Website Presentation for Corporate Social Responsibility: The Effect on Corporate Image

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Abstract: *Corporate Social Responsibility (CSR) becomes an important tool to create a constructive relationship between companies and consumers. The use of corporate website could build consumer acceptance towards the company. It is suggested for companies to enrich the CSR presentation by using media richness to increase consumers' ability in analyzing and understanding the intended message. Thereafter, the consumers will have a positive attitude toward the company and at the same time increase the image of the company. This study aims to examine the role website presentation of CSR disclosure and its relationship with corporate image. This study utilizes laboratory experiment with two hundred forty one respondent that are divided into two different groups of presentation richness. Evidence was found that website presentation becomes one of the indicators in influencing consumer perception towards corporate image. The findings could be used to assist the companies in communicating CSR actions and portray a good image among the consumers.*

Keywords: corporate social responsibility; media richness theory; corporate image; website presentation; CSR communication.

1. INTRODUCTION

The companies use corporate social responsibility (CSR) to highlight their ethical business practices and in turn create the positive image among the consumer (Basil & Erlandson, 2008; Du, Bhattacharya, & Sen, 2010; Jurišová & Ďurková, 2012). Efficient communication is needed as a task to build strong corporate-human relationship and that can be achieved through corporate website. One of the strategies is that the website must reflect a positive corporate image and at the same time facilitate consumer understanding (Basil & Erlandson, 2008). To assist in this process, enriching the corporate website by using interactivity media to increase consumers' impression is paramount (Lodhia, 2012). Being impressed with CSR information, the consumers will in turn have positive outlook on the image of the company (Chang, 2009). The importance of communicating CSR through website is proven when majority of the Fortune 50's companies are using website to convince the consumers and at the same time

promoting their image (Snider, Hill, & Martin, 2003). Apparently, there is lack of literature on the use of corporate website for CSR disclosure and its effect on corporate image.

To enrich CSR presentation on website, the company should embed rich elements the use of graphic, hyperlinks and videos which can ensure that the CSR presentation is more attractive and able to increase consumer understanding on the intended message (Jahng, Jain, & Ramamurthy, 2007; Lodhia, 2012). Previous studies found that media richness has played a significant role in increasing consumers' motivation and ability to digest information and ultimately understand the intended message (Cable & Yu, 2006; Hur, Ko, & Valacich, 2011; Lu, Kim, Dou, & Kumar, 2014). According to media richness theory (MRT) the effect of media richness is not only limited to allow effective and efficient interaction, build relationship between sender and receiver and assist the consumers in making a good decision but also change consumer understanding (Brunelle, 2009; Lu

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et al., 2014). However, as far as the researcher is concerned, there are few studies that adapted MRT in the CSR area (Cho, Phillips, Hageman, & Patten, 2009; Lodhia, 2012; Saat & Selamat, 2014). But, they did not examine the impact towards corporate image. Thus, it would be interesting to find out whether the use of media richness on CSR web disclosure could change the consumers' perceptions of a particular company. This study intends to look from this angle.

To recapitulate, this study aims to fill the above gap by examining the role of corporate website presentation richness of CSR message that impact consumer perception towards the corporate image. In other words, this study intends to answer this question: On what level of presentation richness of CSR message that significantly impact consumers' perception towards the corporate image?

This paper is organized as follows. In the first section, the relevance and peculiarity of corporate website as communication channels for reaching consumers is introduced particularly in CSR aspects are discussed in detail. An underpinning theory that associate with this study is also presented. The second section is devoted to research design. Next, in the third section, the resulting of communication strategy empirically identified together with the practical implication of the study is elaborated in detail. The final section concludes the study.

2. LITERATURE REVIEW

2.1 Theoretical background

This study is derived from MRT that was developed by Daft and Lengel in 1986. The theory describes the ability of media to convey messages and cues and in turn facilitate consumers' understanding is different that is based on the type of media and how the companies choose and use the right media. According to Schmitz and Fulk (1991), there are four characteristics to classify either the medium is rich or lean: (1) the ability to handle multiple cue simultaneously; (2) the ability to facilitate rapid feedback; (3) the ability to establish personal focus; and (4) language variety. Lean media are the media with less ability on the stipulated characteristics. In the early research on media richness, face to face (FtF) is the richest medium because of its ability to appreciate all the characteristics. However, the emergence of new media changes the meaning of richness.

Multiple addressability, external recording and computer-processing memories, which do not exist in traditional media, are attributes of MRT in determining richness in electronic communication. The intensive use of website in presenting companyal products and services has also impacted towards MRT. The website is considered rich if it has interactive presentation of visual images, symbols, sounds and navigating functions (Allen, Scotter, & Otondo, 2004). In some studies, rich website is described as website that has text, pictures, sound and video clips whereas lean website contains only text or text and pictures (Cho et al., 2009; Jiang & Benbasat, 2007; Simon & Peppas, 2004). As for commercial websites, most companies are using rich presentation such as video or other kind of multimedia features where consumers can interact or experience the product as if in reality (Jiang & Benbasat, 2007). There were a lot of studies using MRT particularly in e-commerce field (Jiang & Benbasat, 2007; Lu et al., 2014; Simon & Peppas, 2005), but little is known in the context of delivering message such as company policy and CSR (Lodhia, 2012). Next section will discuss on CSR in details.

2.2 Corporate Social Responsibility

CSR is a concept that includes social and environmental concerns that are integrated in business operations and it is designed to fulfill the need of stakeholders (Carroll, 1991). The companies aware that responsible behaviors lead to many benefits such as business sustainability, exert positive image and lowers the risk of business operation (Du et al., 2010; Plewa, Conduit, Quester, & Johnson, 2014). These benefits can only be achieved if consumers are satisfied with the company's social behavior. Therefore, the need to communicate CSR activities and engaged it with consumers become an agenda for the companies.

Corporate website is the most popular medium for CSR disclosure and in turn positive self-representation and image building (Biloslavo & Trnavcevic, 2009). Apparently, the companies that exploit the potential of the web when disclosing CSR activities are more successful that the ones that are not (Birth, Illia, Lurati, & Zamparini, 2008; Snider, Hill, & Martin, 2003). These companies acknowledge that websites could reach various stakeholders broadly and globally. Self-presentation of CSR activities on the company website is used to strengthen and reassure consumers that the company has ethical business practices (Basil & Erlandson, 2008). However, there are still some companies that do not really emphasize on the

importance of CSR disclosure. This attitude leads to unsystematic report, incomplete and incredible information (Lodhia, 2012). In turn, CSR information on the website fail to display real situation of the company (Schlegelmilch & Pollach, 2005). Ultimately, the companies will face reduction in brand images and seen as a hypocrite on the eyes of the consumers (Du et al., 2010). Thus, companies need to ensure that the use of website in presenting their social activities must toward consumers' satisfaction. This can be achieved by using the appropriate level of presentation richness of CSR activities.

2.3 Corporate Image

CSR and image are interrelated. In fact, CSR is used as a tool for corporate image. According to Rindell, Edvardsson & Strandvik (2010) image is a collection of all impressions (beliefs and feelings) that a certain whole creates in the perception of people. Align with image definition, corporate image refers to the perceptions, attributes, and associations connected with a brand in memories (Keller, 1993). It was formed in consumers' mindset when they have a contact with the company such as mouth to mouth communication, experiences with customer service department, ownership in company, employment, experiences in using product, services, or viewing advertisement on the news (Cable & Yu, 2006; Javalgi, Traylor, Gross, & Lampman, 1994). Thus, a company can has multiple images since every individual has his own idea about the company which can constantly change these ideas. This idea is changed according to different circumstances and influence by planned and accidental activities of the company (Chattananon, Lawley, Trimetsoontorn, Supparerkchaisakul, & Leelayouthayothin, 2007).

According to Rindell et al. (2010), corporate image can be divided into image-in-use and image heritage. Image heritage is based on consumer past experience and created by consumer himself. On the other hand, image-in-use is the result of companyal image forming activities such as CSR. Image is another component of individual-related knowledge (Cable & Turban, 2001). Previous studies supported the link between image and attraction to the company such as Allen et al. (2007). In this study, fictional company is used to describe the consumer's perception towards companyal image specifically on image-in-use. The reason is to avoid heritage image that exists in consumers' minds (Cho et al., 2009).

The relationship between consumer and image happen when an individual try to be associated with groups and company that have an attraction or prestige to improve their self-image (Du et al., 2010). This behavior leads consumer to acquire membership in a socially desirable company with a publicly positive image (Cable & Turban, 2001). On the contrary, companies are manipulating this behavior to attract and retain the relationship with consumers. Their main purpose is to form positive attitude towards the company among present and potential consumer (Virvilaite & Daubaraite, 2011). Positive image provides company a lead in terms of brand recognition, sales, new investment, loyalty as well as corporate reputation (Balmer & Greyser, 2006; Morsing, Schultz, & Nielsen, 2008). Corporate image must be reviewed constantly and updated in accordance with public opinion, beliefs and values (Christensen, Morsing, & Thyssen, 2013; Virvilaite & Daubaraite, 2011). This can be achieved by creating personality, utilize marketing communication channels as well as get constant feedback from consumers, because changing company is seen as innovative, open and frontier in the market (Balmer & Greyser, 2006; Chattananon et al., 2007). Having declared this, the next section will discuss on hypotheses development of website presentation of CSR and corporate image.

2.4 Hypotheses Development

In today's challenging business environment, companies intend to focus on one characteristic as their image building which is CSR (Chang, 2009; Plewa et al., 2014). This CSR image is defined as consumer perceptions of company responses to the social concerns (Pérez & Rodríguez del Bosque, 2012). According to Pomering and Johnson (2009), an company that commits to CSR has become an identity-based on corporateal image. Previous study agreed that CSR has positive impact on corporate image and beneficial for companies to be the leader in the current market place (Chang, 2009; Pérez & Rodríguez del Bosque, 2012; Plewa et al., 2014). This encourages companies investing more and more on CSR activities. As mentioned by McIntosh et al. (2003, p.128), "Good 'corporate citizenship makes image better and good image makes better profit".

Therefore, companies had tried many platforms to communicate their CSR message. Among the media are dialogues, magazine, television and internet. Internet with its interactivity and capacity allows consumers to customize both content and delivery format and in turn encourages consumer to demand

richer content and presentation (Simon &Peppas, 2004). Previous studies showed that the structural, informational, and emotional characteristics of a website have a significant relationship with consumer behavior towards the information (Hwang et al., 2011). A website that offers quality information plays important roles in consumer decision making processes. The belief factors from website featuring quality and accurate information are more stable than other factors in generating and leading consumer behaviors. It will benefit companies if they know how to manipulate the information on leading consumer behaviors into something positive for them.

Prior studies have been given much attention to examine the relationship between CSR and corporate image. However, there is a lack of study that covers the impact of presentation richness of CSR web disclosure with the corporate image directly. It is suggested that with the usage of communication technology like a website, it will further increase the awareness of CSR image. Similarly Plewa et al. (2014) found the use of website engaged the relationship between user and company. It is proven that communication tehnology has radically affect consumers behavior in e-commerce field (Jahng, Jain, & Ramamurthy, 2007). But, very few studies have been done to relate the impact of communication technology in CSR disclosure scope. Based on the above literature review, the hypotheses is developed;

H1: Corporate image will be positively influenced when CSR message is presented in rich media rather than when lean media.

3. RESEARCH METHODOLOGY

3.1. Design and Measures

In this study, the attention is focused on the type of CSR message that commonly disclose by fast-food restaurants in Malaysia. The researchers had examined eight websites of fast food companies. Among the CSR message that the companies disclose are nutritional values, 'halal' status, cover food quality and food safety. From this initial investigation of the fast- foods' website, researchers decided to present CSR information richness into two categories that are rich and lean. Rich website means the CSR information is presented using elements such as text, images, animation and video. Website that represented by text and still images is called as lean presentation. These two categories of websites are used to examine the impact of media

richness on corporate image. The use of fictional website is created to control for any predisposition participants may have related to real companies (Cho et al., 2009). Website of "Hungry Me", a fictional fast food restaurant created by the researchers where most of the website appearance is similar to others fast-food restaurant websites with the content of CSR message is originally adopted from the real websites. The items of corporate image were assessed with five questions based on the scale of Javalgi et al. (1994). A five-point Likert scale (from strongly disagree to strongly agree) was used for the questions.

3.2. Research Procedure and Sampling

Convenience sampling of university students is chosen to represent gender and the group of consumers of fast-food companies. The researcher contacted the instructors of business program at a Malaysia local university. The researcher asked their permission to have students to participate in this study. Upon obtaining the consent, the subject is randomly assigned to one of the two conditions of CSR information richness. In this case, the experiment is done in the computer lab and researcher will gave a brief explanation about the study. Subjects are given a sufficient time browsing on the assigned corporate website so that they are able to answer the questionnaire. After browsing the website, the subjects are instructed to answer the questionnaire to get feedback on their attitude towards the site. Finally, the subjects answered demographic questions. Rich information richness had 120 respondents and the number of respondents is 121 in lean information richness. Of the respondents, 74.8 per cent were female and 25.2 percent were male. The respondents age groups from 19 to 25 years old, where the highest mean score is 21.63.

The entire study, experimental task and answering the questionnaire, is conducted and completed through online. This creates a realistic environment for the participants to view the CSR disclosures and allows them to complete a questionnaire at their own leisure time and in a naturalistic setting.

4. ANALYSIS AND RESULT

The data were undergone the reliability test and validity test. The reliability test of the Cronbach alpha coefficient reported on .85. According to Pallant (2010), values that above .7 are considered acceptable, however, the values above .8 are preferable. The factor analysis test has been run to

examine the validity of instruments. The result showed that Kaiser-Meyer-Olkin value was.83, exceeding the recommended value (Palant, 2010), and Bartlett's test of Sphericity reached statistical significance supporting the factorability of the correlation matrix. Inspection of the correlation matrix revealed the presence of many coefficients of .3 and above. It showed that the data had fulfilled the validity and reliability test.

An independent samples t-test was conducted to compare the corporate image scores for lean and rich website presentation. The finding shows the Levene's test is not significant, it means equal variance has not been violated, p= .19. The result showed there is a significant relationship between the level of presentation richness and corporate image (Sig. (2-tailed = .003). Further analysis showed that the mean of rich website (mean = 19.83) is higher than lean website (mean = 18.66). Based on this result, H1 is accepted. The effect size for this the result was small (Eta squared = .003). This indicates that website presentation affects consumer perception towards the image of the company.

5. DISCUSSION

The objective of this study was to expand the knowledge of the influence of website presentation richness on consumer perception of corporate image. The researchers proposed that by enhancing online CSR presentation. In line with prior research, the researchers anticipated that multimedia elements could increase the positive perceptions towards the company. According to Hwang et al. (2011) consumer have highly acceptance ability when they have positive attitudes towards website and this favorable action can create a good image on company. In order for companies to gain consumer positive attitudes, the website as a CSR channel should have a proper combination of content and design (Hwang, Yoon, & Park, 2011; Saat & Selamat, 2014)). Moreover, company that particular with the amount and quality of information delivered makes consumers more likely to remain satisfied and loyal to one particular website (Hur et al., 2011). In the current paper, this notion can be extended to CSR message by examining if the communicating the message by using rich presentation media can increase the perception of corporate image. The result showed H1: Corporate image is positively influenced when the CSR message is presented in rich media is supported.

The impact of website presentation richness is aligned with MRT (Daft & Lengel, 1986) such as fulfilling the tasks accurately, allowing more effective and efficient interactions, building good relationships between consumer and company, enabling quick decision and changing consumer understanding (Cho et al., 2009). Richer media are also capable of transmitting more fact-oriented information (Lu, Yu, 2014). Thus, in a mission to align with consumers' need, a company uses rich media as persuasive tools. Furthermore, vivid persuasive information that uses in website presentation that uses colorful images, graphic, or emotionally stimulating information has stronger effects on consumer attitudes (Jiang & Benbasat, 2007). From this current study, it seems that 'richness' element of website presentation is important to engage with consumers. The result is consistent with previous studies that found the richness of website presentation have played a big role in order to create a positive image (Allen et al, 2007; Hwang et al., 2011).

This study makes several contributions to theory and practice. This study provides business managers with additional insights regarding potential investment in CSR and corporate image. It is suggested that CSR is communicated by using the right channel especially corporate website. It is important to understand how consumers respond to the CSR message. The result shows that consumers' perspective are important in making the website as a dynamic communication channel. The result is believed to assist and help manager in designing the effective website designs and eventually improve the image of the company.

6. CONCLUSION

This study highlights the importance of CSR in building a good corporate image that is to be perceived as a good corporate by the consumers. In this case there is a need for the companies to find the best alternative to inform the consumers about their corporate behaviors. Most of the successful companies in the world are using the corporate website to deliver the CSR message. However, the use of the website cannot warrant that consumers will understand the message that try to be delivered by the company. The application of rich website presentation can make consumers more motivated, have stronger positive attitude and satisfaction. The central issue here is the importance of matching the appropriate level of richness in a message which can be achieved through website presentation to allow effective and efficient communication. In short, the

companies need to incorporate rich element in CSR web disclosure to allow mutual understanding with the consumers in order to develop a positive corporate image.

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