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CSR Communication Strategies: How to Steer Away from Consumer Skepticism

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1. Introduction

As corporate social responsibility is increasing in popularity, incorporating it into a business plan is an important decision in today's society. Research has been conducted to determine why corporations include CSR into their everyday business. When a business contributes to society, the genuine satisfaction to help is not the only thing they are expecting as an outcome. Trustworthiness, company image, reputation, brand loyalty, increase of sales, employee satisfaction and boosting company moral are just a few on the list to explain why businesses involve themselves with CSR. With CSR increasing in today's society, there are many consumers being hesitant towards the idea, questioning company's intentions or potential overall distrust in the company.

Many companies do not associate their business with socially responsible actions due to the possibility of a "backfire effect". Yoon (2006) explains the backfire effect and it's repercussions by stating, "CSR campaigns backfire when suspicion is high, resulting in more negative image than would be the case without any CSR activity". Consumer skepticism towards the company's interior motives in their involvement with CSR can leave a corporation worse off than not incorporating CSR at all.

Although there is risk of CSR with the backfire effect, previous research has proven there are ways to decrease skepticism and distrust through communication techniques and strategies. By strategically communicating CSR to the company's target audience, companies can weaken the possibility of consumer skepticism, eliminating the possibility of the backfire effect outcome. With more research on communication techniques connected to CSR, companies will have a better understanding on how to successfully communicate their social responsibility initiative to their consumers. More specifically, how to execute their CSR initiative based on their company

situation and characteristics. For CSR, it is crucial for companies to understand what to be sensitive toward to decrease any possibility of consumer skepticism and distrust when communicating.

2. Literature Review

2.1 Level of Specificity (general vs specific)

The knowledge of the consumer regarding the company and its involvement with CSR is the most critical factor when determining if CRS has a role in the buying process. Therefore, the company's communication strategies to educate the audience of interest is essential when implementing CSR. Robinson researches the importance of communicating CSR and specifically how specific the communication should be. Robinson being aware of possible skepticism repercussions, proves that consumers have a better reaction to information that is more specific in comparison to general. This specificity in communication compared to generality increases trustworthiness and brand evaluation for the corporation. Other researchers have taken a deeper dive on specificity and proved that companies are better off when communicating "who actually benefited from the CSR and what actually happened as a result of the company's previous CRS" (2014, Kim). Specificity in company's CSR, communication can help plan and strategize CSR messaging to improve trust and brand evaluation, therefore eliminating consumer skepticism and the backfire effect.

2.2 Message Tone

The company's message tone while communicating CSR can affect consumers skepticism levels and trust within the company. "Message tone and transparency of CSR communication is the most important with regard to 'how to communicate' CSR" (2014, Kim).

Based on previous research promotional tone has a negative correlation to consumers trust level, "they tend to lack trust in the sincerity of its CSR commitment, which, in turn, leads to a more negative perception of the corporate reputation" (2019, Kim). This shows that using CSR as a major marketing and promotional technique could not only cause a neutral effect to consumers but also a negative effect on the company, specifically their reputation. The more the companies try to promote and communicate their CSR involvement, the more consumers will feel skeptical, and untrusted. In comparison, factual tone is a successful way to communicate CSR that leaves the consumer with trust for the company. Consumers prefer a factual communication style tone to enhance its "Genuineness, honesty, sincerity and a no-spin policy in CSR communication rather than an outcome-based approach" (2016, Shim). Consumers want to see proof of how the company has impacted the society based on facts and numbers rather than a "impressionistic writing style" (2012, Schmeltz). Communicating a company's CSR through factual tone demonstrates transparency, truth and credibility within the company, ultimately decreasing consumer skepticism and positively influencing company reputation.

2.3 Source of Communication

Trust, credibility and unbiases factors levels can be controlled through the source of communication. These factors can be directly correlated to avoiding consumer skepticism and distrust within the company. Consumers react more favorably to external sources, "Independent communication such as media or experts are considered more trustworthy than company-controlled communication due to third-party credibility" (2014, Kim). An external source or third party brings a non-promotional tone to the communication as well as an unbiased opinion. Having the communication come from an internal company source triggers the opposite

response, "CSR communication via corporate sources will trigger more skepticism and have less credibility than noncorporate sources" (2010, Du). Du examines marketing techniques that respond the best for CSR regarding the communication source. CSR information spreading through word-of-mouth projects positive outcomes, "the power of consumer word-of-mouth has been greatly magnified given the popularity and vast reach of internet communication media such as blogs, chat rooms and social media sites" (2010, Du). Having the information come from someone you know magnifies the credibility and non-promotional tone as well as interest to the subject.

The strategy of external CSR communication is difficult for companies to rely on due to the company's lack of control on these sources. Companies don't want to take the risk of their target audience not knowing about their CSR involvement. Companies want to communicate their CSR activity themselves so they can control what to say, who it goes to and how many people it will reach. Going with an internal source comes with control but also proven skepticism, and distrust based on bias and noncredible sources. This makes the communication sourcing decision very difficult for companies.

2.4 Hypotheses

H1. The size of the company will mitigate the negative effect of promotional tone of CSR message on consumer trust.

This is based on previous research on how small businesses are trusted more compared to large businesses. "Consumers are more trusting of small businesses adapting pro-environmental policies and feel stronger personal responsibility to patronize these firms" (Nowak 1999). Even though promotional tone has been proven to increase skepticism and distrust, I hypothesis the

small business variable will overpower and still produce a high level of consumer trust compared to a large business.

H2: A company with CSR producing a fairly priced product will lead to a higher level of consumer trust compared to a company with CSR producing an luxury product if they use factual tone rather than promotional tone.

This hypothesis is based on previous data on how financial risk can affect consumer perceptions, specifically consumer trust. Corbitt states, "negative attitudes towards perceived risk can have a negative effect on customer's trust intention" (2003, Carbitt). Consumers will have more trust on fairly priced products that endure less financial risk compared to expensive luxury products.

3. Methodology

The research tests these hypotheses by using a 2 (communication tone- factual/promotional) x 2 (company size- small/large) x 2 (product type- luxury/fairly priced) shown in Table 1.

The sample comprised 103 respondents, mostly students and faculty at the University of New Hampshire. The experiment placed the respondents in one of eight experimental conditions. The sample comprised 71% female. Participants ages ranged from 18 to 74 years. (42% younger than 25, 17% between 25 and 34, 7% between 35 and 44, 16% between 45 and 54, 13% between 55 and 64 and 5% between 65 to 74.)

Participants became aware of a company's CSR initiatives by reading a scenario paragraph. The scenario contained information based on real company initiatives to keep the initiative realistic and believable. Each scenario was manipulated by containing one communication tone, one company size and one product type. Table 2 displays how each independent variable is

manipulated. To build a complete scenario, one of each manipulation for an independent variable was combined together. Before launching the final experiment, a manipulation test was created to ensure the scenario descriptions were different enough to receive significant results. This pretest survey sample comprised 18 respondents, mostly close friends and family in relation to the researcher. 75% of the respondents being female, 35% being the age of 18-24 and 47% being the age of 55 to 64. Drawing on Connors' (2017) procedure, the experiment included a manipulation check test. This tested for perceived differences between factual and promotional tone through asking participants if the scenario was believable/not believable, convincing/non convincing, truthful/not truthful, realistic/not realistic, credible/non credible, reliable/nonreliable. Measurements of all items took place on a five-point scale.

To avoid potential confounding effects, all experimental scenarios had the same format.

Using a fictitious company name (Company Y) controlled pre-existing knowledge and attitudes.

The company sold the same product category, sneakers to keep bias limited.

Measures from Connors' 2017 literature provided the basis for the dependent measure. Consumers perceived distrust level was based on the CSR initiative scenarios and measured with a five-point Likert scale. (1= Strongly disagree to 5= strongly agree) Shown in the survey appendix, the three statements were: (1) "I do not trust Company Y to deliver on their social responsibility promises"; (2) "Company Y is being dishonest about their real involvement in social responsibility initiatives;" (3) In general, I am not convinced that Company Y will fulfill their social responsibility objectives.

Table 1:

Communication	Company Size	Product type	N
Tone			

Factual	Small	Luxury	12
		Fairly Priced	13
	Large	Luxury	13
		Fairly Priced	11
Promotional	Small	Luxury	12
		Fairly Priced	11
	Large	Luxury	16
		Fairly Priced	16

Table: 2:

Company Size:

Small Business:

Company Y is a small business with 50 employees. They are currently in 20 stores, only in the United States with one office space being their headquarters in Upstate New York.

Large Business:

Company Y is a large corporation with 500 employees. They are currently in over 65 stores in the United States with seven office spaces located in New York City, Los Angeles, Boston, Chicago, Houston, Phoenix and Philadelphia.

Product Type:

Luxury Product:

They sell high-quality premium footwear, specifically sneakers. Their sneaker retails around \$250 and are very selective on where their product is sold. You can find their sneakers in highend retailers such as Nordstrom, Nieman Marcus and Bloomingdales.

Fairly Priced product:

They sell everyday footwear, specifically sneakers. Their sneaker retails around \$49.99 and are very open to where their product is sold. You can find their sneakers in big box retail stores, such as Target, Macy's, JCPenney and Kohls.

Communication Tone:

Factual Tone:

The company has been working hard on their involvement with social responsibility. They believe that having access to quality education for city youth children can be secured by improving teaching techniques, adding computers and offering more options for

extracurricular activities like music, art and sports. To achieve this goal, the company provided training sessions for more than 600 teachers, donated over 500 computers and helped assist the schools for grants to create extracurricular options for students. Apart from that, the company offered to help create curriculum for special classes with certified career counselors to educate students on possible career paths including college opportunities. With this project, the company was able to reach 120 schools across 17 states in the United States and benefit over 10,000 city youth children during the year of 2019. Their efforts decreased academic failure rates by an average of 27% compared to 2018, increased student interest in extracurricular activities by an average of 56% and improved over 600 class curriculums with the use of new computers.

Promotional Tone:

The company has been working hard on their involvement with social responsibility. They believe that having access to a quality education for city youth children can be secured by greatly enhancing the learning environment and contributing to their extra-curriculum activities. To achieve this goal, one of the best initiatives the company took was creating a productive learning environment and incorporating curriculum advancements through enhanced technology, teaching and additional extra-curricular programs. Apart from that, thanks to the company's generosity, they were able to help educate students on possible career paths as well as college opportunities through new special classes. With the company's generous efforts, the program reached numerous schools across different states in the US and greatly benefited city youth children. Their efforts significantly decreased academic failure rates, spurred students' interest in extracurricular activities and vastly improved curriculums.

4. Results

4.1 Manipulation Checks

Shown in Figure 1, consumers perceived factual tone to be more convincing (F=4.7666, p= .047) compared to promotional tone. The manipulation also showed that both factual tone and promotional tone were equally realistic (F=.001, p=.980) and believable (F=.136, p=.718), which was important to eliminate any factors that would change results shown in Figure 2. These factors were measured by a five-point Likert scale, (1=strongly agree to 5=strongly disagree) shown in the survey appendix.

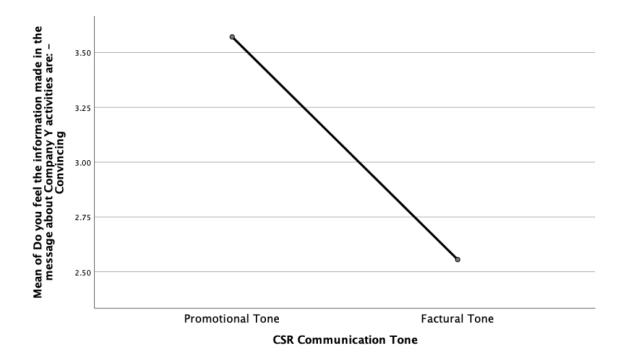


Figure 1: Displays factual tone to be significantly more convincing than promotional tone.

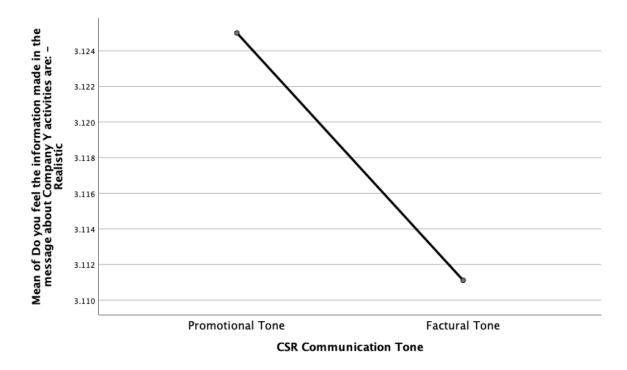


Figure 2: Both promotional and factual tone are realistic scenarios based on how small the y-axis scale is shown.

4.2 The effect of communication tone, business size and product type on consumer distrust

The hypotheses covered mainly two-way interactions between communication tone*product
type and communication tone* company size. These hypothesized interactions were not found to
be significant in the data analysis.

Findings revealed a promising three-way interaction between company size, product type and communication tone shown in Table 3. Although the results from the experiment are not significant with p=.108, the interaction is close and on the right track to being significant. With a slightly larger sample size of 150, significance could be more possible and lead to p<.05.

SPSS descriptive statistics detects the importance of communication tone for specific company characteristics to decrease consumer distrust. This was tested by asking respondents if they agree or disagree with the statement, (3) "In general, I am not convinced that Company Y will fulfill their social responsibility objectives." (1=strongly disagree, 5= strongly agree), shown in the appendix survey.

Four one-way ANOVA tests were done to provide further clarification of the three-way interaction effect. As is shown Table 4 and Figure 3, if a small business sells fairly priced products, consumer distrust is not significantly different (p=.803) if CSR initiatives are communicated using factual tone (M=2.0) versus promotional tone (M=1.91). Table 4 and Figure 3 reveals that for small business who sell luxury products, although not significant (p=.283), consumer distrust is considerably lower if CSR initiatives are communicated using factual tone (M=2.00) compared to using promotional tone (M=2.42). Furthermore, Table 4 and Figure 4 also show if a large business that sells luxury products, consumer distrust is not significantly different (p=.65) if CSR initiatives are communicated using factual tone (M=2.38) compared to promotional (M=2.56). In contrast, for large businesses that sell fairly priced products, distrust is

significantly lower (p=.019) if the CSR initiatives are communicated using factual tone (M=2.00) in comparison to promotional tone (M=2.88) shown in Table 4 and Figure 4.

Table 3:

Tests of Between-Subjects Effects

Dependent Variable: Please answer the following statements based on the information you have read above. - In general, I am not convinced that company Y will fulfill their social responsibility objectives.

		• 1			
	Type III Sum of				
Source	Squares	df	Mean Square	F	Sig.
Corrected Model	11.564ª	7	1.652	1.875	.082
Intercept	524.994	1	524.994	595.808	.000
BusinessSize	3.569	1	3.569	4.051	.047
ProductType	.536	1	.536	.608	.437
Communication	3.030	1	3.030	3.438	.067
BusinessSize * ProductType	.302	1	.302	.343	.559
BusinessSize * Communication	.843	1	.843	.956	.331
ProductType * Communication	.057	1	.057	.065	.799
BusinessSize * ProductType *	2.313	1	2.313	2.625	.108
Communication					
Error	84.590	96	.881		
Total	650.000	104			
Corrected Total	96.154	103			

a. R Squared = .120 (Adjusted R Squared = .056)

Table 3: The three-way interaction is almost significant with its p value equaling .108.

Table 4:

Descriptive Statistics

Dependent Variable: Please answer the following statements based on the information you have read above. - In general, I am not convinced that company Y will fulfill their social responsibility objectives.

Business Size	Product Type	Communication Tone	Mean	Std. Deviation	N
Small Business	Fairly priced product	Promotional Tone	1.91	.539	11
		Factual Tone	2.00	1.080	13
		Total	1.96	.859	24
	Luxury Product	Promotional Tone	2.42	.793	12
		Factual Tone	2.00	1.044	12
		Total	2.21	.932	24
	Total	Promotional Tone	2.17	.717	23
		Factual Tone	2.00	1.041	25
		Total	2.08	.895	48
Large Business	Fairly priced product	Promotional Tone	2.88	.957	16
Ů		Factual Tone	2.00	.775	11
		Total	2.52	.975	27
	Luxury Product	Promotional Tone	2.56	1.153	16
		Factual Tone	2.38	.870	13

Table 4: Statistically, factual tone is better to decrease distrust in a company when they are either a small business selling luxury products or a large business selling fairly priced products.

Figure 3:

Estimated Marginal Means of Please answer the following statements based on the information you have read above. - In general, I am not convinced that company Y will fulfill their social responsibility objectives.

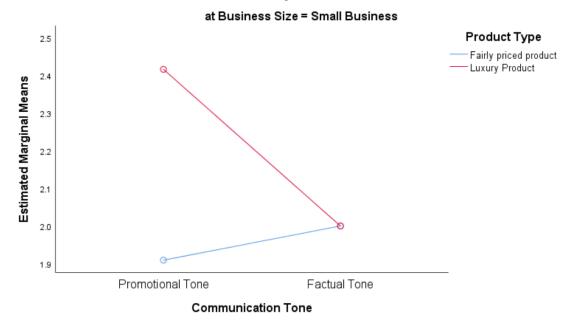
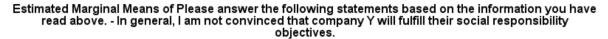


Figure 3: If a company has the characteristics of a small business and sells fairly priced product, the communication tone you use does not impact distrust. Companies that are small business that sells luxury products, using a factual tone can decrease consumer distrust significantly.

Figure 4:



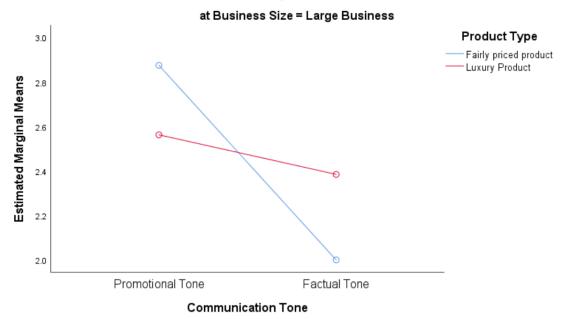


Figure 4: With a large business that sells luxury products, communication tone has no impact on consumer distrust levels. With a large company that sells fairly priced products, the use of factual tone when communicating CSR initiatives will decrease consumer distrust considerably.

5. Discussion

Findings indicate that consumer CSR distrust depend on three factors: company size (small/large), product type (luxury/fairly priced), and communication tone (factual/promotional). The results indicate that if a company is small and sells luxury products, it is better to use factual tone to decrease consumer distrust on company CSR initiatives. Also, if a company is large and sells fairly priced products, it is best to use factual tone to decrease consumer distrust levels.

Additionally, results conclude communication tone as a non-determining factor of impacting consumer distrust in specific situations. Communication tone has no impact on consumer distrust

for CSR initiatives if a business is small and sells fairly priced products or if as business is large and sells luxury products.

These findings complement Kim (2019)'s findings, which state that promotional tone increase distrust in a company. Our findings help companies see that in certain circumstances promotional tone will not increase or decrease consumer distrust for a company. With this knowledge, companies that are in this situation of constant distrust for either promotional or factual communication tone can decide which tone works best for them. Companies can focus on what tone will give the best results for another favorable factor CSR offers. For example, companies can strategize what tone would increase sales, brand loyalty or company image instead of straining on the high possibility for consumer distrust and skepticism.

These findings have important implications for companies that invest or are planning to invest in CSR initiatives. First, these companies need to understand what characteristic labels they fall into, specifically company size and product type. Second, before planning their approach to communicate and market the CSR involvement and initiatives, companies can anticipate what communication tone will work best specifically for them based on their company size and product type being sold. Third, based on this data, companies can benefit from CSR through sales, reputation, helping society, brand loyalty and trustworthiness while not having to risk consumer distrust, loss of consumers and destruction of company image.

These findings can help companies pave a clear path on how to communicate CSR to consumers without creating consumer distrust. The more knowledge on communicating CSR initiatives, the higher the chance companies will incorporate CSR into their business plan.

These findings address important questions for future research. Previous data shows that communicating CSR initiatives through internal sources can be perceived as promotional tone.

This is based on its low credibility and self-praise. (Du, 2010). Therefore, it is inferred that consumer distrust is higher when communicating CSR through internal sources compared to external. With these new findings, this might not be the case. Source could not have an effect on consumer trust in certain situations based on company characteristics as shown in the new findings with communication tone. Based on the current shop local, support local trend during the 2020 pandemic, future research should also look into adding local business as a company characteristic for an additional independent variable in the study. This could affect consumer distrust differently than company size and also potentially strengthen the significance in the three-way interaction with company size, product type and communication tone. This study considers only two company sizes, small and large. Therefore, future research should examine if a medium sized business would differ in results. A larger sample size should be used in future research to better results and establish higher statistically significant interactions between the variables.

Survey Appendix:

Q10 What is your overall impression of Company Y after learning about their corporate activities?

C	disagree (1)	Somewhat disagree (2)	nor disagree (3)	Somewhat agree (4)	Strongly agree (5)	
I like Company Y. (1)	0	0	0	\circ	0	
Company Y was appealing to me. (2)	0	0	0	0	0	
Company Y interests me. (4)	\circ	0	0	0	0	

Q11 How is company Y's donation to charity depicted in the information you just read? Strongly Somewhat Neither Somewhat Strongly disagree disagree agree nor agree agree disagree

High Performance ()

1

2

3

3

5



Q13 Please answer the following statements based on the information you have read above.

	Strongly dissagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
Company Y is committed to corporate giving and helping social causes (1)	0	0	0	0	0
The corporate practices of company Y are socially responsible.	0	0	0	0	0
Company Y integrates charitable contributions into its business activities (3)	0	0	0	0	0
Company Y is a socially responsible organization (4)	0	0	0	0	0

Q14 Please answer the following statements based on the information you have read above.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
I do not trust Company Y to deliver on their social responsibility promises. (1)	0	0	0	0	0
Company Y is being dishonest about their real involvement in social responsibility initiatives. (2)	0	0		0	0
In general, I am not convinced that company Y will fulfill their social responsibility objectives. (3)		0	0	0	0

Q19 Please answer the following statements based on the information you have read above.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
I am likely to purchase a product produced by Company Y. (1)	0	0	0	0	0
I would probably purchase a product produced by Company Y.	0	0	0	0	0
I would consider purchasing a product produced by Company Y.	0	0		0	0

Q18 Do you feel the information made in the message about Company Y activities are:

Strongly Somewhat Neither Somewhat Strongly disagree disagree agree nor agree agree disagree

	33.6. 2.2					
	1	2	3	3	4	5
Believable ()						
Convincing ()						
Truthful ()						
Realistic ()						
Credible ()						
Reliable ()						

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