Self and Social Signaling Explanations For Consumption of Csr-Associated Products

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Consumers frequently encounter products that have a corporate social responsibility (CSR) association. While the drivers of general charitable behavior are reasonably well understood, less is known about the motivations that underlie decisions to purchase a CSR-associated product. Across several experiments we find that consumers like CSR-associated products for two distinct reasons. First, consumers like the fact that these products send out social signals. Second, we also find that there is a more private, self-signaling potential associated with the purchase of these products, which positively influences consumer self-perceptions even when a strong social signal is absent.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/13558/volumes/v35/NA-35

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Self and Social Signaling Explanations for Consumption of CSR-Associated Products
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Consumers frequently encounter, and buy, products that have a corporate social responsibility (CSR) association (e.g., cell phones that promise a portion of proceeds to cancer research). It is well documented that products with a CSR-association are extremely popular among consumers; however, very little is known about the motivations underlying a consumer’s decision to purchase these products. To date, the research on CSR-associated purchase decisions has focused on antecedents that influence evaluations and purchase decisions (Brown and Dacin 1997, Strahilevitz and Myers 1998, Sen and Bhattacharya 2001) but has failed to consider specific motivations that drive the decision to purchase a CSR-associated product. We address this gap in the literature through several studies.

Across several experiments we find that consumers like CSR-associated products for two distinct reasons. First, consumers like the fact that these products send out highly visible, social signals regarding their benevolence. We find that a consumer’s likelihood of adopting a CSR-associated product varies positively with the product’s social signaling potential, even when that signaling potential is subtly cued. Second, we also find that consumers like the more private, self-signaling potential associated with the purchase of these products, even when a strong social signal is absent. In sum, we find that the valuation of a CSR-associated product is jointly determined by its social and self-signaling potential.

Social signaling refers to the act of conveying information about oneself in an implicit fashion, by engaging in behaviors that reveal one’s traits and preferences to observers. Thus many behaviors are often valued for their ability to send out signals to observers, without requiring explicitly communication. Social signaling has been implicated in explaining several phenomena. In the marketing literature, it has been suggested that brands signal product quality (Erdem, Swait and Valenzuela 2006), and that a consumer’s product choice sends social signals regarding their personality attributes (Holt 1995). Similarly, Glazer and Konrad (1996) examine the role of social signals in the realm of charitable behavior. Their model implies that charitable donations are observable signals, and consumers are more willing to donate when there is an increased potential for signaling. This implies that purchasing CSR-associated products, a specific method of making a charitable donation, should also serve as a social signal. We therefore hypothesize that the likelihood of purchase of a CSR-associated product would be positively related to the social signaling potential of the product.

Besides sending out social signals to observers, behaviors also have the capacity to self-signaling to the individual in question. The self-signaling capacity of behaviors, although relatively under researched, was elegantly demonstrated by Quattrone and Tversky (1984). Quattrone and Tversky (1984) showed that people often engage in behaviors in order to signal to themselves that they possess a particular desirable trait, even when there are no social incentives. Thus, in addition to serving as social signals, we posit that CSR-associated products also allow for self-signaling. We hypothesize that the purchase likelihood of a CSR-associated product should be positively related to its ability to provide a positive self-signal. These two hypotheses were investigated in the studies described below.

In study 1, participants were randomly assigned to between subject conditions, presented with advertisements for a target product that manipulated perceptions of the product’s social and self-signaling potential, and asked to indicate their purchase likelihood. Social signaling potential was manipulated by varying the suggested location of the product (private vs. public living spaces). The CSR-association was manipulated by the presence-absence of a CSR tag. The self-signaling potential was manipulated by the presence-absence of a reminder about how the purchase of the CSR-associated product would remind them of their kind-heartedness.

Our results indicate that when the products did not have a CSR association they were evaluated equally regardless of social signaling potential. However, when the products had a CSR-association, not only was the product evaluated more favorably in the high (versus low) social signaling potential condition, but also the low social signaling potential condition actually lead to lower evaluations than the control, no CSR association conditions. Interestingly, when the reminder was added to the CSR association conditions, this difference disappeared.

We also did a follow-up study, in which we manipulated the social signaling potential of the same product by describing it as being especially helpful either for social (entertaining friends) or for personal (indulging oneself) occasions. The results support our previous findings.

Our findings suggest that consumers generally reward CSR-associated products for their ability to serve as social signals and are willing to punish similar CSR-associated products that do not offer the same signaling potential. However, if consumers are provided with self-signals, the difference between high and low social signaling potential products is negated.

In sum, we address a gap in the literature on corporate social responsibility by showing that the valuation of a CSR-associated product is jointly determined by its social and self-signaling potential. Our findings also extend the literature on signaling by offering an addition to the relatively modest extant stream of research related to self-signaling.

References