Corporate Social Responsibility: Attributions, Loyalty, and the

**Mediating Role of Trust** 

**ABSTRACT** 

This study investigates whether consumers' perceptions of motives influence their evaluation

of corporate social responsibility (CSR) efforts. The study reveals the mediating role of

consumer trust in CSR evaluation frameworks; managers should monitor consumer trust,

which seems to be an important subprocess regulating the effect of consumer attributions on

patronage and recommendation intentions. Further, managers may allay the negative effects

of profit-motivated giving by doing well on service quality perceptions. On the other hand,

appropriately motivated giving continues to positively affect trust regardless of the

performance of the firm on service quality provision.

**Keywords:** Corporate social responsibility; consumer attributions; moderation effects; trust;

service quality; mobile services

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#### INTRODUCTION

Corporate social responsibility (CSR) has become mainstream (Franklin 2008), with estimated spending on charitable giving reaching \$300 billion in the United States alone (Giving USA Foundation 2007). While CSR provides support to worthy causes, companies practice it as much to increase visibility as to create social impact, and invest heavily not only in good actions but also in communicating them (Luo and Bhattacharya 2006). For example, in 1999, Phillip Morris made \$75 million in charitable contributions, and then launched a \$100 million campaign to publicize them (Porter and Kramer 2004).

These practices have lead to arguments that CSR breeds public cynicism and suspicion (Porter and Kramer 2004; Luo and Bhattacharya 2006), and recent anecdotal evidence suggests that consumers suspect firms of greenwashing (Reuters 2008) and cause exploitation (*Progressive Grocer* 2008). Corporate scandals, ethical lapses, broad cynicism, and anxiety for contemporary life (Arumi et al. 2005; Helm 2004; Mohr, Eroglu, and Ellen 1998) all lead consumers to be skeptical of firms' reasons for engaging in CSR (*Progressive Grocer* 2008).

Motivated in part by this mounting consumer skepticism, recent studies have treated consumers' perceptions of corporate motives as moderators that alter the relationship between CSR and consumer responses (e.g., Barone, Norman, and Miyazaki 2007). However, understanding of how and when consumer suspiciousness, as captured by negative perceptions of corporate motives, affects consumer evaluation variables is still limited. This study investigates *whether*, *how*, and *when* consumers' perceptions of motives directly influence consumer responses to CSR.

We develop and test a conceptual model (Figure 1) proposing that CSR-induced suspiciousness influences consumers' trust, which in turn contributes to customer attraction and retention. Although CSR seems to aim at building moral capital (Godfrey 2005), research is lacking on consumer trust as a CSR performance variable. We explore the boundary conditions under which CSR-induced suspiciousness generates consumer reactions and

postulate that these conditions may relate to economic aspects of a firm's offering, which in turn relate to consumers' perceptions of how the firm scores on service quality perceptions.

Insert Figure 1 about here.

## CONCEPTUAL BACKGROUND AND HYPOTHESES DEVELOPMENT

## **Corporate Social Responsibility**

CSR is rising sharply as a corporate priority: by 2011, the percentage of executives giving high priority to CSR is expected to be 70% (Franklin 2008). Although CSR can take many forms, this study focuses on cause-related marketing, where the goal is to improve corporate performance and simultaneously help worthy causes (Varadarajan and Menon 1988). Cause-related marketing programs are managerially relevant since they benefit firms through increased sales (Barone, Miyazaki, and Taylor 2000). Further, cause-related marketing has generated debate regarding its cause-beneficial or cause-exploitative nature, thereby rendering it suitable for examination of CSR-induced attributions (Varadarajan and Menon 1988).

## **CSR-Induced Consumer Attributions**

While corporate motives underlying CSR have been discussed as a major variable explaining consumers' reaction to CSR (Godfrey 2005), most studies focus on the moderator role of CSR attributions. Recent research finds that consumer responses to CSR are more complex than once believed, and that consumers differentiate four types of motives (Ellen, Webb, and Mohr 2006). Briefly, egoistic-driven motives relate to exploiting the cause rather than helping it. Strategic-driven motives support attaining business goals (e.g., increase market share, create positive impressions) while benefitting the cause. Stakeholder-driven motives relate to support of social causes solely because of pressure from stakeholders. Finally, values-driven motives relate to benevolence-motivated giving.

In contrast to past studies, this research treats consumers' attributions as directly influencing consumer responses rather than acting as a moderator, with theoretical support

found in research on suspicion. Attributional processes are often evoked in the context of heightened suspicion (Fein 1996), as well as by profit-seeking corporations' involvement in causes in a climate of corruption (Franklin 2008; Arumi et al. 2005). Consumers may care less about what firms are doing than about why they are doing it (Gilbert and Malone 1995).

## The Proposed Model: Theory and Hypotheses

We chose the construct of perceived service quality to investigate whether economicoriented aspects of a firm's offering moderate the attributions-responses link. Perceived
service quality is one of the most important criteria consumers use to evaluate, choose, and
switch service providers (e.g., Keaveney 1995), and most service evaluation literature agrees
that service quality is important in helping managers evaluate the effectiveness of firm
strategies (Brady et al., 2005). Further, marketers directly control service quality, with service
quality programs ranking as one of the most important marketing instruments for stimulating
customer behavior (Bolton, Lemon, and Verhoef 2004).

Much marketing research has examined the connections among service quality, patronage intentions, and recommendation intentions (e.g., Lam et al. 2004). Most studies seem to agree that service quality positively influence consumer trust and behavioral outcomes, and that consumer trust positively influences loyalty. We expect consumer attributions to directly affect trust, patronage, and recommendation intentions. Specifically, given the discretionary character of corporate giving, CSR evaluators are not likely to accept motives that are economic or that flow from legal or moral obligations (Godfrey 2005). In what follows, we lay the theoretical foundations for these effects.

# Consumer Attributions, Trust, and Behavioral Intentions

Consumers are likely to accept attributions of values-driven motives because they consider the firm to be acting from sincere and benevolent intentions. They believe firms design CSR actions because they care, and view CSR activities as deriving from a company's moral behavior. On the other hand, consumers are likely to view attributions of stakeholder-driven motives negatively, as they believe the company is acting to avoid retribution from stakeholders and fear that a company's worthy programs may disappear in the next downturn

(Franklin 2008). A necessary condition for trusting an actor is belief that the actor will continue to honor promises even when nobody looks or forces these actions (Bhattacharya, Devinney, and Pillutla 1998).

Correspondence theory provides formal, theoretical support for these effects (Jones and Davis 1965). Values-driven motives are correspondent attributions, representing the true feelings and dispositions of the firm, and are viewed positively, whereas stakeholder-driven motives are non-correspondent, representing a behavior in contrast with the firm's true feelings, and are viewed negatively (Smith and Hunt 1978).

Hypothesis 1: Stakeholder-driven attributions have a negative effect on consumer trust, patronage intentions, and positive recommendations.

*Hypothesis* 2: Values-driven attributions have a positive effect on consumer trust, patronage intentions, and positive recommendations.

We expect that consumers will perceive CSR-induced motives that are typical business performance goals either negatively or unresponsively. If consumers view CSR as just another promotional activity, their trust, patronage, and recommendation intentions levels are likely to remain unchanged. However, consumers may be unwilling to accept profit-maximizing managers' interference with values that are highly moral in character (Barone, Miyazaki, and Taylor 2000).

Predictions for the opposite effects are also tenable. Attributions related to strategic goals inherent in the firm's survival are widely accepted (Ellen, Webb, and Mohr 2006). This view finds support in social exchange theory's principle of reciprocal reinforcement (Zafirovsky 2003). Consumers may legitimize profit-motivated giving, since corporate survival requires retaining customers.

Thus, while strategic-driven attributions may positively affect behavioral outcomes, we anticipate that a negative direct effect will dominate owing to heightened consumer suspicion and public cynicism. Unethical behavior over the past decade has drawn intense media coverage and has increased public attention to human failing and corruption in even the nonprofit world (Arumi et al. 2005).

Hypothesis 3: Strategic-driven attributions have a negative effect on consumer trust, patronage intentions, and positive recommendations.

Finally, we expect that cause behaviors with egoistic motives will be viewed as unethical and manipulative, yielding negative evaluations of the firm. Firms with egoistic-driven motives pursue excessive profiteering and are not reciprocal with respect to causes.

Hypothesis 4: Egoistic-driven attributions have a negative effect on consumer trust, patronage intentions, and positive recommendations.

## The Moderating Role of Service Quality Perceptions

Previous studies have investigated whether CSR has interactive effects with corporate abilities (various elements of a firm's expertise and competency) on evaluation variables (e.g., Handelman and Arnold 1999). However, researchers disagree regarding the existence and directionality of these effects. Berens, Van Riel, and Rekom (2007) find that when the firm has good corporate abilities, CSR does not significantly affect people's attitudes. Luo and Bhattacharya (2006) find that corporate abilities moderate CSR, rather than vice versa, and Handelman and Arnold (1999) find that, in most situations, CSR rather than corporate abilities is the moderating factor.

Berens, Van Riel, and Rekom (2007) suggest that CSR is the moderating variable when it is more personally relevant than corporate abilities and vice versa. We argue that service quality provision is more personally relevant than CSR, since the former relate to satisfaction of lower-order needs (physiological needs) whereas the latter relates to satisfaction of higher-order needs (self-enhancement needs). In times of economic uncertainty and mistrust, consumers may give priority to satisfying needs placed lower in the needs hierarchy pyramid (Herzberg 1966).

Our point is that in deciding how to evaluate service providers, consumers may consider both economic offerings and CSR as important, but may consider bad performance in economic offerings more threatening than poor performance in CSR. Often, people continue to buy from unethical firms because these companies perform well on economic-

oriented offerings, rendering CSR information less dominant in consumer decision-making (Carrigan and Attala 2001).

We expect that firms with high levels of perceived service quality will generate weakened or null negative effects on consumer responses from egoistic-driven, stakeholder-driven, and strategic-driven attributions. Providing consumers with high service quality equates with satisfaction of some self-gratifying and personally relevant variables, likely making consumers care less about motivations underlying CSR. Consumers are more likely to engage in compensatory processing when evaluating a firm using CSR and performance criteria (Barone, Miyazaki, and Taylor 2000), suggesting that high service quality provision may compensate consumers for poor CSR attributions. These predictions are consistent with the findings of Luo and Bhattacharya (2006) and Berens, Van Riel, and Rekom (2007).

Conversely, we predict that firms with low levels of perceived service quality will generate negative consumer trust, patronage, and recommendation intentions from profit-motivated CSR. Coupled with low service quality, poor consumer attributions are more likely to result in perceptions of an unattractive corporate character and negative word of mouth and patronage intentions (Luo and Bhattacharya 2006). Low performance in the more personally relevant service quality variable may mean that consumers are not being compensated for bad performance in CSR motivations.

Hypothesis 5: Perceived service quality moderates the relationship between profit-motivated giving (egoistic-driven, strategic-driven, and stakeholder-driven motives) and consumer trust. The relationship will be weakened or null for high perceived service quality but will be negative for low perceived service quality.

Firms with low levels of perceived service quality will not likely generate positive consumer responses from values-driven attributions. Cognitive psychology research finds that the "negativity effect" arises across a broad range of psychological phenomena (Baumeister et al., 2001), and its presence suggests that positive attributes cannot fully compensate for negative attributes (Berens, Van Riel, and Rekom 2007). Thus we expect that benevolent

motives underlying CSR cannot compensate for poor performance on the more personally relevant variable of service quality. Faced with situations of low service quality, consumers will not likely consider the positive values-driven attributions in their evaluations.

Conversely, we predict that firms with high levels of perceived service quality will generate positive consumer outcomes from values-driven attributions. If profit-motivated giving is the norm (Franklin 2008) and benevolence-motivated giving is a surprise for consumers, then the effect of values-driven attributions on behavioral outcomes is likely strengthened in the face of high service quality. Consumers are more likely to trust more, buy more, or more strongly recommend a company that is doing well in both cause-related behaviors and economic offerings.

Hypothesis 6: Perceived service quality moderates the relationship between benevolencemotivated giving and consumer trust. The relationship will be positive for high perceived service quality, but weakened or null for low perceived service quality.

# The Mediating Role of Consumer Trust

Customer trust has been recognized as a mediating variable in many disciplines, including social psychology (Blau 1964), management (Cropanzano and Mitchell 2005), and marketing (Morgan and Hunt 1994), and the service evaluation literature shows accumulating evidence for the mediating role of trust in the satisfaction-loyalty link (Sirdeshmukh, Singh, and Sabol 2002). In linking this evidence with our direct-effects hypotheses joining consumers' CSR attributions to trust, we expect a mediating role of trust.

Trust is based on "the expectation of ethically justifiable behavior" (Hosmer 1995, p. 399). Is firms' involvement in CSR campaigns an ethically justifiable behavior? Consumers may answer this question by relying on attributional processes in examining whether CSR behavior has benevolent or profit-driven motives. Arguably, CSR should be about building moral capital (Godfrey 2005), placing trust, a moral value construct, as central in evaluating the performance of CSR. To more completely explain the mechanisms that translate CSR-

induced attributions into behavioral outcomes, we introduce trust as a self-regulatory subprocess (Bagozzi 1992).

Hypothesis 7: A firm's consumer trust level at least partially mediates the influence of CSR-induced attributions on patronage intentions and recommendation intentions.

#### RESEARCH DESIGN AND METHOD OF ANALYSIS

## The Mobile Services Industry

The empirical context for this study was the mobile-phone industry. Consumers' use of mobile telecommunication services is commonplace (Nysveen, Pedersen, and Thorbjørnsen 2005) and mobile service providers invest heavily in cause-related marketing. Additionally, the factor of trust is topically important to this industry. Consumers have many reasons to feel at the mercy of mobile operators' practices, including suspicion generated by wiretapping scandals and the relationship between mobile-phone usage and health. This sense of vulnerability constitutes the necessary condition for the development of trust (Sirdeshmukh, Singh, and Sabol 2002). Further, research on CSR has mostly targeted tangible goods industries (e.g., Sen, Bhattacharya, and Korschun 2006) rather than services.

## **Data Collection and Sample Characteristics**

The sample consisted of 830 randomly selected residents of major metropolitan areas in Greece. Data were collected using proportionate stratified random sampling through a marketing research call center. Response rate was 15%, with 64% of respondents women and more than half (52%) married. Half (47%) were between 25 and 44, and more than half (53%) had a college degree. Overall, the sample is representative of the mobile-phone user population in Greece.

# Measures

Construct operationalizations are rooted in the extant literature (see Appendix A).

Care was taken to ensure translation equivalence. Except for the recommendation construct, all constructs were operationalized using multiple-item scales assessed by ten-point semantic differential and Likert scales. Patronage and recommendation intentions measures were drawn

from Zeithaml, Berry, and Parasuraman (1996), trust measures from Sirdeshmukh, Singh, and Sabol (2002), and attributions measures from Ellen, Webb, and Mohr (2006). Service quality measures were adapted from Brady and Cronin (2001).

Hypotheses were tested through a scenario, with realism ascertained using two tenpoint Likert items (Dabholkar and Bagozzi 2002): "The situation described was realistic" and "I had no difficulty imagining myself in the situation." Respondents rated the scenario as highly realistic (a rating of approximately 8, with 10 being the most realistic).

Participants imagined that their current provider promised to donate a large percentage of the income from text-messages exchanged during Christmas to a nonprofit organization supporting orphans and helpless children, and then expressed agreement or disagreement with possible explanations (i.e., attributions) for this offer. Cause-related marketing is familiar to Greek consumers, and the specific cause selected was one of the 14 most important causes Greek consumers believe companies should support (Globe Scan-MRB 2006).

# **Method of Analysis**

To estimate the parameters of the moderation terms, we used Ping's (1995) two-step single-indicant estimation method (2SI). To calculate standard errors and to formally examine mediation effects, we selected the bootstrapping framework (Shrout and Bolger 2002).

## **RESULTS**

The measurement model fits reasonably well, establishing unidimensionality ( $\chi^2$  (248) = 1218, p < .00), RMSEA=.069, CFI=.94). Further, all measures conform to accepted reliability, convergent validity, and discriminant validity standards (see Appendix A).

## **Hypotheses Testing**

The model accounts for nontrivial variances in the dependent constructs (see Figure 2). Geyskens, Steenkamp, and Kumar (1998) find that field studies conducted in Europe on samples from a single industry tend to produce smaller effects. As this study is not prediction-oriented, many customary antecedents for these three constructs were excluded.

## Results for Direct Effects Hypotheses

Analyses indicate that CSR attributions likely have differential effects on the dependent variables (see Figure 2). As predicted, stakeholder-driven attributions negatively influence trust and patronage intentions but have no effect on recommendation intentions, providing support for H1 with regard to two of the three consumer outcomes. Values-driven attributions positively influence consumer trust and have a strong positive effect on recommendation intentions but no effect on patronage intentions providing support for H2 again for two of the three outcomes. Strategic-driven attributions negatively influence only patronage intentions and not trust and recommendation intentions, providing support for H3 with regard to one of the three outcomes. As predicted, egoistic-driven attributions diminish trust and patronage intentions and have a weak negative effect on recommendation intentions providing support for H4.

Insert Figure 2 about here.

## Results for Moderated Effects Hypotheses

To test H5 and H6, we entered the moderated terms into the direct-effects model (Ping 1995). Ping (2003) notes that detecting more than one or two significant interactive terms is difficult, and including one interactive term may amplify or suppress the significance of other interaction terms. He suggests the stepwise procedure of one interaction at a time for finding the terms that are more likely to be replicated in fresh samples.

The fit for the moderated-effects model is acceptable ( $\chi^2(326) = 1458$ , p < .00, RMSEA=.065, CFI=.94). The significance of the effect size  $f^2$  shows that including the interactive terms in the direct-effects model is empirically meaningful for all dependent variables (Ping 2003).

As predicted, service quality moderates the negative effect of egoistic-driven and stakeholder-driven attributions on trust (see figure 2). Further, service quality does not moderate the hypothesized effect of strategic-driven attribution on trust. These results provide support for H6 with regard to two of the three profit-motivated attributions. Based on the

results we seem to have sufficient evidence for the moderating role of economic offerings on the attributions-outcomes link.

Finally we do not find support for H6. Service quality neither weakens nor multiplies the positive effect of values-driven attributions on trust. While we hypothesized that with low service quality, the effect of benevolent-motivated giving on consumer outcomes would be weakened, we find that appropriately motivated giving continues to positively affect trust regardless of the performance of the firm on economic-oriented aspects of its offerings.

Significant interactive effects are plotted in Figure 3 (Aiken and West, 1991).

Insert Figure 3 about here.

## Results for the Mediating Role of Consumer Trust

A major tenet of the study is the central role of consumer trust in the CSR evaluation process. Results support H7. Trust fully mediates the effect of stakeholder-driven attribution on recommendation (b= -.038, p=.016). Stakeholder-driven attributions have an indirect effect on repeat patronage intentions (b= -.038, p=.018), indicating a partial mediation effect of trust. Egoistic-driven attributions have significant indirect effects on both patronage intentions and intended recommendation through trust (b= -.030 p=.001 and b= -.030, p=.000). Finally, values-driven attributions have an indirect effect on repeat patronage intentions (b=.059, p=.001), indicating trust as full mediator for this link. Values-driven attributions have an indirect effect on recommendation through trust (b=.058, p=.001), but this is a partial mediated link. Finally, consumer trust fully mediates the positive effect of service quality on patronage intentions (b=.117, p=.001) and partially mediates the effect on recommendation intentions (b=.118, p=.001).

The same pattern of results is evident for the moderated-effects model. The service quality-stakeholder interactive term indirectly affects recommendations and repeat patronage through trust (b=.010, p=.017 and b=.010, p=.020 respectively) as is the case with the service quality-egoistic interactive term as well (b=.017, p=.009 and b=.017, p=.008 respectively).

## **Rival Models**

We ruled out several competing explanations. The selection of the rival models is rooted in the extant literature (Morgan and Hunt 1994; Sirdeshmukh, Singh, and Sabol 2002; Luo and Bhattacharya 2006). We fitted a full mediation model (hypothesizing trust as a full mediator), a non-mediation model (no effects on trust) and a no-trust model (a model not including trust).

The research (Model 4; see Table 1) fits the data better than the full-mediation model (Model 1) and the non-mediation model (Model 2). More criteria can be used to compare structural models, such as the percentage of significant paths and parsimony, as measured by the PNFI index (Morgan and Hunt 1994). With the exception of the full mediation model (which fits the data significantly worse than the research model), the remaining rival models have fewer significant paths than the research model. Further the research model is no less parsimonious than the rival models.

Insert Table 1 about here.

# DISCUSSION AND IMPLICATIONS

This study examines whether, how and when suspiciousness influences consumers' evaluation and reaction to CSR, specifically how poor CSR motives can influence important internal and behavioral consumer outcomes and in which situations the negative effects of these poor motives may be weakened.

# **Implications for Marketing Theory**

Our work extends the research stream on consumer CSR-induced attributions, positing them as directly influencing consumer responses. Particularly, this study reveals that the negative effects of CSR may be more profound than previously recognized. Increasingly suspicious consumers seem to simultaneously entertain multiple CSR attributions, which are

mainly negative and directly influence both internal (i.e., trust) and behavioral (i.e., patronage and recommendation intentions) consumer responses.

Another contribution of this research is identification of consumer trust as a subprocess regulating the effect of CSR attributions on consumer behavioral responses. Future studies investigating the ultimate behavioral and financial impact of CSR should consider that this impact also stems from consumer trust judgments. We extend the work of Luo and Bhattacharya (2006), who suggest consumer satisfaction as a mediational pathway linking CSR to desired firm outcomes, by suggesting an alternative pathway that consumers use to evaluate CSR actions.

This mediating role of trust is important. It extends both the CSR literature, by revealing consumer trust as a previously unrecognized outcome, and the research stream on consumer trust, by recognizing CSR as an important antecedent variable. Future research should investigate whether a trust or a satisfaction mediational pathway (or a more complex model including both) is superior in regulating the effect of CSR on behavioral or financial outcomes. Scholars may be unable to reach an empirically grounded resolution to the CSR-financial performance relationship (Godfrey 2005) because few past studies have recognized intervening, regulatory variables that mediate the effect of CSR on financial outcomes. The present study finds that trust may be such a variable.

Finally, results suggest that consumer responses to CSR motives may differ among firms with different service quality provision levels. High service quality provision is capable of diminishing the saliency of negative CSR motives on consumer responses. Based on the results, corporate motivations can exert strong negative effects on consumer reactions to CSR campaigns when the company performs badly in service quality.

# **Implications for Marketing Practice**

Although the single-industry context of the study limits generalizability, our results have important managerial implications. First, the central role of trust found in this research indicates that to assess the effectiveness of CSR actions, managers should routinely measure

how much these actions create consumer trust. Second, understanding how consumers' perceptions of CSR corporate motives relate to consumer trust, patronage, and recommendation intentions can help managers monitor and enhance these consumer outcomes through marketing initiatives that manage CSR-induced attributional processes.

Further, moderated effects results indicate that managers can prevent the negative effects of these motives on consumer responses by investing in service quality programs. These previously unexplored effects imply that by addressing scores on service quality managers can make CSR more effective in the marketplace. This finding suggests that companies or brands that are low in service quality perceptions are disadvantaged when designing and implementing CSR actions. Our results indicate that CSR actions by a high service quality corporation will have greater positive impact on its business goals than the CSR actions of a low service quality firm, since in the high service quality firm, negative attributions that hurt outcomes are not that important.

Results indicate that managers should strategically integrate CSR into their competitive positioning by designing CSR programs that either remind or reinforce consumers' perceptions of high service quality. This tactic may prevent the deleterious effects of negatively perceived motives potentially evoked by a CSR campaign. This finding becomes even more important if one considers that consumer-perceived corporate motives are probably determined a priori in the marketplace: in a climate of corporate corruption and consumer mistrust towards big businesses, consumers are more likely to attribute CSR actions to profit-generating motives. The negative effects of these strong consumer convictions seem to be mitigated through the service quality mechanism, which is in the direct control of marketers.

Altogether, within the study's validity boundaries, results indicate that managers should recognize that investing in CSR is complex, since seemingly unrelated strategies (i.e., institutional and performative actions) interact to significantly influence consumer responses.

Managers should recognize that profit-motivated giving likely diminishes loyalty and

benevolent giving likely increases loyalty, and such effects may occur both directly and indirectly through a complex trust mechanism involving mediation and moderation effects.

#### LIMITATIONS AND FURTHER RESEARCH

This study offers several opportunities for further research. First, for both the direct and the moderated-effects models, some hypothesized paths are not statistically significant: the results indicate that patronage and recommendation intentions are likely to differ with regard to their linkage with CSR attributions. These two constructs relate to different managerial goals: repeat patronage pertains to consumer retention and recommendation to customer attraction.

Our results suggest that when the major problem is customer acquisition rather than customer retention, management should probably focus on building and communicating values-driven motives since they directly influence recommendation intention. Generally, it is more difficult to recommend than to repurchase, and to both buy and recommend, consumers must be sufficiently motivated (Lam et al. 2004). Values-driven motives are likely the exception and probably constitute sufficient motivation for a consumer to speak positively of the company. In contrast, management concerned about customer retention should probably focus on diminishing egoistic-, stakeholder- and strategic-driven attributions. Again, these are conjectures (i.e., empirical generalizations) that require further investigation. Our study may be a starting point for a more formal conceptualization of these important links.

Largely owing to weak theoretical foundations, the study did not provide a priori conceptualizations regarding these differential effects. In support of this complexity, Bolton, Lemon, and Verhoef (2004) note that the direction and size of the effects of a marketing instrument are likely to differ for different customer behaviors, a notion largely ignored in the customer loyalty literature (see also Zeithaml, Berry, and Parasuraman 1996).

The model in this study was tested in a single industry, mobile telecommunications.

Although the findings are not necessarily generalizable to other service contexts, our results may be relevant to services that offer standardized service, moderate customer contact, and

low customization (Bowen 1990). Besides testing the findings in similar contexts (e.g., grocery retailing, fast food contexts), future research should examine these findings in services that offer high customer contact and high customization (e.g., hair salon services) and personal property services that require moderate to low contact and low customization (e.g., car repair services) (Bowen 1990).

Methodologically, we used a cause-related marketing scenario, and future research should examine our findings in other CSR contexts. Further, we tested our model on cross-sectional data, which precludes any conclusions concerning causality between the study's constructs and probably renders the results tentative. Nevertheless, our study provides a basis for testing our findings in other industry settings with longitudinal or experimental data.

Many questions remain, and future work should investigate more complex interactive effects. For example, is the effect of egoistic-driven attributions on trust still weakened when service quality is high and perceived economic value is low? Future research should also investigate antecedents of CSR-induced motives. Which factors make consumers attribute negative or positive motives to corporate giving? Finally, the model should be tested in other stakeholder groups. For example, do salary levels or advancement opportunities moderate the likely negative effects of employee egoistic-driven attributions on organizational identification? Research is also needed to ascertain whether attribution types tested here apply in non-consumer domains.

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TABLE 1 **Comparison of Rival Models** 

Model Specifications	χ²	d.f.	$\chi^2$ / d.f.	$\chi^2_{\text{diff}}(\mathbf{d.f.}_{\text{diff}})$	CFI	RMSEA	PNFI	% SS Direct Paths	% SS Indirect Paths
Model 1 (FM)	1630	336	4.85	Compared Base	.92	.068	.75	7 of 11 (64%)	11 of 13 (85%)
Model 2 (NM)	1655	329	5.03	25**(7) a	.92	.067	.73	7 of 20 (35%)	N/A
Model 3 (NT)	1093	229	4.77	N/A (non- nested model)	.94	.067	.70	8 of 18 (44%)	N/A
Model 4 (RM)	1458	326	4.48	172**(10) <sup>b</sup>	.94	.065	.74	10 of 22 (45%)	12 of 18 (67%)

<sup>\*\*</sup> p<.001

a The results of the difference between models 1 and 2, b The results of the difference between models 1 and 4

Notes: FM: Full Mediation Model, NM=No-Mediation Model, NT=No-Trust Model, RM=Research Model,

SS=Statistically Significant, N/A=Not Applicable

FIGURE 1 The Conceptual Model

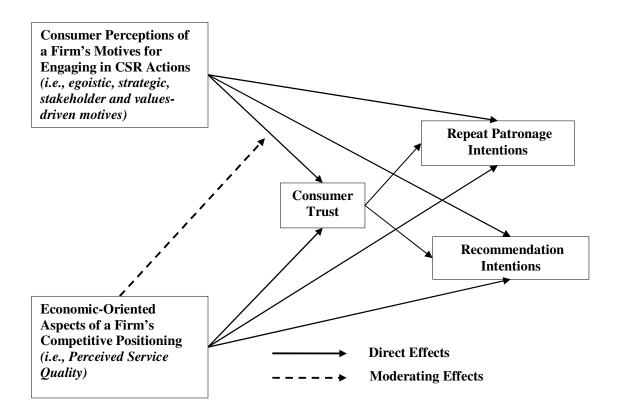
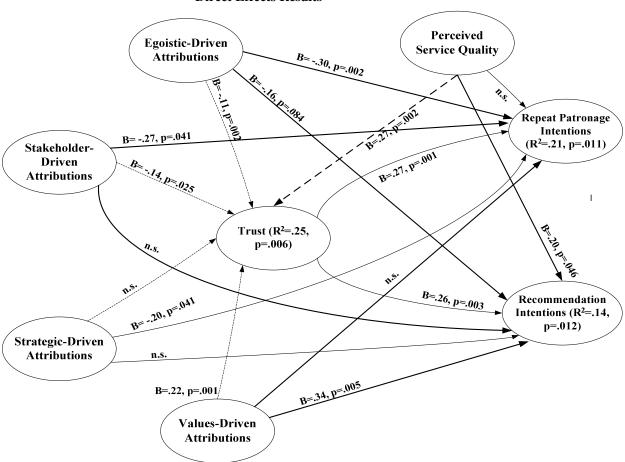


FIGURE 2

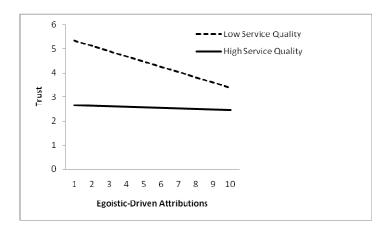
## **Direct Effects Results**

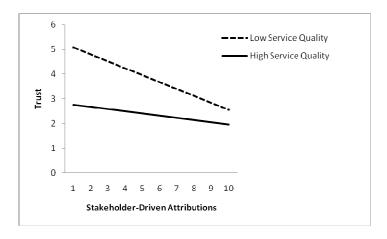


Notes: (a) besides direct effects a dotted line indicates significant indirect effects through trust on patronage and recommendation intentions, (b) beta coefficients of the first-order constructs are linear-only terms model estimates

FIGURE 3

The Moderated Effect of CSR-Induced Attributions on Trust: The Moderating Role of Service Quality





# APPENDIX A Measurement Model Results<sup>b</sup> (Standardized Estimates)

Item	Loadings	CR	AVE	Description (Consumers were first asked to answer the following question: "Which is your preferred mobile services provider (MSP)?"Then the researcher collected the data with reference to the specific mobile service provider.)
Patronage Intent.		.75	.60	
PATRONAGE1	.76			The likelihood of doing more business with is
PATRONAGE	.78			The likelihood of doing more business with other MSPs is
Recommend				
RECOMEND1 <sup>a</sup>	.93	n/a	n/a	The likelihood of saying negative things about to other people is
Trust		.94	.79	
TRUST1	.95			Very undependable/Very dependable
TRUST2	.94			Very incompetent/Very competent
TRUST3	.85			Of very low integrity'/ Of very high integrity
TRUST4	.81			Provider is generally honest and trustworthy
SQ		.93	.71	
SQ1	.86			Employees at are knowledgeable about their services
SQ2	.91			Overall, I would say the quality of my interaction with's employees is excellent
SQ3	.70			I would rate's physical environment highly
SQ4	.90			employees approach their work with professionalism and dedication
SQ5	.84			is organized so as to make it easy to get a good service when problems occur
Egoistic-Driven		.88	.75	
EGOISTIC1	.49			They want it as a tax write-off
EGOISTIC2	.92			They are taking advantage of the nonprofit organization to help their own business
EGOISTIC3	.95			They are taking advantage of the cause to help their own business
Values-Driven		.95	.86	
VALUES1	.87			They feel morally obligated to help
VALUES2	.96			They have a long-terms interest in the community
VALUES3	.96			They are trying to give back something to the community
Strategic-Driven		.82	.61	
STRATEGIC1	.70			They will keep more customer by making this offer
STRATEGIC2	.72			They will get more customer by making this offer
STRATEGIC3	.90			They hope to increase profits by making this offer
Stakeholder-Driven		.88	.72	
STAKEHOLDER1	.91			They feel their employees expect it
STAKEHOLDER1	.82			They feel their customers expect it
STAKEHOLDER3	.80			They feel their stockholders expect it
STAKEHOLDER4	.61			•
STAKEHULDER4	.01			They feel society in general expects it

a. Following McKenzie and Lutz (1989) the measurement error for this single item was fixed at (1-Reliability) times the variance of the perceived item indicator. We further conducted sensitivity analyses (at the range of .6 to 1.0) so as to statistically control for the impact of the recommendation intentions single-item error variance on parameter estimation.

b. All estimated loadings are significant (smallest t-value=7.57, p<.001. The reliabilities of the interaction terms range from .79 to .90, while AVE ranges from .46 to .67.