

Doing good for humanity, the community, or the planet: Exposing consumers to morally congruent CSR has beneficial effects for business and society

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Abstract

Mass-market retailers (MMRs) practice corporate social responsibility (CSR) in diverse domains, such as ethics, community, and environment. We unveil *whether* and *when* consumers (a) reward MMRs and (b) support the cause more, depending on the CSR domain practiced. Grounded on the Big Three of morality (i.e., autonomy, community, and purity), and the notion of focal morality, we posit that when autonomy- (community-, purity-) oriented individuals are exposed to morally congruent ethic- (community-, environment-) based CSR, they exhibit more favorable pro-company responses (e.g., attitudes toward the MMR) and pro-social responses (e.g., donating money to and volunteer in the cause). Across three experimental studies (N combined = 2,508) with consumers residing in both western and non-western countries, we find strong support for the hypothesized focal morality–CSR domain congruence mechanism and its beneficial effects for both business and the society in general. The hypothesized mechanism however does not hold when community-oriented individuals are exposed to congruent community-based CSR. Finally, the implications of our findings for theory as well as for business and society are discussed.

Keywords: Corporate social responsibility (CSR) domains, Big Three of morality, pro-company and pro-social responses

Track: Social Responsibility & Ethics

1. Introduction

Previous research on corporate social responsibility (CSR) shows that consumers exposed to CSR often exhibit higher *pro-company* responses (e.g., more positive attitudes toward the CSR-practicing company, higher purchase intentions – Sen & Bhattacharya 2001) and higher *pro-social* responses (e.g., higher willingness to donate money to and volunteer in the cause – Romani & Grappi 2014). However, while this research investigates the effects of practicing vs. not practicing CSR, it does not fully explore whether consumer responses may vary depending on the CSR *domains* a company practices. CSR activities, for example, may focus on (a) the promotion of individual human rights, (b) support the welfare of local communities, or (c) protect the natural environment. These *ethic*-based, *community*-based, and *environment*-based CSR activities can be interpreted as corporate stimuli that signal a company's prioritization of moral concerns (Vaaland et al. 2008). Consumers may therefore exhibit diverse pro-company and pro-social responses depending on the CSR domain practiced.

Across three studies, we investigate *whether* the CSR domain practiced (being it ethic-, community-, or environment-based – Vaaland et al. 2008) *affects how* consumers (a) reward MMRs and (b) support the cause. Furthermore, we examine the role of consumer morality in how they interpret the various CSR domains. Extending theory on the the Big Three of morality (autonomy, community, purity) (Shweder et al. 1997), and the notion of focal moralities, we argue that when autonomy- (community-, purity-) oriented individuals are exposed to morally congruent ethic- (community-, environment-) based CSR domains, they exhibit the most favorable pro-company and pro-social responses, resulting in enhanced benefits for both business and the society in general. In this study, we focus on mass-market retailers (MMRs) and their CSR initiatives. Some global MMRs today possess greater economic power than many countries do. With such great economic power, the economic, and societal implications of MMRs' business activities become crucial (Pulker et al. 2018).

2. Theoretical Background

2.1 CSR domains

CSR domains are substantive areas of a firm's CSR policies, programs, and actions. Vaaland et al. (2008) group CSR activities in three main domains: *ethics*, *community*, and *environment*. *Ethic*-based CSR focuses on promoting fundamental human rights (e.g., education, justice, freedom), encouraging universal access to fundamental resources (e.g.,

food, water, medical treatments), and reducing discrimination among individuals (Xie et al. 2019). An example of ethic-based CSR is Target's (2018) Pay Equity program, which fights pay gaps by gender, age, or ethnicity. *Community-based* CSR focuses on supporting local communities in need (e.g., communities hit by floods), communities of fundamental importance for the development of the country (e.g., communities of local farmers), or communities that are relevant for a country's history and patriotism (Xie et al. 2019). An example of community-based CSR is Target's (2018) support to local communities of military veterans. Finally, *environment-based* CSR focuses on environmental protection and the reduction of the negative environmental footprints of business activities (Xie et al. 2015). An example of environment-based CSR is Tesco's (2018) Zero Deforestation Soy program.

2.2 *The big three of morality*

Moral systems are “interlocking sets of values, practices, institutions, and evolved psychological mechanisms that work together to suppress or regulate selfishness and make social life possible” (Haidt, 2008 p. 70). The Big Three of morality (Shweder et al. 1997) posits that individuals use three distinct moral codes to approach and resolve moral issues: *autonomy*, *community*, and *purity*. *Autonomy* is defined as the moral code that “relies on regulative concepts such as harm, rights, and justices [...] and aims to protect the zone of discretionary choice of ‘individuals’ and to promote the exercise of individual will in the pursuit of personal preferences” (Shweder et al. 1997, p. 138). Care, justice, rights, equality, freedom, and autonomy are the most representative virtues of this code. *Community* is the moral code that “relies on regulative concepts such as duty, hierarchy, and interdependency” (Shweder et al. 1997, p. 138). Loyalty, patriotism, and self-sacrifice for the group, as well as obedience, respect for superiors and authority, and protection of in-group members, are the main virtues. Finally, *purity* is the moral code that “aims to protect the soul, the spirit, the spiritual aspects of the human agent and ‘nature’ from degradation” (Shweder et al. 1997, p. 138). It underlies the widespread idea that the body and the natural environment are sacred temples that should not be desecrated by immoral activities and contaminants.

2.3 *The focal morality–CSR domain congruence mechanism*

Importantly, while individuals hold to some extent different moralities in life, they substantially and constantly prioritize one morality over the others, called *focal* morality (Verplanken & Holland 2002). Focal moralities are of pivotal importance because they can elicit motivations and substantially influence evaluations, judgments, and decision makings

(Graham et al. 2011). That is, individuals vary in the propensity to evaluate different stimuli and act in morally-consistent ways as a function of their focal morality (Steg et al. 2014). CSR activities are moral objects (stimuli) developed by an MMR that signal an MMR's prioritized societal concerns (Vaaland et al. 2008). When exposed to CSR initiatives, individuals may therefore vary in their responses depending on the *congruence* (vs. *incongruence*) between their focal morality and the CSR domain practiced. Since individuals seek to maintain congruity between their moral values, evaluations, and actions (Festinger 1957), we expect consumers to show the most positive pro-company and pro-social responses under the congruence between their focal morality (autonomy vs. community vs. purity) and the CSR domain they are exposed to (ethic-based vs. community-based vs. environment-based).

Ethic-based CSR, such as Pay Equity programs or Zero Hunger initiatives, strongly express moral principles of fairness, integrity, and equality. Autonomy-oriented consumers will be more sensitive to the cause and more prone to reward MMRs that concentrate on ethic-based CSR rather than other incongruent CSR domains. Similarly, *community-based* CSR, such as donations to community programs for military veterans or initiatives to support communities of local farmers, strongly reflects virtues of loyalty, patriotism, and the welfare of the group. Community-oriented consumers will exhibit more favorable pro-company and pro-social responses when MMRs focus on community-based CSR. Finally, *environment-based* CSR, such as Zero Deforestation Soy programs or Zero Plastics initiatives, reflects the quest for a purer mindset that is also expressed through a more balanced and less exploitative relationship with the natural environment. Purity-oriented consumers will therefore exhibit more favorable pro-company and pro-social responses when MMRs focus on environment-based CSR. We formally hypothesize that:

Under the congruence (vs. incongruence) between focal morality of autonomy and ethic-based CSR (**H1**), between focal morality of community and community-based CSR (**H2**), and between focal morality of purity and environment-based CSR (**H3**), consumers will exhibit more favorable pro-company responses (e.g., in the form of more positive attitudes toward the MMR).

Under the congruence (vs. incongruence) between focal morality of autonomy and ethic-based CSR (**H4**), between focal morality of community and community-based CSR (**H5**), and between focal morality of purity and environment-based CSR (**H6**), consumers will exhibit more favorable pro-social responses (e.g., in the form of a higher willingness to (a) donate money to the cause and (b) volunteer by investing time in the cause).

3. Empirical Studies

3.1 Study 1

Study 1 tests the hypotheses H1–H3, that consumers that are exposed to morally congruent (vs. incongruent) CSR domains will exhibit more positive *pro-company* responses (i.e., attitudes toward an MMR). Study 1 is conducted in one European country, Italy. The stimuli used in Study 1 are narratives of MMRs' ethic-based CSR ("Healthy eating educational campaign"), community-based CSR ("Supporting local communities hit by the earthquake"), and environment-based CSR ("Save the forests from massive fires"). These narratives were (a) extracted from the CSR reports of the largest MMRs operating in Italy, to ensure stimuli realism, and (b) pretested (N=170), to ensure that consumers perceived each activity to pertain to the intended domain.

Study 1 is a scenario-based between-subjects experimental design with three CSR conditions: ethic-based, community-based, and environment-based CSR. Participants were randomly assigned to one of the three CSR conditions. After reading the narrative scenario, they were asked a set of manipulation check questions on their perceptions of the scenario they were exposed to. Then, a follow-up survey measured their attitude toward the MMR (Goldsmith et al. 2001), and their individual moralities. Individual moralities were measured using Graham et al.'s (2011) 30-item moral foundation questionnaire (MFQ) (MFQ items are available at www.moralfoundations.org). Respondents were approached while shopping using the mall intercept method. A total of 311 valid surveys were obtained (men=46%; age: 18-24=59%, 25-34=23%, 35-44=11%, 45-54=6%, above 55=1%). The distribution of focal moralities in the sample reveals a majority of consumers prioritizing autonomy (autonomy=48%, community=27%, purity=25%).

First, the results of one-way ANOVA showed that participants perceived the manipulated scenarios as intended. Next, we used a between-subjects ANCOVA to test the interaction between focal moralities (autonomy=1, community=2, purity=3) and CSR domains (ethic-based CSR=1; community-based CSR=2; environment-based CSR=3) on the relationship between CSR domain and consumer attitude. Age and gender were included as control variables. We found a significant focal morality \times CSR domain interaction ($F(1, 300) = 26.47, p < .01$). As expected, autonomy-oriented respondents showed significantly more positive attitudes when exposed to congruent ethic-based CSR ($M_{\text{ethics}}=6.36, SD=.75; M_{\text{community}}=4.06, SD=.81; M_{\text{environment}}=4.50, S=.79$), supporting H1. Similarly, purity-oriented consumers

showed more positive attitudes when they were exposed to environment-based CSR ($M_{\text{ethics}}=5.47$, $SD=1.01$; $M_{\text{community}}=5.46$, $SD=.89$; $M_{\text{environment}}=6.37$, $SD=.63$), supporting H3. However, no significant mean differences were observed when community-oriented respondents were exposed to community-based CSR ($M_{\text{ethics}}=5.34$, $SD=1.00$; $M_{\text{community}}=5.55$, $SD=1.54$; $M_{\text{environment}}=5.10$, $SD=.92$), not supporting H2.

3.2 Study 2

Study 2 aims to generalize Study 1's findings by using cross-national samples of consumers residing in western and non-western countries (US, China, and India). The stimuli to be used in Study 2 were narratives of MMRs' ethic-based CSR ("Store brands for the cure"), community-based CSR ("Connecting the farmer community"), and environment-based CSR ("Afforestation") that we extracted from the CSR reports of the world's largest MMRs, and pretested (N=246).

Study 2 follows the same procedure of Study 1. A total of 1,301 participants recruited through professional market research agencies from the US (N=482; men=48.5%; age: 18-24=23.9%, 25-34=26.6%, 35-44=25.1%, above 45= 24.5%), China (N=346; men=47.4%; age: 18-24=24.9%, 25-34=27.7%, 35-44=24.6%, above 45= 22.8%), and India (N=473; men=51.2%; age: 18-24=22.8%, 25-34=30.7%, 35-44=26.8%, above 45= 19.7%) was retained. Results show a majority of consumers prioritizing autonomy over other moralities, regardless of the country-of-residence (autonomy=61.5%, community=20.6%, purity=17.9%).

First, the results of one-way ANOVA showed that participants perceived the manipulated scenarios as intended. Also, metric invariance ($\Delta\chi^2(2)=.53$, $p=.76$; $\Delta CFI<.01$) demonstrates that respondents had similar understandings of the questionnaire regardless of their country-of-residence. Next, to assess the moderation of focal moralities, we followed the same analytical approach of Study 1. Age, gender, and country-of-residence were used as control variables. Results show a significant interaction of focal morality \times CSR domain on the relationship between CSR domain and consumers' attitude toward MMRs ($F(4, 1289) = 4.83$, $p<.01$). Autonomy-oriented consumers exhibited significantly more positive attitudes when they were exposed to congruent ethic-based CSR ($M_{\text{ethic}}=6.46$, $SD=.71$; $M_{\text{community}}=6.25$, $SD=.96$; $M_{\text{environment}}=6.23$, $SD=.93$). Community-oriented consumers exhibited significantly more positive attitudes when they were exposed to congruent community-based CSR only toward incongruent environment-based CSR (but not ethic-based CSR) ($M_{\text{ethic}}=6.08$, $SD=1.01$; $M_{\text{community}}=6.32$, $SD=.78$; $M_{\text{environment}}=5.95$, $SD=1.26$). Finally, purity-oriented

consumers exhibit significantly more positive attitudes when they are exposed to congruent environment-based CSR than when they are exposed to incongruent community-based (but not ethic-based CSR) ($M_{\text{ethic}}=6.18$, $SD=1.11$; $M_{\text{community}}=6.11$, $SD=.91$; $M_{\text{environment}}=6.41$, $SD=.81$).

3.3 Study 3

Study 3 tests the hypotheses (H4–H6) that consumers will also develop higher *pro-social* responses when they are exposed to CSR domains that are congruent with their focal moralities. Study 3 is a between-subjects design with three CSR conditions. The stimuli and the experimental procedure were as in Study 2, except that here we measured pro-social responses as dependent variables (the willingness (a) to donate money to the cause and (b) to volunteer by investing time in the cause – adapted from Romani & Grappi 2014). A total of 896 valid responses from a cross-national sample on Prolific were obtained (men=48%; age: 18-24=23%, 25-34=33%, 35-44=23%, 45-54=14%, above 55=7%). The distribution of focal moralities reveal again a majority of consumers prioritizing autonomy over other moralities (autonomy=63%, community=14%, purity=23%).

First, the results of one-way ANOVA show that participants perceived the manipulated scenarios as intended. Also, respondents had similar understandings of the questionnaire regardless their country-of-residence ($\Delta\chi^2(2)=.53$, $p=.76$; $\Delta CFI<.01$). Then, MANCOVA results demonstrate a significant multivariate effect (Wilks' $\lambda=.96$, $F(8, 1766)=3.75$, $p<.01$), as well as significant univariate interactive effects on both donating money to the cause ($F(4, 884)=6.75$, $p<.01$) and volunteering in it ($F(4, 884)=6.75$, $p=.02$). Under the congruence of focal morality of autonomy and ethic-based CSR, respondents show (a) a higher willingness to donate money to the cause ($M_{\text{ethic}}=1.86$, $SD=1.10$; $M_{\text{community}}=1.47$, $SD=.93$; $M_{\text{environment}}=1.60$, $SD=1.06$) and (b) a higher willingness to volunteer in cause ($M_{\text{ethic}}=43.23$, $SD=28.17$; $M_{\text{community}}=34.25$, $SD=26.45$; $M_{\text{environment}}=38.04$, $SD=27.11$). We observe similar patterns under the congruence of focal morality of purity and environment-based CSR, for (a) the willingness to donate money ($M_{\text{environment}}=1.38$, $SD=.90$; $M_{\text{ethic}}=1.51$, $SD=1.10$; $M_{\text{community}}=2.01$, $SD=1.02$) and (b) the willingness to volunteer in the cause ($M_{\text{environment}}=32.98$, $SD=26.54$; $M_{\text{ethic}}=32.90$, $SD=26.52$; $M_{\text{community}}=42.28$, $SD=28.78$). Again, exposing community-oriented respondents to congruent community-based CSR activities did not lead to higher *pro-social* responses. H4 and H6 are supported, while H5 is not.

4. General Discussion

This research links focal moralities to a fundamental CSR phenomenon: inter-CSR domain-based variation in consumer *pro-company* and *pro-social* responses. Study 1 shows that under the *congruence* between the *focal* morality of autonomy (purity) and ethic-based (environment-based) CSR domain, consumers show higher pro-company responses (e.g., more positive attitudes toward the MMR). Study 2 extends the generalizability of Study 1's findings by recruiting a cross-national sample of respondents from the US, China, and India. Our results reveal a global trend of converging moralities toward autonomy over community and purity, regardless of consumers' country-of-residence. Finally, Study 3 investigates whether the hypothesized congruence mechanism has beneficial ramifications for the society in general also. Using a different cross-national sample of consumers, it shows that autonomy- (purity-) oriented consumers exposed to morally congruent ethic- (environment-) based CSR domains are willing (a) to donate more money to the cause and (b) to volunteer more by investing their time in it. Also, perfectly mirroring Study 1, Study 3's results do not support the hypothesized community focal morality– community CSR domain congruence mechanism.

4.1 Contributions to theory and practice

Our findings make relevant contributions to existing knowledge. First, we advance literature that investigates the effectiveness of diverse CSR areas. Research that explores consumer response variations to diverse CSR domains is scarce (see Baskentli et al., 2019 for an exception). We delve into CSR domains of ethics, community, and environment using Vaaland et al.'s (2008) tripartite. This tripartite (a) is a well-established classification in marketing and business ethics literature (Romani & Grappi 2004); (b) is consistent with the scheme of leading retailers' CSR reports (e.g., J. Sainsbury's CSR reports); and (c) expresses moral principles of the Big Three theory of morality (Shweder et al. 1997). By adopting this taxonomy, we answer the call for more research on conceptually-grounded insight into the role of inter-CSR domain differences.

Second, our study contributes to the literature on the Big Three of morality (Shweder et al. 1997), as it applies this social psychological theory to a CSR context. It conceptually envisions symmetry between the Big Three moral codes of autonomy, community, and purity and Vaaland et al.'s (2008) CSR domains of ethics, community, and environment. It supports the hypothesized links that under the *congruence* between a *focal* morality and a CSR domain, consumers will reward CSR practicing MMRs and support the sponsored cause the

most. Also, our results highlight the pivotal role that not moralities in general but specifically *focal* moralities play in consumer decision making (Graham et al. 2011).

Finally, this work answers calls in the literature for more research in CSR beyond a western context only. A great untapped promise for examining consumer reactions to CSR beyond the western countries has emerged (Egri & Ralston, 2008). This work explores the occurrence of cross-national segments of consumers that hold similar focal moralities regardless of their country-of-residence, and that react to CSR stimuli in a morally-based consistent manner. In doing so, it provides new and interesting results that picture an evolving global moral landscape converging on the supremacy of autonomy over other moralities. The increasing globalization of the past years (Graham et al., 2011), and the fact that a large portion of our respondents was below 45 years old, may help explain our findings. Younger generations in non-western countries are more exposed to western and global stimuli (e.g., frequent intercultural contacts, and higher use of information technologies and social media) that fuel the development of autonomy over other moralities (Renner et al., 2014). Also, younger generations can be more influenced by the moralities of autonomy, as community moralities may develop in later adulthood (Arnett et al., 2001; Kapadia & Bhangaokar, 2015).

Our study has also relevant implications for practice. How can MMRs be rewarded more for their CSR efforts? How can MMRs enhance consumer support to CSR causes? By understanding consumer reactions to diverse CSR domains, firms can develop CSR strategies that are effective for both *business* and *society*. Our results show that taking into account a target's focal morality is a win-win strategy for business and society, as it results in more positive pro-company and pro-social responses. MMRs may consider collecting information about consumers' focal moralities directly (e.g., through online or in-store data collections) or indirectly (e.g., through correlations with age, education, economic status, lifestyle, and political orientations). MMRs may use this information to assess the focal morality held by their core target(s), as well as to investigate whether their audience has a rather homogeneous vs. heterogeneous distribution of focal moralities. Thereafter, they may use this information to segment and profile their current and potential customers. They may also consider developing personalized communication strategies about their CSR activities, depending on each individual's focal morality. Such communication may be developed, for example, through e-mail marketing, native adv, and in-store activities. One-to-one communication focusing on the CSR activities that fit with a consumer's focal morality will enhance the positive responses toward the MMR and the cause. This is especially true when individuals prioritize autonomy or purity and they are exposed to congruent ethical and environmental CSR activities,

respectively). As time passes by, consumers' positive responses may also expand – as a result of a positive spillover effect – to other behaviors. Finally, since evidence from our empirical studies shows a large majority of consumers prioritizing moral codes of autonomy, not only in western countries but also in non-western ones, MMRs should consider investing an adequate amount of resources to support causes about ethic-based CSR.

Our work has also limitations that provide avenues for future research. We created experimental conditions describing a CSR-practicing MMR that focuses on one CSR domain; while this mirrors the strategic choices of MMRs that majorly focus on one CSR domain over others, the same approach does not resonate well with other MMRs' tactic of building a diversified CSR portfolio. Future research may consider developing narrative scenarios differentiating between MMRs engaged in focused vs. more balanced CSR portfolios so that dissimilarities in consumer responses can be robustly assessed. Finally, future research may consider replicating our conceptual model using different CSR taxonomies and measurement scales of focal moralities (e.g., Guerra & Giner-Sorolla, 2010).

(Tables and figures are available upon request)

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