

The Price of Corporate Social (Ir)Responsibility: Consumers' Willingness to Pay for Domestic vs. Foreign Brands and the Role of Consumer Dispositions

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## **Abstract**

This paper examines the effect of corporate social (ir)responsibility (CSR/I) on brand attitude and consumers' willingness to pay (WTP) while considering the role of consumer xenocentrism (C-XEN) and consumer ethnocentrism (CET). Our findings show that responsible brands boost brand attitude and WTP. Yet, despite lower brand attitudes displayed for irresponsible brands, consumers are willing to pay the same amount of money for such brands as they are willing to pay for brands not engaged in CSI. We also find that while the negative effect of CSI on WTP is fully mediated by brand attitude irrespective of brand origin, the positive effect of CSR via brand attitude is limited to domestic brands. Finally, consumer dispositions play a marginal role in their interplay with CSI: foreign brands' transgressions interact with CET negatively, increasing consumers' willingness to punish such brands. Implications for theory and practice are considered and suggestions for future research are made.

**Subject Areas:** *Branding, Consumer Behaviour, Cross-cultural and International Marketing*

**Track:** Social Responsibility & Ethics