

Corporate Past and Attitude towards Corporate Social Responsibility: Impact on Brand Identity

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Abstract

Corporate past and attitude can play an important role in corporate social responsibility (CSR) communications as a trust and credibility factor especially in today's world where the technology revolutionized the communication models and many companies are shaken with corporate scandals. The purpose of this study is to shed light to the effect of corporate heritage on the consumers perception of company's socially and environmentally responsible image. Three hypotheses are tested using linear multiple regression analysis, using data from 86 brands. The data is obtained from a web-based consumer survey on these brands (n=6.988). and through content analyses of the brands' webpages. The results indicated that the consumers perceive a company more responsible if the past and the attitude of the company is linked to CSR activities. This result draws attention to new combined factors for effective CSR communication and adds to the extant CSR literature corporate past and attitude. Further research can cover different national and cultural contexts to elucidate differences and improve generalizability.

Introduction

In actual market conditions where global competition becomes fiercer everyday, the past and attitude of a company can be strategic assets for companies in brand management (Hudson, 2011), reputation management (Dowling, 2006) or even in corporate social responsibility (CSR) communication as a trust and credibility factor. This is an especially important issue in today's world where the technology revolutionized the communication models and many companies are shaken with corporate scandals. Because, consumers consider corporate social responsibility in their decisions and want to know how companies deal with social and environmental issues (Schmeltz, 2012). However, they are also suspicious about the sincerity of companies in their CSR communication as companies use every possible opportunity to show themselves more committed (Fassin and Buelens, 2011). According to this phenomenon the

consumers perception about the CSR communication integrated with the past and attitude notions is considered in this paper. In order to shed light to the effect of corporate past and attitude on the consumers perception of company's socially and environmentally responsible image, based on the literature, three hypotheses are tested.

The study and the findings will inspire and add to the knowledge of practitioners how corporate heritage can be used in brand and general corporate communications to facilitate CSR credibility among consumers. By introducing past and attitude notions to this perspective on CSR communication and CSR related literature, the paper adds to the growing literature on corporate social responsibility and socially responsible brand image. The findings will also add to the CSR communication literature calling for more knowledge on elements that build effective CSR communication. Because, still empirical studies investigating the specific impact of corporate past and attitude on stakeholder reactions to companies and brands are scarce. On this issue, the research draws on the current surge in corporate social responsibility (CSR) practices and the outspoken need for more sustainable business operations to explore whether corporate past and attitude as main components in planned communications can be important to foster a responsible corporate brand image among consumers.

1. CSR Communication and Brand Identity

The companies have an increased focus on sustainable development and CSR revealing the importance of mastering CSR as well as CSR communications to manage organisational legitimacy (Johansen and Nielsen, 2012), avoid brand damage, keep positive reputations and maintain competitive in the market (Polonsky and Jevons, 2006). So, CSR reporting is an outcome and part of reputation risk management. In line with these, companies are not only pursuing CSR strategies but also increasingly make an effort to compose convincing CSR communication (Kolk and Lenfant, 2010), that highlights the company's conformance to legislation and voluntary agreements and simultaneously emphasise a unique CSR strategy. In this way, companies rely on CSR communication as a means to position themselves towards several and different stakeholder groups.

There is however a need to elucidate the way to effectively communicate CSR and further research has been called for to explore elements of a successful CSR communication strategy (Du et al., 2010). Given that, research in the field is still limited and companies can benefit from further insight on how consumers assess companies and brands in regards to CSR. This paper considers the integration of corporate past and attitude and the CSR communication with their outcome on Brand Identity.

The integration of corporate past, attitude, CSR, and brand identity enables a new perspective; pertaining to the growing literature on both corporate past, attitude and CSR communication. Because, the connection to corporate responsibility offers a new facet to understand how firms can recognise and realise value from their corporate past and general attitude. Accordingly, the understanding of the business case in CSR is not simply a means to improve firm profits through

superficial CSR approaches, but also a means to promote a CSR agenda and understand the development of corporate general attitude in these issues.

From the company's perspective, CSR can be used as a source of opportunity and innovation and provide sustainable competitive advantage (Smith, 2007). From a consumer perspective, a company with credible CSR activities and reporting, is more successful in generating longer term consumer purchase intentions, loyalty and advocacy (Du et al., 2010). Similarly, brands founded on genuine CSR identity are more likely to attract potential consumers and maintain loyal consumers. Source credibility and reliability have been raised as key components of effective, trustworthy CSR communication, accordingly, it is important that CSR is fully integrated in the business model (Hillestad et al., 2010), and that CSR initiatives and performance are consistently communicated across channels both internally and externally (Borgerson et al., 2009).

Consumer preferences on what constitutes trustworthy CSR communication have created some debate in the academic literature but it is argued that emphasizing a long CSR past can be beneficial to obtain consumer support (Vanhamme and Grobben, 2009). The notion of past time is also addressed by Doherty and Meehnan (2006) showing that the consistency of attitude over time to build trust supports the essence of a past and attitude related to CSR communication.

Corporate attitude can support corporate brands by giving rise to trust and credibility among stakeholders (Urde et al., 2007). This attitude is generally based on the relevance ascribed to the past of the company, the use of symbols, and existence of track record, core values, and longevity.

The demand and suspicion among consumers in regards to companies' CSR communication shows that the notion of authenticity is very important to maintain legitimacy. At the same time, with an increasing concern for sustainable development, companies with corporate attitude and past have an opportunity in that they can embrace the novelties while simultaneously respecting their continuity. Accordingly, some firms use heritage as an element in CSR communication, which appears to promote the sincerity of the company in terms of doing CSR.

2. Methodology

The consumers perception of CSR communication can be supported by elements such as the past of a company. A favorable approach to the social and environmental issues and a well known examples of support to the society in the companies past can enhance the credibility of this communication as an approval of companies commitment. Moreover, the history is a signal of stability and is a method to foster trustworthiness with stakeholders (Blomback and Brunninge, 2009). So, a companies longer operation past will have a positive effect on consumers perception of responsible brand image. In the same manner, general corporate

attitude suggesting the link of a company with the social and environmental issues can support the trustworthiness via the authenticity (Urde et al., 2007).

Finally, consumers are influenced by companys past and its general attitude towards these issues in their communication. The references used in CSR communication related to these two notions together strenghten also the responsible image of the company (Vanhamme and Grobбен, 2009).

To test these three hypotheses, first a web based survey is conducted in order to identify socially and environmentally responsible companies (n=6.988) using 5 point Likert scale. The web survey provided the study with 86 companies perceived as more responsible among others so we continued with the content analysis of company websites of these companies to identify our independent variables using their introduction page, social responsibility page and history page. For the past variable, the age of the company is taken as the number of operating years until 2015. For the attitude variable, the ties of the company with environmental and social issues mentioned in their web pages is coded as a dichotomous variable according to the content analysis. Finally, the past and attitude are also coded as a dichotomous variable if the company links these two notions with their approach to social responsibility. We also added the control variables in our stepwise regression analysis and controlled for size (number of employees on firm level), national identity of the company, level of CSR communication (low or high) and the industry.

3. Results and Discussion

The results of the regression analysis, with no indication of multicollinearity above acceptable levels (>2.5; Harrell, 2015) showed that the result is significant only for the past and attitude integrated 5th model confirming that past and attitude integrated and linked with CSR activities have a positive effect on the companys responsible image perception. So, consumers perceive better the companys if the link with CSR in their past and attitude is highlighted. Surely this is possible if the company can show this link with the responsible behavior in a track record and in its core values.

	mean	SD	1	2	3	4	5	6	7
1 Responsible brand	17.44	8.61							
2 Past	75.33	58.38	0.9	1					
3 Attitude	0.17	0.21	0.102	0.2*	1				
4 Attitude in CSR	0.1	0.24	0.22**	0.14	0.24*	1			
5 Size	54.2	145.55	0.03	0.02	0.28**	0.12	1		
6 Brand identity	0.4	0.45	0.334*	0.01	0.03	0.11	-0.25	1	
7 CSR comm.	0.48	0.54	0.07	0.32**	0.054	0.14*	0.23*	-0.22*	1
8 Hedonic industry	0.5	0.5	0.02	0.14	0.31*	0.14	0.21	-0.07	0.136

*p<0.05; **p<0.01

Table 1. Descriptive and Correlations

	Model 1	2	3	4	5
size	0.006	0.005	-0.05	-0.012	-0.016
Brand identity	0.334**	0.33***	0.311**	0.306***	0.303***
Csr comm.	0.143**	0.134**	0.144*	0.122*	0.118
industry	0.031	0.028	0.016	0.02	0.012
Past		0.052			0.034
Attitude			0.056		0.024
Attitude in CSR				0.154**	0.156**
R2	0.113	0.116	0.116	0.14	0.141
Adj. R2	0.098	0.095	0.095	0.112	0.11
F	6.289***	5.108***	5.111***	6.298***	4.517***

***p<0.1; **p<0.05, ***p<0.001**

Table 2. Stepwise Linear Regression

In regards to these practical implications, the study and results can inform companies with an “attitude” about the potential and possible opportunities in how to use it in their marketing efforts. Companies can signal their values, stability and authenticity using referrals to their general attitude in CSR communication to improve trustworthiness and to have a competitive advantage (Polonsky and Jevons, 2006). The study draws attention to new combined factors for effective CSR communication and adds to the extant CSR literature on corporate past and attitude. Further research can cover different national and cultural contexts to elucidate differences and improve generalizability.

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