

CSR communication campaigns towards the consumer

Analysis of the risks during a CSR crisis

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1. Introduction
2. Contextual setting
CSR in corporate crisis situations
3. A preliminary step
Clarifying the CSR crisis notion
4. Research questions
5. Conclusion



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Introduction

- CSR definition

"A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (CEC, COM(2001)366)

- Increased CSR communication

- CSR communication debate

- ➔ CSR increases positive attitudes towards the company (Brown and Dacin, 1997; Lichtenstein, Drumwright, and Braig, 2004; Sen and Bhattacharya, 2001)

- ➔ CSR communication may trigger skepticism and cynicism (Mohr, Webb and Harris, 2001; Sen and Bhattacharya, 2001; Schlegelmilch and Pollach, 2005)



Introduction

- Objectives of the research

Thoroughly examine whether, why, and when promoting the company as socially responsible is likely to backfire in the event of a corporate crisis involving CSR matters

- ➔ Conceptualize the type of crises involving the companies' socially irresponsible activities
- ➔ Examine whether promoting a company as socially responsible is likely to backfire in the event of a CSR crisis
- ➔ Examine the consumers' psychological processes that could potentially explain such a boomerang effect
- ➔ Uncover the boundary conditions of this boomerang effect of CSR communication



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Contextual setting

CSR in corporate crisis situations

- Corporate crisis definition

- ➔ An unexpected nonroutine event (Seager, Sellnow, and Ulmer, 1998) « *that is disruptive and damaging to the existing operating state of companies* » (Snyder et al., 2006)

- ➔ Elicits negative publicity for the company (Dean, 2004)

- ➔ Threaten to negatively impact a company's

- viability (Pearson and Clair, 1998)

- financial performance (Barton, 1993; Institute for Crisis Management, 2009)

- stakeholders (Mitroff, Pearson, and Harrington, 1996; Ulmer and Sellnow, 2000)

- credibility and reputation (Coombs, 2007; Simola, 2003)



Contextual setting

CSR in corporate crisis situations

- CSR as an “insurance policy” against the negative impact of a crisis
 - ➔ Emphasizing the company’s good characteristics, such as CSR, can minimize the damage to its reputation (Benoit, 1997; Bhattacharya and Sen, 2004; Coombs, 1995)
 - ➔ CSR communication can protect the company from the negative impact of a company-specific crisis unrelated to CSR (Klein and Dawar, 2004)
 - ➔ CSR communication can protect the company from the negative impact of a non company-specific crisis related to CSR (Schmietz and Epstein, 2005)



➔ *What happens in the case of a corporate CSR crisis?*

Contextual setting

CSR in corporate crisis situations

- More crises involving the CSR activities of companies
 - ➔ Ikea
 - ➔ The Body Shop
 - ➔ Chiquita



Contextual setting

CSR in corporate crisis situations

- Irresponsible activities have damaging effects for the company
(Brown and Dacin, 1997; Sen and Bhattacharya, 2001)
- Consumers are more affected by unethical behaviors
(Folkes and Kamins, 1999; Bhattacharya and Sen, 2004)
- Companies that have promoted themselves as socially responsible seem to suffer the most when a crisis involving CSR matters occurs
(SEE Newsletter, 2001; Knight and Greenberg, 2002)



Contextual setting

CSR in corporate crisis situations

- Pashupati, Arpan, and Nikolaev (2002)
 - ✓ Hypothesis : CSR promotion insulates a company from a CSR crisis
 - ✓ Findings: overall attitudes towards the company declined significantly
 - ✓ Explanation: their experimental design
- Wagner, Lutz, and Weitz (2009)

Study of the impact of inconsistent CSR information on consumers' attitudes towards the company

 - ✓ Findings: a CSR claim that turns out to be false triggers *perceived hypocrisy*, which jeopardize consumers' positive attitudes towards the company
 - ✓ Limitations: (1)direct link between claim and accusation;
(2)no emphasis on the role of CSR VS no-CSR communication



Contextual setting

CSR in corporate crisis situations

- Gaps in the literature
 - The literature does not clearly establish whether a boomerang effect is to be expected during a CSR crisis *because* of previous CSR promotion
 - Dearth of research looking at the underlying psychological processes through which consumers react to CSR information (Bhattacharya, Korschun, and Sen, 2009)



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A preliminary step

Clarifying the CSR crisis notion

- Corporate crisis

- ➔ Not an unanimously defined concept: every crisis can be viewed as an « *uniquely undesirable experience* » (Snyder et al., 2006)

- ➔ Multitude of characteristics and criteria (severity of the outcomes, predictability, locus, intentionality, stability, etc.)

- ➔ Various typologies (e.g. Coombs and Holladay, 2002; Mitroff and Alpaslan, 2003; Gundel, 2005; Snyder et al., 2006)



- Corporate CSR crisis

- Not taken into account in the literature

A preliminary step

Clarifying the CSR crisis notion

- Our objective

Identify and distinguish CSR crises from other types of corporate crisis

- Examine the organizational crisis literature and the crisis communication literature
- Build a new typology based on current crises typologies criteria and on CSR relevant aspects (e.g. responsibility of the company in the crisis event, stakeholder theory, etc.)

- Link with the research

“Would the boomerang effect and the underlying consumers’ psychological processes also appear when another type of crisis is involved?”



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Research questions

First research question

- In the context of a CSR crisis, do consumers react more negatively when the company has previously promoted itself as socially responsible rather than when it has not? (boomerang effect)
 - ➔ See Knight and Greenberg (2002)'s research
 - ➔ See Pashupati, Arpan, and Nikolaev (2002)'s research
 - ➔ See Wagner, Lutz, and Weitz (2009)'s research



Research questions

Second research question

- What are the underlying psychological processes explaining the boomerang effect of CSR communication during a CSR crisis? What are the variables that have a significant impact on the consumers' attitude change?

➔ 2 psychological processes under consideration

- ✓ Window-dressing effect

The perception that the company has created a deceptively favorable impression (Forehand and Grier, 2003)

- ✓ Contrast effect

The perceived contrast between the company's "good" actions and its current "bad" actions (Sherif and Hovland, 1961)

➔ Moderating role of the source of communication (company controlled VS third-party controlled)



Research questions

Third research question

- What are the boundary conditions of the boomerang effect of CSR communication during a CSR crisis?

What are the specific conditions (moderator effects) that could eventually reverse, weaken, or cancel these psychological processes, and therefore the boomerang effect?

For instance,

- ✓ The perceived link between the promoted CSR activities and the CSR accusation
- ✓ The company's initial reputation (Yoon, Güran-Canli, and Schwarz, 2006)
- ✓ The type of crisis
- ✓ Etc.



Research questions

Methodology

- Methodology under consideration
 - ➔ Exploratory phase
 - ✓ Purpose: specify the hypotheses, identify the psychological processes, elaborate scenarios and surveys
 - ✓ Means: analysis of the academic and managerial literature and interviews with experts and consumers

 - ➔ Confirmatory phase
 - ✓ Succession of experiments on students/consumers' samples
 - ✓ Scenario technique



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Conclusion

Main expected contributions

- On the academic viewpoint
 - ➔ Fill the gaps in the literature on the influence of CSR communication in the prospect of a CSR crisis
 - ➔ Answer some of the questions raised by the CSR communication debate
 - ➔ Bring new insights to the crisis communication literature
 - ➔ Shed some light on the still unexplained psychological processes underlying consumers' reactions to CSR information

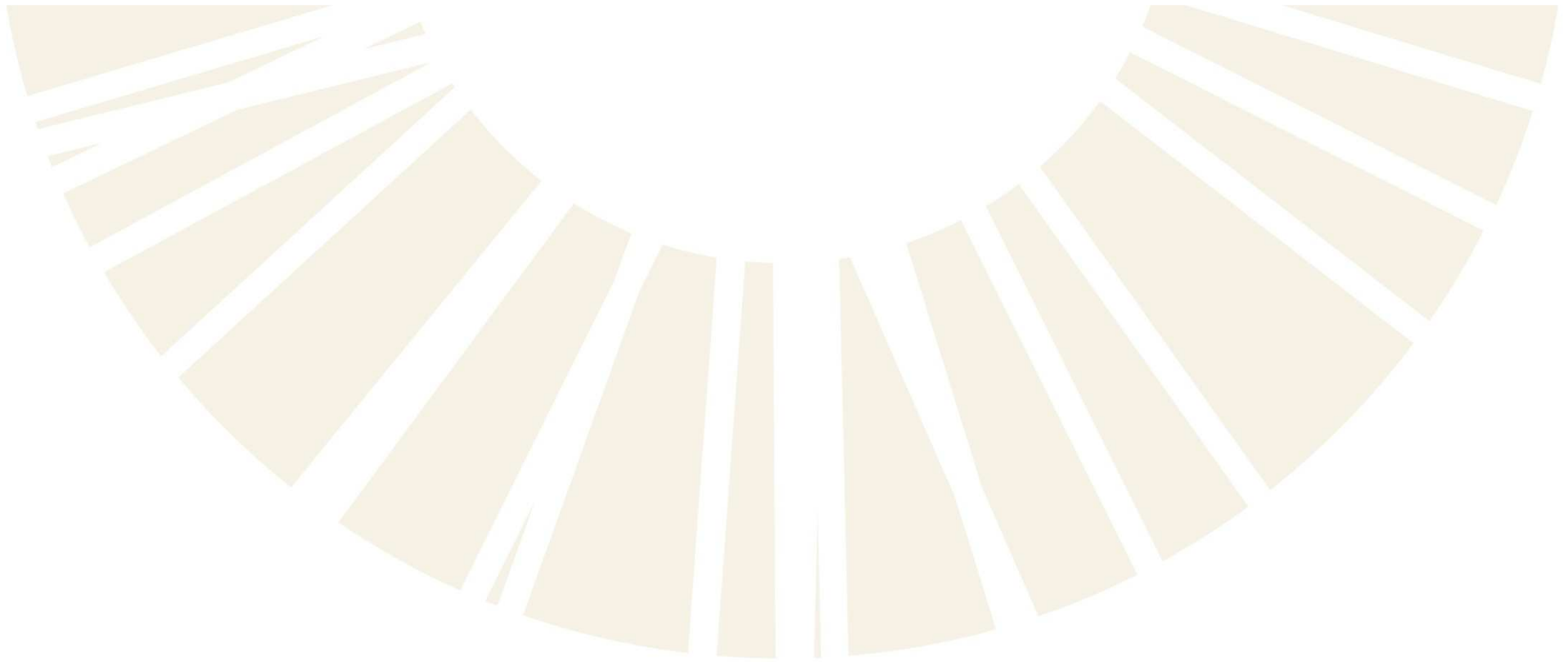


Conclusion

Main expected contributions

- On a managerial standpoint
 - ➔ Help marketing practitioners to better understand the determinants of consumers' attitudes towards CSR information
 - ➔ Highlight the potential risks and advantages of CSR communication strategies
 - ➔ Offer companies guidelines in order for them to manage their CSR communication strategies in an efficient way





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