

Chair: **Valérie Swaen**, Catholic University of Louvain & IESEG School of Management

#### **Effects of brand reputation and brand love in ethical decision making**

**M. Deniz Dalman\***, Saint Petersburg State University  
**Junhong Min**, Michigan Technological University

In this research, authors investigate how brand reputation and brand love affect consumers' ethical perceptions and their intent to defend the brand in the event of negative publicity. The results indicate that brand reputation influences both consumers' ethical perceptions and their intent to defend the brand to other consumers after such an event positively, while brand love enhances the impact of ethical perceptions on the intent to defend the brand to other consumers.

#### **What happens to customers when a crisis hits the core dimension of corporate reputation? The role of the perception of congruence versus incongruence**

**Giacomo Gistri\***, University of Macerata  
**Stefano Pace**, KEDGE Business School  
**Matteo Corciolani**, University of Pisa

Nowadays, initiatives of Corporate Social Responsibility (CSR) are fundamental to build reputation and corporate reputation plays an important role in determining the impact of crises on firms. Reputation is a comprehensive construct, but customers may perceive a company as particularly strong on a specific CSR dimension. Through an experimental study, we show that the congruence between that salient dimension of corporate reputation and the dimension affected by a crisis influences customer behavior. Negativity effect, diagnosticity of information, and dissonance theory help explain the different effects of a congruent vs. incongruent crisis scenario. We found that in case of congruence (i.e., the crisis hits a dimension that is not the core of the company reputation) the customers' attitude toward the company, word-of-mouth, and purchase intention are better than in the case of incongruence (i.e., the crisis strikes the company's main reputational asset).

#### **Consumer responses to corporate social irresponsibility – does the valence and domain of the pre-existing corporate social responsibility reputation matter?**

**Marlene Vock\***, University of Amsterdam  
**Adrian F. Ward**, University of Texas at Austin

This study aims to contribute to the inconclusive debate in the field of corporate social responsibility (CSR) on whether building a favorable CSR reputation actually helps or hurts companies when facing accusations of corporate irresponsible behaviors. Moreover, this study adopts a broader perspective by including companies with bad CSR reputations as well. We consider 'relatedness' between the domain of the CSR reputation and the domain of the irresponsible behavior as a contingency factor. Our findings suggest that, if the prior CSR reputation is favorable (e.g. in the domain of employees' working conditions), a related transgression (e.g. sweatshop labor) will hurt the company more than a transgression that is unrelated to its CSR reputation (e.g. environmental pollution), while the effect is reversed for companies with unfavorable CSR reputations. Our findings bear managerial implications regarding the preferential focus of CSR activities.

#### **How do consumers react to corporate social responsibility and irresponsibility in the retailing sector?**

**Valérie Swaen\***, Catholic University of Louvain & IESEG School of Management  
**Nathalie Demoulin**, IESEG School of Management  
**Véronique Pauwels- Delassus**, IESEG School of Management

Today companies spend substantial resources in social and environmental programs; yet at the same time, the world has witnessed some of the greatest cases of corporate irresponsibility. In this context, consumers may hold a mixed set of positive and negative information about corporate social responsibility (CSR) and corporate social irresponsibility (CSI), both influencing their reactions with respect to the companies from which they buy products. The purpose of this paper is to explore how consumers' CSR and CSI perceptions interrelate to impact consumers' value perceptions and consumer-based brand equity. Our results show that both CSR and CSI perceptions influence how consumers perceive the brand and that consumers do react differently to different dimensions of CSR and CSI perceptions. Quite surprisingly, our results also reveal that CSI perceptions could have a positive impact on consumers' value perceptions.