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The Influence of Corporate Social Responsibility Publicity on Consumers'

Willingness to purchase in the Context of Product-harm Crisis

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Abstract: This article exams the relationship between corporate social responsibility publicity and consumers' willingness to purchase. Based on frame effect theory, this article divides CSR publicity into 2 types: concrete and abstract. By a 2 (CSR publicity: concrete VS abstract) × 2 (information source: internal VS external) experiment, the findings show that concrete CSR publicity can increase consumers' willingness to purchase more than abstract one. Consumers' perceived hypocrisy plays a mediating role on the relationship between CSR publicity and consumers' willingness to purchase. In addition, information source may play a regulatory role between the above relationships. If consumers get information about corporate social responsibility activities outside of the enterprise, concrete CSR publicity are more obvious to reduce consumers' perceived hypocrisy. Conversely, if consumers obtain corporate social responsibility information inside of the enterprise, the concrete and abstract CSR publicity have little difference on consumers' perceived hypocrisy.

Keywords: corporate social responsibility publicity; consumers' willingness to purchase; product-harm crisis; frame effect

1. INTRODUCTION

The term product-harm crisis refers to well-known events related to product defects or harm associated with some brands ^[1]. Once an enterprise confront with a severe product-harm crisis, it is likely to experience a disaster. Corporate social responsibility (CSR) is often used by the enterprises as an effective tool to help them to pass the crisis. Nowadays news media exert great influence on public opinion. Especially with rapid growth of social media, negative publicity may even completely destroy a brand. Different reporting style may have different effects on consumers, thus affecting consumer's brand attitudes after crisis event. When different media expressions give rise to consumers' different responses, "frame effect" generates. As to frame effect, the research achievements are fruitful. But in the context of product-harm crisis, the question how media news frame affects consumers brand attitudes remains unsolved. In this article, we will explore the mechanism how media news frame influences consumers' attitudes to brand in the occurrence of product-crisis. This research intends to build a model illustrating the media news frame effect and explore the related factors that may affect consumers' brand attitudes which may make contribution to the theory of crisis management and provide implications with enterprises effectively using the media to spread information and later repair its image after product-harm crisis.

2. LITERATURE REVIEW

Sen and Bhattachary (2001) found that corporate social responsibility activities can directly influence consumers' purchasing behaviors ^[2]. However, it is limited by the degree of trust and support of consumers to the company. Studies have shown that communication strategies can affect the transmission of CSR information. When communication is not proper, it is easy to cause public misunderstanding and information asymmetry, and increase the possibility of enterprises being perceived as hypocrisy (Wagner et al. 2009) ^[3]. Consumers'

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perception of hypocrisy will affect their perception of the company, and thus affect the attitude and purchasing behavior of the consumers. Therefore, companies must adopt effective strategies to change consumer perceptions and avoid consumers' hypocrisy.

Nobel Prize winners Tversky and Kahneman (1981) first proposed the concept of frame effect. They believe that the frame effect refers to the concept of actions, results and their contingency conditions associated with specific choice behaviors in the minds of decision makers^[4]. Soman (2004) has made a new definition to make it easier to understand. He believed that frame effect is people's decision-making judgments on an objectively identical event are influenced by the expressions and wordings of the statements, and different statement expressions and wordings lead to different decision-making judgments. The frame effect suggests that most people are influenced by factors in the specific context when making decisions. The reason for the formation of the frame effect is partly because of the individual characteristics of the decision makers such as habits, norms, etc., partly because of the way in which the problem is expressed.

The literature above has provided a good foundation for this research, but the frame effect about the CSR publicity after product-harm crisis get little attention. Therefore this research intends to study the influence of CSR Publicity on consumers' willingness to purchase in the context of product-harm crisis base on the theory of frame effect.

3. CONSTRUCTIONS AND MODEL

3.1 Definition of key concepts

CSR refers to context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance (Aguinis, 2012)^[5]. Wagner et al. (2009) first proposed that inconsistent company's words and deeds will make consumers perceive hypocrisy, which is consumers' perceived hypocrisy in this research. Consumers' willingness to purchase refers to the tendency of consumers to regularly purchase a certain brand of products in the future and the tendency of resisting to switch to other brands. This tendency is influenced by internal and external environments, such as their own needs, product performance, brand image, loyalty and so on.

3.2 Research Framework

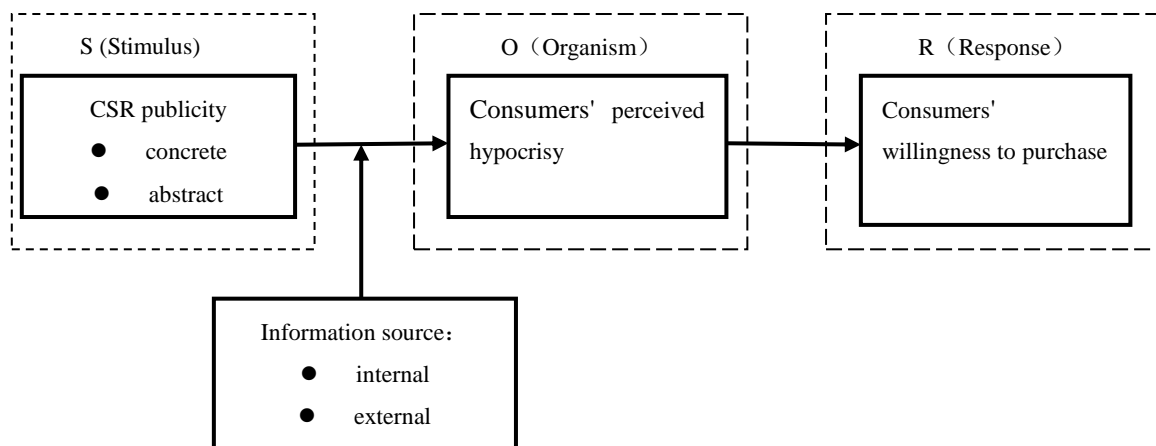


Figure 1 Research framework

Firstly, we divide the CSR publicity into concrete and abstract ones. The relationship between CSR publicity and consumers' willingness to purchase is discussed to find whether there is difference between the two different types of CSR publicity. Secondly, the relationship between CSR publicity and consumers'

perceived hypocrisy is discussed to find whether there is different consumers' perceived hypocrisy between the two different types of CSR publicity. Thirdly, the relationship between perceived hypocrisy and consumers' willingness to purchase is discussed. Finally, the mediation effect of consumers' perceived hypocrisy and the regulatory effect of information source on the relationship between CSR publicity and consumers' perceived hypocrisy will be checked. The research framework and main variables of this paper are shown in Figure 1

4. RESEARCH HYPOTHESIS

4.1 The relationship between CSR publicity and consumers' willingness to purchase

Scott (2017) found that concrete statements can improve communication effectiveness. Concrete information is more easily perceived, produce more favorable consumer reactions, increase associations stored in memory, and form a memory that is not easy to fade. The concrete information makes it more convincing, more transparent, objective and credible, so concrete information will increase the consumer's preference for response and have a positive impact ^[6]. Wagner (2009) found that concrete CSR information is more easily perceived by consumers, allowing consumers to understand the sincerity, truthfulness and openness of the company in fulfilling CSR activities, and then generate positive consumer behavior impacts, including brand awareness, purchase intention and trust. When companies promote CSR activities, they will specify CSR information, such as how to benefit the community, which will reduce consumer's suspicion of CSR, create positive perceptions, make positive consumer reactions, and improve willingness to purchase. On the contrary, abstract CSR information is not easily perceived by consumers. Consumers can't understand the details of corporate social responsibility activities, and it is difficult to have a positive impact on consumers' behavior. According to these researches the following assumptions is made:

H1: Concrete CSR publication can increase consumers' willingness to purchase than abstract CSR one.

4.2 The relationship between CSR publicity and consumers' perceived hypocrisy

Many researches show that when CSR publicity is inconsistent with the actual behavior, the consumer will perceive the corporate hypocrisy, and believe that the CSR activity of the enterprise is not entire for the benefit of the society, but for the corporate benefit. According to Wagner's (2009) study, inconsistent CSR information will make the company have a reputation for hypocrisy. In this process, if the enterprise responds positively, and the abstractness of CSR publicity will also lead consumers to perceive the inconsistency of CSR information. At the same time, some studies have shown that if companies provide concrete CSR information, consumers will have a better understanding of the process of corporate social responsibility, thus the company's CSR activities will become more transparent and more realistic, which can alleviate consumers' doubts about CSR and reduce negatives influence. When the CSR information provided by the enterprise is relatively abstract, it is difficult for consumers to perceive whether the enterprise is actually fulfilling corporate social responsibility, and the degree of hypocrisy to the enterprise will increase ^[7]. Therefore, the following hypothesis is made:

H2: Compared to abstract CSR publicity, concrete CSR publicity can reduce perceived hypocrisy.

4.3 The mediating effect of consumers' perceived hypocrisy

When consumers believe that the company is hypocritical, they will have lower willingness to purchase. Researches find when consumers perceive corporate hypocrisy, they will generate negative emotions, which in turn affect their attitudes and behaviors towards the enterprise. Therefore, when consumers think that the company is hypocritical, there are different degrees of negative impact on brand attitude, loyalty, corporate reputation, and purchasing behavior. On the contrary, if the company brings positive impact in CSR activities to consumers, and consumers do not perceive corporate hypocrisy, then consumers are positive to brand attitudes, loyalty, and willingness to purchase. Obviously, the higher the consumer perception of the company hypocrisy, the lower willingness to purchase will be. Therefore, the following hypothesis is made:

H3: Perceived hypocrisy is negatively correlated with consumers' willingness to purchase.

H4: Perceived hypocrisy plays a mediating role between CSR promotion and consumers' willingness to purchase.

4.4 The regulatory effect of information source

When consumers learn about CSR information from different sources, their perceptions are different. Some researches prove that objective information sources are more able to produce clearer perceptions of consumers than subjective ones, while subjective information sources produce more vague perception of consumers^[8]. If the consumer knows the CSR activity of the enterprise from outside of the enterprise, such as the news media, which means the information is learned through the third-party channel, consumers will think that they are more real and fairer, and their perception of hypocrisy will be reduced. Then if the consumers know the CSR activities of the company through internal enterprises such as corporate spokespersons, business leaders, etc., the consumer will feel like self-talking, thinking that the enterprise is making a show or to gain a reputation. If the authenticity cannot be guaranteed, the possibility of being perceived as hypocrisy is enhanced. In summary, we have the following assumption:

H5: Information source regulate the relationship between CSR publicity and consumer perception of hypocrisy. If consumers obtain information outside of the corporate, concrete CSR publicity is more obvious to reduce consumer perceived hypocrisy. Conversely, if consumers obtain information inside of corporate, the concrete or abstract CSR publicity have little difference on consumer perceived hypocrisy.

5. EXPERIMENT AND STATISTIC ANALYSIS

5.1 Pretest

First of all, design of the manipulation materials. In order not to affect the choice of specific brands to consumers, this article uses virtual brands. For concrete CSR publicity, the material shows that after suffering product-harm crisis, a company has carried out a series of social responsibility activities, and explains the purpose and results of each activity, while abstract CSR publicity just show that the company has done a series of activities, not explain the purpose, process and results. After the manipulation materials were completed, we conducted a random survey on Internet in the form of a questionnaire, and 20 valid questionnaires were collected. The correct rate of the questionnaire was 90%, so we think that the design of the manipulated materials is successful.

5.2 Formal experiment

This study designed a 2 (CSR publicity: concrete VS abstract) × 2 (information source: internal VS external) group-between experiments, the participants first read the same manipulation materials as the pre-experiment. Due to the specific name of the company may have a certain impact on the subject and thus weaken the credibility of the experiment, we use company A to represent the company in the experiment.

The manipulation material adopts a scenario simulation method, which includes a description of the CSR publicity, and a description of the source of the information obtained by the consumer which one is from managers of the company (internal), another is from journalist (external). The questionnaires were divided into four categories, and participants randomly assigned to a certain situation. After carefully reading the relevant materials, they then filled the questionnaires. The questionnaire includes the judgments on the types of CSR publicity and sources of information, perceived hypocrisy and consumers' willingness to purchase. Finally participants fill in the personal information, and were thanked.

150 questionnaires were distributed in this study. The proportion of male in the test was 48.4%, and the proportion of female was 51.6%. The questionnaire adopts two methods: online and offline questionnaires,

including 105 online questionnaires and 45 offline questionnaires. The missing and incorrectly filled questionnaires were abandoned as invalid ones, and 130 valid questionnaires were obtained finally. The effective recovery rate was 86%.

5.3 Reliability and validity check

The measure of perceived hypocrisy adopted the mature scales of Yeosun Yoon (2006) and Obermiller & Spangenberg (1998), including 4 items. The Cronbach' α is 0.917. Consumers' willingness to purchase adopted the scales of Aaker et al. (2010)^[9] and Kim et al. (2014)^[10], including 4 items. The Cronbach's α is 0.932. The reliability is good. After analyzing the reliability, we checked the validity of these variables. The KMO of perceived hypocrisy is 0.826 and the KMO of the consumer's willingness to purchase is 0.837, and the overall KMO value of the model is 0.899. It demonstrated the questionnaires have good structure validity. As all the scales of this paper are from mature researches, and repeated two-way translation is applied, they can be considered to have good content validity.

5.4 Empirical test

Table1 Mean test result

Test variable	Independent variable	One sample t-test				Independent-sample t test		
		Mean	t value	Degrees of freedom	Significance	t value	Degrees of freedom	Significance
Consumer's willingness to purchase	concrete	5.1629	39.096	65	0.000	10.549	128	0.000
	abstract	3.1367	22.464	63	0.000			
Perceived Hypocrisy	concrete	2.5000	17.406	65	0.000	-7.989	128	0.000
	abstract	4.1211	28.767	63	0.000			

As Table1 shows, the average consumers' willingness to purchase in concrete is $M=5.2$, $t=39.1$, $df=65$, $p<0.01$; in abstract is $M=3.1$, $t=22.5$, $df=63$, $p<0.01$. Moreover, between these 2 group: $t=10.5$, $df=128$, $p<0.01$, it can be seen that concrete CSR publicity generates higher consumer's willingness to purchase than abstract one, and H1 is proved. The average perceived hypocrisy in concrete is $M=2.5$, $t=17.4$, $df=65$, $p<0.01$; in abstract is $M=4.1$, $t=28.8$, $df=63$, $p<0.01$. Moreover, between these 2 group: $t=-7.9$, $df=128$, $p<0.01$, it can be seen that concrete CSR publicity generates lower perceived hypocrisy than abstract one, and H2 is proved.

Table 2 Regression analysis of perceived hypocrisy on consumer's willingness to purchase

Model	Unstandardized coefficients		Standardized coefficients	T value	Significance	
	B	Standard error	Trial			
1	Constant	7.148	0.173	—	41.207	0.000
	Perceived hypocrisy	-0.904	-0.048	-0.855	-18.690	0.000

$B=-0.904$, $p < 0.01$, perceived hypocrisy is negatively correlated to the consumers' willingness to purchase, and H3 is proved. Then mediation of perceived hypocrisy is checked, the result is shown as figure 2:

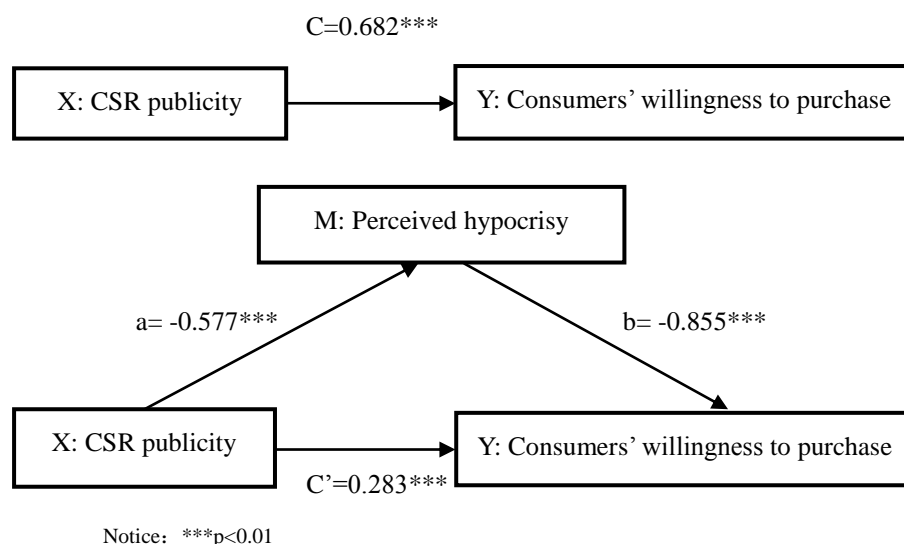


Figure2 Mediation effect of perceived hypocrisy

Four regression analyses are made. The results are shown in table3: Because X is a type variable, we take concrete CSR as 1 and abstract CSR as 0. We can see from Table3, $c=0.682$, $t=10.549$, $p<0.01$, the linear relationship between X and Y is significant, the closer X is to 0, the smaller Y is, the closer X is to 1, the larger Y is, indicating the concreteness of CSR publicity is positively correlated to consumers' willingness to purchase. $a=-0.577$, $t=-7.989$, $p<0.01$, indicating the concreteness of CSR publicity is negatively correlated to perceived hypocrisy, which further verifies the hypothesis H1, H2. $b=-0.855$, $t=-18.690$, $p<0.01$, the correlation coefficient is significant, and the perceived hypocrisy is negatively correlated with the consumers' willingness to purchase, which further verifies the hypothesis H3. $C'=0.283$, $t=5.610$, $p<0.01$, the correlation coefficient is significant. These results show that perceived hypocrisy plays a mediation role on the relationship between CSR publicity and consumers' willingness to purchase, and H4 is proved.

Table 3 Linear regression result

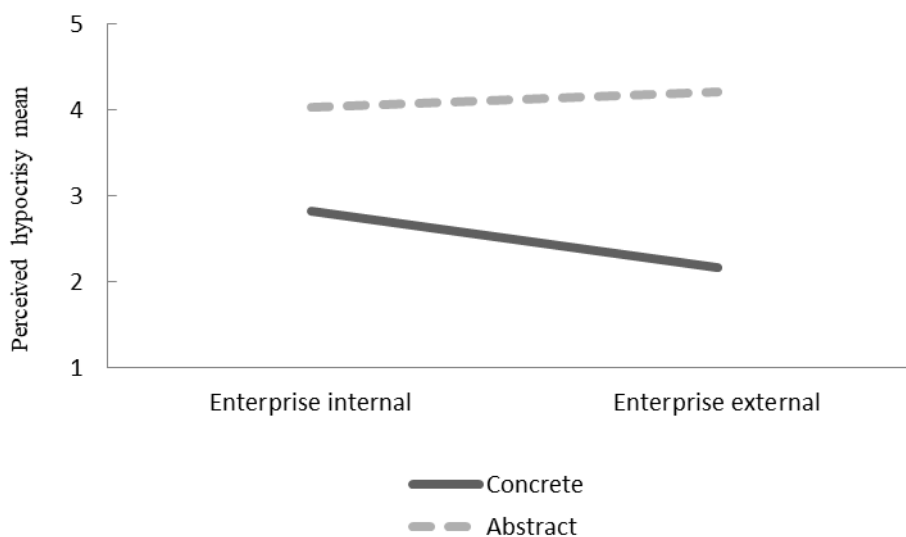
Regression coefficient code	Standard regression coefficient	T value	Significance
c	0.682	10.549	0.000
a	-0.577	-7.989	0.000
b	-0.855	-18.690	0.000
c'	0.283	5.610	0.000

The result of the test of the moderate effect of information source is shown as table4 and figure3. Through ANOVA analysis, For the cross item CSR promotion \times Information source, $F(1,129)=4.319$, $p=0.004$, the interaction effect of information source is significant. It is shown as figure 3. Further statistics shows that: in the concrete group, when the subjects obtain information from inside of the enterprise, the consumer perceived hypocrisy is $M=2.83$, while $M=2.17$ from outside of the enterprise. There is a significant difference ($T = 2.345$, $df = 64$, $P < 0.05$). However, in the abstract group, when subjects obtain information from inside of the enterprise, the consumer perceived hypocrisy is $M=4.0$, while $M=4.2$ from outside of the enterprise, there is no significant difference ($T=- 0.624$, $df=62$, $P>0.05$). H5 is proved.

Table 4 Test of interaction effect

Source	Type III square	Degrees of freedom	Mean square	F value	Significance
Correction model	92.908 ^a	3	30.969	23.833	.000
Intercept	1424.426	1	1424.426	1096.190	.000
CSR publicity	85.388	1	85.388	65.712	.000
Information source	1.808	1	1.808	1.392	.240
CSR Promotion × Information source	5.612	1	5.612	4.319	.040
Error	163.729	126	1.299	—	—
Total	1670.688	130	—	—	—
Total corrected	256.637	129	—	—	—

a. $R^2 = .362$ (adjusted $R^2 = .347$)

**Figure 3 Interaction between CSR publicity and information**

6. CONCLUSIONS

This study introduces frame effect and the S-O-R model to explore the relationship between CSR publicity and consumers' willingness to purchase, which makes contributions to the CSR related theory. Firstly, based on frame effect theory, the CSR publicity is divided into concrete and abstract. Secondly, the past literature rarely takes perceived hypocrisy as a mechanism between CSR publicity and consumers' willingness of purchase. This paper provides another way of thinking from the perspective of perceived hypocrisy. Thirdly, this paper introduces information source as a moderate variable to find the boundary of CSR publicity effecting consumers' willingness to purchase.

This study also provides some implications to enterprises. They must pay more attention to CSR publicity in the context of product-harm crisis. Abstract publicity is more possible make people perceive corporate hypocrisy than concrete one, which may reduce consumers' willingness to purchase, especially when the information comes outside of the corporate.

As an exploratory study, like all other this type of research, this paper inevitably has certain limitations.

First of all, this research uses the scenario experiment method, which makes external validity problem. Therefore, subsequent research may think using interview or other research method. Secondly, as most of the research whose subjects are students, the research result may be lack of reality. Therefore field experiment may be conduct in future research.

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