Consumer Perception of CSR in Portugal: The Aftermath of the Financial Crisis

Joana Duarte Silva Barreto

1426

Advisor: Dr. Joana Story

A Work Project, presented as part of the requirements for the Award of a Master's Degree in Management from the NOVA – School of Business & Economics

May 30th, 2014

Consumer Perception of CSR in Portugal: The Aftermath of the Financial Crisis

Abstract

Corporate social responsibility (CSR) literature has largely neglected consumers' perceptions in the debate regarding the role of CSR in the aftermath of the financial crisis. In that context, this study aims to test the possibility that consumers' perceptions of CSR level, firm reputation and brand trust, might depend on the type of industry sector of a firm, the level of fit of an initiative or both. By conducting a survey on Portuguese consumers and running a two-way analysis of variance, it suggests that solely the type of industry sector has an effect on consumer perception and that consumers are less tolerable of controversial industries.

Keywords: brand trust, CSR, firm reputation, fit, industry sector.

Table of Contents

The Increasingly Strategic Role of CSR

Corporate social responsibility (CSR) has progressively gained prominence in the ever changing business landscape, becoming "one of the buzzwords of the new millennium" (Pedersen, 2006, p.137). Howard Bowen, arguably the first scholar to make a significant contribution to the field, suggested that CSR consists of the "obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objective and values of our society" (in Rahman, 2011, p.167). A more current and detailed definition, that of the European Commission (2011), has defined it as "the responsibility of enterprises for their impacts on society", suggesting that these "should have in place a process to integrate social, environmental, ethical rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders" (p.6). To this day, no clear consensus on a definition has been reached (Husted & Allen, 2006; Tsoutsoura, 2004). Nevertheless, it is clear that CSR has become a priority in a corporate world that is increasingly making efforts to and being perceived as more closely integrated to the rest of society (Pedersen, 2006; Porter & Kramer, 2006).

The emergence of CSR occurred hand in hand with a shift from the traditional *Stockholder Theory Perspective* to the more complex *Stakeholder Theory Perspective* of the firm (Rowley, 1997; Donaldson & Preston, 1995; Pedersen, 2006). Whereas the first focused heavily on the fiduciary duty that a firm has towards its shareholders ("the owners of the business"), the latter admits that there are other parties that should be taken into account – namely customers, employees, suppliers, communities, government bodies and political groups, amongst others (Friedman, 1970, p.173; Vos, 2003, p.144; Almeida, 2013). It has been suggested that stakeholders are those entities which have a stake on the firm (Freeman, 1994), an interest in its actions (Savage et al., 1991), or are in a relationship with it (Thompson et al., 1991), although there has been no agreement on a definition or identification process (in Mitchell, Agle & Wood, 1997, p.858). At its extreme, the inclusion of stakeholders into management literature has prompted some to argue for a *Multi-Fiduciary Stakeholder Approach* in managing stakeholders (Vos, 2003, p.146; Freeman, 1994, p.410). However, catering similarly and simultaneously to all stakeholders could overwhelm and threaten a business. According to Goodpaster (1991), profits should remain a priority and, as such, shareholders should be perceived as superior stakeholders, with others representing strategic tools to maximize profits. Some authors have gone further, suggesting that the current emphasis on the incorporation of ethics in management puts moral responsibility on corporate leaders who, as *homos economicus*, cannot be reliable (Boatright, 1999). Such emphasis is, by itself, not enough to guarantee social responsibility (Silva, 2003).

It is important to consider the divergence in terms of stakeholder environment across organizations, as well as in stakeholders' CSR preferences and their level of importance to firms (Peloza & Papania, 2008, p.169). Such differences may be associated with firms' specificities and the type of industry sector that they belong to (Tsoutsoura, 2004). This makes it important for organizations to identify and focus on those stakeholders most capable of affecting them by considering the following associated attributes: powerfulness, legitimacy and urgency (Mitchell et al., 1997, p.863; Peloza & Papania, 2008, p.169). As pointed out by Griffin (2000), there cannot be "universal measures" – each firm should come up with a concept and definition of CSR that match their own circumstances (in Peloza & Papania, 2008, p.169). This process is crucial when it comes to deciding on the nature of CSR initiatives to be implemented, as well as on the amount of corporate money to be allocated to them, so that, ultimately, relationships with stakeholders may be managed in a balanced manner.

The field of CSR has evolved as its research focus has shifted from "the macro-social effect of CSR to organizational-level analysis of CSR's effect on profit" (Lee, 2008, p.53). This means that explicitly normative and ethical arguments have, generally, been replaced by an emphasis on corporate performance, thus making CSR compatible with the profit-oriented capitalist marketplace (Lee, 2008; Carroll & Shabana, 2011; Gato, 2013). This has been done by carefully examining its potentially strategic role within a firm, thus defying Milton Friedman's (1970) notion that social responsibilities are of no concern to businesses (McWilliams, Siegel & Wright, 2006). Such use of CSR requires initiatives to fit the portfolio of business strategies, and be embedded in the business culture and operations of every day (McElhaney, 2009). In the words of Porter and Kramer (2006), "the more closely tied a social issue is to a company's business, the greater the opportunity to leverage the firm's resources and benefit society" (p.87).

The possibility of a positive relationship between engagement in CSR and corporate financial performance (CFP), referred to as the *business case* of CSR, has brought continuous attention to the field, despite the mixed and generally inconclusive empirical studies (McWilliams & Siegel, 2000; Lee, 2008; Carroll & Shabana, 2011). It is argued that CSR may not only improve sales through effective marketing, for instance, by positively affecting corporate reputation, consumer perception on product quality and purchase intent, but may also be financially rewarding in recruiting and retaining talent, achieving sustainability, motivating employees and so on (Du, Bhattacharya & Sen, 2010; Tsoutsoura, 2004). Furthermore, CSR does not necessarily translate into direct incremental gains, and should be perceived as an investment on insurance to reduce risk (Peloza, 2005; Werther & Chandler, 2005). Although Waddock and Graves (1997) have suspected that scholars have been too quick to establish an order for the CSR-CFP correlation, by determining that the former is a cause for the latter, the positive relationship in itself shows that managers have started to seriously take stakeholders into account in decision making (Tsoutsoura, 2004).

The Impact of the Financial Crisis on CSR

The most recent global financial crisis, which started in the United States in the spring of 2007, plunged the Eurozone into a severe recession (Kamin & DeMarco, 2010; Wyplosz, 2010). Portugal's economy had been a slump since the turn of the 21st century with lack of economic growth and productivity (Torres, 2009; Reis, 2013). In the aftermath of the crisis, the austerity measures implemented have had an impact on the economy and society as a whole, mainly affecting public expenditures and private consumption (Lapavitsas et al., 2010). Consumers have also been found to have experienced a great loss of trust in regards to firms and their leaders, and this effect seems to be more pronounced the larger and more globalized an organization is (Burson Marsteller, 2011). Greater consumer sensitivity can be said to have occurred as a result of the exposure of corporate scandals, suggesting that the corporate world is characterized by "personal greed, insufficient scrutiny [and] insensitivity or an indifference to public opinion" (Mohr & Webb, 2005; Handy, 2002, p.50).

During difficult economic times more than others, firms face a struggle between focusing on guaranteeing shareholders' profits and allowing for some stakeholder value (Arevalo & Aravind, 2010). Many tend to reduce and even minimize their expenses in order to maintain their position in the marketplace and, often enough, avoid bankruptcy (Stoian, 2013; Selvi, Wagner & Türel, 2010). Such "cuts and savings strategies" usually affect CSR initiatives as these are sometimes perceived as additional costs that are dispensable since they do not necessarily yield an explicit return on the investment (Stoian, 2013, p.333). Initiatives are, therefore, often withdrawn in the sense that they are put on hold, largely reduced or eliminated altogether. For instance, in attempting to examine the effects of the crisis on Kenyan multinational companies and, subsequently, on their implemented social projects and labour standards, Njoroge's (2009) results indicated that the crisis had, indeed, weakened both the funding and implementation of social projects. Similarly, Karaibrahimoglu (2010) noticed a fall in the number and extent of CSR initiatives in firms from the *Fortune 500* (p.382).

Despite the current trend of CSR withdrawal, some scholars have emphasized the importance of recognizing the strategic role of CSR and its use as a marketing tool for firms to strengthen their position in the marketplace, especially in a climate of uncertainty marked by low levels of trust in firms. For instance, Arevalo and Aravind (2010) have found that those organizations which integrated the ten United Nations Global Compact principles with lower conformity were more strongly affected by the economic downturn than those with a more proactive policy regarding such principles. Moreover, Ducassy (2013) has found that greater corporate social performance (CSP) could allow firms to suffer less from the negative impact of the financial crisis in the short term. Ultimately, it has been argued that CSR could be transformed from threat to opportunity in coping with difficult times and that the possible long-term benefits of a CSR strategy are increasingly more important for the survival of organizations, as it allows them to differentiate as well as reestablish or even redefine a relationship of trust with their stakeholders (Fernández & Souto, 2009; Yelkikalan & Köse, 2013; Giannakis & Theotokas, 2011; Stoian, 2013; Selvi, Wagner & Türel, 2010).

The Effect of CSR on Consumer Perception

The literature has brought attention to the fact that the type of industry sector of a firm may influence the way stakeholders perceive its CSR initiatives (Brammer & Millington, 2005; Castaldo et al., 2008; Pivato, Misani & Tencati, 2008; Williams & Barrett, 2000). Available information may entice one to create a mental conception of a target and make judgments (Hamilton & Sherman, 1996). As such, stakeholders may form an opinion regarding a specific industry sector because they are influenced by their knowledge of the production methods implemented and their impact on stakeholders, for instance. According to Folkes and Kamins (1999), consumers are, indeed, "influenced by information about firms' ethical behavior […] when forming attitudes toward [a] firm" (p.243). This study makes a distinction between industry sectors deemed controversial and industry sectors deemed non-controversial. The former category includes all those industry sectors which are known for implementing production methods that are controversial (as they might have a negative impact on a stakeholder or society in general) or producing products to which "social taboos, moral debates, and political pressures" are associated (Lindgreen et al., 2012, p.1). The latter is the category of all industry sectors which do not experience such controversy and includes all those which may be perceived as socially oriented. Although these terms may seem broad and ambiguous, this study deals with firms that are clearly on opposite sides of the spectrum in order to avoid confusion (as shown in the methodology).

On a different note, the literature has also emphasized the importance that fit in CSR initiatives may represent for stakeholders (Becker-Olsen & Hill, 2006; Brammer & Pavelin, 2006; Gupta & Pirsch, 2006). Indeed, the level of fit may influence stakeholders' perception on CSR (and other variables) because it may be associated to specific corporate characteristics such as the nature of company values and the level of commitment, for instance (Lee et al., 2012; Calabrese et al., 2012). As previously hinted, by fit is meant the extent to which CSR is implemented in a strategic manner, which often involves "selecting initiatives that support business goals; choosing issues related to core products and core markets, […]; evaluating issues based on their potential for positive support in times of corporate crisis or national policy making; […]

taking on issues the community, customers, and employees care most about", and so on (Kotler & Lee, 2005, p.9). As such, initiatives considered high in fit are those which subscribe to at least some of the elements of the above description (or similar ones). On the contrary, low-fit initiatives are those which are considered to be unrelated to the firms that implement them and, therefore, are not integrated or coordinated along with their other business strategies (Ibid). Again, although it might not always be easy to characterize an initiative in terms of its fit, this study deals with initiatives that are clearly on opposite sides of the spectrum (as demonstrated in the methodology section).

Because the financial crisis may have changed the business landscape – it has, noticeably, raised the question of whether or not it is worth maintaining the same or any CSR strategy – it is important that firms further reflect on and define their relationships with stakeholders. This would require understanding stakeholders' perspectives, taking into account the changes that the financial crisis may have triggered, notably involving the type of industry sector of firms and the level of fit of CSR initiatives. It is also worth noting that CSR literature has, generally, been more preoccupied with the actions and perspective of organizations, at the neglect of stakeholders', and that this is particularly evident in the aftermath of the financial crisis. In this context, this study contributes to the literature by offering consumers' perspective and by doing so at a time when corporate management is questioning the role of CSR, yet consumer sensitivity is at a high. Indeed, this study aims at testing whether or not consumer perception in Portugal, in face of CSR withdrawal due to difficult economic times, differs depending on the type of industry sector of a firm, the level of fit of a CSR initiative or both.

Firm Reputation

Fombrun (1996) has defined reputation as "a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all its key constituents when compared to other leading rivals" (in Brammer & Pavelin, 2006). Moreover, it is "a fundamental intangible resource which can be created or depleted as a consequence of the decisions to engage or not in social responsibility activities", and which may positively affect stakeholders' attitudes towards a firm (Branco & Rodrigues, 2006, p.111; Fombrun & Shanley, 1990; Chun, 2005). Going into more detail, Brammer and Millington (2005) have found that relatively higher levels of philanthropic expenditures were positively correlated to corporate reputation and that this effect was greater on firms inserted in industry sectors which exhibit social externalities (p.40). Similarly, Williams and Barrett (2000) have found that philanthropy could reduce and even offset the negative effect that violating regulations has on firm reputation. On another matter, according to Brammer and Pavelin (2006), the reputational effect of CSP may also vary "across the various types of social performance" and achieving fit between firms' CSP and their stakeholder environment is determinant, in the sense that stakeholders should perceive CSR as being strategic (p.435). The following hypotheses can, thus, reasonably be presented:

H_{1A}: The positive association between perceived level of CSR and firm reputation is influenced by the type of industry sector of a firm, such that the association will be more pronounced when the industry sector is deemed controversial.

H_{1B}: The positive association between perceived level of CSR and firm reputation is influenced by the level of fit of an initiative, such that the association will be more pronounced when the level of fit is deemed high.

H_{1C}: The positive association between perceived level of CSR and firm reputation is influenced by both the type of industry sector of a firm and the level of fit of an initiative, such that the association will be more pronounced when the industry sector is deemed controversial and the level of fit is deemed high.

Brand Trust

Brand trust may be defined as “the feeling of security held by the consumer in his/her interaction with the brand that is based on the perceptions that the brand is reliable and responsible for the interests and welfare of the consumer” (Delgado-Ballester, Munuera-Aleman & Yague-Guillen, 2003, p.45). Gurhan-Canli and Fries (2009) have suggested that CSR initiatives can influence “branding outcomes”, including the way that consumers perceive a brand and the level of trust put in it (in Barnes, 2011, p.31; Swaen & Chumpitaz, 2008). Such trust can, in turn, lead to positive attitudes towards firms (Pivato, Missani & Tencati, 2008; Castaldo et al., 2008). Barnes (2011) has gone further by claiming that the effect of CSP on consumer brand trust may be larger for firms who are perceived as socially responsible. When it comes to fit, Beccu (2012) has found that implementing a CSR initiative that is high in fit over one that is low in fit allows a firm to be associated with higher ratings of brand trust. Becker-Olsen, Cudmore and Hill (2006) have also found that perceived fit leads to relatively more positive consumer attitudes in regards to brands. As such, the following hypotheses may be stated:

H_{2A}: The positive association between perceived level of CSR and brand trust is influenced by the type of industry sector of a firm, such that the association will be more pronounced when the industry sector is deemed socially oriented/non-controversial.

H_{2B}: The positive association between perceived level of CSR and brand trust is influenced by the level of fit of an initiative, such that the association will be more pronounced when the level of fit is deemed high.

H_{2C}: The positive association between perceived level of CSR and brand trust is influenced by both the type of industry sector of a firm and the level of fit of an initiative, such that the association will be more pronounced when the industry sector is deemed socially oriented/non-controversial and the level of fit is deemed high.

Methodology

The methodology used in this study involved the creation of four different cases presented in the form of fictitious newspaper articles from the fictitious *Business News*, shown in appendix 1. As for the data collection, it was done through an online consumer survey designed in such a way as to minimize any bias that respondents may have in dealing with information about CSR. All articles announce that a firm is temporarily withdrawing a CSR initiative, and each differs from the next one in that it has a different combination of the type of industry sector and the type of CSR initiative. The firms presented in the cases are either the fictitious socially oriented/non-controversial *Greenroot Corporation*, a firm which produces *Fair Trade* coffee and tea, or *Petrol Oil Group*, a controversial oil producer. As for the type of CSR, the high-fit initiative (entitled *Preserve Nature*) is, for both firms, one which promotes the preservation of the environment through a partnership with a local non-profit organization, and the low-fit one takes the form of a philanthropic contribution to cancer research.

The rationale behind choosing *Greenroot Corporation* has to do with the fact that it abides by the standards and regulations of *the Fair Trade Foundation*, a non-profit organization working to promote "justice and sustainable development […] at the heart of trade structure and practices" (The Fair Trade Foundation). The *Fair Trade* seal may represent a competitive advantage because (some) consumers wish to reward firms that are socially responsible (Nicholls, 2002, pp.6-7). Thus, it would be fair to assume that consumers would expect such a firm to behave in a relatively ethical manner. On the contrary, choosing *Petrol Oil Group* has to do with the fact that the oil sector has a rather negative image. Some of the controversial subjects associated with it include accusations of unfair exploitation of local natural resources and employees, and neglect in regards to the risk of oil spills which have, in the past, negatively impacted local ecosystems and economies. The *Preserve Nature* initiative was chosen because it is highly strategic. Since both firms' production methods depend on natural resources, it makes sense for them to undertake an initiative that promotes sustainability. Moreover, it may positively impact local communities and employees, as well as strengthen relationships with local governments and non-profit organizations. It is also worth mentioning that a committed alliance with non-profit organizations allows for greater publicity and credibility (Lafferty & Goldsmith, 2005; Beder, 2002). Such is not the case for the philanthropic donation, which has, essentially, nothing to do with the firms' core business and would hardly benefit their stakeholder environment.

In order to observe whether or not the articles influenced consumer perception differently, item scales from previous studies were adapted and used, as presented in appendix 2. To measure the perceived level of social responsibility, a selection of a scale developed by Turker (2009) (with a 7-point Likert scale) was used. Some of the questions were left out of the study because they were deemed irrelevant and, ultimately, it was important for the survey to not be so long as to alienate respondents. A sample item of this scale is *This company appears to contribute to campaigns and projects that promote the well-being of the society*, and its reliability is .949.

Regarding perceived firm reputation, a scale adapted from Walsh and Beatty (2007) (with a 7-point Likert scale) was used. More specifically, its subscales *Customer Orientation*, *Good Employer*, *Reliable and Financially Strong Company* and *Social and Environmental Responsibility* were used. The subscale *Product and Service Quality* was neglected because it was thought to be irrelevant and possibly confusing since the cases presented no insight into the quality of the products offered by the companies, and one of its items even required knowing the product's price, which was not given. Sample items of each subscale used include *It appears that this company has employees who are concerned about customer needs*, *It appears that this company has excellent leadership, It appears that this company makes financially sound decisions* and *It appears that this company would reduce its profit to ensure a clean environment*. The reliability for this scale is .954.

Finally, with respect to perceived brand trust, an adaptation of the subscale *Fiability Dimension* developed by Delgado-Ballester, Munuera-Aleman and Yague-Guillen (2003) (with a 7-point Likert scale) was used. These sample items, "[X] is a brand name that never disappoints me" and "With [X] brand name I obtain what I look for in a [product]", were ignored because, again, the study attempts to emphasize industry sectors rather than products, and because these items imply a previous relationship between a customer and the firm, which could confuse respondents (p.191). The sample item "This company would not be constant in satisfying my needs" was also ignored because it would change the direction of respondents' answers in the sense that agreeing with such statement would be negative for the firm in question, whereas agreeing with the statements of the other sample items would be positive for the firm. Moreover, this study focused solely on the subscale *Fiability Dimension* and neglected the subscale *Intentionality Dimension* because the latter seemingly focused on customer service. One of the sample items used is *This company would meet my expectations*, and reliability for this scale is .932.

The experiment involved 243 valid and complete responses. The former means that respondents answered *True* to the question *Portugal has been my country of residence for (at least) the past five years.* This selection was deemed necessary because the study is concerned with consumer perception in the aftermath of the financial crisis and, as such, respondents had to experience life in Portugal during such a critical time. Females constituted 53.1% of respondents and males constituted 46.9%. A majority of 125 people (or 51.4%) responded that their age was between 18 and 24 years old. Moreover, 1 person claimed to be younger than 18, whilst 58 respondents claimed the 25-34 range, 21 claimed the 35-44 range, 20 claimed the 45-54 range, 15 claimed the 55-64 range, and only 3 said they were older than 64. Regarding their level of education, 5 responded that they have a *Doctorate Degree*, 90 (or 37%) claimed a *Master's Degree*, 74 got a *Bachelor's Degree*, 14 did Professional Training, 50 achieved a *High School Diploma* and 7 completed *Basic Education* (2 people responded *Other* and 1 responded *Prefer not to answer*). Finally, around 97% of respondents claimed that the latest financial crisis had affected their lives, meaning that the sample used met the purpose of the study.

Data Analysis and Results

Out of the whole sample of 243 responses, 153 were associated with a case regarding the firm in the non-controversial industry sector and 90 were associated with a case regarding the firm in the controversial industry sector. Moreover, 110 had access to a case depicting the initiative which was low in fit and 133 had the high-fit one. *Table 1* shows the means and standard deviations of each group associated with the following variables: level of CSR, firm reputation and brand trust.

Table 1

Means for each Group (with Standard Deviations in Parentheses)

	Industry Sector		Fit	
	Greenroot Corp.	Petrol Oil Group	Preserve Nature	Cancer Donation
Level of CSR	4.5343 (0.90569)	3.9706 (1.07193)	4.3086 (1.04064)	4.3459 (0.96700)
Firm Reputation	4.4267 (0.88487)	4.1058 (0.84245)	4.2686 (0.92165)	4.3553 (0.83191)
Brand Trust	4.0359 (1.39678)	3.6056 (1.35848)	3.8383 (1.46751)	3.9227 (1.30838)

In order to find out whether or not the type of industry sector and/or the level of fit influence consumer perception of CSR level, firm reputation and brand trust, a two-way analysis of variance (ANOVA) *F* statistical test was run. This allows for the two aspects to be studied simultaneously, using the same sample. Essentially, it presents the significance of the association between each group (industry sector, fit and the combination of the two) and each variable, as shown in *Table 2*.

Table 2

Two-way Analysis of Variance for each Variable

Source	*Df*	F	Sig.
Level of CSR			
Industry Sector	1	21.301	.000
Fit	1	2.791	.096
Industry Sector and Fit	1	2.426	.121
Firm Reputation			
Industry Sector	1	9.262	.003
Fit	1	2.247	.135
Industry Sector and Fit	1	0.168	.683
Brand Trust			
Industry Sector	1	6.248	.013
Fit	1	0.751	.387
Industry Sector and Fit	1	0.300	.584

The results suggest that the type of industry sector matters and may influence consumers' responses. This is shown to be true for all three variables as the *F* values are larger than the *F* critical value (3.88) at the significance level of .05, and the tests were proven extremely significant (Soper, 2014). For example, the interaction between perceived level of CSR and industry sector gives an *F* value of 21.301 and a significance of .01. The results also show that fit appears to not have an influence on any of the three variables. Indeed, the *F* values are smaller than the critical value and the *p*-values are greater than .05, thus showing no significant interaction. For instance, the interaction between fit and perceived brand trust is represented by an *F* value of 0.751

and a significance of .387. The lack of association is even more prominent when it comes to the influence that the combination of the type of industry sector and the level of fit might have. An example would be its interaction with the variable depicting perceived firm reputation – the F value is only 0.168 and the p-value is .683.

In the face of CSR withdrawal and in the context of the aftermath of the financial crisis, it was found that the type of industry sector does have an effect on consumers' perceived level of CSR, firm reputation and brand trust. This means that the null hypothesis stating that the type of industry sector has no effect on consumer perception of the various variables can be rejected. One of the hypotheses suggested that the positive association between perceived level of CSR and firm reputation is more pronounced in controversial industry sectors. Moreover, it was suggested that socially-oriented firms are more likely to experience a more pronounced positive association between perceived level of CSR and brand trust. Ultimately, as shown in *Table 1*, it seems that, regarding all variables, the controversial *Petrol Oil Group*, was punished more harshly than the socially-oriented *Greenroot Corporation*. On the contrary, the level of fit as well as the combination of the type of industry sector and the level of fit were found to not have an effect on any of the variables mentioned above. As such, this study fails to reject the null hypothesis which states that the level of fit has no influence in consumer perception, as well as the null hypothesis which states that the combination of the type of industry sector and the level of fit has no influence.

Discussion and Limitations

The results of this study suggest that, in the aftermath of the financial crisis, the type of industry sector holds an importance in regards to consumer perception that was previously, perhaps, not fully acknowledged or anticipated. Specifically, it is suggested that consumers are significantly less tolerable of firms inserted in controversial industries. In addition, although the literature seems to emphasize fit and the strategic role of CSR in managing stakeholders and achieving greater CFP (Brammer & Pavelin, 2006, Porter and Kramer, 2006, and others), it seems that consumers currently care little or not at all about that, at least when it comes to CSR withdrawal. They are seemingly indifferent as to whether the CSR initiative being postponed was high or low in fit.

The results could reflect a shift in consumer preferences that has to do with the current economic conjecture. Its uncertainty associated with greater exposure of corporate affairs and public scrutiny, has not only had economic effects, but also social, political and psychological ones (Frangos et al., 2012). As such, it may have affected and may continue to affect the way in which consumers perceive organizations. Indeed, consumers, which have become more vulnerable, have, possibly, also become more suspicious of corporate actions altogether. In support of this, it was found that consumers currently trust public institutions and the free market economy less than they did before (Roth, 2009; Burson Marsteller, 2011). The rationale behind this has to do with the fact that consumers attribute the lack of regulations and ethics in the corporate world as an important trigger for the financial crisis which, consequently, has hurt citizens (Argandoña, 2009). This might mean that consumers now tend to pay more attention and be more sensitive to the nature and characteristics of businesses and industry sectors, and more easily neglect the level of fit of CSR initiatives.

An implication of this study is that firms should rethink the role of CSR and corporate ethics in their functioning so as to allow trust, which is essential for the functioning of society, to be established at a time marked by great socio-economic inequality and precarity (Rebelo, 2013; Quesado, 2013). Specifically, firms should anticipate consumers' attitude (and, ideally, that of other stakeholders as well) and implement CSR initiatives that can be sustained during difficult times (Guimães, 2013).

Not only do firms need to cater for and manage various stakeholders, but it seems that they should do so in a manner that takes into account the potential changes in stakeholders' preferences and demands. As such, managers should consistently attempt to study and have a detailed account of stakeholders' perceptions of CSR so that the relationship between the two may be well managed. Future research should attempt to develop mechanisms that could help firms achieve just this. Since no crisis is identical to another, it is difficult to claim with certainty that firms inserted in controversial industries should always pay greater attention to their CSR initiatives because they are more likely to be punished by consumers during harsh economic times (which the results of this study suggest). Each crisis occurs in a particular context, inducing specific attitudes and reactions, and differently affecting the private sector. Thus, a better suggestion would be to emphasize the need for all firms across industry sectors to deal with CSR in a more careful manner.

Incidentally, a more careful consideration of stakeholders' attitudes and expectations should allow firms to improve the strategic fit of their CSR initiatives and, as a result, their competitiveness (Calabrese et al., 2012, p.665). It could be argued that firms need to take the strategic role of CSR seriously in the sense that, instead of implementing it on a whim, they should implement CSR as a part of their business strategy so that its financial costs as well as its potential benefits may really be embedded within corporate culture and protected by it (Gato, 2013). Although, in face of CSR withdrawal, this study suggests that fit does not seem to be relevant, it still, arguably, should play an important role in the decision of funding and implementing CSR initiatives because there is a need for sustainability. Indeed, it seems that, particularly when the economy hits a rough patch, the implementation and survival of CSR initiatives is rather a necessity if firms are to avoid the possibility of being punished. Moreover, it is worth noting that greater implementation of CSR initiatives perceived as high-fit by consumers and other stakeholders could, to some extent, have helped reduce the uncertainty felt in the marketplace. For instance, it could have compensated for some of the controversial issues that firms dealt with or even led to corporate transformation related to them and, consequently, contributed to a change in perception. It should be mentioned, however, that CSR by itself is unlikely to restore consumer trust or lead to the better evaluation of various aspects of organizations.

Although the results of this study may be interesting, there are limitations that must be addressed. One of such has to do with the fact that this study cannot, with certainty, argue that the fact that consumers seem to punish or be less tolerable of firms in seemingly controversial industry sectors has to do with CSR withdrawal or CSR at all. This is true since the level of fit as well as the combination of the type of industry sector and the level of fit were found to be non-significant. Perhaps, consumers would have punished such industries regardless of whether or not firms were or had been involved with any type of CSR. This possibility is something that should be further researched in the future. Moreover, it is important to mention that, although, the study makes a distinction in terms of industry sectors, between controversial and non-controversial industry sectors, it deals with the extremes within these two and does not deal with industry sectors deemed neutral. Although it would be difficult to identify them, it would be worth researching this matter further.

Another limitation has to do with stakeholder awareness of CSR initiatives, which is not commonly tested – it is often either assumed or created experimentally, both representing a stretch from reality (Dolnicar & Pomering, 2007). This study clearly did the latter as it involved developing cases for respondents to read and base their responses upon. It would, otherwise, be difficult for consumers to have access to such information – whilst firms announce CSR initiatives that they may benefit from, they avoid any communication regarding their withdrawal. Thus, the influence that the case may have caused on consumer perception in the sample tested might seem exaggerated in terms of consistency. It is also true, however, that in today's information age, consumers are able to increasingly access more information on the topic of CSR, disseminated by non-profit organizations and media outlets.

Lastly, it is important to mention a couple of methodological limitations of this study. Because this study is a cross-sectional one, an association between exposure and an outcome can be made, but no causal inference can be made with great certainty due to lack of evidence (Levin, 2006). Moreover, this study represents only a snapshot, belonging to a particular group of people and time-frame, and implicit bias might have played a role in how respondents answered questions (Ibid).

Conclusion

By running a two-way ANOVA analysis on a sample of 243 Portuguese consumers, this study has attempted to test the effect that the type of industry sector of a firm and the level of fit of a CSR initiative might have on consumer perception, when faced with CSR withdrawal in the context of the aftermath of the financial crisis. The results suggest that the type of industry does affect consumers' perceived level of CSR, firm reputation and brand trust. On the contrary, the level of fit does not, and neither does the combination of the type of industry sector and the level of fit. The fact that these results might suggest a shift in consumers' preferences (likely triggered by the financial crisis) shows that it is important for firms to be able to adapt their CSR initiatives to the ever-changing economic conjecture and sustain them in order to enjoy their benefits. This is particularly true during times of economic downturn when firms are tempted to reduce costs, yet consumer sensitivity is greater.

References

- Almeida, H. (2013, January-March). O papel das empresas no âmbito da responsabilidade social. *Cadernos de Economia*, *102*, 12-14.
- Arevalo, J. A., & Aravind, D. (2010). The impact of the crisis on corporate responsibility: the case of UN global compact participants in the USA. *Corporate Governance*, *10*(4), 406-420. doi: 10.1108/14720701011069641#sthash.zTFb7HFs.dpuf
- Argandoña, A. (2009). *Can corporate social responsibility help us understand the credit crisis?* (Working Paper No. 790). Retrieved from the IESE Business School website: http://www.iese.edu/research/pdfs/DI-0790-E.pdf
- Barnes, A. (2011). *Corporate Social Responsibility and its Effects on Brand Trust* (Master's thesis, Auckland University of Technology, Auckland, New Zealand). Retrieved from: http://aut.researchgateway.ac.nz/bitstream/handle/10292/2121/BarnesAJ.pdf?sequence=3
- Beccu, G. (2012). Positive effects of strategic corporate social responsibility (Master's thesis, Nova School of Business & Economics, Lisbon, Portugal). Retrieved from: http://hdl.handle.net/10362/9591
- Becker-Olsen, K. L., Cudmore, B. A., & Hill, R. P. (2006). The impact of perceived corporate social responsibility on consumer behavior. *Journal of Business Research*, *59*(1), 46-53. Retrieved from: http://dx.doi.org/10.1016/j.jbusres.2005.01.001
- Beder, S. (2002). Environmentalists help manage corporate reputation: changing perceptions not behaviour. *Ecopolitics: Thoughts and Action*, *1*(4), 60-72. Retrieved from: http://ro.uow.edu.au/cgi/viewcontent.cgi?article=1036&context=artspapers
- Boatright, J. R. (1999). DOES BUSINESS ETHICS REST ON A MISTAKE?. *Business Ethics Quarterly*, *9*(4), 583-591. Retrieved from: http://fesrvsd.fe.unl.pt:2076/login.aspx?direct=true&db=bth&AN=2532536&site=ehost-live&scope=site
- Brammer, S. J., & Pavelin, S. (2006). Corporate Reputation and Social Performance: The Importance of Fit. *Journal of Management Studies*, *43*(3), 435-455. doi: 10.1111/j.1467-6486.2006.00597.x
- Brammer, S., & Millington, A. (2005). Corporate Reputation and Philanthropy: An Empirical Analysis. *Journal of Business Ethics*, *61*(1), 29-44. doi: 10.1007/s10551-005-7443-4
- Branco, M. C., & Rodrigues, L. L. (2006). Corporate Social Responsibility and Resource-Based Perspectives. *Journal of Business Ethics*, *69*(2), 111-132. doi: 10.1007/s10551-006-9071-z
- Burson Marsteller. (2011). *Trust & Purpose Survey 2011*. Retrieved from: http://burson-marsteller.eu/wp-content/uploads/2011/06/Trust-brochure.pdf
- Calabrese, A., Costa, R., Menichini, T., & Rosati, F. (2012). Measuring the CSR company-stakeholder fit. *International Journal of Social, Human Science and Engineering*, *6*(11), 665-671. Retrieved from: http://fesrvsd.fe.unl.pt:3240/publications/7830
- Carroll, A. B., & Shabana, K. M. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews*, *12*(1), 85-105. doi: 10.1111/j.1468-2370.2009.00275.x
- Castaldo, S., Perrini, F., Misani, N., & Tencati, A. (2009). The Missing Link Between Corporate Social Responsibility and Consumer Trust: The Case of Fair Trade Products. *Journal of Business Ethics*, *84*(1), 1-15. doi: 10.1007/s10551-008-9669-4
- Chun, R. (2005). Corporate reputation: Meaning and measurement. *International Journal of Management Reviews*, *7*(2), 91-109. doi: 10.1111/j.1468-2370.2005.00109.x
- Delgado-Ballester, E., Munuera-Aleman, J. L., & Yague-Guillen, M. J. (2003). Development and validation of a brand trust scale. *International Journal of Market Research*, *45*(1), 35-54. Retrieved from: http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.201.5789&rep=rep1&type=pdf
- Dolnicar, S., & Pomering, A. (2007, December 3-6). Consumer response to corporate social responsibility initiatives: An investigation of two necessary awareness states. In M. Thyne, K. R.. Deans & J. Gnoth (Eds.). *Proceedings of the Australian and New Zealand Marketing Academy Conference* (pp. 2825-2831). Retrieved from: http://ro.uow.edu.au/cgi/viewcontent.cgi?article=1450&context=commpapers
- Donaldson, T., & Preston, L. E. (1995). The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *The Academy of Management Review*, *20*(1), 65-91. Retrieved from: http://fesrvsd.fe.unl.pt:2078/stable/258887
- Du, S., Bhattacharya, C. B., & Sen, S. (2010). Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication. *International Journal of Management Reviews*, *12*(1), 8-19. doi: 10.1111/j.1468-2370.2009.00276.x
- Ducassy, I. (2013). Does Corporate Social Responsibility Pay Off in Times of Crisis? An Alternate Perspective on the Relationship between Financial and Corporate Social Performance. *Corporate Social Responsibility and Environmental Management*, *20*(3), 157-167. doi: 10.1002/csr.1282
- European Commission, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS: A renewed EU strategy 2011-14 for Corporate Social Responsibility, COM(2011) 681 Final (October 2011). Retrieved from: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0681:FIN:EN:PDF
- Fernández, B., & Souto, F. (2009). Crisis and Corporate Social Responsibility: Threat or Opportunity?. *International Journal of Economic Sciences and Applied Research*, *2*(1), 36-50. Retrieved from: http://fesrvsd.fe.unl.pt:2076/login.aspx?direct=true&db=bth&AN=50800790&site=ehost-live&scope=site
- Folkes, V. S., & Kamins, M. A. (1999). Effects of information about firms' ethical and unethical actions on consumers' attitudes. *Journal of Consumer Psychology*, *8*(3), 243-259. Retrieved: http://fesrvsd.fe.unl.pt:2189/10.1207/s15327663jcp0803_03
- Fombrun, C. J. (1996). *Reputation*. Boston, MA: Harvard Business School Press.
- Fombrun, C., & Shanley, M. (1990). What's in a Name? Reputation Building and Corporate Strategy. *The Academy of Management*, *33*(2), 233-258, Retrieved from: htpp://fesrvsd.fe.unl.pt:2078/stable/256324
- Frangos, C., Frangos, C., Sotiropoulos, I., Orfanos, V., Toudas, K., & Gkika, E. (2012). The effects of the Greek economic crisis on eating habits and psychological attitudes of young people: A sample survey among Greek university students. In *Proceedings of the World Congress of Engineering* (Vol. 1). Retrieved from: http://core.kmi.open.ac.uk/download/pdf/9280440.pdf
- Freeman, R. E. (1994). The politics of stakeholder theory: Some future directions. *Business ethics quarterly*, *4*(4), 409-421. Retrieved from: http://fesrvsd.fe.unl.pt:2076/login.aspx?direct=true&db=bth&AN=5953336&site=ehost-live&scope=site
- Friedman, M. (1970, September 13). The Social Responsibility Is to Increase Its Profits. *The New York Times Magazine*. Retrieved from: http://fesrvsd.fe.unl.pt:2107/static/pdf/16/bok%253A978-3-540-70818-6.pdf?auth66=1398616671_5fab882674a5d7530eca457630790f86&ext=.pdf
- Gato, H. (2013, January-March). Uma necessidade ou uma vontade altruísta?. *Cadernos de Economia*, *102*, 28-31.
- Giannarakis, G., & Theotokas, I. (2011). The Effect of Financial Crisis in Corporate Social Responsibility Performance. *International Journal of Marketing Studies*, *3*(1), 2-10. Retrieved from: http://fesrvsd.fe.unl.pt:2053/journal/index.php/ijms/article/viewFile/9268/6833
- Goodpaster, K. E. (1991). Business Ethics and Stakeholder Analysis. *Business Ethics Quarterly*, *1*(1), 53-73. Retrieved from: http://fesrvsd.fe.unl.pt:2078/stable/3857592
- Guimarães, P. (2013, January-March). A ética da coerência. *Cadernos de Economia*, *102*, 15-16.
- Gupta, S., & Pirsch, J. (2006). The company-cause-customer fit decision in cause-related marketing. *Journal of Consumer Marketing*, *23*(6), 314-326. doi: 10.1108/07363760610701850#sthash.IEpV4xnT.dpuf
- Hamilton, D. L., & Sherman, S. J. (1996). Perceiving persons and groups *Psychological review*, *103*(2), 336-355. doi: 10.1037/0033-295X.103.2.336
- Handy, C. (2002). What is a business for?. *Harvard business review*, *80*(12), 48-55. Retrieved from: http://www.lib.ntou.edu.tw/exam/dr/ship/97/3.pdf
- Husted, B. W., & Allen, D. B. (2005). Corporate social Responsibility in the multinational enterprise: strategic and institutional approaches. *Journal of International Business Studies*, *37*(6), 838-849. Retrieved from: http://www.jstor.org/stable/4540387
- Kamin, S. B., & DeMarco, L. P. (2012). How did a domestic housing slump turn into a global financial crisis?. *Journal of International Money and Finance*, *31*(1), 10-41. Retrieved from: http://www.frbatlanta.org/documents/cenfis/eventscf/IntDeMarco.pdf

- Karaibrahimoglu, Y. Z. (2010). Corporate social responsibility in times of financial crisis. *African Journal of Business Management*, *4*(4), 382-389. Retrieved from: http://academicjournals.org/article/article1380707807_Karaibrahimoglu.pdf
- Kotler, P., & Lee, N. (2008). *Corporate social responsibility: Doing the most good for your company and your cause*. Hoboken, NJ: John Wiley & Sons.
- Lafferty, B. A., & Goldsmith, R. E. (2005). Cause-brand alliances: does the cause help the brand help the cause?. *Journal of Business Research*, *58*(4), 423-429. doi:10.1016/j.jbusres.2003.07.001
- Lapavitsas, C., Kaltenbrunner, A., Lambrinidis, G., Lindo, D., Meadway, J., Michell, J. et al. (2010). *The Eurozone between austerity and default* (RMF Discussion Report). Research on Money and Finance. Retrieved April 26th, 2014, from: http://www.economiacritica.net/wp-content/uploads/downloads/2010/11/RMF-Eurozone-Austerity-and-Default.pdf
- Lee, E. M., Park, S. Y., Rapert, M. I., & Newman, C. L. (2012). Does perceived consumer fit matter in corporate social responsibility issues?. *Journal of Business Research*, *65*(11), 1558-1564. Retrieved from: http://dx.doi.org/10.1016/j.jbusres.2011.02.040
- Lee, M. P. (2008). A Review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, *10*(1), 53-73. doi: 10.1111/j.1468-2370.2007.00226.x
- Levin, K. A. (2006). Study design III: Cross-sectional studies. *Evidence-based dentistry*, *7*(1), 24-25.
- Lindgreen, A., Maon, F., Reast, J., & Yani-De-Soriano, M. (2012). Guest Editorial: Corporate Social Responsibility in Controversial Industry Sectors.*Journal of business ethics*, *110*(4)1-3. doi:10.1007/s10551-012-1488-y
- McElhaney, K. (2009). A strategic approach to corporate social responsibility. *Leader to Leader*, *52*(1), 30-36. Retrieved from: http://efnorthamerica.com/documents/events/ccc2008/Mark-Kramer-Keynote/Strategy-Society.PDF
- McWilliams, A., & Siegel. D. (2000). Corporate Social Responsibility and Financial Performance: Correlation or Misspecification?. *Strategic Management Journal*, *21*(5), 603-609. doi: 10.1002/(SICI)1097-0266(200005)21:5<603::AID-SMJ101>3.0.CO;2-3
- McWilliams, A., Siegel, D. S., & Wright, P. M. (2006). Corporate Social Responsibility: Strategic Implications. *Journal of Management Studies*, *43*(1), 1-18. doi: 10.1111/j.1467-6486.2006.00580.x
- Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. *The Academy of Management Review*, *22*(4), 853-886. Retrieved from: http://www.jstor.org/stable/259247
- Mohr, L. A., & Webb, D. J. (2005). The Effects of Corporate Social Responsibility and Price on Consumer Responses. *The Journal of Consumer Affairs*, *39*(1), 121-147. doi: 10.1111/j.1745-6606.2005.00006.x
- Nicholls, A. J. (2002). Strategic options in fair trade retailing. *International Journal of Retail & Distribution Management*, *30*(1), 6-17. Retrieved from: http://dx.doi.org/10.1108/09590550210415220
- Njoroge, J. (2009). *Effects of the global financial crisis on corporate social responsibility in multinational companies in Kenya* (Covalence Intern Analyst Papers). Covalence Ethical Quote. Retrieved April 26th, 2014, from: www.covalence.ch/docs/Kenya-Crisis.pdf
- Pedersen, E. R. (2006). Making Corporate Social Responsibility (CSR) Operable: How Companies Translate Stakeholder Dialogue into Practice. *Business and Society Review*, *111*(2), 137-163. doi: 10.1111/j.1467-8594.2006.00265.x
- Peloza, J. (2005, January). *Corporate Social Responsibility as Reputation Insurance* (UC Center for Responsible Business Working Paper). Retrieved from the University of California, Berkeley, website: http://fesrvsd.fe.unl.pt:2206/uc/item/7258w42x
- Peloza, J., & Papania, L. (2008). The Missing Link between Corporate Social Responsibility and Financial Performance: Stakeholder Salience and Identification, *Corporate Reputation Review*, *11*(2), 169-181. doi: 10.1057/crr.2008.13
- Pivato, S., Misani, N., & Tencati, A. (2008). The impact of corporate social responsibility on consumer trust: the case of organic food. *Business Ethics: A European Review*, *17*(1), 3-12. doi: 10.1111/j.1467-8608.2008.00515.x
- Porter, M. E., & Kramer, M. R. (2006). The link between competitive advantage and corporate social responsibility. *Harvard business review*, *84*(12), 78-92. Retrieved from: http://efnorthamerica.com/documents/events/ccc2008/Mark-Kramer-Keynote/Strategy-Society.PDF
- Quesado, F. J. (2013, January-March). A nova ética social. *Cadernos de Economia*, *102*, 18-51.
- Rahman, S. (2011). Evaluation of Definitions: Ten Dimensions of Corporate Social Responsibility. *World Review of Business Research*, *1*(1), 166-176. Retrieved from: http://wrbrpapers.com/static/documents/March/2011/13.%20Shafiq-%20FINAL.pdf
- Rebelo, G. (2013, Januar-March). Ética e responsabilidade social nas organizações. *Cadernos de Economia*, *102*, 40-43.
- Reis, R. (2013, August). *The Portuguese slump and crash and the Euro crisis* (NBER Working Paper No. 19288). Retrieved from the National Bureau of Economic Research: http://www.nber.org/papers/w19288
- Roth, F. (2009). The effect of the financial crisis on systemic trust.*Intereconomics*, *44*(4), 203-208. doi: 10.1007/s10272-009-0296-9
- Rowley, T. J. (1997). Moving beyond Dyadic Ties: A Network of Stakeholder Influences. *The Academy of Management Review*, *22*(4), 887-910. Retrieved from: http://www.jstor.org/stable/259248
- Selvi, Y., Wagner, E., & Türel, A. (2010). CORPORATE SOCIAL RESPONSIBILITY IN THE TIME OF FINANCIAL CRISIS: EVIDENCE FROM TURKEY. *Annales Universitatis Apulensis-Series Oeconomica*, *12*(1), 281-290. Retrieved from: http://oeconomica.uab.ro/upload/lucrari/1220101/28.pdf
- Silva, M. P. (2013, January-March). Da ética à responsabilidade social. *Cadernos de Economia*, *102*, 20-23.
- Soper, D.S. (2014). Critical F-value Calculator [Software]. Retrieved April 26th, 2014, from: http://www.danielsoper.com/statcalc
- Stoian, C. (2013). How to Deal with Corporate Social Responsibility in Financial Crisis. *Annales Universitatis Apulensis Series Oeconomica*, *15*(1), 333-338. Retrieved from: http://oeconomica.uab.ro/upload/lucrari/1520131/27.pdf
- Swaen, V., & Chumpitaz, R. C. (2008). Impact of corporate social responsibility on consumer trust. *Recherche et Applications en Marketing (English Edition)*, *23*(4), 7-34. doi: 10.1177/205157070802300402
- The Fair Trade Foundation (n.d.) In *The Fair Trade Foundation*. Retrieved April 25th, 2014, from: http://www.fairtrade.org.uk/what_is_fairtrade/fairtrade_foundation.aspx
- Torres, F. (2009). Back to external pressure: policy responses to the financial crisis in Portugal. *South European Society and Politics*, *14*(1), 55-70. doi: 10.1080/13608740902995851
- Tsoutsoura, M. (2004). *Corporate Social Responsibility and Financial Performance* (UC Center for Responsible Business Working Paper). Retrieved from the University of California, Berkeley, website: http://fesrvsd.fe.unl.pt:2206/uc/item/111799p2
- Turker, D. (2009). Measuring Corporate Social Responsibility: A Scale Development Study. *Journal of Business Ethics*, *85*(4), 411-427. doi: 10.1007/s10551-008-9780-6
- Vos, J. F. J. (2003). Corporate social responsibility and the identification of stakeholders. *Corporate Social Responsibility and Environmental Management*, *10*(3), 141-152. doi: 10.1002/csr.39
- Waddock, S. A., & Graves, S. B. (1997). The corporate social performance. *Strategic management journal*, *8*(4), 303-319. Retrieved from: http://www.davideacrowther.com/csrmodule/csrreading5b.pdf
- Walsh, G., & Beatty, S. E. (2007). Customer-based corporate reputation of a service firm: scale development and validation. *Journal of the Academy of Marketing Science*, *35*(1), 127-143. doi: 10.1007/s11747-007-0015-7
- Werther, W. B., & Chandler, D. (2005). Strategic corporate social responsibility as global brand insurance. *Business Horizons*, *48*(4), 317-324. doi: 10.1016/j.bushor.2004.11.009
- Williams, R. J., & Barrett, J. D. (2000). Corporate Philanthropy, Criminal Activity, and Firm Reputation: Is There a Link?. *Journal of Business Ethics*, *26*(4), 341-350. doi: 10.1023/A:1006282312238
- Wyplosz, C. (2010). *The Eurozone in the current crisis* (ADBI Working Paper No. 207). Retrieved from the EconStor website: http://hdl.handle.net/10419/53587
- Yelkikalan, N., & Köse, C. (2012). The Effects of the Financial Crisis on Corporate Social Responsibility. *International Journal of Business and Social Science*, *3*(3), 292-300. Retrieved from: http://www.ijbssnet.com/journals/Vol_3_No_3_February_2012/31.pdf

Appendices

Appendix 1: The Cases in the Consumer Survey

The Business News

Wednesday, March 26th, 2014

Power Oil Stops Major Social Responsibility Initiative

The oil and gas *Power Oil Group* has stopped the implementation of a major initiative in the context of social responsibility. Until this year, the company's *Preserve Nature* initiative promoted the preservation of the environment by working in partnership with local NGO's. *Power Oil* was asked to comment on this and made the following statement: "*Power Oil has had to temporarily interrupt the Preserve Nature initiative due to the current economic conjecture, but plans to reestablish its strong commitment to the preservation of the environment in the near future*".

The Business News

Wednesday, March 26th, 2014

Power Oil Stops Major Social Responsibility Initiative

The oil and gas *Power Oil Group* has discontinued a major initiative in the context of social responsibility. Until this year, the company made significant financial philanthropic contributions to NGO's devoted to cancer research. *Power Oil Group* was asked to comment on this and made the following statement: "*Power Oil Group has had to temporarily postpone its philanthropic contributions due to the current economic conjecture, but plans to reestablish its strong commitment to cancer research in the near future*".

The Business News

Wednesday, March 26th, 2014

Greenroot Stops Major Social Responsibility Initiative

The *Fair Trade* tea and coffee producer *Greenroot Corporation* has stopped the implementation of a major initiative in the context of social responsibility. Until this year, the company's *Preserve Nature* initiative promoted the preservation of the environment by working in partnership with local NGO's. *Greenroot* was asked to comment on this and made the following statement: "*Greenroot has had to temporarily interrupt the Preserve Nature initiative due to the current economic conjecture, but plans to reestablish its strong commitment to the preservation of the environment in the near future*".

The Business News

Wednesday, March 26th, 2014

Greenroot Stops Major Social Responsibility Initiative

The *Fair Trade* tea and coffee producer *Greenroot Corporation* has discontinued a major initiative in the context of social responsibility. Until this year, the company made significant financial philanthropic contributions to NGO's devoted to cancer research. *Greenroot* was asked to comment on this and made the following statement: "*Greenroot has had to temporarily postpone its philanthropic contributions due to the current economic conjecture, but plans to reestablish its strong commitment to cancer research in the near future*".

Appendix 2: The Questionnaire in the Consumer Survey

(7 – Completely agree; 6 – Agree; 5 – Somewhat agree; 4 – Neither agree nor disagree; 3 – Somewhat disagree; 2 – Disagree; 1 – Completely disagree)

Level of CSR
This company appears to:
Provide a wide range of indirect benefits to improve the quality of employees' lives.
Be primarily concerned with employees' needs and wants.
Have as one of its main principles the provision of high-quality products to its customers.
Have products that comply with the national and international standards.
Provide full and accurate information about its products to its customers.
Respect consumer rights beyond the legal requirements.
Consider customer satisfaction as highly important.
Be responsive to the complaints of its customers.
Be known as a respected and trustworthy company.
Emphasize the importance of its social responsibilities to the society.
Contribute to campaigns and projects that promote the well-being of the society.
Always pay its taxes on a regular and continuing basis.
Comply with legal regulations completely and promptly.
Try to help the government in solving social problems.
Act legally on all matters.
Have honesty as its main principle in every business dealing.
Cooperate with its competitors in social responsibility projects.
Compete with its rivals in an ethical framework.
Always avoid unfair competition.
Implement special programs to minimize its negative impact on the natural environment.
Participate in activities which aim to protect and improve the quality of the natural environment.
Have the necessary equipment to reduce its negative environmental impact.
Make well-planned investments to avoid environments degradation.
Target sustainable growth which considers future generations.
Make investment to create a better life for future generations.
Conduct research & development projects to improve the well-being of society in the future.
Make sufficient monetary contributions to charities.
Support nongovernmental organizations working in problematic areas.
Consider every warning of nongovernmental organizations.

Firm Reputation
It appears that this company:
Customer Orientation
Has employees who are concerned about customer needs.
Has employees who treat customers courteously.
Is concerned about its customers.
Treats its customers fairly.
Takes customer rights seriously.
Cares about all of its customers regardless of how much money they spend with them.
Good Employer
Is a good company to work for.
Treats its people well.
Has excellent leadership.
Has management who seems to pay attention to the needs of its employees.
Has good employees.
Maintains high standards in the way it treats people.
Is well-managed.
Reliable and Financially Strong Company
Tends to outperform competitors.
Seems to recognize and take advantage of market opportunities.
Has strong prospects for future growth.
Would be a good investment.
Makes financially sound decisions.
Has a strong record of profitability.
Is doing well financially.
Seems to have a clear vision of its future.
Is aware of its responsibility to society.
Social and Environmental Responsibility
Would reduce its profit to ensure a clean environment.
Is environmentally responsible.
Supports good causes.

Brand Trust
Fiability
This company would meet my expectations.
I would feel confidence in this company.