

MARKETING

Reflection into Students' Views on CSR as Consumers

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The emergence of corporate social responsibility (CSR) reflects the widely held perspective that firms that enjoy enormous power in terms of controlling the bulk of society's resources have an ethical and social responsibility to go beyond economic and regulatory imperatives. Broadly defined, CSR represents a firm's activities and status relative to its societal or stakeholder obligations (Brown & Dacin, 1997). As a social bonding source, CSR represents a multi-dimensional reflection of its corporate values, including those shared with consumers of its products and services. Some of the basic tenets of CSR include giving back to the community, respecting the environment, being good to your employees and partners, and to do no harm. Despite the unprecedented lack of trust in the corporate world, John Mackey, CEO and founder of Whole Foods posits that "Well-run, values-centered businesses can contribute to humankind in more tangible ways than any other organization in society (Mackey & Sisodia, 2013, p. xi).

CSR and Ignatian and Jesuit Pedagogy

Personal reflection of the potential value of CSR on society in relationship to individual student discernment will assist in fulfilling the Jesuit and Ignatian pedagogy. Moreover, an understanding of the prevalence of CSR and its effects of individual consumer behavior may serve to inspire students to utilize corporate resources to improve society by engaging them in a reflective process concerning CSR and its relationship with individual consumer values in shaping current managerial perspectives and/or those organizations they will serve in the future.

Given CSR's growing prominence in contemporary business practices, the primary purpose of this teaching and learning classroom exercise is to investigate how CSR perceptions are shaped by students' expectations. This student discernment activity is influenced by the Motivator-Hygiene Theory (Herzberg, et al. 1959) and explores the role of CSR as a motivating factor and/or as a hygiene business requirement. Fredrick Herzberg developed a two-factor theory that distinguishes dissatisfiers (factors that cause dissatisfaction) from satisfiers (factors that cause satisfaction). In line with this theory, marketers should avoid sources of dissatisfaction that might harm a brand and identify sources of satisfaction that please customers and supply them. Students practice discernment by looking into their own feelings about CSR. Specifically, students are asked to consider whether CSR serves as a personally motivating factor for brand allegiance and/or acts as a hygiene factor. When CSR is viewed as a hygiene factor, brands are less likely to be rewarded for their CSR efforts but rather insufficient CSR levels would work to weaken a consumer's attitudes toward the brand.

Marketing Course Student Profiles

This project took place during the Spring 2013 semester across the following three marketing classes: (1) MKTG 325-Services Marketing, (2) MKTG 600-Marketing Strategy, and (3) MKTG 700-Marketing Concepts & Strategy. By including undergraduate marketing students as well as graduate students both at an MBA and EMBA level, the activities and intellectual discourse offers students in various points of their education and professional career to personally reflect on the impact of CSR on society. The inclusion of 71 participants across all three classes also provides an unusually diverse group of students in terms of age, education, and work experiences from which to draw from and compare. The number of participants, average age and male/female gender representation for the three corresponding marketing courses just highlighted are: (1) MKTG 325 = 27 participants, 20.8 years old, 63% male/37% female; (2) MKTG 600 = 31, 27.8, 58%/42%; and (3) MKTG 700 = 13, 39.4, 69%/31%.

Methods and Procedures

A brief CSR attitudinal and perceptions survey was administered prior to classroom discussion for each class: MKTG 325, MKTG 600, and MKTG 700. The CSR survey was comprised of Likert-type scales (e.g., 1=strongly disagree to 7=strongly agree) to assess students' CSR perceptions of four leading brands (Proctor & Gamble, Kroger, Starbucks, and Google), in addition to their favorite brand (identified by the participant), and their respective attitudes about CSR as a motivator and as a hygiene factor. The brands included in the study were selected because students, ranging from undergraduate to EMBA, would be very familiar with them, although perhaps not as familiar with their CSR activities.

The Lichtenstein et al. (2004) five-item measure of CSR Perceptions assessed individual views of a brand's involvement in corporate giving, including its support of non-profit organizations. Given the wide variety of CSR initiatives, this scale was selected because it encompassed a broad view of CSR as defined in this study. In order to capture the respective potential roles of 'CSR as Motivator' and 'CSR as Hygiene Factor', new measures were used to reflect the study's duality theoretical perspective. Table 1 provides a listing of the multi-scale measures used in this research along with sound evidence of their respective reliability and validity properties.

After completion of the survey, I shared some research I have done in this area and used both the survey and research overview to serve as a springboard for class discussion about their thoughts about CSR, including its role and importance toward strengthening customer relationships. Classroom discussions probed for whether or not students personally believe that corporations have an obligation to engage in CSR. Of particular emphasis was learning how, if at all, CSR practices individually impact student's attitudes toward brands, including the degree to which CSR practices strengthen brand loyalty due to their respective views of CSR as a motivator or hygiene factor.

CSR Survey Results

In aggregate ($n=71$), students are more apt to have a positive association of the CSR efforts of their favorite brand ($\mu=5.29$). EMBA students ($\mu=6.09$) report statistically significantly higher CSR perceptions of their favorite brand in comparison to undergraduate students ($\mu=5.14$; $p=.005$) and MBA students ($\mu=5.08$; $p=.002$). No differences are observed between undergraduate students and MBA students. See Table 2. At a group mean construct level, students are more likely to see that CSR functions as a hygiene factor ($\mu=4.17$) as opposed as a motivator ($\mu=3.75$) on their favorite brands. Despite a highly significant difference ($p<.0001$) found between the motivator and hygiene factors, both constructs received a relatively neutral mean score (on a 7-point scale, 4=neither agree nor disagree).

Table 2 also compares 'CSR as Motivator' mean scores of the undergraduate ($\mu=3.87$), MBA ($\mu=3.26$), and EMBA ($\mu=4.64$) student participants, EMBA students are more likely to view CSR as a motivator factor than MBA students, at the $p=.005$ level of significance. Much weaker evidence ($p=.08$) is seen between the undergraduate and EMBA students, with non-significant differences between the undergraduate and MBA student groups. Similarly, when evaluating 'CSR as Hygiene Factor' mean values of the undergraduate ($\mu=4.31$), MBA ($\mu=3.72$), and EMBA ($\mu=4.95$) student groups, EMBA students are shown as significantly more likely ($p=.02$) to view CSR as a hygiene factor than MBA students. Only directional evidence ($p=.07$) is seen between the undergraduate and MBA students and non-significant differences are reported between undergraduate marketing and EMBA student participants.

As a post hoc test, regression analysis was conducted to examine CSR's respective motivator-hygiene factor relationships as predictor variables on CSR perceptions of their favorite brands. According to the regression results ($R^2=42.4\%$; F-ratio=25/68 df), only 'CSR as Motivator' is shown to have a significant effect (t-ratio=3.76; $p=.0004$) on CSR perceptions. Conversely, 'CSR as Hygiene Factor' reveals insignificant results (t-ratio=1.51; $p=.14$) on CSR perceptions of the respondent's favorite brand. Further examination of the regression results among the three student groups reveal significant differences. Namely, only in the case of the undergraduate student group are the results ($R^2=50.8\%$; F-ratio=12.4/24 df) similar to the combined student pool; here only 'CSR as Motivator' is shown to have a significant effect (t-ratio=2.67; $p=.013$) on CSR perceptions.

Students reported CSR perceptions among measured brands, ranging from slightly positive perceptions (Google: $\mu=4.35$; Starbucks: $\mu=4.71$) to more positive CSR perceptions (Kroger's: $\mu=5.07$; P&G: $\mu=5.79$). Regarding their favorite brand, CSR perceptions ($\mu=5.29$) are significantly higher than those held towards either Starbucks ($p=.002$) or Google ($p<.0001$) though significantly lower than P&G ($p<.01$). Comparison of these results at each undergraduate, MBA, and EMBA level, we find similar results. For undergraduate students, in comparison to the CSR perceptions held toward their favorite brand, CSR perceptions ($\mu=5.14$) are significantly higher than those held toward Google ($\mu=4.39$; $p=.01$). For MBA students, their view of CSR of their favorite brand ($\mu=5.08$) is significantly higher than CSR perceptions of Google ($\mu=4.48$; $p=.02$) but significantly lower than P&G ($\mu=5.82$; $p<.01$). Finally, EMBA students' CSR perceptions of their favorite brand ($\mu=6.09$) in comparison with other measured brands, we find significantly higher perceptions of their favorite brand versus Google ($\mu=3.92$; $p<.0001$) and Starbucks ($\mu=4.48$; $p<.002$).

Class Discussions of Effects of CSR on Brand Relationships

As confirmed by the above survey results, most students are relatively unaware of the CSR initiatives undertaken by

companies, including their favorite brands. Instead, students are more likely to be at least generally aware of CSR activities of their past or present employers. To further enrich what undergraduate marketing students learned from these discussions, they were offered a modest extra credit opportunity so those undergraduate students could uncover specific social responsibility initiatives of their favorite brand (e.g., Nike, Macy's, Target, Apple, Patagonia, Amazon. etc.). Seventeen students submitted the extra credit assignment at the beginning of the following class. This exercise stimulated additional discussion.

Overall, many students view social responsibility is an important business practice but believe that companies should refrain from using CSR activities or accomplishments in a marketing context. Communication is appropriate and important as long as it is fact-based and void of hyperbole. One prevailing sentiment across student groups is that whatever companies say they do regarding sustainability or helping others, it better be matched by their actions.

As expressed by a number of students, the business challenge is to walk the fine line of sharing the brand's contributions without appearing to be exploitive or raising concerns about the brand's underlying motivations. Some students expressed that they view CSR practices with skepticism and suspect that the business motivations can be driven either by desire for marketing demand generation or brand equity enhancement, as opposed to altruistic reasons.

Interestingly, even when CSR brand initiatives overlap with individual values, students were hesitant to say that they would be more loyal to the brand. While they have a greater appreciation of the brand, the overwhelming sentiment appeared to be that students would not support them more because of good deeds taken to help others. Rather students typically report that CSR might play a more minor positive role in brand choice but would not be a major determinant. This exploratory research does offer anecdotal evidence in support of CSR playing more of a hygiene factor role as students become increasingly aware of widespread CSR practices across many industries. Hence, some students spoke about how CSR is now expected and if it came to their attention that CSR was not being practiced, it would be grounds to no longer support a brand (i.e., hygiene factor effect).

Conclusion

It is commonplace for businesses to dedicate considerable time, effort, and financial resources to practice social responsibility. The objective of the classroom discussions was to learn and discuss how CSR efforts are viewed by students from a consumer's perspective. This study examines CSR perceptions and how CSR initiatives resonate among student groups. Specifically, the study empirically investigates the individual effects of CSR as a hygiene factor and as a motivator on CSR perceptions. The study provides partial evidence how individual views impact perceived social responsibility of the brand. Most revealing were student views on how raising awareness has potentially positive (although relatively minor) marketing effects of consumer attitudes and intended behaviors. Yet the paradox is that students do not want CSR exploits communicated in a marketing context. By undertaking this classroom exercise across a diverse group of Xavier students, I plan to use the insights I have gained to formulate a framework for how businesses can ethically communicate their social responsibility activities.

References

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Table 1: Scale Items and Confirmatory Factor Analysis

	Lambda Loadings ^a	Composite Reliability	Average Variance Extracted
<i>CSR Perceptions</i>		.90	.59
This brand includes charity in its business activities.	.83		
This brand is involved with the local community.	.66		
Local nonprofit organizations benefit from this brand's contributions.	.82		
This brand is committed to using a portion of its profits to help nonprofit causes and events.	.85		
This brand is involved in corporate giving.	.85		
<i>CSR as Motivator</i>		.94	.85
I support this brand because they include charity in their business activities.	.91		
My satisfaction with this brand is tied to its level of social responsibility involvement.	.91		
I support the brand because it is involved in corporate giving.	.95		
<i>CSR as Hygiene Factor</i>		.82	.61
I believe this brand that I support has an obligation to undertake community service activities.	.57		
I would be dissatisfied with this brand if it was not involved in charitable corporate giving.	.86		
I would stop supporting this favorite brand if they discontinued charity in their business activities.	.88		

^aStandardized solutions

Table 2: Differences Between Group Means

	Cases	Mean	S.D.	t-statistic(p-value)
<i>CSR Perceptions</i>	71	5.29	1.34	
(1) MKTG 325	27	5.14	1.20	
(2) MKTG 600	31	5.08	1.09	
(3) MKTG 700	13	6.09	0.79	
(1) vs. (2)				0.21 (.83)
(2) vs. (3)				3.46 (.002)
(1) vs. (3)				3.00 (.005)
<i>CSR as Hygiene Factor</i>	71	4.17	1.35	
1) MKTG 325	27	4.31	1.03	
(2) MKTG 600	31	3.72	1.41	
(3) MKTG 700	13	4.95	1.47	
(1) vs. (2)				1.83 (.07)
(2) vs. (3)				2.54 (.02)
(1) vs. (3)				1.41 (.18)
<i>CSR as Motivator</i>	71	3.75	1.56	
1) MKTG 325	27	3.87	1.39	
(2) MKTG 600	31	3.26	1.67	
(3) MKTG 700	13	4.64	1.21	
(1) vs. (2)				1.51 (.13)
(2) vs. (3)				3.04 (.005)
(1) vs. (3)				1.78 (.08)