Convergence of Interests--Cultivating Consumer Trust Through Corporate Social Initiatives

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This paper examines the social and business benefits of a corporate social initiative and explicates the link between the social and business interests. We propose that perceived social benefits of a social initiative is a key antecedent to consumer trust in the sponsoring company/brand, which then generates both transactional (i.e., brand purchase) and relational (i.e., advocacy behavior such as word-of-mouth) business benefits. We further expect that intrinsic (but not extrinsic) attributions of a social initiative mediate the relationship between perceived social benefits and trust. Findings from a quasi-experiment involving a real-world social initiative provide support for our hypotheses.

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EXTENDED ABSTRACT

This paper examines the social and business benefits of a Corporate Social Responsibility (CSR) initiative and explicates the link between the social and business benefits. Social benefits refer to the impact of a CSR initiative on society, most notably on the intended beneficiaries of the initiative. The business benefits include both transactional outcomes such as purchase, and relational outcomes such as consumer advocacy behaviors toward the company/brand (e.g., word-of-mouth). We posit that trust, the key determinant of relational commitment (Garbarino and Johnson 1999; Ganesan 1994), is the mediating variable linking the social and business benefits.

We define trust as the perceived credibility and benevolence of a company (cf. Doney and Cannon 1997; Ganesan 1994). By making a difference to the social cause (i.e., generating social benefits), a CSR initiative could build consumer trust as it signals that the company is serious about bettering social welfare (the benevolence dimension of trust) and is competent in effecting positive social change (the credibility dimension of trust). Greater trust then leads to consumer loyalty and greater support for the company, as indicated by product purchase and consumer advocacy behaviors.

Persuasion knowledge model (Friestad and Wright 1994) suggests that consumers will naturally make attributions about the motives underlying a CSR initiative. Drawing upon literature on interpersonal trust (McAllister 1995; Rempel, Holmes and Zanna 1985), we posit that only intrinsic motives (i.e., a genuine concern for social welfare) are diagnostic of the company’s trustworthiness and therefore are likely to mediate the relationship between perceived social benefits and trust. Extrinsic motives (i.e., a desire to increase sales, to improve reputation, etc.) are unlikely to play a role in cultivating trust.

We use a quasi-experiment involving a real-world CSR initiative to test our hypotheses. Our empirical context is the Crest Healthy Smiles 2010 program, which is sponsored by Crest to address disparity in oral health by providing education, tools and access to dental care services to children in economically disadvantaged neighborhoods across the country. A key component of this initiative is the “Cavity Free Zones program”, in which Crest partnered with a national non-profit organization, Boys and Girls Club of America (BGCA), to teach dental health as well as provide dental care tools to underprivileged children. Our treatment group consists of Hispanic parents whose children have participated in the “Cavity Free Zones program”, and therefore have benefited from the initiative. The control group consists of Hispanic families who have not participated in the program, but have similar demographic characteristics and are selected from the same neighborhoods (i.e., as indicated by zip codes) as the treatment group. Difficulties in contacting members of the treatment group via BGCA organization resulted in a lower than desired sample size, a total of 53 complete surveys, as compared to 305 respondents in the control group. In the survey, we used several methods to reduce demand effects and the social desirability bias, such as putting questions about the Crest Health Smiles program at the very end, and when asking questions about Crest, we ask the same questions about Colgate so as to conceal our research purpose. Prior to conducting the survey, we did several focus groups with both the treatment group and the control group to get a richer understanding of the social initiative and to yield measurement items for our constructs.

Findings from the quasi-experiment provide support for most of our hypotheses. ANOVA analysis with group as the independent variable shows that, relative to the control group, the respondents in the treatment group reported that their children have greater motivation to engage in dental care behavior, and indeed are likely to floss and visit dentists more frequently. Such difference in health motivation and health behavior is indicative of the social benefits the Crest Health Smiles program has generated. Regarding the business benefits, we find that, relative to the control group, the respondents in the treatment group display greater trust in the sponsoring brand Crest, are more likely to purchase Crest products, and express greater intention to engage in relational behaviors toward Crest. Further, mediational analysis indicates that, as we expected, trust mediates the relationship between participation in the initiative and brand behaviors. To examine the dynamics of trust, we analyzed the data of the treatment group only. Consistent with our expectation, perceived social benefits of the CSR initiative are positively related to trust in the sponsoring brand Crest. In addition, intrinsic attributions mediate the link between perceived social benefits and brand trust, whereas extrinsic attributions are not related to either perceived social benefits or brand trust.

This research provides important insights into the phenomena of corporate social initiatives. It highlights the role of social benefits as a key antecedent to business benefits of a CSR initiative, showing social and business interests can be complementary. It provides a process explanation of how CSR initiatives generate business benefits: CSR initiatives yield business benefits via cultivating consumer trust, increasing consumer purchase and advocacy behaviors and thus improving the long-term business prospects of the sponsoring company/brand.

REFERENCES


