

The “Dark Side” of CSR: Brands’ Irresponsible Business Practices and Consumers’ Price Responses

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Abstract

Despite the well-known influential role of corporate social responsibility (CSR) as an extrinsic cue in consumers’ brand evaluations, the role of its antithesis – corporate social irresponsibility (CSI) – has been neglected in extant research. There is also limited evidence on CSI’s impact on consumer behavior, over and above “soft” outcomes, such as brand attitudes and purchase intentions. By drawing on signaling theory and employing an experimental design, we examine brands’ irresponsible behavior in impacting consumers’ willingness to pay (WTP). Our results indicate that in terms of WTP, brands do lose from being irresponsible. The decrease in consumers’ WTP due to the brand’s irresponsible practices is significantly lower compared to a brand before engaging in an irresponsible behavior. In addition, cause involvement showed no moderating effect on consumers’ WTP. This study focuses on the so far under-researched areas in CSR research: a) the “dark side” of CSR, b) price-related consumer outcomes, and c) the social CSR dimension.

Keywords: *Corporate Social Irresponsibility; Willingness to Pay; Cause involvement*

Track: Social Responsibility & Ethics