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Sustainability and Consumer Responses: The Effect of Bad Industry Reputation and Fit

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Title

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Abstract

This work project investigates how consumers’ responses to sustainability activities of organisations are influenced by the bad reputation of the industry they are operating in. Specifically, it tested how consumers’ attributions about the motives behind companies’ engagement are affected and whether the fit of the cause with companies’ core business influences this attributional processing. Surveying 299 participants, the study provides support that a high fit program provokes values-driven attributions, which likewise improve consumers’ trust, corporate reputation and image, rendering companies’ sustainability investments effective, even in bad reputation industries. Furthermore, theoretical and practical implications together with future research suggestions are provided.

*Keywords:* Sustainability. Bad Industry Reputation. Consumers’ Attributions. Fit.
1. Introduction

Sustainability practices are gaining importance within companies’ efforts to address societal expectations and hereby creating a favorable corporate image and developing a positive relationship with consumers and other stakeholders (Blackburn, 2007). In particular, companies operating in industries which are known for their negative impact on the environment, unethical business practices and breaches of labor and safety standards, such as the chemical or the oil and gas industry (oekom research, 2012a), seem to be interested in changing their negative perception through sustainability initiatives (Du & Vieira, 2012). However, while some companies (e.g. Henkel and Sony) successfully improved their image (Laszlo, 2008; oekom research, 2012a), especially those companies operating in industries with a bad reputation regarding sustainability are still negatively perceived by consumers despite their efforts (e.g. OMV). This raises the question why those companies are not benefitting to the extent of their investments.

The abundance of theoretical work in sustainability literature suggesting how to design an effective sustainability strategy confuses rather than helps managers (Laszlo, 2008). Furthermore, to date, there is little empirical research providing an understanding of how sustainability activities (including economic, social and environmental initiatives) influence consumer responses (Choi & Ng, 2011). In order to investigate how companies operating in bad reputation industries can design an effective sustainability program, the Corporate Social Responsibility (CSR) literature can be used as a conceptual underpinning. Scholars indicate that the effectiveness of CSR initiatives is influenced by the motives consumers attribute to a company’s engagement in CSR. Hereby, only values-driven and strategic attributions lead to favorable company results (Ellen et al., 2006). Due to frequent corporate scandals and accusations of “greenwashing”, con-
consumers share a general tendency of suspicion toward businesses, especially toward those with a bad reputation that are now trying to change their perception through CSR (Yoon et al., 2006). Yet, researchers provide support that a high fit of the CSR activity with the company’s core business reduces suspicion and likewise provokes favorable consumers’ attributions leading to positive consumer responses (Ellen et al., 2006; Fein, 1996). However, the validity of these results has not been tested for companies operating in bad reputation industries. Thus, this work project aims at answering the following research questions: (a) Why are companies operating in industries with a bad reputation regarding sustainability not benefitting from the advantages sustainability initiatives should yield? (b) Do consumers’ attributions about the motives behind sustainability activities influence the effectiveness of these? (c) Does a high fit sustainability program change consumers’ negative perceptions of the organization (i.e. consumer trust, corporate reputation and image)?

Hence, this work project contributes to the understanding of how sustainability practices (covering economic, social and environmental initiatives) influence consumers’ responses. This understanding indicates managers how to design effective sustainability programs, especially in bad reputation industries. Moreover, it extends the CSR literature in important ways, as it is the first research about how consumers’ perceptions of companies’ CSR activities are affected by the reputation of the industry.

The rest of this work project is organized as follows: First, the theoretical framework will be explained leading to the formulation of the hypotheses. Next, the methodology will be described followed by the presentation of the results. Finally, a conclusion with theoretical and practical implications for successful sustainability programs in bad reputation industries will be drawn, along with limitations and future research suggestions.
2. Literature Review

2.1 Corporate Social Responsibility and Sustainability

A growing number of global industry leaders, such as DuPont, General Electric and Unilever, are adopting sustainability strategies in their core business and are hereby acknowledging businesses’ broader responsibilities toward the society and the environment (Laszlo, 2008). Yet, the debate about companies’ societal obligations is not new and can be traced back for centuries (Carroll, 1999; Smith, 2003). In this discussion, the two concepts of Corporate Social Responsibility (CSR) and sustainability are used interchangeably, leading to confusion about what exactly is meant by each term.

Despite numerous approaches to define CSR, there is no agreement on a single definition (Jha, 2009; O’Riordan & Fairbrass, 2008). Nevertheless, most definitions share three ideas: First, companies have societal responsibilities (social and environmental) that go well beyond maximizing their profit (economic responsibility). Second, by acknowledging this broader set of responsibilities, companies’ engagement goes beyond the mere fulfillment of legal obligations, and third, these responsibilities do not only derive from companies’ shareholders but also from their stakeholders (Freeman, 1984; Swaen & Chumpitaz, 2008). All three principles are highlighted in the definition developed by the Commission of the European Communities (2001): CSR is “a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis”.

Similar to the concept of CSR, authors do not agree on a single definition for sustainability (Blackburn, 2007). Yet, probably the most widely used is related to the concept of Sustainable Development, which the United Nations’ World Commission on Environment and Development (1987) defines as follows: “Sustainable Development is
that which meets the needs of the present without compromising the ability of future
generations to meet their own needs.” Based on three pillars, the “Triple Bottom Line”
(Elkington, 1998), companies have to simultaneously integrate economic, social and
environmental goals into their business strategy. Hereby, companies should not only
minimize their business activities’ negative impacts on the environment and society, but
also contribute actively to the sustainable development of the whole society. This ena-
bles future generations to fulfill their own needs (Blackburn, 2007; DesJardins, 2009).

In an attempt to differentiate both concepts from each other, various scholars argue
that CSR can be seen as an intermediate stage, where companies try to balance econom-
ic, social and environmental issues of the current society, toward the ultimate goal of
achieving this balance also for future generations, which reflects the concept of sustain-
ability (Blackburn, 2007; Kaptein & Wempe, 2002). Due to this relationship, the CSR
literature can be used as a conceptual underpinning for the sustainability literature.

However, there is also dispute in academia and practice about businesses’ role in so-
ciety, with Friedman (1970) stating that businesses’ only social responsibility is to max-
imize their profits. Yet, this strategy is becoming risky: There is rising awareness of the
pressing ecological and social challenges the current and especially future generations
are facing (Hartman & DesJardins, 2007; Morrison, 2009). With companies’ global
reach and market power to tackle these problems on the one hand, and accelerating
worldwide information exchange on the other hand, companies are facing increasing
pressure from stakeholders to adopt this broader set of responsibilities. Scandals, such
as Enron and Exxon, illustrate how companies’ image and reputation can be damaged
through neglecting these obligations. In fact, theorists and many business practices state
that companies pursuing sustainability issues cannot only generate value for the society,
but also for their business, creating a win-win situation (Laszlo, 2008; Porter & Kramer, 2006). Hartman and DesJardins (2007) declare that sustainable businesses will be the winners of the 21st century, gaining competitive advantage through improved corporate reputation, cost savings, innovations, access to new markets, strengthened risk-management and the attraction and retention of consumers and qualified employees. However, few firms benefit from sustainability initiatives to the extent of their investments. Most managers do not know how to successfully invest in sustainability programs as there is an abundance of theoretical work about how to effectively design sustainable strategies confusing managers what the best strategy is (Laszlo, 2008). Furthermore, to date, there is little empirical research investigating how specific sustainability practices (covering economic, social and environmental initiatives simultaneously) influence consumers’ responses, and in turn desirable firm outcomes (Choi & Ng, 2011). Thus, addressing this gap in the sustainability literature is key for the understanding of how sustainability initiatives can lead to favorable consumer responses (i.e. consumer trust, corporate reputation and image), even in industries with a bad reputation.

2.2 Consumers’ Attributions and Influencing Factors

CSR has been the center of many studies demonstrating that CSR activities may not always achieve their desired effects, such as its positive influence on consumer responses: consumers’ attitude toward the company and its products (Brown & Dacin, 1997; Fombrun & Shanley, 1990), customer satisfaction (Lev et al., 2010), consumer trust (Vlachos et al., 2009) and consumers’ purchase intention (Creyer & Ross, 1997; Sen & Bhattacharya, 2001). Hereby, previous research shows that the motives consumers attribute to a company’s engagement in CSR play a major role in influencing the effectiveness of CSR activities (Ellen et al., 2006; Lafferty & Goldsmith, 1999; Osterhus,
Traditionally, researchers viewed corporate efforts along a self-centered (egoistic) or other-centered (altruistic) continuum, where only altruistic motives lead to positive consumer evaluations of the firm and its actions rendering CSR activities effective (Handelman & Arnold, 1999; Webb & Mohr, 1998). Yet, Ellen et al. (2006) demonstrate that consumers’ attributions about the motives underlying companies’ engagement in CSR are more complex. Consumers differentiate self- and other-centered motives further: Within self-centered motives consumers distinguish strategic (where the company wants to achieve strategic business goals such as increasing sales) and egoistic motives (where the company is more interested in exploiting a cause than helping it). Likewise, other-centered motives are differentiated in values-driven (where the company engages in CSR because they believe it is the right thing to do) and stakeholder-driven motives (where the company engages in CSR due to stakeholders’ pressure).

Consumers’ responses to companies’ CSR activities are most positive (i.e. purchase intention), when being judged as values-driven and strategic, whereas initiatives perceived as egoistic or stakeholder-driven result in negative responses (Ellen et al., 2006).

Yet, these studies focus on companies whose prior reputations are either positive or neutral. Yoon et al. (2006) is the first study investigating the effectiveness of CSR activities on companies with bad reputation making it particularly relevant for this work project. According to the authors, CSR activities are only successful (i.e. improving corporate image) when consumers perceive a company’s motives as being sincere. Combining Ellen et al.’s (2006) and Yoon et al.’s (2006) studies leads to the assumption that companies operating in industries with bad reputation have to show sincere commitment to their CSR activities and, respectively, their sustainability initiatives. This should
prompt consumers to attribute *values-driven* and *strategic* motives leading to positive consumers’ responses and making companies’ efforts worthwhile.

However, the question arises under which conditions consumers are making those favorable attributions allowing companies to achieve the before mentioned advantages. From attribution theory perspective, which demonstrates a pervasive correspondence bias, it is known that people usually take the behavior of a person about whom they have little prior information at face value and attribute it dispositionally (Gilbert & Jones, 1986; Jones, 1979; Trope, 2000): “those who do good (bad) things do so because they are good (bad) people” (Yoon et al., 2006). This fundamental attribution error is more prominent for negative than for positive behavior, since negative behavior breaks through social demands and expectations (Ross, 1977). Positive behavior, however, tends to arise from social norms making it less diagnostic for the person’s underlying dispositions (Lingle & Ostrom, 1979; Pratto & John, 1991; Skowronski & Carlston, 1989). Adopting this psychological research to consumer behavior and CSR, it appears that companies are engaging in CSR in the hope that consumers will attribute positive motives to the company, thus achieving favorable consumer responses (Yoon et al., 2006). However, people are not making these correspondent trait attributions whenever they have reason to suspect that an actor’s good behavior rests on ulterior motives (Fein et al., 1990; Fein, 1996; Hilton et al., 1993). When people become suspicious, they engage in more complex attributional processing, including “the generation of multiple, plausible hypotheses about the motives that drive a person’s behavior” (Yoon et al., 2006). Applying this to consumer behavior and CSR provides support that suspicion is a driving factor influencing the effectiveness of CSR activities: If consumers become suspicious about the true motives underlying companies’ CSR efforts, they refrain from
attributing positive motives (like values-driven and strategic motives) that would result in positive consumer responses (Ellen et al., 2006; Yoon et al., 2006). Thus, CSR activities and, respectively, sustainability initiatives are most successful whenever consumers’ suspicion is low.

In the age of companies being permanently in the news with ethical scandals and inconsistent practices, consumers’ confidence and trust in businesses diminish, resulting in a general tendency toward suspicion (Ellen et al., 2006). Furthermore, when companies, especially the ones with prior bad reputation, engage in CSR activities to appear as a “good citizen”, consumers are particularly reluctant to draw the desired positive inferences as this action breaks with their expectations (Ellen et al., 2006; Yoon et al., 2006).

However, Yoon et al. (2006) show that CSR activities can still be successful, even for companies with prior bad reputation, when they show a sincere interest in the cause they are supporting, thereby reducing suspicion. How sincere companies are about their chosen cause depends majorly on the nature and, more precisely, on the fit of the cause with the company’s core business¹ (Yoon et al., 2006). Within the CSR literature there is disagreement whether a high or a low fit between the cause and the company’s core business best reduces suspicion. According to Smith (1994), early corporate donators chose the causes “least associated with their lines of business” in the fear that consumers would attribute opportunistic motives and thus evaluate the company negatively. Furthermore, Drumwright (1996) supports these results stating that a high fit CSR activity causes managers to be afraid of cynical consumers’ reactions judging companies as exploiting the cause. Moreover, Forehand and Grier (2003) show that a high congruence between the cause and the company reveals company-serving benefits, which lead to a

¹ Other influencing factors include the source of CSR information and the ratio of CSR contributions as well as CSR-related advertising (cf. Yoon et al., 2006).
negative company evaluation when companies claim public-serving benefits through their CSR initiatives. In line with this reasoning is Yoon et al.’s research (2006), indicating that a high benefit salience of the cause for the company influences consumers’ perceived sincerity of a company’s motives. Hereby, consumers become most suspicious when CSR activities reflect a high benefit salience cause.

Yet, there are also various studies supporting the opposite: Researchers and practitioners constantly suggest companies to choose a cause that logically fits with their product lines, brand image, positioning or target market (Cone et al., 2003; Varadarajan & Menon, 1988). Sen and Bhattacharya (2001) also demonstrate that consumers’ evaluation of a company improves when the company’s CSR initiatives are relevant to their products. According to Hoeffler and Keller (2002), consumers perceive a company as being more expert when choosing a high fit CSR initiative. This increases the likelihood that consumers prompt positive feelings to the company. Furthermore, Becker-Olsen et al. (2006) confirm that a low fit CSR activity negatively influences consumers’ beliefs, attitudes and purchase intent. Moreover, Fein (1996) indicates that a high fit is less likely to raise suspicion due to the fact that the company is following its prime directive.

Although Yoon et al.’s research (2006) is particularly relevant to this work project, it has to be noted that the authors used a controversial fit for their study. Even though a cancer prevention association represents a higher fit for a tobacco company than the chosen low fit (an environmental association), this cause rather emphasizes the negative consequences of smoking cigarettes than showing a sincere interest in changing the business practice (Elving, 2013). Hence, it appears that this high fit CSR activity rather increases than reduces consumers’ suspicion supporting Yoon et al.’s (2006) argument. Yet, due to this chosen controversial fit, the hypothesis that a low fit CSR activity best
reduces suspicion becomes inconclusive. This leads to the assumption that, in the case of companies operating in bad reputation industries, a high fit CSR and, respectively, a high fit sustainability initiative reduces consumers’ suspicion, which in turn prompts consumers to attribute positive motives behind companies’ engagement. According to Ellen et. al (2006), it is these values-driven and strategic motives which lead to favorable consumer responses making companies’ efforts worthwhile. Following the same argument, a low fit CSR and, respectively, a low fit sustainability program does not reduce suspicion, which leads consumers to engage in a more complex attributional processing preventing them from attributing positive motives. Thus, consumers appear to attribute egoistic and stakeholder-driven motives to companies’ engagement leading to unfavorable consumer responses. This reasoning results in the following hypotheses:

**Hypothesis 1:** In the case of companies operating in industries with a bad reputation regarding sustainability, (a) values-driven and (b) strategic attributions will be significantly higher for a high fit than a low fit between a company’s sustainability initiatives and a company’s core business.

**Hypothesis 2:** In the case of companies operating in industries with a bad reputation regarding sustainability, (a) egoistic and (b) stakeholder-driven attributions will be significantly lower for a high fit than a low fit between a company’s sustainability initiatives and a company’s core business.

### 2.3 Consumer Responses

Since CSR activities may have positive effects on consumer responses when companies succeed in provoking values-driven and strategic attributions, this should also be true for consumers’ trust in a company, its reputation and image, thus changing consumers’ negative perceptions of companies operating in industries with bad reputation.
**Consumer Trust**

According to Pivato et al. (2008), trust can be generally defined as “an expectation that the trustee is willing to keep promise and to fulfill obligations.” Consumers’ trust in a company and its products is a key variable for creating and preserving long-term relationships between companies and customers, as consumer trust positively influences consumer loyalty leading to positive consumer responses (i.e. purchase intentions) and finally to corporate success (Bibb & Kourdi, 2004; Morgan & Hunt 1994; Vlachos et al., 2009). Despite this central role, few studies have examined the effect of CSR activities on consumer trust. Kennedy et al.’s study (2001) was one of the first investigating the relationship between a company’s perceived level of ethics and consumer trust. Their results indicate that consumers’ perception of a company being ethical creates a trust-based relationship based on the belief that the company’s discourse and actions are honest and credible. Swaen and Chumpitaz (2008) build on this argument and provide support that consumers’ perceptions of a company’s CSR activities positively influence consumers’ trust in this company. According to Pivato et al. (2008), this trust then in turn influences consumers’ subsequent actions, showing that trust serves as a link between CSR perceptions and purchasing intentions. Furthermore, Vlachos et al. (2009) confirm that consumer trust mediates the effect of consumers’ attributions of companies’ motives for engaging in CSR on consumers’ behavioral responses (i.e. patronage and recommendation intentions). Hereby, only companies’ CSR activities perceived as being *values-driven* and *strategic* have a positive effect on consumer trust. This leads to the assumption that CSR practices and, respectively, sustainability initiatives of companies in bad reputation industries will only increase consumers’ trust when being associated with *values-driven* and *strategic* attributions.
Corporate Reputation and Corporate Image

While academics and practitioners confirm a company’s strong reputation and image as an important success factor, there is no agreement on whether those two concepts are synonymous or different from each other. However, Gotsi and Wilson (2001) argue that the majority of researchers suggest that “corporate reputations are largely dependent on the everyday images that people form of an organization”, and hence regard corporate reputation as the sum of all stakeholders’ established corporate images. Hereby, corporate image can be defined as a person’s “perception” (Carlson, 1963), mental “picture” of a company (Bristol, 1960) or further as “evaluations, feelings and attitudes toward a company” (Barich & Kotler, 1991).

Since stakeholders routinely rely on companies’ reputations for making investment decisions, career decisions and product choices, favorable reputations can provide a competitive advantage (Balmer, 2009; Dowling, 1986). However, these positive reputations are hard to build and easy to lose (Gotsi & Wilson, 2001). Although Fombrun and Shanley (1990) as well as Turban and Greening (1997) early demonstrated that a company’s contributions to social welfare positively influences its reputation, CSR has only recently been acknowledged as one of the key factors determining corporate reputation (Worcester, 2009). Stanaland et al. (2011) support this positively correlated relationship between consumers’ evaluation of a company’s CSR activities and perceived corporate reputation. Hereby, they further identify that corporate reputation mitigates the perceived risk that a customer may experience in buying and using a firm’s products and thus influences consumers’ purchase decisions.

Similar to corporate reputation, corporate image is seen as a competitive advantage. Menon and Menon (1997) early provided support that companies which engage in envi-
Environmental activities generate a positive image, as consumers would reward companies for trying to reduce their environmental footprint. Brown and Dacin (1997) go further and demonstrate that a company’s CSR efforts have a positive influence on its corporate image (i.e. corporate evaluation), which in turn influences consumers’ evaluation of the company’s new product offerings. Hereby, CSR information is seen as being critical to a company’s image, as it provides consumers with insights into the company’s value system (Turban & Greening, 1997), “soul” (Chappell, 1993) or “character” (Brown & Dacin, 1997). Sen and Bhattacharya (2001) confirm this positively correlated relationship between CSR initiatives and a company’s image (i.e. company evaluation) and state even further that this relationship is mediated by consumers’ perception of self-company congruence and moderated by their support for the CSR domain.

Yoon et al. (2006) show the positive relationship between sincere motives and corporate image (i.e. company evaluation), which suggests that companies’ CSR activities and, respectively, sustainability initiatives will only improve companies’ image when being associated with values-driven and strategic motives. Since corporate image can be regarded as being part of corporate reputation, the same assumptions apply to corporate reputation. Based on these main arguments the following hypotheses can be formulated:

*Hypothesis 3:* When consumers perceive sustainability practices as (a) values-driven and (b) strategic, consumer trust, corporate reputation and corporate image will increase, while they will decrease for (c) egoistic and (d) stakeholder-driven attributions.

*Hypothesis 4:* Consumers’ attributions (values-driven, strategic, egoistic and stakeholder-driven) will mediate the relationship between the fit of the sustainability initiatives and consumer trust, corporate reputation and corporate image.
These four developed hypotheses result in the following research model (see. Figure 1), whose aim is to investigate this work project’s research questions.

![Research model of the work project](image)

**Figure 1: Research model of the work project**

### 3. Methodology

#### 3.1 Pre-Survey

To identify the industry with the worst reputation regarding sustainability, an online pre-survey was sent out to 120 participants. Thereof, 51 valid answers (42.5% response rate) were collected constituting the final sample. Hereby, respondents were asked to rate 15 different industries\(^2\) according to their perception of their engagement toward sustainability on a 7-point Likert-type scale ranging from 1=Extremely unsustainable to 7=Extremely sustainable. The results show that consumers perceive all industries as being rather unsustainable with a total mean of all industries of 3.68. Having tested the statistical significance of the lowest mean value of 2.14 (p<.01; see appendix 1), the oil and gas industry has been identified as the industry with the worst reputation.

\(^2\) Industries were chosen from oekom research’s (2012a) sustainability industry ranking: Automobile, Chemicals, Construction, Consumer Electronics, Financials & Commercial Banks, Food & Beverages, Household Products, Insurance, IT & Computer, Machinery, Oil & Gas, Pharmaceuticals, Real Estate, Telecommunication and Utilities.
3.2 Expert Interview

Four face-to-face interviews with CSR and sustainability experts were conducted in order to define appropriate high and low fit sustainability programs (including economic, social and environmental initiatives). Hereby, the experts verified two created newspaper articles with a brief description of a fictitious oil and gas company (Bisgol) followed by a high and respectively low fit sustainability program (see appendices 2 and 3), which were designed according to the industry’s main sustainability challenges (IPIECA, 2010; oekom research, 2012b).

3.3 Main Survey

To determine whether the fit of the sustainability initiatives with the company’s core business differentially affects consumers’ attributions and, likewise, consumers’ responses, two online surveys, one with the high and one with the low fit sustainability program, were sent out to 723 (364, high fit; 359, low fit) participants. Thereof, 299 valid responses (148, 40.66% response rate, high fit; 151, 42.06% response rate, low fit) were collected constituting the final sample. The majority of the participants were 26 to 34 years old (49.3%, high fit; 47.7%, low fit) and most of them had a Master’s degree (53.4%, high fit; 47.0%, low fit). The sample was almost gender balanced (59.5% male, high fit; 57.0% male, low fit) and internationally composed with the majority being German (68.9%, high fit; 64.9%, low fit).

Participants of both surveys were first confronted with the correspondent newspaper article and then asked to answer the same questions for each variable along with demographic items. Hereby, all mediator and dependent variables were measured in a 5-point Likert-type scale ranging from 1=Strongly disagree to 5=Strongly agree. Consumers’ Attributions were rated in a 16 questions scale developed by Ellen et al. (2006). Hereby,
Results

Each sub-scale was measured by five (values-driven), four (egoistic and stakeholder-driven) or three (strategic) items. Sample questions include “Bisgol is making these initiatives because they feel morally obligated to help” (values-driven), “they hope to increase profits by making this offer” (strategic), “they want it as a tax write-off” (egoistic) and “they feel their customers expect it” (stakeholder-driven). Scale reliability for values-driven attributions is \( \alpha = .71 \) for the high fit initiatives (\( \alpha = .76 \), low fit), for strategic it is \( \alpha = .71 \) (\( \alpha = .70 \), low fit), for egoistic it is \( \alpha = .56 \) (\( \alpha = .67 \), low fit) and for stakeholder-driven it is \( \alpha = .55 \) (\( \alpha = .66 \), low fit).\(^3\) Consumer Trust was rated in a six questions scale designed by Swaen and Chumpitaz (2008). A sample item contains “Bisgol is honest with its customers” and reliability is \( \alpha = .72 \) for the high fit program (\( \alpha = .78 \), low fit). Corporate Reputation was rated in a 15 questions scale developed by Walsh et al. (2009). A sample question includes “Bisgol is concerned about its customers” and reliability is \( \alpha = .79 \) for the high fit survey (\( \alpha = .90 \), low fit). Corporate Image was rated using a three questions scale adapted from Andreassen and Lindestad (1998). A sample item contains “I perceive Bisgol as customer oriented” and reliability is \( \alpha = .48 \) for the high fit initiatives (\( \alpha = .67 \), low fit). All questions can be seen in appendices 2 and 3 and the composition of each variable is shown in appendix 4.

4. Results

To test hypotheses 1 and 2, if the fit of the sustainability initiatives with a company’s core business differentially affects consumers’ attributions, an analysis of variance (ANOVA) was run on the two groups (high vs. low fit; see table 1). As predicted, the means of values-driven and strategic attributions are significantly higher for the high than the low fit program, confirming hypothesis 1 a) and b). While the mean of egoistic

\(^3\) In order to improve reliability of the scales, the items V4 and ST3 were deleted for the high fit and the question E2 was deleted for the low fit survey (cf. appendix 4).
attributions is significantly lower for the high than the low fit initiatives, which supports hypothesis 2 a), the mean of stakeholder-driven attributions is significantly higher for the high than the low fit program. Thus, hypothesis 2 b) cannot be confirmed.

<table>
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<tr>
<th></th>
<th>Survey</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>Sig.</th>
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<td>Values-driven</td>
<td>High fit</td>
<td>148</td>
<td>3.20</td>
<td>.72</td>
<td>.004**</td>
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<tr>
<td></td>
<td>Low fit</td>
<td>151</td>
<td>2.95</td>
<td>.75</td>
<td></td>
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<tr>
<td>Strategic</td>
<td>High fit</td>
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<td>3.64</td>
<td>.77</td>
<td>.009**</td>
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<td>3.40</td>
<td>.78</td>
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<tr>
<td>Egoistic</td>
<td>High fit</td>
<td>148</td>
<td>3.41</td>
<td>.61</td>
<td>.001**</td>
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<tr>
<td>Stakeholder-driven</td>
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<td>3.56</td>
<td>.56</td>
<td>.017*</td>
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<tr>
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<td>Low fit</td>
<td>151</td>
<td>3.39</td>
<td>.68</td>
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Table 1: Results of the ANOVA for Consumers’ Attributions; with Sample Sizes, Means, Standard Deviations and Statistical Significance. Note: p<.05*, p<.01**

Next, a bivariate correlation was used to assess the relationship between consumers’ attributions and consumers’ responses (hypothesis 3). For better measuring the direct effects for the high and low fit group, the analysis was conducted separately (see appendices 5 and 6). As expected, values-driven attributions have a significant positive relationship with consumer trust (R=.49, high fit; R=.54, low fit), corporate reputation (R=.63, high fit; R=.65, low fit) and corporate image (R=.42, high fit; R=.59, low fit) for both the high and low fit survey, supporting hypothesis 3 a). In contrast to the established assumption, strategic attributions do not show a significant positive relationship with consumer responses, besides some positive effect on corporate reputation in the low fit group (R=.17). Thus, hypothesis 3 b) cannot be confirmed. As predicted, egoistic attributions have a significant negative relationship with consumer trust (R=-.30, high fit; R=-.35, low fit), corporate reputation (R=-.30, high fit; R=-.44, low fit) and corporate image (R=-.16, high fit; R=-.39, low fit) for both the high and low fit survey, providing support for hypothesis 3 c). As opposed to the drawn assumption, stakeholder-driven attributions do not show a significant negative relationship with consumer
Responses, but some positive influence on corporate reputation in the high fit group (R=.22). Hence, hypothesis 3 d) cannot be confirmed. The linear regression analysis supports these findings, as values-driven and egoistic attributions show the only significant results for both the high and low fit survey. Hereby, values-driven attributions have the strongest influence on consumer responses, explaining 24% of the variance in consumer trust in the high fit group (29%, low fit), 40% of the variance in corporate reputation (42%, low fit) and 18% of the variance in corporate image (35%, low fit).

To test hypothesis 4, whether consumers’ attributions mediate the relationship between the fit of the sustainability program with consumer responses, a Sobel-Test following Preacher and Leonardelli’s procedure (2013) was conducted. Hereby, all variables (independent (IV), mediator (MV) and dependent (DV)) need to be significantly correlated as a prerequisite. Since only values-driven and egoistic attributions are significantly correlated with all three consumer responses for both the high and low fit survey, regressions for just those two variables were run to enter the relevant data into the Sobel-Test equation (see tables 2 and 3). Results show that both values-driven and egoistic attributions significantly mediate the effect of the fit of the initiatives on consumer trust, corporate reputation and corporate image in the high and low fit group (p<.01; see appendix 7), providing partial support for hypothesis 4.

| Predictors / Outcomes | Values-driven | | | Egoistic | | |
|-----------------------|--------------|-----------|-----------|-----------|-----------|
|                       | B | SE | Sig.     | B | SE | Sig.     |
| High fit              | 0.25 | 0.09 | 0.004** | -0.28 | 0.08 | 0.001** |
| Low fit               | -0.25 | 0.09 | 0.004** | 0.28 | 0.08 | 0.001** |

Table 2: Results of the Regression Analysis for the Sobel-Test: IV on MV; with Unstandardized Coefficient B, Standard Error and Statistical Significance. p<.05*, p<.01**
### Discussion

The results of this work project suggest that companies operating in industries with a bad reputation regarding sustainability can change consumers’ negative perceptions and responses (i.e. consumer trust, corporate reputation and image) through pursuing sustainability initiatives which have a high fit with their core business. Apparently, high fit programs lead consumers to believe that the company is motivated by values-driven, strategic and stakeholder-driven attributions, whereas low fit initiatives are associated with egoistic attributions. It is these provoked values-driven attributions, which show a positive and, likewise, the strongest effect on consumers’ responses. Yet, egoistic attributions negatively influence consumer trust, corporate reputation and image. As opposed to the previous drawn assumptions, consumers’ responses are not significantly affected by strategic and stakeholder-driven attributions. Moreover, the results indicate that the effect of the fit of the cause with companies’ core business on consumer responses is mediated by values-driven and egoistic attributions, highlighting their key role in consumers’ responses to sustainability initiatives. These results lead to important theoretical and practical implications.

#### 5.1 Theoretical Implications

This research provides empirically tested insight into how specific sustainability practices (covering economic, social and environmental initiatives) influence consumers’ responses rendering their investments effective. This work project investigates in
Discussion

particular companies operating in bad reputation industries and thus its validity for businesses in industries with good or neutral reputation has to be tested. Nevertheless, it provides support for Ellen et al.’s research (2006) that the effectiveness of a sustainability program is influenced by the motives consumers attribute to companies’ efforts. Further, in line with Fein’s work (1996), this research confirms that this attributional process can be manipulated through the fit of the cause with the company’s core business.

Moreover, this work project extends the CSR literature by investigating how consumers’ responses to companies’ sustainability activities are affected by industry reputation. In case of companies operating in industries with a bad reputation, consumers are particularly suspicious when businesses engage in sustainability issues (Du & Vieira, 2012; Yoon et al., 2006). Yet, this study provides support that a high fit sustainability program reduces suspicion, allowing consumers to attribute values-driven, strategic and stakeholder-driven motives. In contrast to previous studies (Ellen et al., 2006; Vlachos et al., 2009), consumers view strategic and stakeholder-driven attributions neither negatively nor positively. This might arise from the fact that these companies are constantly under pressure from stakeholders and that only through meeting their expectations companies can gain legitimacy (Du & Vieira, 2012). However, values-driven attributions are identified as having a positive and the strongest effect on consumers’ responses rendering sustainability investments effective, even in bad reputation industries.

5.2 Practical Implications

The results of this work project suggest to managers, operating in industries with a bad reputation, that they should design sustainability programs with a high fit to their core business in order to achieve positive consumer responses. Designing high fit programs implies the strategic alignment of sustainability issues with the businesses’ cor-
Discussion

Corporate strategy (cf. Laszlo, 2008). Only through this strategic approach, consumers are likely to attribute values-driven motives, whereas egoistic attributions can be prevented, which both mediate the effect of sustainability initiatives on consumer responses. Further research has to be done about how companies can best communicate their sincere and benevolent intention provoking additional values-driven attributions without causing credibility doubts.

5.3 Limitations and Future Research Suggestions

Despite the strong implications of this work project, there are several limitations that need to be acknowledged. First, the study’s sample size may be considered too small and not being representative enough. Thus, although the characteristics of the sample were chosen on purpose due to the complexity of the study’s research aim, the generalizability of the results has to be carefully tested. Second, as the study was conducted only for the oil and gas industry, the results may not be applicable to other bad reputation industries. This limitation might further be bolstered by the fact that the oil and gas industry is regarded as a controversial industry, being constantly criticized for violating societal expectations and its unsustainable business model (Du & Vieira, 2012; Laszlo, 2008). To minimize this effect, the high fit program included initiatives for finding alternative energy sources that are considered as being more sustainable. Another limitation of this work project is the scale reliability of egoistic and stakeholder-driven attributions, as well as corporate image for both the high and the low fit group. As they do not reach the recommended threshold of .70 (Nunnally, 1978), results might not be applicable. Future studies should try to address these issues by having a larger and more representative sample, collecting data from multiple bad reputation industries, pre-testing and improving the scale reliability of the before mentioned items.
Beyond these limitations future research should identify other factors influencing consumers’ attributions about the motives of companies’ engagement toward sustainability, such as the effect of the information source or advertising, and their relative importance. Moreover, as this work project only investigated internal consumer responses (i.e. consumer trust, corporate reputation and image), future research should also examine how consumers’ attributions influence behavioral consumer responses. Examining in-role and extra-roles behavior might support the impact of sustainability programs on the bottom-line. Hereby, studies should also investigate whether this effect on behavioral responses might even be mediated or moderated by internal responses, gaining a more explicit insight into consumers’ responses toward sustainability. Further, the effect of consumers’ personal support for sustainability should be included in this research.

6. Conclusion

This work project investigates how specific sustainability practices (including economic, social and environmental initiatives) influence consumers’ responses. Based on attribution theory, the study reveals consumers’ attributions about the motives underlying companies’ participation in sustainability efforts as a key driver of the effectiveness of sustainability initiatives. Moreover, this research confirms that this attributional process can be manipulated through the fit of the cause with companies’ core business. Furthermore, this study investigates how these consumers’ attributions and, likewise consumers’ responses are influenced by the bad reputation of an industry in which companies are operating. The results suggest that companies operating in bad reputation industries should design high fit sustainability initiatives, which provoke values-driven motives and in turn lead to positive consumer responses (i.e. consumer trust, corporate reputation and image), rendering their sustainability investments effective.
7. References


References


# 8. Appendix

**Appendix 1: Statistical Results of the Pre-Survey**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Freq.</th>
<th>M</th>
<th>SD</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile</td>
<td>1 10 13 2 16 9 0</td>
<td>3.96</td>
<td>1.51</td>
<td>.000**</td>
</tr>
<tr>
<td>Chemicals</td>
<td>5 24 10 5 3 3 1</td>
<td>2.80</td>
<td>1.43</td>
<td>.002**</td>
</tr>
<tr>
<td>Construction</td>
<td>0 8 18 8 12 5 0</td>
<td>3.76</td>
<td>1.26</td>
<td>.000**</td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>0 19 9 5 14 4 0</td>
<td>3.51</td>
<td>1.43</td>
<td>.000**</td>
</tr>
<tr>
<td>Financials &amp; Commercial Banks</td>
<td>7 10 6 19 5 4 0</td>
<td>3.33</td>
<td>1.47</td>
<td>.000**</td>
</tr>
<tr>
<td>Food &amp; Beverages</td>
<td>1 9 10 6 14 10 1</td>
<td>4.12</td>
<td>1.53</td>
<td>.000**</td>
</tr>
<tr>
<td>Household Products</td>
<td>1 7 13 12 9 9 0</td>
<td>3.94</td>
<td>1.38</td>
<td>.000**</td>
</tr>
<tr>
<td>Insurance</td>
<td>2 2 11 22 9 5 0</td>
<td>3.96</td>
<td>1.15</td>
<td>.000**</td>
</tr>
<tr>
<td>IT &amp; Computer</td>
<td>0 6 19 8 12 5 1</td>
<td>3.88</td>
<td>1.29</td>
<td>.000**</td>
</tr>
<tr>
<td>Machinery</td>
<td>1 11 17 9 8 4 1</td>
<td>3.55</td>
<td>1.36</td>
<td>.000**</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>20 18 6 4 0 2 1</td>
<td>2.14</td>
<td>1.40</td>
<td>-</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>5 8 13 7 9 8 1</td>
<td>3.69</td>
<td>1.64</td>
<td>.000**</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1 9 8 17 10 5 1</td>
<td>3.88</td>
<td>1.35</td>
<td>.000**</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>0 5 9 11 14 9 3</td>
<td>4.43</td>
<td>1.39</td>
<td>.000**</td>
</tr>
<tr>
<td>Utilities</td>
<td>0 3 9 21 12 5 1</td>
<td>4.20</td>
<td>1.10</td>
<td>.000**</td>
</tr>
</tbody>
</table>

*Note: With Frequencies, Means, Standard Deviations and Statistical Significance of the t-Tests. p<.05**, p<.01***
Appendix 2: Main Survey 1 – High Fit

Corporate Strategies and Consumer Responses

Introduction

Dear participant,

my name is Sandra Oexle and I am a current Master's student in Management with a major in Marketing and Strategy at NOVA School of Business and Economics. Under the supervision of Professor Joana Story, I am writing my Master's Thesis investigating consumers' perception of organizations' initiatives.

I would really appreciate your participation by filling out this survey. If you like to participate, please read the following instructions carefully.

Thank you very much for your support!

Best regards,
Sandra Oexle

Procedure

At first, you will be given a brief description of the fictitious company Bisgol and their initiatives. Afterwards, you will be asked to answer various questions regarding your perception of this organization's initiatives.

The questionnaire consists of 7 questions and will take approximately 10 minutes or less. Please try to answer all questions and if possible without any interruption in order to make an evaluation possible. It is important that you read the initial company profile and their initiatives carefully and that you answer the following questions based on the information you read.

Confidentiality

All data obtained from participants will be kept confidential and will only be reported in an aggregate format (by reporting only combined results and never reporting individual ones). All questionnaires will be concealed, and no one other than the primary investigator and assistant researcher listed below will have access to them. The data collected will be stored in the HIPPA-compliant, Qualtrics-secure database until it has been deleted by the primary investigator.

Questions about the Research

If you have any question regarding this study, feel free to contact me by E-Mail: sandra.oexle.2012@novasbe.pt or Prof. Joana Story (supervising professor) by E-Mail: joanastory@novasbe.pt.
I have carefully read and understood the above description of Bisgol and their initiatives.

Q1: To what extent do you agree with the following statements about Bisgol’s initiatives on a scale from strongly disagree to strongly agree?

Bisgol is taking these initiatives because...

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Disagree nor Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>... they feel morally obligated to help.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they feel their customers expect it.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they want to get publicity.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they will keep more of their customers by making this offer.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they have a long-term interest in the community.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they want it as a tax write-off.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they will get more customers by making this offer.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they feel their stakeholders expect it.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... their owners or employees believe in this cause.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they want to make it easier for consumers who care about the cause to support it.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they are taking advantage of the cause to help their own business.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they feel society in general (i.e., consumers) expects it.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they are trying to give something back to the community.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they are taking advantage of the nonprofit organization to help their own business.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they feel their employees expect it.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>... they hope to increase profits by making this offer.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Q2: To what extent do you agree with the following statements about Bisgol’s initiatives on a scale from strongly disagree to strongly agree?

<table>
<thead>
<tr>
<th>Bisgol …</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Disagree nor Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>… employs people who are concerned about customer needs.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… seems to be a good company to work for.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… tends to outperform competitors.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… is a strong, reliable company.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… seems to make an effort to create new jobs.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… employs people who treat customers courteously.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… seems to have excellent leadership.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… seems to recognize and take advantage of market opportunities.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… offers high quality products.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… would reduce its profit to ensure a clean environment.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… is concerned about its customers.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… seems to treat its people well.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… looks like it has strong prospects for future growth.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… develops innovative products.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>… seems to be environmentally responsible.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
</tbody>
</table>

Q3: To what extent do you agree with the following statements about Bisgol’s initiatives on a scale from strongly disagree to strongly agree?

<table>
<thead>
<tr>
<th>Bisgol is forthright in its dealing with customers.</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Disagree nor Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bisgol’s products give me a sense of security.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>I perceive Bisgol as customer oriented.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>Bisgol is honest with its customers.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>Buying Bisgol’s products is a quality guarantee.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>I am satisfied with the way Bisgol presents itself.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>Bisgol is interested in its customers.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>I perceive others are speaking about Bisgol in a positive way.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>I trust the quality of Bisgol’s products.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
</tbody>
</table>
Q4: What is your gender?
- Male
- Female

Q5: How old are you?
- Under 18
- 18-25
- 26-34
- 35-44
- 45-54
- 55-64
- 65 or over

Q6: What is the highest level of education you have completed?
- Less than High School
- High School / GED
- College Degree / Bachelor’s Degree
- Master’s Degree / Diploma
- Doctoral Degree

Q7: What is your nationality?
- Austrian
- Belgian
- British
- Danish
- Dutch
- Finnish
- French
- German
- Greek
- Irish
- Italian
- Norwegian
- Polish
- Portuguese
- Russian
- Spanish
- Swedish
- Swiss
- Turkish
- Other
Appendix 3: Main Survey 2 – Low Fit

Corporate Strategies and Consumer Responses

Introduction

Dear participant,

my name is Sandra Oexle and I am a current Master's student in Management with a major in Marketing and Strategy at NOVA School of Business and Economics. Under the supervision of Professor Joana Story, I am writing my Master's Thesis investigating consumers' perception of organizations' initiatives.

I would really appreciate your participation by filling out this survey. If you like to participate, please read the following instructions carefully.

Thank you very much for your support!

Best regards,

Sandra Oexle

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I have carefully read and understood the above description of Bisgol and their initiatives.

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Bisgol is taking these initiatives because...

<table>
<thead>
<tr>
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<th>Disagree</th>
<th>Neither Disagree nor Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>… they feel morally obligated to help.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they feel their customers expect it.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they want to get publicity.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they will keep more of their customers by making this offer.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they have a long-term interest in the community.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they want it as a tax write-off.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they will get more customers by making this offer.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they feel their stakeholders expect it.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… their owners or employees believe in this cause.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they want to make it easier for consumers who care about the cause to support it.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they are taking advantage of the cause to help their own business.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they feel society in general (i.e., consumers) expects it.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they are trying to give something back to the community.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they are taking advantage of the nonprofit organization to help their own business.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they feel their employees expect it.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>… they hope to increase profits by making this offer.</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
</tbody>
</table>
Q2: To what extent do you agree with the following statements about Bisgol’s initiatives on a scale from strongly disagree to strongly agree?

**Bisgol …**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Disagree nor Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>… employs people who are concerned about customer needs.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… seems to be a good company to work for.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… tends to outperform competitors.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… is a strong, reliable company.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… seems to make an effort to create new jobs.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… employs people who treat customers courteously.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… seems to have excellent leadership.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… seems to recognize and take advantage of market opportunities.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… offers high quality products.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… would reduce its profit to ensure a clean environment.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… is concerned about its customers.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… seems to treat its people well.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… looks like it has strong prospects for future growth.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… develops innovative products.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>… seems to be environmentally responsible.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

Q3: To what extent do you agree with the following statements about Bisgol’s initiatives on a scale from strongly disagree to strongly agree?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Disagree nor Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bisgol is forthright in its dealing with customers.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Bisgol’s products give me a sense of security.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I perceive Bisgol as customer oriented.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Bisgol is honest with its customers.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Buying Bisgol’s products is a quality guarantee.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I am satisfied with the way Bisgol presents itself.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Bisgol is interested in its customers.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I perceive others are speaking about Bisgol in a positive way.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I trust the quality of Bisgol’s products.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Q4: What is your gender?
- Male
- Female

Q5: How old are you?
- Under 18
- 18-25
- 26-34
- 35-44
- 45-54
- 55-64
- 65 or over

Q6: What is the highest level of education you have completed?
- Less than High School
- High School / GED
- College Degree / Bachelor’s Degree
- Master’s Degree / Diploma
- Doctoral Degree

Q7: What is your nationality?
- Austrian
- Belgian
- British
- Danish
- Dutch
- Finnish
- French
- German
- Greek
- Irish
- Italian
- Norwegian
- Polish
- Portuguese
- Russian
- Spanish
- Swedish
- Swiss
- Turkish
- Other
### Appendix 4: Composition of the variables

<table>
<thead>
<tr>
<th>ATTRIBUTIONS (Q1)</th>
<th>Bisgol is taking these initiatives because…</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Values-driven</strong></td>
<td>... they feel morally obligated to help. (V1)</td>
</tr>
<tr>
<td></td>
<td>... they have a long-term interest in the community. (V2)</td>
</tr>
<tr>
<td></td>
<td>... their owners or employees believe in this cause. (V3)</td>
</tr>
<tr>
<td></td>
<td>... they want to make it easier for consumers who care about the cause to support it. (V4)</td>
</tr>
<tr>
<td></td>
<td>... they are trying to give something back to the community. (V5)</td>
</tr>
<tr>
<td><strong>Strategic</strong></td>
<td>... they will keep more of their customers by making this offer. (ST1)</td>
</tr>
<tr>
<td></td>
<td>... they will get more customers by making this offer. (ST2)</td>
</tr>
<tr>
<td></td>
<td>... they hope to increase profits by making this offer. (ST3)</td>
</tr>
<tr>
<td><strong>Egoistic</strong></td>
<td>... they want to get publicity (E1)</td>
</tr>
<tr>
<td></td>
<td>... they want it as a tax write-off. (E2)</td>
</tr>
<tr>
<td></td>
<td>... they are taking advantage of the cause to help their own business. (E3)</td>
</tr>
<tr>
<td></td>
<td>... they are taking advantage of the nonprofit organization to help their own business. (E4)</td>
</tr>
<tr>
<td><strong>Stakeholder-driven</strong></td>
<td>... they feel their customers expect it. (SH1)</td>
</tr>
<tr>
<td></td>
<td>... they feel their stakeholders expect it. (SH2)</td>
</tr>
<tr>
<td></td>
<td>... they feel society in general (i.e., consumers) expects it. (SH3)</td>
</tr>
<tr>
<td></td>
<td>... they feel their employees expect it. (SH4)</td>
</tr>
<tr>
<td><strong>CONSUMER TRUST (Q3)</strong></td>
<td>Bisgol is forthright in its dealing with customers. (T1)</td>
</tr>
<tr>
<td></td>
<td>Bisgol is honest with its customers. (T2)</td>
</tr>
<tr>
<td></td>
<td>Bisgol is interested in its customers. (T3)</td>
</tr>
<tr>
<td></td>
<td>Bisgol’s products give me a sense of security. (T4)</td>
</tr>
<tr>
<td></td>
<td>Buying Bisgol’s products is a quality guarantee. (T5)</td>
</tr>
<tr>
<td></td>
<td>I trust the quality of Bisgol’s products. (T6)</td>
</tr>
<tr>
<td><strong>CORPORATE REPUTATION (Q2)</strong></td>
<td>Bisgol employs people who are concerned about customer needs. (R1)</td>
</tr>
<tr>
<td></td>
<td>Bisgol employs people who treat customers courteously. (R2)</td>
</tr>
<tr>
<td></td>
<td>Bisgol is concerned about its customers. (R3)</td>
</tr>
<tr>
<td></td>
<td>Bisgol seems to be a good company to work for. (R4)</td>
</tr>
<tr>
<td></td>
<td>Bisgol seems to have excellent leadership. (R5)</td>
</tr>
<tr>
<td></td>
<td>Bisgol seems to treat its people well. (R6)</td>
</tr>
<tr>
<td></td>
<td>Bisgol tends to outperform competitors. (R7)</td>
</tr>
<tr>
<td></td>
<td>Bisgol seems to recognize and take advantage of market opportunities. (R8)</td>
</tr>
<tr>
<td></td>
<td>Bisgol looks like it has strong prospects for future growth. (R9)</td>
</tr>
<tr>
<td></td>
<td>Bisgol is a strong, reliable company. (R10)</td>
</tr>
<tr>
<td></td>
<td>Bisgol offers high quality products. (R11)</td>
</tr>
<tr>
<td></td>
<td>Bisgol develops innovative products. (R12)</td>
</tr>
<tr>
<td></td>
<td>Bisgol seems to make an effort to create new jobs. (R13)</td>
</tr>
<tr>
<td></td>
<td>Bisgol would reduce its profit to ensure a clean environment. (R14)</td>
</tr>
<tr>
<td></td>
<td>Bisgol seems to be environmentally responsible. (R15)</td>
</tr>
<tr>
<td><strong>CORPORATE IMAGE (Q3)</strong></td>
<td>I perceive Bisgol as customer oriented. (C1)</td>
</tr>
<tr>
<td></td>
<td>I am satisfied with the way Bisgol presents itself. (C2)</td>
</tr>
<tr>
<td></td>
<td>I perceive others are speaking about Bisgol in a positive way. (C3)</td>
</tr>
</tbody>
</table>
### Appendix 5: Results of the bivariate Correlation Analysis for the High Fit Group

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Values-driven</td>
<td>3.20</td>
<td>.72</td>
<td>(.71)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Strategic</td>
<td>3.64</td>
<td>.77</td>
<td>-.07</td>
<td>(.71)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Egoistic</td>
<td>3.41</td>
<td>.61</td>
<td>-.40**</td>
<td>.26**</td>
<td>(.56)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Stakeholder-driven</td>
<td>3.56</td>
<td>.56</td>
<td>.14</td>
<td>.19*</td>
<td>.05</td>
<td>.55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Consumer Trust</td>
<td>3.20</td>
<td>.47</td>
<td>.49**</td>
<td>-.03</td>
<td>-.30**</td>
<td>.12</td>
<td>(.72)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Corporate Reputation</td>
<td>3.42</td>
<td>.40</td>
<td>.63**</td>
<td>.04</td>
<td>-.30**</td>
<td>.22**</td>
<td>.68**</td>
<td>(.79)</td>
<td></td>
</tr>
<tr>
<td>7 Corporate Image</td>
<td>3.48</td>
<td>.54</td>
<td>.42**</td>
<td>.04</td>
<td>-.16*</td>
<td>.07</td>
<td>.69**</td>
<td>.57**</td>
<td>(.48)</td>
</tr>
</tbody>
</table>

*Note: With Means, Standard Deviations, Scale Reliabilities and Inter-Correlations. p<.05*, p<.01***

### Appendix 6: Results of the bivariate Correlation Analysis for the Low Fit Group

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Values-driven</td>
<td>2.95</td>
<td>.75</td>
<td>(.76)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Strategic</td>
<td>3.39</td>
<td>.68</td>
<td>.00</td>
<td>(.70)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Egoistic</td>
<td>3.69</td>
<td>.80</td>
<td>-.49**</td>
<td>.28**</td>
<td>(.67)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Stakeholder-driven</td>
<td>3.40</td>
<td>.77</td>
<td>.03</td>
<td>.08</td>
<td>.21**</td>
<td>(.66)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Consumer Trust</td>
<td>2.95</td>
<td>.47</td>
<td>.54**</td>
<td>.08</td>
<td>-.35**</td>
<td>-.06</td>
<td>(.78)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Corporate Reputation</td>
<td>3.15</td>
<td>.54</td>
<td>.65**</td>
<td>.17*</td>
<td>-.44**</td>
<td>-.11</td>
<td>.75**</td>
<td>(.90)</td>
<td></td>
</tr>
<tr>
<td>7 Corporate Image</td>
<td>3.12</td>
<td>.69</td>
<td>.59**</td>
<td>.12</td>
<td>-.39**</td>
<td>-.03</td>
<td>.71**</td>
<td>.75**</td>
<td>(.67)</td>
</tr>
</tbody>
</table>

*Note: With Means, Standard Deviations, Scale Reliabilities and Inter-Correlations. p<.05*, p<.01***

### Appendix 7: Results of the Sobel-Test for Values-driven and Egoistic Attributions

<table>
<thead>
<tr>
<th>Survey</th>
<th>Consumer Trust</th>
<th>Corporate Reputation</th>
<th>Corporate Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values-driven</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High fit</td>
<td>0.0036**</td>
<td>0.0041**</td>
<td>0.0048**</td>
</tr>
<tr>
<td>Low fit</td>
<td>0.0036**</td>
<td>0.0041**</td>
<td>0.0048**</td>
</tr>
<tr>
<td>Egoistic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High fit</td>
<td>0.0028**</td>
<td>0.0018**</td>
<td>0.0035**</td>
</tr>
<tr>
<td>Low fit</td>
<td>0.0028**</td>
<td>0.0018**</td>
<td>0.0035**</td>
</tr>
</tbody>
</table>

*Note: With Statistical Significance of the Sobel-Tests. p<.05*, p<.01***