributes to the field by conducting an empirical study on whether and to what extent the current corporate supply of CSR could genuinely meet consumer demand. Through an exploratory content analysis of corporate CSR reports, the study contrasts current supply of CSR with the supply-demand fit model. With a supply-demand mapping analysis, significant gaps are identified not just between the actual supply and demand, but also between the actual supply and the proposed strategic levers of CSR supply. To reduce the gaps, the article explores strategies regarding how CSR supply and demand could be appropriately matched based on the empirical study. This creates a basis for any further/future research to define and measure an optimal level of CSR supply and demand.

Theoretical Development of the Model

Determinants of Ethical Value in Consumer Purchase

For a company to enjoy the benefits of strategic CSR, it must offer the type of ethical value its customers appreciate. McWilliams and Siegel (2001) expressed this in economic terms of demand and supply for responsibility; should these two match, a competitive advantage could be created. A company can control the supply of its responsible initiatives and for a successful outcome it must adjust them to meet customer expectations. This calls for special attention on two areas: how consumers decide over ethical consumption, and which tools a company can employ to customise its CSR offering. The first aspect aims at understanding demand, and the second at tailoring supply to meet that demand.

Brown & Dacin (1997) proposed that instead of a direct impact on choices, CSR creates associations that indirectly influence consumers. Consumer preferences for ethical values should be the drivers for strategic CSR, and in order to achieve this consumer preferences must be discerned on a detailed level. Smith (2008) presented eight contingent factors that may affect ethical purchase preferences. Supply-side factors include extent, fit and communication of CSR actions; the three are all choices for a company to make when engaging in strategic responsibility. On the demand side Smith focused on five aspects that included consumer concern for a topic, the perceived effectiveness of CSR actions, price and quality considerations, potential for self-enhancement and consumers' willingness to engage. These factors form a starting point for our model development as they address both demand

and supply of responsibility. Yet for a company to engage successfully in strategic CSR further detail is required.

Table 1 depicts our model of key factors that influence ethical purchase decisions. It presents three categories of relevant CSR influences that are each divided between the relevant factors in supply and demand (company and consumer). The purpose of the model is to condense various factors found relevant to responsible or ethical consumer choices into a single model that provides a framework to analyse how current supply of CSR matches with demand. It further allows to evaluate the required actions companies should take to achieve the benefits of strategic CSR. These actions are defined as the strategic levers of CSR, or factors that companies can adjust in their CSR offering to create a positive influence on consumer choices.

Table 1: Ethical Consumerism: Contingent Influences on Ethical Purchase Decisions

	Company (Strategic Levers of CSR)	Consumer
CSR Content	Fit	Concern
CSR Action	Style	Effectiveness
CSR Interaction	Communication	Acceptance

CSR Content

The first category in the model focuses on what is offered as responsibility. Part of consumption value is based on satisfaction with product attributes (Woodruff, 1997) and thus the content of responsibility is crucial in consumer choice. Examples of practical responsibility that consumers value abound. These include local CSR initiatives (Russell & Russell, 2010), attention on core employees, customers and the natural environment (Öberseder, Schlegelmilch & Murphy, 2013), focus on human rights, safe and proper working conditions and a ban on the use of child labour (Auger, Devinney & Louviere, 2008), various environmental actions (Chen, 2015; Choi & Ng, 2011; Mohr & Webb, 2005)

and animal rights and fair labour practices (Auger et al., 2008). Leonidou, Katsikeas and Morgan (2012) highlighted the impact of environmental actions on CSR performance, much in line with Chen (2015). These examples vary largely, and the crucial question for a company is the type of CSR content that creates the most powerful impact. We therefore divide CSR content between its fit with the company and consumer concern over the topic as the defining factors of success.

Bhattacharya et al. (2009) synthesized the importance of fit in cause-related (CSR based) marketing; initiatives that do not align with the business of a company may be perceived as insincere by consumers and create negative perceptions of the provider. The concept of fit has plenty of appeal, although low fit cause-related marketing may also benefit a company (Nan & Heo, 2007). Some studies even find fit irrelevant to consumer choice (Hoek & Gendall, 2008; Lafferty 2009). A comprehensive synthesis of findings related to fit was created by Peloza and Shang (2011); while some disagreement over the importance of fit exists, customers generally prefer better fit between a business and its responsible actions. Thus fit, defined as the alignment of CSR activity with the business supplying it, is proposed the first factor that influences ethical consumer choices. As a supply-side factor, it creates the first strategic lever of CSR a responsible company can employ to adjust its offering.

The impact of ethical actions is based on consumer concern about the topic. The role of ethics and ethical business behaviour has been highlighted as a criterion for consumer choices and thus the existence of general ethical concern seems evident (Diallo & Lambey-Checchin, 2015; Karaosmanoglu, Altinigne & Isiksal, 2016; Smith, 2008). Following Peloza and Shang (2010), concern roots in orientation toward others (the stakeholders targeted by the action), and it may be triggered by extrinsic or intrinsic reasons; hence, consumer value can be created in multiple ways. Cognitive dissonance may decrease concern for particular CSR content reducing demand for unfitting responsibility.

CSR Action

The second category of CSR factors focuses on how company responsibility is conducted. In Woodruff's (1997) model product value is linked with consequences of its use and with responsibility the consequences result from company approach to CSR initiatives. We divide this category again in two factors to separate supply of action from its demand. A company may adopt different styles for its initiatives, and consumers decide whether to accept them based on the perceptions the initiatives create. Thus, the style of CSR initiatives becomes the second strategic lever a company can adjust to influence consumer choices.

CSR engagement starts with the selection of content to work with. After this, each initiative may be launched in multiple styles. A proactive approach has been proposed a key criterion for successful strategic CSR and even a requirement for CSR to be considered strategic (Husted & Allen, 2007). Yet the latter claim may not apply to all industries and businesses (Claver-Cortés, Molina-Azorín, Pereira-Moliner, López-Gamero, 2007), and successful responsibility may emerge in multiple styles. This model adopts the range synthesized by Wartick and Cochran (1985) to four categories of CSR style: proactive, reactive, inactive (accommodative) and counteractive (defensive). A company may follow one or several of these styles, and consumer behavior reflects these choices. The style a company adopts for its responsible actions impacts how consumers perceive their effectiveness and only actions perceived to have an impact will meet customer demand.

The importance of CSR style roots in attribution theory first developed by Fritz Heider (Kelley, 1973). As noted by Kelley, "causal attribution identifies the causes of certain effects and forms the basis for decisions about how to act in order to bring about the continuance or discontinuance of those effects" (p. 127). During the early days, the theory focused on general human psychology and how attributions of actions lead to behaviours, but Folkes (1984) connected attribution theory with consumer behaviour. Weiner (2000) established consumer attribution as a basis for evaluating how different styles of CSR activities impact choices. Yoon, Gürhan-Canli and Schwarz (2006) observed that proactive initiatives reflect positive motives for actions and this, in line with attribution theory, signals sincerity and it is preferred by consumers. Groza et al. (2011), Becker-Olsen, Cudmore and Hill (2006) and Ricks (2005) reached similar conclusions: Proactive CSR increases consumer purchase intentions. In the same vein, Marin, Rubio and de Maya (2012) maintained that large companies enjoy more benefits from strategic CSR, and that proactive approach moderates the link between CSR and strategic competitiveness. In the SME sector, Torugsa, O'Donohue and Hecker (2013) discovered a connection between proactive CSR and financial performance. The two latter studies did not specify whether consumer attributions contributed to creating such links, but they suggested that the decision over CSR style matters as it signals the effectiveness of the actions.

CSR Interaction

The third category of the influence framework focuses on the role of interaction as a creator of value in product choices (Holbrook, 1999). Responsibility and ethical choices as bases for value require companies to communicate trustworthy knowledge about the initiatives for a

customer to accept responsibility supplied. Such acceptance will transform demand for CSR into a purchase decision and potential willingness to pay more for responsible products (Smith, 2008).

Zucker (1985) defined trust as "a set of expectations shared by all those involved in an exchange" (p. 2). In an exchange between a company and a consumer that involves a CSR message trust is essential, and trust has been established a key mediator between CSR and product choice or long-term loyalty toward a company (Diallo & Lambey-Checchin, 2015; Martinez & Rodríguez del Bosque, 2013; Pivato, Misani & Tencati, 2008). While trust is hard to create or measure, arrangements aimed to substitute it are commonplace (Granowetter, 1985; Zucker; 1985). Connors, Anderson, MacDonald and Thomson (2015) observed that presenting more concrete information about responsibility had a positive impact on consumer response toward a company, and that this link was mediated by the perceived credibility of the message. Thus, the methods of communication companies employ become the third strategic lever of CSR at their disposal.

Interaction between companies and consumers is achieved if consumers accept the CSR communicated. For this to happen consumers must trust the message. Lack of consumer trust toward a CSR message breeds scepticism, which reduces the business benefits of responsibility (Groza et al., 2011; Pomering & Dolnicar, 2008; Skarmeas & Leonidou, 2013). Greenwashing is the most notable example of CSR scepticism, and rightly it is emphasized as a key threat to credible responsibility (Crittenden, Crittenden, Ferrell, Ferrell & Pinney, 2010; Laufer, 2003). However, scepticism must be separated from cynicism: according to Kanter and Mirvis (1989, p. 301) "sceptics doubt the substance of communications; cynics not only doubt what is said but the motives for saying it". CSR scepticism is a cognitive response to claims of responsibility while cynicism is part of personality; furthermore, scepticism is short-term while cynicism may persist over a long period (Anson, Mann & Sherman, 1986). In the worst case, lack of trust could develop into consumer cynicism (Becker et al., 2007), which in turn could lead to long-term unfavourable consumer choices (Kuokkanen & Sun, 2016). This risk of long-term negative consequences highlights the importance of creating trust in CSR from company perspective. When CSR is brought to a purchase situation, credible evidence is required to substitute trust and to avoid negative consumer reactions.

Consumers must also find value in the responsibility offered to accept it and pay extra for it. Willingness to pay more for certain ethical products exists among consumers. However, for this to convert to ethical choices consumers must recognise the ethical value offered. Self-enhancement is a key source for such value, and this can be based on self or other –oriented

reasons with extrinsic or intrinsic motivations (Peloza & Shang, 2010). Thus, communication should address these aspects of value creation to become effective. The origins of value matter for the way a company communicates about responsibility, as understanding the potential customer becomes crucial in planning successful communication that leads to customer acceptance of CSR.

We propose that with the right choice of CSR actions it is possible to combine profit with social goals. Thus motivation (instrumental vs. normative) and genuineness behind CSR actions are not directly considered in the model, differing from some earlier studies (Becker Olsen et al, 2007; Chernev & Blair, 2015; Sen et al., 2006). Instead, consumer attributions on the style of CSR actions are assumed to reflect the perceived motivation for and genuineness of responsibility. The feeling of gratitude toward a responsible company has also been proposed to create a link between CSR and favourable consumer behaviour (Palmatier, Jarvis & Bechoff, 2009; Romani, Grappi & Bagozzi, 2012). While this is likely to happen, basing a strategic CSR approach on gratitude would undermine the role of the company and suggest that demand for CSR lies merely in customers responding to giving back without any reference to how this is done. The findings pointing to different values for various CSR actions suggests the opposite, and thus the model focuses on how a company can achieve a competitive advantage through responsibility by tailoring its supply to meet demand.

Methodology

Most big corporations report their CSR activities annually, which could be a separate stand-along report or mixed in the formal corporate annual report disclosed to shareholders and stakeholders. For this research, these reports were deemed to best represent the supply of responsibility that consumers have on offer. A limitation of this approach was that the CSR communicated as part of marketing or advertising is usually more limited and thus consumers may not be aware of all the initiatives reported. Yet the reports are the most comprehensive representation of practical responsibility attributes companies supply and they provide insights into current use of the strategic levers presented in Figure 1. The methodology we chose was an exploratory content analysis of responsibility reports, with the aim of recognizing common themes of CSR actions among large, multinational corporations with acknowledged responsibility reputations.

The Sample

Responsibility rankings and company size were used as criteria for sample selection. Forbes magazine list of 2000 biggest companies (Forbes, 2013) formed the basis for selection. However, as most companies publish CSR information – for example, the largest 50 companies all do – the next step was to separate representative best practise supply of CSR from more standard alternatives. Rankings of CSR performance offered an avenue for this, but as multiple CSR rankings exist, cross-referencing the rankings was deemed necessary to ensure objectivity.

Reputation Institute's CSR RepTrak 100 index from 2013 that covers 100 companies in 15 largest markets (representing 75% of world GDP) with interviews of 100,000 respondents was consulted as a basis for company selection (Reputation Institute, 2013). To emphasize a customer view of responsibility, Brandlogic 2012 Sustainability Leadership Report (Brandlogic, 2013) provided a suitable cross-reference. The report measures CSR performance of 1200 major corporations and compares their responsible actions with customer perceptions of company performance. Brandlogic Index Gap demonstrates this comparison in one figure: a positive gap suggests that a company did not earn enough credit for its responsibility initiatives among consumers (Brandlogic, 2013). Companies demonstrating a high level of responsibility were defined in the report as "companies with above average real and perceived performance [that] need to keep raising their game to stay ahead of peers and reap the available financial and reputational gains from their performance" (p. 7), and they were designated as global CSR leaders. The Sustainability Leaders report of RobecoSam (2014) seemed unfit to act as selection criterion as it is voluntary for companies to participate; 3000 companies were invited in the study but no information was provided on rejections. However, RobecoSam ratings for the companies, where applicable, were noted and several of the sample companies were also designated as industry leaders by RobecoSam.

The sample was chosen as a combination of the CSR RepTrak 100 and Brandlogic reports, and companies had to feature on both to get selected. They also had to appear on the Forbes 2000 list. The selection process reduced the risk of analysing CSR reports that would be misleading or not present mainstream best-practise CSR. Furthermore, the Brandlogic report emphasized a consumer approach to CSR. This cross-referencing led to selecting 23 companies presented in Table 2. The most recent CSR reports of the companies were downloaded during January 2015.The sample represented a wide range of industries from pharmaceuticals to technology and from consumer goods to industrial equipment. Yet at least

some part of each company was directly involved with consumers. The RobecoSam ratings for the companies selected are also presented as additional information in Table 2.

Table 2: Sample for CSR report analysis with company responsibility rankings

Company	Global Rep Trak	Brandlogic index gap	RobecoSam rating
3M	43	11.7	Member
Abbott Labs	48	18.1	Gold + Leader
BMW	4	21.3	Gold
Cisco Systems	52	20.7	N/A
Coca-Cola	27	12.1	Bronze
Colgate-Palmolive	16	7.8	Silver
Danone	17	4.9	Silver
Dell	50	24.6	N/A
Ford	72	15.9	N/A
GE	45	9.1	Member
GlaxoSmithKline	85	21.1	Bronze
IBM	18	24.6	Member
Intel	7	21.2	Bronze
J & J	15	17.2	Member
L'Oreal	24	15	N/A
Microsoft	1	1.1	N/A
Nestlé	10	16.3	Gold + Leader
Nokia	59	21.7	Bronze
Philips	19	10.6	N/A
Samsung	26	9.7	Gold + Leader
Siemens	36	12.2	Gold + Leader
Volkswagen	8	17.4	Gold + Leader
Walt Disney	2	1.8	Member

Report analysis

The terminology for responsibility the companies employed in their reports ranged from CSR to sustainability, corporate citizenship and shared value, but nearly all of them were organized based on the triple bottom line –model by Elkington (1997). Almost all companies followed the Global Reporting Initiative (GRI) guidelines that are built around Elkington's division in three: economic, social and environmental responsibility (Global Reporting Initiative [GRI], 2013). While these guidelines are voluntary, they appear a de facto standard in CSR reporting. A few companies advocated the more recent term "people, planet and profit", but this division also stems from the same model. Thus, organizing the content according to such themes would have added little value. Neither was the purpose to organise the reports based on the synthesis of influences on consumer purchase decisions presented in Figure 1; the eventual goal of the study was to contrast suggested CSR factors valuable to consumers against the responsibility offered by companies. After discovering the themes, the

next step was to compare them with the model and to conduct the content analysis according to the synthesis would have rendered the second phase irrelevant.

CSR actions were first identified from the reports, and information on type of actions, stakeholders targeted and evidence provided was recorded. These data were transformed into themes relevant from a consumer perspective. The attitudes and perceptions indicated in the synthesis, gratitude and scepticism /cynicism, were employed as the lens through which a consumer would view the supply of CSR before a purchase decision. A feeling of gratitude would create favourable perceptions of the company offering responsibility while cynicism would lead to doubt about the genuineness of the effort. These two extremes were considered to form a continuum and the analysis evaluated the reported actions within the boundaries of this "consumer lens". Based on this approach, five themes were identified: 1) measurable environmental actions, 2) employee focus as CSR, 3) company product/service offering as CSR, 4) extra CSR activities, and 5) compliance with rules and regulations. Theme 4 was further split into two sub-themes: context specific CSR (4a) and continuous and systematic actions (4b), while theme 5 was divided between internal (5a) and external (5b) compliance. As the emphasis was on consumers as the focal stakeholder in deciding whether strategic CSR is successful, economic responsibility directed at owners and commonly highlighted in such reports was excluded from the analysis. The consumer lens approach also created a limitation in the confirmability of the findings; without a strictly defined analysis pattern for recognising the themes after the initial classification, different themes might be discovered should another researcher launch the analysis. However, as this phase of the study was exploratory in nature and not aimed at testing hypotheses, this was not considered to devalue the findings.

Findings

The average report was 147 pages long; while insignificant as a measure of responsibility, this suggests that the reports were directed at market analysts, NGO's and other professional readers. Around a quarter of the companies provided a short summary report which could target consumers, though there was no evidence to support this. A minority of the companies supplied a CSR link on their main webpage serving visitors an easy access to responsibility information; largely the information was placed under "corporate information" or "investor information". CSR reporting, while almost universal among large corporations, still did not appear to be directed toward the general public. The reports regularly presented a wide

variety of initiatives compiled under the proposition of responsibility. A few companies did not provide separate CSR reports; instead, they highlighted a message of CSR embedded in their cultures through integrated annual financial and responsibility reports. Extracted themes are found as the follows.

Theme 1: Measurable Environmental Actions. The most common theme in the reports was environmental actions and measures related to them; such propositions featured prominently in every sample report. The most common measure was reduction in water or energy use, and these were followed by decreased waste creation and greenhouse gas emissions. Trimmed use of packaging materials was also frequently mentioned when applicable to the business of the company. GRI reporting principles offer a likely explanation for the popularity of these measures; under GRI such items are required (GRI, 2013). The measurements ranged from a historical reduction in a variable to targets set for the future, with actual values compared against these. A consumer lens highlights two approaches to such measures: A grateful consumer would approach these actions as beneficial to the natural environment while valuing the factual evidence presented. A cynic, however, would doubt whether responsibility was the driver behind the initiatives.

Theme 2: Employee Focus as CSR. The employee section of the reports commonly presented employee benefits and measures of employee population as responsibility. These included items such as safety at workplace, particularly in factory environments, and employee healthcare and training. Employee training was frequently presented as a CSR action, and part of this was training directly related to enhancing the productivity of the employee. Whether such activity would be perceived by consumers as responsibility, or merely a standard management practise to increase workforce efficiency is controversial. Yet such actions differ from the first theme as the perceived benefit to targeted stakeholder may vary largely depending on the context of the action.

Theme 3: Product or Service Offering as CSR. Most of the companies featured development of their products or services into environmentally friendlier or healthier direction as responsibility. The extent of this varied by the industry; companies with polluting products (environmentally friendly cars), in the food service industry (low fat or sodium products) or in the medical industry (more efficient drugs) were particularly active in this. Another segment within this theme were companies that promoted the use of their product or service to improve customer quality of life, and presented such benefits as responsibility toward the customer. As the focus of responsibility under this theme is the consumer himself, it stands out from the first two themes and it is open to both gratefulness and cynicism: it will

be up to each customer to decide whether improvements in user experience qualify as CSR, and the risk of unfavourable views is evident.

Theme 4: Extra CSR Actions. Theme 4 consist of responsible actions that go beyond normal company operations. This theme is further split into two sub-themes based on the context the initiatives link with and their duration.

Theme 4a: Context specific actions. This theme encompasses the widest range of actions, all united by either their temporary or locally originated nature. A typical temporary action would be disaster relief; while a company may provide funds or workforce consistently for disasters that emerge, the actions cannot be scheduled in advance. Other examples of this category would include one-off, local actions initiated by management in a single country. Such initiatives may develop into company-wide programs with specific targets later. Local sponsoring of a community, or donations to a regional NGO without a company-wide policy represent such actions, as they tend to focus on philanthropic spending.

Theme 4b: Continuous and systematic actions. Continuous and systematic actions represent the cornerstone of CSR, and based on the reports they seem to enjoy firm commitment from the sampled companies. A typical example is a company-sponsored employee volunteering program, during which employees help local authorities or organisations to solve problems or improve processes on employer time. Such programs could reach periods of up to six months and include remote locations. Investment in university education, local start-up business support and collaboration with large non-governmental organisations are other examples of this theme.

These two sub-themes are intertwined as both represent responsibility areas companies pursue outside their normal business, and thus gratitude is likely to play an important role in consumer evaluations. Yet the context-specificity of theme 4a may raise doubts among cynics: If such activities are perceived sporadic, they may come across as opportunistic rather than truly responsible.

Theme 5: Compliance with Rules and Regulations. The final theme collected a variety of topics commonly discussed in the reports that associate with compliance. It is divided into two sub-themes based on whether the nature of compliance is internal or external to the company. In other words, we separate compliance based on whether the company reports as CSR its own compliance or its expectation for external parties to comply.

Theme 5a: Internal compliance. In addition to national laws, unofficial public guidelines that companies are encouraged to follow exist in many countries. However, this is not the case globally and companies frequently highlighted cases where they exceed local

expectations based on worldwide policies designed to meet expectations in markets with the tightest regulation. Gender diversity, particularly on the board of directors and upper management, was frequently highlighted in the reports. Similarly, demographic diversity within a company and a restriction of marketing activities directed at children were common topics under this theme.

Theme 5b: External compliance. The role of supplier compliance was also emphasized as a focal CSR area, and most companies stressed their requirements to suppliers before they can join the value chain. In this domain, third party evaluations were a common form of evidence presented to support claims of supply chain responsibility. In industries that subcontract manufacturing in low-cost countries this theme was particularly important.

While the two sub-themes clearly connect, there is a significant difference between internal and external compliance. Viewed through the consumer lens compliance differs significantly from the other themes. By definition, compliance refers to existing rules and regulations, and particularly a cynic would question why such items are reported in a CSR report. However, the frequency with which such items feature on the reports justifies a theme dedicated to them, and complying with laws forms the second level of Carroll's CSR pyramid. External compliance, on the other hand, aims at improving business practices elsewhere and offers support to claim responsibility. Yet a cynic might doubt whether the expectations presented are properly monitored and suppliers held accountable in a robust manner.

Discussion

Table 3 compares the analysis themes against the contingent influences on ethical purchase decisions from Table 1. The three influence areas are each split between company and consumer factors to emphasize the importance of supply and demand in ethical consumption. Company resources should be directed toward those CSR attributes that consumers value (McWilliams & Siegel, 2010) in order to achieve a competitive advantage. We rank how well each theme matches with the six factors using a three-point scale of strong match (++), partial match (+) and weak match (-) to evaluate the use of company resources in CSR. The supply side of each factor (fit, style and communication) will be of particular interest as these form the strategic levers a company can operate to direct its current supply of responsibility to attract customers.

Table 3: Comparison of Strategic Levers of CSR and CSR Report Themes

CSR Report Theme	CSR Content		CSR Action		CSR Interaction	
	Fit	Concern	Style	Effectiveness	Communication	Acceptance
Theme 1: Measurable environmental actions	++	++	+	+	++	-
Theme 2: Employee focus as CSR	-	+	++	-	++	-
Theme 3: Product or service offering as CSR	-	++	++	-	+	+
Theme 4: Extra CSR activities						
4a: Context specific CSR	+	++	+	+	++	++
4b: Continuos and systematic CSR	++	++	++	++	++	++
Theme 5: Compliance with rules and regulations						
5a: Internal compliance	++	-	-	-	++	-
5b: External (supplier) compliance	++	++	+	+	+	+

The first theme of environmental actions, particularly related to saving energy and water, is relevant in almost any line of business and thus fits companies well, although heavy industry is particularly suited for such actions. Similarly, a large part of consumers is concerned about the natural environment, justifying the content of the first theme. Yet environmental actions tend to be reactive in nature and often responding to concerns of climate change and increased pollution. Due to mixed consumer attributions of reactive initiatives the effectiveness of such actions is only partial and potential consumer cynicism over the underlying motives (responsibility vs. cost efficiency) may reduce this impact further. In terms of communication these initiatives provide measured facts of improvement in efficiency that can be verified and they act as valid substitutes for trust. However, while consumers are concerned about the environment, their willingness to pay extra is very limited: efficiency is a cost-cutting measure that increases profits on its own, and "greening"

is nearly mandatory in contemporary business. Thus, acceptance of this theme as true CSR that creates ethical value to consumers remains limited.

The second theme, employee focus as responsibility is controversial in terms of its fit; activities such as workplace safety or employee training are relevant to any company, but their fit with the concept of responsibility is weak. The demand for such activities matches consumer concerns partially; employees are an important stakeholder and most consumers belong to this group themselves. Furthermore, incidents such as employee deaths at electronics manufacturer Foxconn (Dou, 2016) highlight the importance of this theme. On the other hand, offering benefits and opportunities to employees to motivate them does not qualify as responsibility. Initiatives resulting from high-publicity incidents are by definition reactive, and may even be attributed as counteractive, or an attempt to cover up a problem. In terms of interaction these items generally lend themselves to numerical evidence related to spending on training, healthcare and other benefits aimed at substituting trust. Yet consumer acceptance to support such issues, often perceived to belong to normal business conduct, can be low and the sources of ethical value are not clear. This is a particular issue in the case of counteracting poor working conditions.

Theme 3, product or service offering portrayed as responsibility provides weak fit with CSR. This theme includes companies portraying safe, healthy or high-quality products as responsibility. Consumer concern over their purchases is naturally strong and when the product itself is offered as a CSR action it is hard to separate "product concern" from "CSR concern". Product development is often proactive, and there are cases where the product is developed in a responsible direction justifying proactive attributions among customers; such examples include environmentally friendly cleaning products or low emission vehicles. However, in most cases product or service development does not increase ethical value. Communication, particularly in terms of advertising, is plentiful with both evidence and emotion –based communication commonplace. Generally, consumers are willing to pay more for better products, but related to this factor ethical value is hard to distinguish from normal consumption value.

The theme of extra CSR activities is divided between context specific (4a) and continuous and systematic CSR (4b). While the fit of 4a varies largely depending on the context that prompted the CSR initiative, 4b actions usually fit the companies well. Consumer concern for both areas is high and due to strong fit the actions are positively received. Theme 4b is generally proactive in nature, and companies spend considerable resources to conduct such activities. While the latter may be true also within theme 4a, the initiatives usually react to a

situation or sometimes counteract criticism of irresponsibility. Consumers connect the proactive initiatives with positive attributions and thus they have a stronger influence on purchase decisions. For both sub-themes the use of case studies, storytelling and external endorsements about project results are common and substitute trust in a credible manner. Both also possess ethical value that potentially increases consumer willingness to pay for products of companies involved in these initiatives.

The final theme of compliance is divided in two sub-themes to distinguish between internal and external compliance. Both types of compliance fit with the basic attributes of CSR as legal responsibility has been a long-standing element in the domain. However, consumer concern with internal compliance is clearly lower, as this is often considered a basic requirement to operate. Supplier compliance, on the other hand, is generally of high concern to consumers, particularly after tragic events such as the Rana Plaza factory collapse in Bangladesh in 2012, or the recent allegations related to palm oil supplier business practices (ref 2016). To expect responsibility in the supply chain is well in line with the values of ethical purchase. While internal compliance can be perceived inactive in style, external compliance is often proactive as such responsibility is not expected by law. Yet some instances of supplier responsibility could also fall under the counteractive style, raising cynical concerns. Consumer attributions will follow these evaluations, making external compliance clearly more efficient. Finally, in terms of interaction internal compliance lends itself particularly well to facts and figures to be employed in communication, while external compliance relies on expert evaluations and reports of third party inspectors to supplier sites. External compliance creates acceptance among consumers as ethical value in extending responsibility beyond the company itself is evident, while straightforward obedience of laws does not significantly increase customer willingness to pay for products.

Implications: How to Achieve Strategic CSR

The analysis exposes several weaknesses in CSR reporting as many of the themes recognised do not fully match with the factors that influence consumer choices. Furthermore, there are imbalances between supply and demand that weaken strategic CSR. An ideal theme would represent strong match with all the influential factors both in company and consumer aspects. Yet only one of the themes in Table 3, continuous and systematic CSR, fulfils this criterion. The following discussion will focus on recognising the imbalances of the themes compared with the proposed framework. If demand for a theme is considered fairly strong (partial or

strong match with concern, effectiveness and acceptance) a company can operate its strategic levers (fit, style and communication) to make the most out of the theme. Should the demand for a theme be only partial or weak, the theme itself requires changes to match with customer expectations. To illustrate the recommendations, we employ anecdotal CSR examples from niche companies that build their business model around ethical values or are recognised as CSR leaders by influential authors in the field (such as Carroll,2008 and Visser,2011).

The first evident pattern is the imbalance between supply and demand within the three categories that influence consumer decisions (Table 2). Theme 3, product or service as CSR does not fit the criteria of responsibility well even when demand for such factor – ethical products - exists. Yet in most cases the supply factor fits criteria of responsibility well but does not meet respective demand. Themes 2 and 3 meet the criterion of proactive style, but their ethical effectiveness is hampered by the potential for cynicism. As a theme, internal compliance (theme 5a) appears to match the supply factors of responsibility well but not gain concern nor acceptance from consumers; fulfilling regulatory criteria is considered as a basic requirement for companies to operate, not part of ethical business conduct. Based on these observations we recommend that the role of employee focus in CSR reporting should be revisited to highlight employees in vulnerable positions. The role of compliance should be extended beyond normal rules and regulations. With this change the weight of the theme would likely decrease, resulting in a more balanced CSR portfolio in reporting.

The second observation emphasizes areas that lack supply-demand balance. Environmental actions normally fit the operations of companies and gain concern from consumers. Increasingly they become more proactive and are perceived as real effort, reducing the risk of cynicism caused by greenwashing scandals. However, while facts and figures on the topic are clearly communicated they fail to meet the intended goals of increasing consumer willingness to pay for products. Environmental actions, particularly the most common ones related to resource use reduction, are often perceived by consumers as purely cost-cutting measures and thus do not associate with ethical value. To address this issue companies should shift focus on environmental actions that do not just contribute to cost savings and highlight long-term sustainability of their initiatives. The concept of circular economy could, for example, offer an avenue for environmentally focused responsibility that does not immediately lower operating expenses.

Social issues and consumers as a stakeholder are explicitly missing from the themes identified. Implicitly they are noted, as many of the extra CSR activities are aimed at social issues. Yet companies are not specifically taking up the task of addressing social problems

related to their operations or the communities in which they operate. Similarly, consumers are missing: While theme 3 clearly aims to address this group, its fit with responsibility is low as discussed earlier. A key difference lies in the definition of ethical business behaviour; a company offering safe or healthy products is merely meeting general market demands. However, for fit with responsibility companies should offer customers a chance to demonstrate ethical behaviour through purchase. This could happen through a product that contributes to environmental or social sustainability. Examples include companies that encourage their customers to reduce consumption and purchases of new products such as Patagonia (outdoors apparel) or Fairphone (responsible mobile phones) or whose products directly contribute to environmental sustainability, such as 7th Generation (environmentally friendly soaps and detergents).

Of the existing CSR reporting themes 4a, 4b and 5b seem to offer the most potential. The themes match the factors that influence consumer decisions at least partly, and demand appears strong particularly for themes 4a and 4b. More attention is still required on the effectiveness and acceptance of external compliance; the theme must be transformed to match demand, as it is not evident that a mere expectation of supplier compliance qualifies as ethical value. Similarly, to become truly efficient, context specific CSR requires a framework in which it is systematically offered to avoid consumer attributions of opportunistic charity-type activity. Based on the results we recommend inclusion of social issues as a holistic theme within extra CSR activities. As an example, Ben & Jerry's, known for both its ice-cream and CSR, follows such a strategy. Furthermore, supplier compliance should be elevated from a level of expecting suppliers to meet standards to a cooperation with the suppliers in meeting the standards, an approach adopted by Fairphone with supplier employee conditions and avoidance of rare-earth minerals from conflict areas (Fairphone, 2016).

Conclusion

The appeal of strategic CSR, the opportunity to improve financial performance by engaging in responsible activities, is evident and well documented in the RBV domain. To achieve this goal companies must use their resources to supply responsibility that meets consumer demand. This paper synthesizes and classifies the factors critical for strategic success of CSR into a model divided in three characteristics of consumer decision making, further splitting each characteristic in supply and demand factors. It contributes to the field by combining the various mechanisms through which responsibility can nudge consumer decisions under one

framework and highlights the tools at the disposal of a company aspiring to achieve such an impact. These tools are dubbed the strategic levers of CSR, and their current employment is analysed based on company CSR reporting.

Based on the results we offer recommendations on how companies can better employ their resources to achieve strategic CSR both in terms of their CSR supply and adaptation of that supply using the strategic levers at their disposal. Before a company can focus on CSR that creates strategic value, it needs to recognise where this value lies. An attempt to emphasize all CSR attributes under company control equals to missing the opportunity for strategic CSR. The next step in research must be to evaluate the relative importance of the proposed strategic levers, and to specify the most effective ways of operating them. Earlier research has largely studied the various connections between responsibility and consumer purchase decisions one link at a time. This framework is intended as a basis for research to provide a holistic view of the impact of CSR on consumer choices and hence consumer demand for CSR.

The mixed results on the CSP-CFP link suggest that the demand is also latent in nature, a characteristic that has resulted in supply focused CSR. This framework is intended to provide a model to investigate the latent nature of the demand. Recognising consumer demand for CSR is critical to operate the levers correctly. Studying the factors presented in the framework simultaneously will allow establishing the levers that have significant impact on consumer choices. This approach completes earlier research that studies significant influences usually one factor at a time, and it also emphasizes the role of consumer attitudes and perceptions. Yet the strategic levers still represent a high-level division of responsibility and further research is needed into which actions associated with the levers should be taken in a given industry. Finally, the results of employing the levers must be evaluated to understand the relative strength of each lever and to define their expected potential. This will help to specify how companies can operate the levers optimally to gain a strategic advantage through CSR, and address the gap in academic theory between the promise of responsibility as a scarce resource and the reality of an unclear link between corporate social and financial performances.

References

Abratt, R. (1989). A new approach to the corporate image management process. *Journal of Marketing Management*, *5*(1), 63–76. http://doi.org/10.1080/0267257X.1989.9964088

Ajzen, I. (2011). The theory of planned behaviour: Reactions and reflections. *Psychology & Health*, *26*(9), 1113–1127. http://doi.org/10.1080/08870446.2011.613995

Ajzen, I. (1991). The theory of planned behavior. *Orgnizational Behavior and Human Decision Processes*, *50*, 179–211. http://doi.org/10.1016/0749-5978(91)90020-T

Ajzen, I., & Fishbein, M. (1977). Attitude-behavior relations: A theoretical analysis and review of empirical research. *Psychological Bulletin*, *84*(5), 888–918. http://doi.org/10.1037/0033-2909.84.5.888

Ajzen, I., & Fishbein, M. (2005). The Influence of Attitudes on Behaviour. In D. Albarracín, B. T. Johnson, & M. P. Zanna (Eds.), *The handbook of attitudes* (pp. 173–221). Mahwah, NJ: Lawrence Erlbaum Associates. http://doi.org/10.1080/00224545.1956.9921907

Anson, R. H., Dale Mann, J., & Sherman, D. (1986). Niederhoffer's cynicism scale: reliability and beyond. *Journal of Criminal Justice*, *14*(4), 295–305. http://doi.org/10.1016/0047-2352(86)90123-6

Arnot, C., Boxall, P. C., & Cash, S. B. (2006). Do ethical consumers care about price? A revealed preference analysis of Fair Trade coffee purchases. *Canadian Journal of Agricultural Economics/Revue Canadienne d'Agroeconomie*, *54*(4), 555–565. http://doi.org/10.1111/j.1744-7976.2006.00066.x

Ashforth, B. E., & Mael, F. (1989). Social Identity Theory and the Organization. *Academy of Management Review*, *14*(1), 20–39. http://doi.org/10.2307/258189

Auger, P., Burke, P., Devinney, T., & Louviere, J. (2003). What will consumers pay for social product features? *Journal of Business Ethics*, *42*, 281–304. http://doi.org/10.1023/A:1022212816261

Auger, P., Devinney, T. M., Louviere, J. J., & Burke, P. F. (2008). Do social product features have value to consumers? *International Journal of Research in Marketing*, *25*(3), 183–191. http://doi.org/10.1016/j.ijresmar.2008.03.005

Auger, P., Devinney, T. M., Louviere, J. J., & Burke, P. F. (2010). The importance of social product attributes in consumer purchasing decisions: A multi-country comparative study. *International Business Review*, *19*(2), 140–159. http://doi.org/10.1016/j.ibusrev.2009.10.002

Barnett, M. L. (2007). Stakeholder influence capacity and the variability of financial returns to corporate social responsibility. *Academy of Management Review*, *32*(3), 794–816. http://doi.org/10.5465/AMR.2007.25275520

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, *17*(1), 99–120. http://doi.org/10.1177/014920639101700108

Barone, M. J., Norman, A. T., & Miyazaki, A. D. (2007). Consumer response to retailer use of cause-related marketing: Is more fit better? *Journal of Retailing*, *83*(4), 437–445. http://doi.org/10.1016/j.jretai.2007.03.006

Becker-Olsen, K. L., Cudmore, B. A., & Hill, R. P. (2006). The impact of perceived corporate social responsibility on consumer behavior. *Journal of Business Research*, *59*(1), 46–53. http://doi.org/10.1016/j.jbusres.2005.01.001

Bhattacharya, C. B., & Sen, S. (2003). Consumer-company identification: A framework for understanding consumers' relationships with companies. *Journal of Marketing*, *67*(2), 76–88. http://doi.org/10.1509/jmkg.67.2.76.18609

Bird, R., D. Hall, A., Momentè, F., & Reggiani, F. (2007). What corporate social responsibility activities are valued by the market? *Journal of Business Ethics*, *76*(2), 189–206. http://doi.org/10.1007/s10551-006-9268-1

Boulstridge, E., & Carrigan, M. (2000). Do consumers really care about corporate responsibility? Highlighting the attitude—behaviour gap. *Journal of Communication Management*, *4*(4), 355–368. http://doi.org/10.1108/eb023532

Branco, M. C., & Rodrigues, L. L. (2006). Corporate social responsibility and resource-based perspectives. *Journal of Business Ethics*, *69*(2), 111–132. http://doi.org/10.1007/s10551-006-9071-z

Brandlogic, & CRD Analytics. (2012). Sustainability Leadership Report. Retrieved March 10, 2014, from http://www.sustainabilityleadershipreport.com

Brown, T., & Dacin, P. A. (1997). The company and the product: corporate associations and consumer product responses. *The Journal of Marketing*, *61*(January), 68–84.

Burke, L., & Logsdon, J. M. (1996). How corporate social responsibility pays off. *Long Range Planning*, *29*(4), 495–502. http://doi.org/10.1016/0024-6301(96)00041-6

Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, *34*(3), 39–48. http://doi.org/10.1016/0007-6813(91)90005-G

Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *The Academy of Management Review*, *4*(4), 497. http://doi.org/10.2307/257850

Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International Journal of Management Reviews*, *12*(1), 85–105. http://doi.org/10.1111/j.1468-2370.2009.00275.x

Castaldo, S., Perrini, F., Misani, N., & Tencati, A. (2009). The missing link between corporate social responsibility and consumer trust: the case of Fair Trade products. *Journal of Business Ethics*, *84*(1), 1–15. http://doi.org/10.1007/s10551-008-9669-4

Chang, C.-H. (2015). Proactive and reactive corporate social responsibility: antecedent and consequence. *Management Decision*, *53*(2), 451–468. http://doi.org/10.1108/MD-02-2014-0060

Chen, R. J. C. (2015). From sustainability to customer loyalty: A case of full service hotels' guests. *Journal of Retailing and Consumer Services*, *22*, 261–265. http://doi.org/10.1016/j.jretconser.2014.08.007

Chernev, A., & Blair, S. (2015). Doing well by doing good: The benevolent halo of corporate social responsibility. *Journal of Consumer Research*, *41*(6), 1412–1425. http://doi.org/10.1086/680089

Choi, S., & Ng, A. (2011). Environmental and economic dimensions of sustainability and price effects on consumer responses. *Journal of Business Ethics*, *104*(2), 269–282. http://doi.org/10.1007/s10551-011-0908-8

Claver-Cortés, E., Molina-Azorín, J. F., Pereira-Moliner, J., & López-Gamero, M. D. (2007). Environmental strategies and their impact on hotel performance. *Journal of Sustainable Tourism*, *15*(6), 663–679. http://doi.org/10.2167/jost640.0

Connors, S., Anderson-MacDonald, S., & Thomson, M. (2015). Overcoming the "window dressing" effect: Mitigating the negative effects of inherent skepticism towards corporate social responsibility. *Journal of Business Ethics*. http://doi.org/10.1007/s10551-015-2858-z

Creyer, E. H., & Ross, W. T. (1997). The influence of firm behavior on purchase intention : do consumers really care about business ethics ? *Journal of Consumer Marketing*, *14*(6), 421–432. http://doi.org/10.1108/07363769710185999

Crittenden, V. L., Crittenden, W. F., Ferrell, L. K., Ferrell, O. C., & Pinney, C. C. (2010). Market-oriented sustainability: A conceptual framework and propositions. *Journal of the Academy of Marketing Science*, *39*(1), 71–85. http://doi.org/10.1007/s11747-010-0217-2

Currás-Pérez, R., Bigné-Alcañiz, E., & Alvarado-Herrera, A. (2009). The role of self-definitional principles in consumer identification with a socially responsible company. *Journal of Business Ethics*, *89*(4), 547–564. http://doi.org/10.1007/s10551-008-0016-6

De Pelsmacker, P., Driesen, L., & Rayp, G. (2005). Do consumers care about ethics? Willingness to pay for Fair Trade coffee. *Journal of Consumer Affairs*, *39*(2), 363–385. http://doi.org/10.1111/j.1745-6606.2005.00019.x

Devinney, T. M., Auger, P., Eckhardt, G., & Birtchnell, T. (2006). The Other CSR: Consumer Social Responsibility. *Stanford Social Innovation Review*, *61*(2), 1–13. http://doi.org/10.2139/ssrn.901863

Diallo, M. F., & Lambey-Checchin, C. (2015). Consumers' perceptions of retail business ethics and loyalty to the retailer: The moderating role of social discount practices. *Journal of Business Ethics*. http://doi.org/10.1007/s10551-015-2663-8

Drucker, P. (1994). The new meaning of corporate social responsibility. *California Management Review*, *XXVI*(2), 53–64.

Du, S., Bhattacharya, C. B., & Sen, S. (2007). Reaping relational rewards from corporate social responsibility: The role of competitive positioning. *International Journal of Research in Marketing*, *24*(3), 224–241. http://doi.org/10.1016/j.ijresmar.2007.01.001

Dutton, J. E., Dukerich, J. M., & Harquail, C. V. (1994). Organizational Images and Member Identification. *Administrative Science Quarterly*, *39*(2), 239–263. http://doi.org/10.2307/2393235

Elkington, J. (1997). *Cannibals with Forks: the Triple Bottom Line of 21st Century Business*. Oxford: Capstone.

Ellen, P. S., Webb, D. J., & Mohr, L. A. (2006). Building corporate associations: consumer attributions for corporate socially responsible programs. *Journal of the Academy of Marketing Science*, *34*(2), 147–157. http://doi.org/10.1177/0092070305284976

Fairtrade Labelling Organizations International. (2011). History of Fairtrade. Retrieved February 15, 2014, from http://www.fairtrade.net/about-fairtrade/history-of-fairtrade.html

Festinger, L., & Carlsmith, J. M. (1959). Cognitive consequences of forced compliance. *Journal of Abnormal Psychology*, *58*(2), 203–210. http://doi.org/10.1037/h0041593

Finch, D. (2008). Performance through relationships: A case for the integration of strategic stakeholder management and community investment. *Journal of Sponsorship*, *1*(4), 338–349.

Folkes, V. S. (1984). Consumer Reactions to Product Failure: An Attributional Approach. *Journal of Consumer Research*, *10*(4), 398. http://doi.org/10.1086/208978

Folkes, V. (1988). Recent attribution research in consumer behavior: A review and new directions. *Journal of Consumer Research*, *14*(March), 548–566. http://doi.org/10.1086/209135

Forbes. (2013). The World's Biggest Public Companies List. Retrieved January 15, 2014, from http://www.forbes.com/global2000/list/

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Marshfield, MA: Pitman Publishing Inc.

Freestone, O. M., & McGoldrick, P. J. (2007). Motivations of the ethical consumer. *Journal of Business Ethics*, *79*(4), 445–467. http://doi.org/10.1007/s10551-007-9409-1

Garay, L., & Font, X. (2012). Doing good to do well? Corporate social responsibility reasons, practices and impacts in small and medium accommodation enterprises. *International Journal of Hospitality Management*, *31*(2), 329–337. http://doi.org/10.1016/j.ijhm.2011.04.013

Gilbert, D. T., & Jones, E. E. (1986). Perceiver-induced constraint: Interpretations of self-generated reality. *Journal of Personality and Social Psychology*, *50*(2), 269–280. http://doi.org/10.1037/0022-3514.50.2.269

Global Reporting Initiative. (2013). G4 Sustainability Reporting Guidelines. Retrieved January 25, 2014, from https://www.globalreporting.org/standards/g4/Pages/default.aspx

Godfrey, P. C. (2005). The relationship between corporate philanthropy and shareholder wealth: A risk management perspective. *Academy of Management Review*, *30*(4), 777–798. http://doi.org/10.5465/AMR.2005.18378878

Golob, U., Lah, M., & Jančič, Z. (2008). Value orientations and consumer expectations of Corporate Social Responsibility. *Journal of Marketing Communications*, *14*(2), 83–96. http://doi.org/10.1080/13527260701856525

Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, *91*(3), 481–510.

Groza, M. D., Pronschinske, M. R., & Walker, M. (2011). Perceived organizational motives and consumer responses to proactive and reactive CSR. *Journal of Business Ethics*, *102*(4), 639–652. http://doi.org/10.1007/s10551-011-0834-9

Hart, S. L. (1995). A natural Resource-Based View of the firm. *Academy of Management Review*, *20*(4), 986–1014. http://doi.org/10.5465/AMR.1995.9512280033

Hensher, D. A., Rose, J. M., & Greene, W. H. (2005). *Applied Choice Analysis: a Primer*. Cambridge University Press.

Hoek, J., & Gendall, P. (2008). An analysis of consumers' responses to cause related marketing. *Journal of Nonprofit & Public Sector Marketing*, *20*(2), 283–297. http://doi.org/10.1080/10495140802224977

Hogg, M. A., Terry, D. J., & White, K. M. (1995). A Tale of Two Theories: A Critical Comparison of Identity Theory with Social Identity Theory. *Social Psychology Quarterly*, *58*(4), 255–269. http://doi.org/10.2307/2787127

Hur, W.-M., Kim, H., & Woo, J. (2014). How CSR leads to corporate brand equity: Mediating mechanisms of corporate brand credibility and reputation. *Journal of Business Ethics*, *125*(1), 75–86. http://doi.org/10.1007/s10551-013-1910-0

Husted, B. W., & Allen, D. B. (2007). Strategic corporate social responsibility and value creation among large firms. *Long Range Planning*, *40*(6), 594–610. http://doi.org/10.1016/j.lrp.2007.07.001

Husted, B. W., & de Jesus Salazar, J. (2006). Taking Friedman seriously: Maximizing profits and social performance. *Journal of Management Studies*, *43*(1), 75–91. http://doi.org/10.1111/j.1467-6486.2006.00583.x

Janssen, M., & Hamm, U. (2012). Product labelling in the market for organic food: Consumer preferences and willingness-to-pay for different organic certification logos. *Food Quality and Preference*, *25*(1), 9–22. http://doi.org/10.1016/j.foodqual.2011.12.004

Jones, E. E., & Davis, K. E. (1965). From acts to dispositions: The attributional process in person perception. *Advances in Experimental Social Psychology*. http://doi.org/10.1017/CBO9781107415324.004

Jones, E., Harris, A., & University, D. (1967). The attribution attitudes. *Journal of Experimental Social Psychology*, *3*, 1–24.

Jones, E. E. (1979). The rocky road from acts to dispositions. *American Psychologist*, *34*(2), 107–117. http://doi.org/10.1037/0003-066X.34.2.107

Kanter, D. L., & Mirvis, P. H. (1989). *The Cynical Americans*. San Francisco: Jossey-Bass.

Kelley, H. H. (1973). The process of causal attribution. *American Psychologist*, *28*(2), 107–128. http://doi.org/10.1037/h0034225

Kim, E. E. K., Kang, J., & Mattila, A. S. (2012). The impact of prevention versus promotion hope on CSR activities. *International Journal of Hospitality Management*, *31*(1), 43–51. http://doi.org/10.1016/j.ijhm.2011.05.004

Kim, Y. (2015). Consumer responses to the food industry's proactive and passive environmental CSR, factoring in price as CSR tradeoff. *Journal of Business Ethics*, (Alliance 2011). http://doi.org/10.1007/s10551-015-2671-8

Klein, J., & Dawar, N. (2004). Corporate social responsibility and consumers' attributions and brand evaluations in a product-harm crisis. *International Journal of Research in Marketing*, *21*(3), 203–217. http://doi.org/10.1016/j.ijresmar.2003.12.003

Koschate-Fischer, N., Stefan, I. V, & Hoyer, W. D. (2012). Willingness to pay for cause-related marketing: the impact of donation amount and moderating effects. *Journal of Marketing Research*, *49*(6), 910–927. http://doi.org/10.1509/jmr.10.0511

Kuokkanen, H., & Sun, W. (2015). Social desirability and cynicism: Can we separate consumer emotions from actions in CSR surveys? *Academy of Management Proceedings*, (1), 14097–14097. http://doi.org/10.5465/AMBPP.2015.14097abstract

Lafferty, B. A. (2007). The relevance of fit in a cause–brand alliance when consumers evaluate corporate credibility. *Journal of Business Research*, *60*(5), 447–453. http://doi.org/10.1016/j.jbusres.2006.09.030

Lee, S., Singal, M., & Kang, K. H. (2013). The corporate social responsibility–financial performance link in the U.S. restaurant industry: Do economic conditions matter? *International Journal of Hospitality Management*, *32*, 2–10. http://doi.org/10.1016/j.ijhm.2012.03.007

Lewicki, R. J., & Bunker, B. B. (1996). Developing and Maintaining Trust in Work Relationships. *Trust in Organizations: Frontiers of Theory and Research*, (November), 114–139. http://doi.org/10.4135/9781452243610.n7

Lii, Y.-S., & Lee, M. (2011). Doing right leads to doing well: When the type of CSR and reputation interact to affect consumer evaluations of the firm. *Journal of Business Ethics*, *105*(1), 69–81. http://doi.org/10.1007/s10551-011-0948-0

Luchs, M. G., Naylor, R. W., Irwin, J. R., & Raghunathan, R. (2010). The sustainability liability: Potential negative effects of ethicality on product preference. *Journal of Marketing*, *74*(5), 18–31. http://doi.org/10.1509/jmkg.74.5.18

Maignan, I., & Ferrell, O. C. (2004). Corporate social responsibility and marketing: An integrative framework. *Journal of the Academy of Marketing Science*, *32*(1), 3–19. http://doi.org/10.1177/0092070303258971

Malle, B. F. (2011). Attribution Theories: How People Make Sense of Behavior. In *Theories in Social Psychology*. (pp. 72–95).

Marín, L., Cuestas, P. J., & Román, S. (2015). Determinants of consumer attributions of corporate social responsibility. *Journal of Business Ethics*. http://doi.org/10.1007/s10551-015-2578-4

Marín, L., Rubio, A., & de Maya, S. R. (2012). Competitiveness as a strategic outcome of corporate social responsibility. *Corporate Social Responsibility and Environmental Management*, *19*(6), 364–376. http://doi.org/10.1002/csr.1288

Marin, L., & Ruiz, S. (2006). "I need you too!" Corporate identity attractiveness for consumers and the role of social responsibility. *Journal of Business Ethics*, *71*(3), 245–260. http://doi.org/10.1007/s10551-006-9137-y

Marin, L., Ruiz, S., & Rubio, A. (2008). The role of identity salience in the effects of corporate social responsibility on consumer rehavior. *Journal of Business Ethics*, *84*(1), 65–78. http://doi.org/10.1007/s10551-008-9673-8

Martínez, P., & Rodríguez del Bosque, I. (2013). CSR and customer loyalty: The roles of trust, customer identification with the company and satisfaction. *International Journal of Hospitality Management*, *35*, 89–99. http://doi.org/10.1016/j.ijhm.2013.05.009

McWilliams, A., & Siegel, D. S. (2010). Creating and capturing value: strategic corporate social responsibility, resource-based theory, and sustainable competitive advantage. *Journal of Management*, *37*(5), 1480–1495. http://doi.org/10.1177/0149206310385696

McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *The Academy of Management Review*, *26*(1), 117. http://doi.org/10.2307/259398

Mintzberg, H. (1983). The case for corporate social responsibility. *Journal of Business Strategy*, *4*(2), 3–15. http://doi.org/10.1108/eb039015

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. *Academy of Management Review*, *22*(4), 853–886. http://doi.org/10.5465/AMR.1997.9711022105

Mohr, L. A., & Webb, D. J. (2005). The effects of corporate social responsibility and price on consumer responses. *Journal of Consumer Affairs*, *39*(1), 121–147. http://doi.org/10.1111/j.1745-6606.2005.00006.x

Mohr, L. A., Webb, D. J., & Harris, K. (2001). Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behavior. *The Journal of Consumer Affairs*, *35*(1), 45–72.

Moosmayer, D. C. (2012). Negativity bias in consumer price response to ethical information. *Business Ethics: A European Review*, *21*(2), 198–208. http://doi.org/10.1111/j.1467-8608.2011.01647.x

Morales, A. C. (2005). Giving Firms an "E" for Effort: Consumer Responses to High-Effort Firms. *Journal of Consumer Research*, *31*(4), 806–812. http://doi.org/10.1086/426615

Newman, G. E., Gorlin, M., & Dhar, R. (2014). When going green backfires: How firm intentions shape the evaluation of socially beneficial product enhancements. *Journal of Consumer Research*, *41*(3), 823–839. http://doi.org/10.1086/677841

Öberseder, M., Schlegelmilch, B. B., & Gruber, V. (2011). "Why don't consumers care about CSR?": A qualitative study exploring the role of CSR in consumption decisions. *Journal of Business Ethics*, *104*(4), 449–460. http://doi.org/10.1007/s10551-011-0925-7

Öberseder, M., Schlegelmilch, B. B., & Murphy, P. E. (2013). CSR practices and consumer perceptions. *Journal of Business Research*, *66*(10), 1839–1851. http://doi.org/10.1016/j.jbusres.2013.02.005

Palmatier, R. W., Jarvis, C. B., Bechkoff, J. R., & Kardes, F. R. (2009). The role of customer gratitude in relationship marketing. *Journal of Marketing*, *73*(5), 1–18. http://doi.org/10.1509/jmkg.73.5.1

Parsa, H. G., Lord, K. R., Putrevu, S., & Kreeger, J. (2015). Corporate social and environmental responsibility in services: Will consumers pay for it? *Journal of Retailing and Consumer Services*, *22*, 250–260. http://doi.org/10.1016/j.jretconser.2014.08.006

Pawlak, M., & Zasuwa, G. (2011). Influence of a company's social initiatives on the consumer attitude towards it. Results of experimental research. *Contemporary Economics*, *5*(2), 80. http://doi.org/10.5709/ce.1897-9254.14

Peloza, J., & Shang, J. (2011). How can corporate social responsibility activities create value for stakeholders? A systematic review. *Journal of the Academy of Marketing Science*, *39*(1), 117–135. http://doi.org/10.1007/s11747-010-0213-6

Pivato, S., Misani, N., & Tencati, A. (2008). The impact of corporate social responsibility on consumer trust: the case of organic food. *Business Ethics: A European Review*, *17*(1), 3–12. http://doi.org/10.1111/j.1467-8608.2008.00515.x

Pomering, A., & Dolnicar, S. (2008). Assessing the prerequisite of successful CSR implementation: Are consumers aware of CSR initiatives? *Journal of Business Ethics*, *85*(S2), 285–301. http://doi.org/10.1007/s10551-008-9729-9

Porter, M. E., & Kramer, M. R. (2002). The competitive advantage of corporate philanthropy. *Harvard Business Review*, *80*(12), 187–212. http://doi.org/10.1177/0007650306297941

Porter, M. E., & Kramer, M. R. (2006). Strategy & society: The link between competitiv advantage and corporate social responsibility. *Harvard Business Review*, *84*(December), 78–92.

Pracejus, J. W., & Olsen, G. D. (2004). The role of brand/cause fit in the effectiveness of cause-related marketing campaigns. *Journal of Business Research*, *57*(6), 635–640. http://doi.org/10.1016/S0148-2963(02)00306-5

Reinhardt, F. L. (1998). Environmental product differentiation: Implications for corporate strategy. *California Management Review*, *40*(4), 43–74.

Reputation Institute. (2013). CSR RepTrak 100. Retrieved January 20, 2014, from https://www.reputationinstitute.com/

Ricks, J. M. (2005). An assessment of strategic corporate philanthropy on perceptions of brand equity variables. *Journal of Consumer Marketing*, *22*(3), 121–134. http://doi.org/10.1108/07363760510595940

RobecoSAM. (2014). The Sustainability Yearbook. Retrieved January 20, 2014, from http://www.robecosam.com

Roberts, J. A. (1996). Will the real socially responsible consumer please step forward? *Business Horizons*, *39*(1), 79–83. http://doi.org/10.1016/S0007-6813(96)90087-7

Romani, S., Grappi, S., & Bagozzi, R. P. (2012). Explaining consumer reactions to corporate social responsibility: The role of gratitude and altruistic values. *Journal of Business Ethics*, *114*(2), 193–206. http://doi.org/10.1007/s10551-012-1337-z

Rousseau, D. M., Sitkin, S. B., Burt, R. S., & Camerer, C. (1998). Not so different after all: A cross-discipline view of trust. *Academy of Management Review*, *23*(3), 393–404. http://doi.org/10.5465/AMR.1998.926617

Russell, D. W., & Russell, C. A. (2010). Here or there? Consumer reactions to corporate social responsibility initiatives: Egocentric tendencies and their moderators. *Marketing Letters*, *21*(1), 65–81. http://doi.org/10.1007/s11002-009-9082-5

Russo, M. V, & Fouts, P. A. (1997). A Resource-Based perspective on corporate environmental performance and profitability. *Academy of Management Journal*, *40*(3), 534–559. http://doi.org/10.2307/257052

Salmones, M. del M. G. de los, Crespo, A. H., & Bosque, I. R. del. (2005). Influence of corporate social responsibility on loyalty and valuation of services. *Journal of Business Ethics*, *61*(4), 369–385. http://doi.org/10.1007/s10551-005-5841-2

Samu, S., & Wymer, W. (2009). The effect of fit and dominance in cause marketing communications. *Journal of Business Research*, *62*(4), 432–440. http://doi.org/10.1016/j.jbusres.2008.01.039

Schröder, M. J. A., & McEachern, M. G. (2005). Fast foods and ethical consumer value: a focus on McDonald's and KFC. *British Food Journal*, *107*(4), 212–224. http://doi.org/10.1108/00070700510589503

Schuler, D. A., & Cording, M. (2006). A corporate social performance-corporate financial performance behavioral model for consumers. *Academy of Management Review*, *31*(3), 540–558. http://doi.org/10.5465/AMR.2006.21318916

Sen, S., Bhattacharya, C. B. C., & Korschun, D. (2006). The role of corporate social responsibility in strengthening multiple stakeholder relationships: A field experiment. *Journal of the Academy of Marketing Science*, *34*(2), 158–166. http://doi.org/10.1177/0092070305284978

Sen, S., & Bhattacharya, C. B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, *38*(2), 225–243. http://doi.org/10.1509/jmkr.38.2.225.18838

Skarmeas, D., & Leonidou, C. N. (2013). When consumers doubt, watch out! The role of CSR skepticism. *Journal of Business Research*, *66*(10), 1831–1838. http://doi.org/10.1016/j.jbusres.2013.02.004

Smith, J. R., & Louis, W. R. (2008). Do as we say and as we do: the interplay of descriptive and injunctive group norms in the attitude-behaviour relationship. *The British Journal of Social Psychology / the British Psychological Society*, *47*(Pt 4), 647–66. http://doi.org/10.1348/014466607X269748

Smith, J. R., & Louis, W. R. (2009). Group norms and the attitude–behaviour relationship. *Social and Personality Psychology Compass*, *3*(1), 19–35. http://doi.org/10.1111/j.1751-9004.2008.00161.x

Sudbury Riley, L., Kohlbacher, F., & Hofmeister, A. (2012). A cross-cultural analysis of pro-environmental consumer behaviour among seniors. *Journal of Marketing Management*, *28*(3–4), 290–312.

Tajfel, H., & Turner, J. C. (1986). The social identity theory of intergroup behavior. *Psychology of Intergroup Relations*. http://doi.org/10.1111/j.1751-9004.2007.00066.x

Torugsa, N. A., O'Donohue, W., & Hecker, R. (2013). Proactive CSR: An empirical analysis of the role of its economic, social and environmental dimensions on the association between capabilities and performance. *Journal of Business Ethics*, *115*(2), 383–402. http://doi.org/10.1007/s10551-012-1405-4

Torugsa, N. A., O'Donohue, W., & Hecker, R. (2012). Capabilities, proactive CSR and financial performance in SMEs: Empirical evidence from an Australian manufacturing industry sector. *Journal of Business Ethics*, *109*(4), 483–500. http://doi.org/10.1007/s10551-011-1141-1

Trope, Y., & Gaunt, R. (2000). Processing alternative explanations of behavior: Correction or integration? *Journal of Personality and Social Psychology*, *79*(3), 344–354. http://doi.org/10.1037/0022-3514.79.3.344

Tversky, a, & Kahneman, D. (1974). Judgment under Uncertainty: Heuristics and Biases. *Science (New York, N.Y.)*, *185*(4157), 1124–31. http://doi.org/10.1126/science.185.4157.1124

Vallaster, C., Lindgren, A., & Maon, F. (2012). Strategically leveraging corporate social responsibility. *California Management Review*, *54*(3), 34–60. http://doi.org/10.1525/cmr.2012.54.3.34

Valor, C. (2008). Can consumers buy responsibly? Analysis and solutions for market failures. *Journal of Consumer Policy*, *31*(3), 315–326. http://doi.org/10.1007/s10603-008-9070-9

Varadarajan, P., & Menon, A. (1988). Cause-related marketing: A coalignment of marketing strategy and corporate philanthropy. *The Journal of Marketing*, *52*(July), 58–74.

Vishwanathan, P. (2010). Elusive relationship between corporate social and financial performance: Meta-Analyzing four decades of misguided evidence. *Academy of Management Proceedings*, (1), 1–7. http://doi.org/10.5465/AMBPP.2010.54493634

Wang, Q., Dou, J., & Jia, S. (2015). A Meta-Analytic Review of Corporate Social Responsibility and Corporate Financial Performance: The Moderating Effect of Contextual Factors. *Business & Society*, 1–39. http://doi.org/10.1177/0007650315584317

Wartick, S. L., & Cochran, P. L. (1985). The evolution of the corporate social performance model. *Academy of Management Review*, *10*(4), 758–769. http://doi.org/10.2307/258044

Weiner, B. (2000). Attributional Thoughts about Consumer Behavior. *Journal of Consumer Research*, *27*(3), 382–387. http://doi.org/10.1086/317592

Weiner, B. (1985). An attributional theory of achievement motivation and emotion. *Psychological Review*, *92*(4), 548–573. http://doi.org/10.1037/0033-295X.92.4.548

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, *5*(2), 171–180. http://doi.org/10.1002/smj.4250050207

Yoon, Y., Gürhan-Canli, Z., & Schwarz, N. (2006). The effect of corporate social responsibility (CSR) activities on companies with bad reputations. *Journal of Consumer Psychology*, *16*(4), 377–390. http://doi.org/10.1207/s15327663jcp1604_9

Zucker, L. G. (1986). Production of trust: Institutional sources of economic structure, 1840-1920. *Research in Organizational Behavior*, *8*(1), 53–111.