Exploring the differences of CSR and CSE activities on consumer attributions and responses

Anita Gertrud Eisterlehner 2090

A Project carried out on the Master in Management Program, under the supervision of Professor Joana Story

January 2016
Title

Exploring the differences of CSR and CSE activities on consumer attributions and responses

Abstract

The following directed research project analyzes how different sustainability efforts of an organization influence consumers’ responses in an industry, which faces high controversy. The study tested shows how two different high fit sustainability endeavors, namely high fit Corporate Social Responsibility (CSR) activities and Corporate Social Entrepreneurship (CSE), affect the way consumers’ attributions are being made with regard to the company’s motive. With data gathered from surveying 156 participants, the study provides evidence that CSR as well as CSE programs stimulate values-driven attributions which positively affect consumers’ trust, corporate reputation and corporate image. Lastly, theoretical and managerial implications of the study are discussed and future research suggestions provided.

Keywords: Corporate Social Responsibility, Corporate Social Entrepreneurship, consumers’ attributions, consumers’ responses
1. Introduction

Based on the belief that relevant stakeholders such as consumers, employees, government and the general public will act favorably towards a company that engages in sustainability and that there is a potential to generate greater profits, companies spend more and more on such endeavors (CQ Researcher, 2009). Most organizations today have Corporate Social Responsibility (CSR) initiatives (Franklin, 2008) as part of their contribution to sustainability and are willing to dedicate a substantial amount of money each year to those (Smith, 2014). Some companies like Danone go a different path and engage in Corporate Social Entrepreneurship (CSE) through collaborations and establish a new identity (Rangan & Lee, 2012). Generally, CSR as well as CSE initiatives cover economic, social and environmental issues.

Even though many best-practices can be found, sustainability efforts of companies are sometimes misdirected as managers become increasingly confused by the abundance of available sustainability research (Laszlo, 2008). Further, consumers have become increasingly critical and do not unquestionably accept a company’s sustainability activities as honest and sincere actions. Past scandals such as the ones from Enron and Exxon have increased lasting skepticism and a constant fear of green washing is prevalent (Chen, Lin, & Chang, 2014). Moreover, research suggests that companies who act under insincere motives get penalized by consumers (Becker-Olsen, Cudmore, & Hill, 2006; Sen & Bhattacharya, 2001). Therefore, perceived corporate motives of a company’s sustainability practices are of utmost importance in identifying successful sustainability initiatives (Ellen, Webb, & Mohr, 2006). Research indicates that alone strategic- (where business goals are pursued by the company) and values-driven (where the incentive of the company is altruistic) attributions lead to positive consumer responses such as consumer trust, corporate reputation and corporate image (Ellen et al., 2006; Swaen & Chumpitaz, 2008; Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009; Walsh & Beatty, 2007). Hence, these consumer responses may be seen as performance variables of a company’s sustainability
practices. However, it needs to be noted that there is relatively little empirical research on how sustainability initiatives affect consumer responses.

Traditionally, CSR has been distinguished between low fit and high fit activities. In other words, CSR activities varied with the degree of alignment with the company’s core business. Hereby, low fit activities were characterized by having a minor to no relation between the cause and the company’s core business, while high fit CSR activities were having a strong relation between the cause and the company’s core business (Hoeffler & Keller, 2002). However, during the past decade, the notion of CSE emerged, which has been favored by social-market failure, caused by governments and the private sector in not meeting social needs in e.g. public goods (Austin, Wei-Skillern, & Stevenson, 2003; Leonard, Reficco, Wei-Skillern, & Austin, 2006; Weisbrod, 1975). Poverty reduction and exploring new business segments in form of unserved markets – like the rural poor in developing countries – are giving corporations great opportunities for CSE (Hart & Milstein, 2003; Porter & Kramer, 2011). Further, research showed that a higher fit of CSR activities resulted in more favorable consumer attributions and, hence, more positive consumer responses (Ellen et al., 2006; Fein, 1996). However, these results have not been tested for companies engaging in CSE initiatives, although scholar like Austin and Reficco argue that Corporate Social Entrepreneurship (CSE) is the logical consequence of Corporate Social Responsibility (CSR), especially of high fit endeavors. Thus, this Work Project aims at contributing to the CSR and CSE literature by answering the following research questions:

- (a) Do consumers associate different motivations behind CSR and CSE initiatives?
- (b) Is the perceived effectiveness of sustainability initiatives (of both CSR and CSE) dependent on perceived corporate motives of consumers?
- (c) Do consumers rate CSE initiatives higher than CSR initiatives?

Therefore, this work project aims at providing evidence on how high-fit sustainability activities affect consumer attributions and consumer responses. Further, it contributes to the Corporate Social Responsibility as well as Corporate Social Entrepreneurship literature as it is the first study, which explores consumer attributions and consumer responses in relation to CSE as a consequence of CSR,
which means this work project treats CSE as a “process for invigorating and advancing the development of CSR” (Austin & Reficco, 2009). This understanding has implications on how management needs to design effective CSR and CSE programs.

This work project will investigate the raised questions based on a literature review and an experiment research design. The literature review will be used to develop a set of hypotheses that correlate to the research’s main questions. The following section will portray the research model and the used methodology. The collected data from the performed surveys will then be presented and followed by a presentation of the results. Subsequently, the results will be discussed accordingly to the drawn hypothesis and managerial as well as theoretical implications will be highlighted. Further, limitations and future research suggestions will be provided. At the end of the study a conclusion will be presented.

2. Literature Review

2.1 Sustainable Development, Corporate Social Responsibility and Shared Value

Business plays an integral part in society and vice versa. This interdependency is a topic, which drives scholars. Companies try to account for this relationship with CSR policies and initiatives on sustainable development (Carroll, 1999). However, until today the concepts of CSR and sustainable development are still vague and multiple definitions can be found (Carroll, 1999; Mebratu, 1998). Further, both concepts are often used interchangeable as there is no common agreement on their definition (Wilson, 2003).

The definition constructed by the World Commission on Environment and Development (WCED) specifies sustainable development as the development that “meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development [WCED], 1987). The WCED’s definition contains the idea of needs and linkages between poverty reduction, social equality, and environmental improvement through sustainable economic growth. Further, it accounts for limitations which are imposed by the current state of technology and social organization (Mebratu, 1998; WCED, 1987). This definition indicates a causal
relationship between sustainability and business. Industry leaders such as DuPont, Wal-Mart, Lafarge, and NatureWorks LLC are examples of globally acting companies, which incorporate sustainability into their core business and try to achieve a competitive advantage by doing so (Laszlo, 2008). Further, Laszlo (2008) argues that in the current competitive environment, stakeholder value is created by a company’s economic, ecological, and social impacts.

Based on the recognition of the causal relationship between the state of economic, social, and environmental development with the performance of businesses, companies look for ways to incorporate it into their practice, which is done by shared value creation. The World Business Council for Sustainable Development (WBCSD) defines CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large” (Watts & Holme, 1998). Further, the WBCSD places the concept of CSR in relation to sustainable development and describes CSR as well as corporate financial and environmental responsibility as part of sustainable development. This definition acknowledges that CSR goes beyond just legal regulations and shareholders’ interest. It includes the legitimate interest of stakeholders and describes CSR as an ongoing process, which should be of strategic importance to the company (Watts & Holme, 1998). The European Commission defines CSR “as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European Communities, 2001).

These institutional definitions go in line with the definitions created by scholars. Carroll and Buchholtz (2014) speak of four components of CSR, which encompass economic, legal, ethical, and philanthropic expectations, which society has towards organizations and which are mutually exclusive (Carroll & Buchholtz, 2014). Further, Carroll argues that possible tensions between an organization’s economic responsibilities (concern for profits) and legal, ethical, and philanthropic responsibilities (concern for society) are intertwined in a manner that CSR is the reconciliation of those responsibilities.
and concerns (Carroll & Buchholtz, 2014). Hence, CSR is directed towards stakeholders as a whole and not only towards shareholders.

According to the stakeholder theory, a company has to account to “any group or individual who can affect or is affected by the achievement of the organization's objectives” (Freeman, 2010). Stakeholders are characterized by the three relationship attributes power, legitimacy, and urgency and they may have ownership of the company (Mitchell, Agle, & Wood, 1997). Therefore, stakeholders are for example a company’s employees, investors/shareholders, customers, suppliers, the environment, the government, and the general community (Carroll & Buchholtz, 2014; Mitchell et al., 1997). The interest of stakeholders is business sustainability, which encompasses managing the triple bottom line, resiliency over time, and creation of economic value, which contributes to healthy ecosystems (Carroll & Buchholtz, 2014).

The Triple Bottom Line (TBL) consists of three sustainability dimensions: profits, people, and planet, which are the economic, social, and environmental concerns that have been raised before. The TBL is by definition “a process by which firms manage their financial, social and environmental risks, obligations and opportunities” (Elkington, 1998). Thus, the TBL largely incorporates the definitions of CSR as it encourages companies to minimize their negative impact on society and the environment, while actively contributing to a positive economic development, which empowers organizations to meet future societal and environmental needs (Hart & Milstein, 2003). Thus, by simultaneously following the three principals of the TBL a company can become a sustainable business (Elkington, 1998; Hart & Milstein, 2003).

According to Porter and Kramer, a company should strive for a link between its CSR activities and its competitive advantage to create shared value (Porter & Kramer, 2006; Porter & Kramer, 2011). According to Porter and Kramer,

[i]he concept of shared value can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social
conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress (Porter & Kramer, 2011).

Therefore, companies need to deviate from simply mitigating harm towards “reinforcing corporate strategy through social progress” and aim at strategic CSR (Porter & Kramer, 2006). Strategic CSR is based on actions of a company that are closely related to a company’s business and the social issue associated with it. This gives the company the opportunity to leverage its recourses and to consequently benefit society (Laszlo, 2008; Porter & Kramer, 2006). In this case it can be seen as high fit CSR activities as they are characterized by a link between the cause and the company’s core business. On the other end are low fit CSR activities, which are characterized by having a minor to no relation between the cause and the company’s core business and solely aim at mitigating harm (Hoeffler & Keller, 2002).

The different definitions show several similarities. Firstly, a company has social, environmental, and economic responsibility. Secondly, a company’s responsibility goes hand in hand with legal regulations and thirdly, the company addresses the needs of a broad group of stakeholders, while fourthly aiming at a long-term performance. Further, CSR is part of sustainable development and contributes via shared value creation, which benefits future generations of stakeholders as well as the company itself.

According to Hart and Milstein (2003), a company can only survive the hurdles of globally arising challenges through creation of sustainable value, which means to actively contribute to sustainable development by “delivering simultaneously economic, social, and environmental benefits – the so-called triple bottom line” (Hart & Milstein, 2003). Ultimately, such a company would follow a sustainability vison of creating a “shared roadmap for meeting unmet needs” and thus, benefit from a future “growth trajectory” (Hart & Milstein, 2003). Through creating a dialog between the company and the formerly ignored stakeholders, which can be found at the base of the pyramid, a company can grow through serving formerly unserved markets (Hart & Milstein, 2003) and incorporate the main idea of
Corporate Social Entrepreneurship (CSE) of creating simultaneous economic and social value by leveraging recourses and competencies (Leonard et al., 2006).

2.2 Corporate Social Responsibility and Corporate Social Entrepreneurship

The concept of Corporate Social Entrepreneurship (CSE) is fairly new in academia and has its roots in several different disciplines and concepts. CSE is based on the ideas of entrepreneurship, corporate entrepreneurship, and social entrepreneurship (Austin & Reficco, 2009). Entrepreneurship itself is defined as “the pursuit of opportunity through innovative leverage of resources that for the most part are not controlled internally” (Stevenson, 2006; Stevenson & Gumpert, 1985). Entrepreneurship has shown to have many different faces and forms. Covin and Miles (2006) focused on studying Corporate Entrepreneurship, which is defined as “the presence of innovation with the objective of rejuvenating or redefining organizations, markets, or industries in order to create or sustain competitive superiority” (Covin & Miles, 2006). At the same time, the concept of Social Entrepreneurship was further explored by scholars and has been defined as “innovative activity with a social purpose in either the private or nonprofit sector, or across both” (Dees, 2001). However, it needs to be noted that the various directions within the entrepreneurship field are young in comparison to other management disciplines and multiple as well as vague definitions can be found (Hemingway, 2005), which is especially the case for the social entrepreneurship field (Dees, 2001; Michelini & Fiorentino, 2012; Michelini, 2012).

Developed further, CSE is defined as

the process of extending the firm’s domain of competence and corresponding opportunity set through innovative leveraging of resources, both within and outside its direct control, aimed at the simultaneous creation of economic and social value. (Leonard et al., 2006)

Therefore, CSE can be understood as the logical sequence of CSR. Austin and Reficco (2009) describe CSE as being “a process aimed at enabling business to develop more advance and powerful forms of Corporate Social Responsibility” (Austin & Reficco, 2009).
Today many companies have adopted CSR practices and get certified for their efforts by institutions like the Global Reporting Initiative (GRI). However, those CSR endeavors are often trapped at a defensive or compliance stage (Zadek, 2004) and engage in generic CSR activities rather than incorporating the interdependence of business and society into their core business (Hart & Milstein, 2003; Porter & Kramer, 2006, 2011). From the shared value perspective, companies can free economic value by expanding their business to third world countries as they represent an underserved market with big social challenges that create an opportunity for future business growth (Hart & Milstein, 2003). This holds since CSE can also imply being a for-profit organization, which distributes dividends to its shareholders (Michelini, 2012).

According to Austin and Reficco (2009) “creating an enabling environment, fostering corporate social intrapreneurs, amplifying corporate purpose and values, generating double value, [and] building strategic alliances” (Austin & Reficco, 2009) is essential for incorporating successfully CSE strategies. One of the most prominent examples of CSE is Grameen Danone Foods Ltd., a social business joint venture of the French Groupe Danone and Bangladeshi microcredit bank Grameen Group, which was founded in March 2006 in Bangladesh. This social business is based on Yunus’ definition of a social business, where no dividends are distributed and all profits are re-invested (Yunus, 2010). The underlying idea of the joint venture was to reduce malnutrition among Bangladeshi children and to improve the living conditions of the poorest of the community through involving them in the supply, production, and sale of low-cost yoghurts, enriched with nutrients (Rangan & Lee, 2012). Further, the objectives included that non-renewable resources should be preserved and that economic sustainability should be ensured while seeking profitability (Rangan & Lee, 2012). Grameen Danone Foods’ profitability is evaluated by the achievement of a set of objectives and by the positive social impact they generate (danone.communities, 2015).

As this real life example shows, CSE is a matter of pursuing new opportunities and striving for disruptive change with the objective to create social, environmental as well as economic value. Further,
CSE projects generally involve the creation of a new organizational form, which is more dedicated to the needs and wants of stakeholders without ownership. Until today, very little research has been done with the objective to evaluate CSE and CSR in relation to consumer attributions and consumer responses such as consumer trust, corporate reputation, and corporate image. Further, there is a research gap on how consumer responses of CSE are different from responses triggered by CSR activities.

2.3 Motives and consumer attributions

The motives for a company’s CSR as well as CSE activities are often questioned by consumers. Moreover, consumer responses such as consumer satisfaction (Luo & Bhattacharya, 2006), consumer trust (Swaen & Chumpitaz, 2008; Vlachos et al., 2009), consumer attitude towards the company and the product (Brown & Dacin, 1997) as well as their purchase intent (Klein, 2004; Sen & Bhattacharya, 2001) are often difficult to foresee. The cognitive processing of a company’s stakeholders in relation to its responsibility programs is key in understanding why high fit CSR activities are effective and how the effectiveness may differ with regard to CSE.

Based on attribution theory (Jones & Harris, 1967; Kelley, 1967; Kelly & Michela, 1980), past research has shown that the motives, which consumers attribute as the cause of a company’s CSR activities, influence the effectiveness of those CSR activities (Ellen et al., 2006). Formerly, scholars argued that self-centered motives, which for example serve economic ends, did not have a positive effect on consumers. Further, other-centered motives such as attributed sincere social concerns were viewed to lead to a positive consumer response (Becker-Olsen et al., 2006; Handelman & Stephen, 1999; Webb & Mohr, 1989).

Recently, those assumptions have been re-evaluated and Ellen et al. (2006) have shown that consumer attributions about a company’s motives of its CSR endeavors are more intricate. Accordingly, consumers differentiate self-centered and other-centered motives further (Ellen et al., 2006).

**Self-centered motives.** Self-centered motives are being divided into strategic- and egoistic-driven motives. Strategic motives are those focusing on appropriating the results of strategic business
goals and thus, focus on performance. Performance indicators for strategic motives can be an increase in market share, consumer numbers and/or sales as well as a customer retention rate (Ellen et al., 2006). According to Whetten and Mackey (2002) such strategic business goals are not only immanent for companies as social actors but also largely accepted. On the other hand, egoistic motives are characterized by the exploitation of the cause rather than helping it, an example of such a motive would be pocketing donations or taking advantage of the non-profit organization (Ellen et al., 2006).

**Other-centered motives.** Further, other-centered motives are divided in values-driven and stakeholder-driven motives. Here values-driven motives assume that the company engages in CSR activities because they feel it is the right thing to do and are helping others. However, stakeholder-driven motives infer that the CSR engagement is driven by a perceived pressure originating from the company’s stakeholders and their expectations (Ellen et al., 2006; Yoon, Gürhan-Canli, & Schwarz, 2006).

**Dual motives.** Ellen et al.’s (2006) study showed that consumers responded more positively to CSR efforts, which were perceived as being of strategic- and values-driven nature. This showed that CSR can be triggered by dual motives, which can positively affect the consumers’ purchase intent. Further, strategic (self-centered) motives are not to be disguised and a company can publicly acknowledge such motives. Moreover, egoistic- as well as stakeholder-driven motives evoked negative responses from consumers (Ellen et al., 2006).

From a psychological perspective, negative evoked responses can be traced back to the consumer’s suspicion about the company’s good behavior implying that this behavior might be based on hidden motives (Yoon et al., 2006). The suspicion of hidden motives makes consumers fantasize about “multiple, plausible rival hypotheses about the motives or genuineness” (Fein, 1996) of the company’s actions. Over the past years, consumers have become increasingly demanding in terms of their expectations towards companies’ CSR activities (Becker-Olsen et al., 2006) and have begun to ask why companies engage in such good behavior (Ellen et al., 2006). Therefore, the emerging trend of CSE is a
notable notion, which needs to be further explored. As the number of companies with CSR as well as CSE programs grew and both increasingly shared the information of their efforts with the general public, their efforts also got increasingly monitored by the public. Prominent CSE programs were initiated by Danone in India, OSRAM in Africa, BSH Hausgeräte GmbH in Indonesia and Allianz Deutschland GmbH in India (APF, 2008; Rangan & Lee, 2012; von Nell, 2014). Thus, companies with a feeble public CSR or CSE record face negative consequences and are likely to be scrutinized through e.g. consumer boycotts, reductions in brand images, and sales decrease (Becker-Olsen et al., 2006; Ellen et al., 2006; Sen & Bhattacharya, 2001). Further, Fine (1996) states that a higher fit reduces suspicion. Therefore, it is assumed that the stronger the alignment of sustainability activities of a company is with its core business, the more consumer suspicion is reduced and positive consumer responses are favored.

CSR is based on the acknowledgment of the interdependence of business and society, which has as result that the “attribution of a single motive for CSR is reductionist” (Hemingway, 2013) and that often, dual motives can be attributed (Ellen et al., 2006). On the other hand, CSE is dynamic and proactive and not restricted to corporate governance measures. [...] [A] moral character can manifest via the initiation or championing of a social agenda at work, in conjunction with the profit-driven one. This relates to definitions of CSR as activity which goes beyond the law. (Hemingway, 2013)

Traditionally CSR activities have two possible directions: low fit or high fit (de Jong & van der Meer, 2015). However, CSR activities have increasingly evolved over the past years towards more high fit initiatives. This development in the CSR field also favored the emergence of CSE, which is the logical consequence of high fit CSR initiatives (Austin & Reficco, 2009). As CSE is the next step in this development as once high fit was, it is assumed in this study that CSE is a third possible direction within sustainability efforts of a company. Consequently, it is assumed that the same consumer attributions of self-centered and other-centered motives hold for CSE as they do for CSR. However, CSE can be considered as driving more proactively transformational change and positive impact than CSR, as it is
part of the core business and not only cause-company related. Hence, the question is whether CSE or CSR is more effective to trigger positive consumer responses based on consumer attributions about the motives of a company.

*Hypothesis 1:* (a) *Strategic-* and (b) *values-driven* attributions will be higher for CSE than for high fit CSR initiatives, whereas (c) *egoistic-* and (d) *stakeholder-driven* attributions will be significantly lower for CSE than for high fit CSR initiatives.

2.3 Consumer Responses

Within possible consumer responses this Work Project focuses on consumer trust, corporate reputation and image, which are influenced by the attributions consumers make about the motives of a company’s sustainability practices.

**Consumer Trust**

The term “trust implies a three-part relationship involving at least two actors and one act: I trust specific individuals or specific institutions to do specific things” (Guinnane, 2005). Applied to consumer trust, this would imply that the consumer trusts the company, who is willing to fulfill its obligations and keep its promises. Consumer trust is a key relationship tool for companies as trust in a company, its actions, services and products, is essential for building and maintaining a long-term relationship with the consumer (Morgan & Hunt, 1994). Therefore, trust has positive impact on consumer loyalty and consumer responses, which ultimately leads to the success or failure of a company (Aaker, 2012; Ellen et al., 2006; Vázquez, Lanero, García, & García, 2013; Vlachos et al., 2009). The study of Bhattacharya and Sen (2003) suggests, based on social identity theory (Tajfel & Turner, 1986), that a company’s trustworthiness positively affects the attractiveness to identify oneself with the company and leads to the establishment of long-term relationships. Consumer-company identification based on the trustworthiness of a company’s sustainability activities has been a rather neglected topic in academia.

According to a study performed by Swaen and Chumpitaz (2008), “consumers’ perceptions of CSR activities have a positive influence on their trust toward the company” (Swaen & Chumpitaz,
This result reconfirmed the empirical study of Kennedy, Ferrell and LeClair (2001), which showed that the perceived level of ethics of a company’s actions influences consumer trust (Kennedy, Ferrell, & LeClair, 2001). Further, the perceived level of a company’s ethical commitment and, consequently, the trust-based relationship, foster the belief that companies act honest and that all actions are credible and in accordance with the law (Swæn & Chumpitaz, 2008). The research from Vlachos et al. (2009) concluded that CSR activities originating from perceived strategic- and values-driven motives have a positive effect on consumer trust and result in positive recommendations, whereas egoistic- and stakeholder-driven motives affect consumer trust negatively (Vlachos et al., 2009). Hence, it is assumed that strategic- and values-driven associations for a company’s sustainability efforts increase consumer trust those in companies. Further, it is assumed that for CSE pursuing companies the level of consumer trust will be greater than for traditional high fit CSR activities as the actions of the CSE initiative originate from traditional CSR but are stronger aligned to the company’s core business.

**Corporate Reputation and Image**

Corporate reputation and image are seen as important success factors in today’s business environment, as they are tools of differentiation within increasingly hostile markets and industries (Ellen et al., 2006). However, the two terms are often seen as synonymous and are often difficult to distinguish for managers (Nguyen & Leblanc, 2001).

**Corporate Image.** Gray and Balmer (1998) argue that corporate image is part of corporate reputation. They define corporate image as “the mental picture of the company held by its audiences — what comes to mind when one sees or hears the corporate name or sees its logo” (Gray & Balmer, 1998). According to Arendt and Brettel (2010) corporate image contributes to a positive firm performance and leads to a competitive advantage, especially when CSR endeavors are seen as trustworthy and stakeholder can identify themselves with it. As Menon and Menon (1997) argue, environmental leadership of a firm results in a positive image. In addition, Brown and Dacin (1997) confirm that CSR initiatives result in a favorable corporate image or corporate evaluation and new
product offerings are more positively accepted by consumers when CSR efforts are favorably viewed. Hereby, availability of CSR information is important as it demonstrates the “character of the company” (Brown & Dacin, 1997). Ardent and Brettel (2010) support the relationship between corporate image and CSR and demonstrate a positive relationship to corporate identity building. Based on consumer attribution theory Yoon et al. (2006) argue that there is a positive relationship between earnest motives of companies engaging in sustainability initiatives and corporate image.

**Corporate Reputation.** Corporate reputation on the other hand is defined as “a value judgment about the company’s attributions” (Gray & Balmer, 1998) or as Gotsi and Wilson (2001) argue “corporate reputations are largely dependent on the everyday images that people form of an organization”. Through effective communication strategies and symbolism an organization can convey a positive image about its actions to its relevant stakeholders in the short-run and can establish a positive corporate reputation over time. Further, a positive reputation affects the stakeholders’ willingness to support an organization and will ultimately favor e.g. consumer purchase intentions and, thus, affect a company’s sales and profits (Gray & Balmer, 1998). Thus, a positive corporate reputation can lead to a competitive advantage over time (Balmer, 2009). However, companies have to undergo immense efforts for building a corporate reputation and have to be watchful with their actions as a favorable reputation can be easily lost (Gotsi & Wilson, 2001). Corporate reputation has a close relationship with CSR and therefore also with CSE assuming that CSR eventually leads to CSE (Austin & Reficco, 2009). In research CSR is often used as a tool to measure a company’s reputation (Ellen et al., 2006; Walsh, Beatty, & Shiu, 2009). Fombrun and Shaneley (1990) show that CSR activities are tools that positively influence a company’s reputation. Besides confirming these results Stanaland, Lwin and Murphy (2011) also determined that corporate reputation mitigates potential perceived risks of a company’s products and therefore, impact consumers’ purchase decisions. Moreover, Sen and Bhattacharya (2004) argue that a good reputation of a company increase the likelihood of consumers to identify themselves with the company and evaluate the company more favorable. This is probably the reason why over 90%
of Fortune 500 Companies have established CSR practices (Luo & Bhattacharya, 2006). Moreover, Elving (2013) showed that the fit of a company’s sustainability activities is affecting its reputation and that consumers are generally rather skeptical towards the underlying motivation of the company.

Based on Yoon et al.’s (2006) findings that there is a positive relationship between earnest motives of companies engaging in sustainability initiatives and corporate image and Elving’s (2013) findings on reputation and consumers’ skepticism, sustainability initiatives are able to contribute to a positive corporate reputation and image when consumers associate them with strategic- and values-driven motives. In return the developed assumptions are based on Gray and Balmer’s (1998) definition that corporate image is part of corporate reputation. Hence, the following hypotheses are developed:

**Hypothesis 2:** The more consumers associate high fit CSR or CSE efforts with (a) strategic- and (b) values-driven motives, the more they are likely to trust the company and to increase corporate reputation and corporate image, while (c) egoistic- and (d) stakeholder-driven attributions decrease these consumer responses.

**Hypothesis 3:** The relationship between consumer responses and the fit of sustainability endeavors (high fit CSR and CSE) are mediated by consumer attributions.

![Figure 1: The connectional model of the Work Project](image-url)
3. Methodology

The experiment research design was based on two online surveys, of which each presented a fictitious newspaper article based on a fictitious company. One survey presented a company’s CSR activities, the other a fictitious CSE collaboration. Both scenarios were developed for the bottled water industry, which has been selected as the industry of interest due to its increased controversy in recent years, which is exemplified by the movie “Bottled Life” (Regenass, 2012). Moreover, water is probably the only substance, which will never lack demand due to its vital character. Based on water’s scarcity issue (United Nations, 2015), it provides companies with immense potential to develop their sustainability initiatives with regard to CSR and CSE.

The online experiment was distributed randomly via social media, e-mail and newsletter. Further, a snowball sampling method was used, as all recipients were asked to share the survey. The recipients were informed about the objectives of the study before starting the survey, the credibility of the institution, the usage of a fictitious company and a guarantee about the anonymity of the participation. Further, for every completed survey a donation of 0.25€ to a non-governmental organization, which provides clean drinking water solutions, was announced to enhance participation. Both scenarios were accompanied by a series of questions for each variable and demographics. The surveys can be found under appendices 1 and 2.

The data was collected from November 13, 2015 until December 20, 2015 via Qualtrics. In total, 341 recipients started the surveys (188 CSR, 153 CSE) but only 156 surveys were successfully completed (86 CSR, 70 CSE). This corresponds to an overall dropout rate of 54.25%. The sample was nearly gender balanced with 45% male participants (48% CSR, 41% CSE) and 52% female participants (49% CSR, 56% CSE). In the CSR group, the average age lay between 25 to 34 years (53%), whereas the CSE group’s average age lay between 18 to 24 years (49%). The sample consisted of an international group with most participants coming from Germany (60% CSR, 36% CSE) and Portugal (8% CSR, 17% CSE). The majority of respondents held a Bachelor’s Degree or equivalent (55% CSR, 47% CSE).
The study consisted of participants of all genders, ages, educational background and nationalities as consumer attitudes and responses towards CSR or CSE activities were supposed to be measured regardless of demographic restrictions. In appendix 3 an overview of the sample composition can be found.

After reading the fictitious newspaper article participants were asked to answer a series of questions for each variable. Hereby, participants were asked to what extent they disagree or agree with different statements, which were measured by a psychometric 5-point Likert-type scale (1=strongly disagree to 5=strongly agree).

The mediator variables used to assess consumer attributions were evaluated by a 19 items scale, of which five were contributed by each egoistic-, values- and strategic-driven items and four of stakeholder-driven items, which were adapted from Ellen et al. (2006) and Vlachos et al. (2008). The scale included items such as “… they want it as a tax write-off” for egoistic-driven attributions, “… they care and want to help” for values-driven attributions, “… they will build customer loyalty” for strategic-driven attributions and “… they feel their employees expect it” for stakeholder-driven attributions. Scale reliability was conducted through Conbrach’s alpha. Egoistic-driven attributions for CSR activities show \( \alpha_{CSR}=0.648 \) (\( \alpha_{CSE}=0.700 \)), values-driven attributions show \( \alpha_{CSR}=0.833 \) (\( \alpha_{CSE}=0.737 \)), strategic-driven attributions demonstrate \( \alpha_{CSR}=0.621 \) (\( \alpha_{CSE}=0.820 \)) and stakeholder-driven attributions show \( \alpha_{CSR}=0.680 \) (\( \alpha_{CSE}=0.766 \)). In order to improve scale reliability, item 5 of egoistic-driven attributions “… they want to compensate for previous bad deeds.” (EGO5), and item 5 of strategic-driven attributions “… they want to build a competitive advantage.” (STRA5) were deleted for the CSR survey. Although the scale reliability for egoistic- and stakeholder-driven attributions for the CSR survey could not reach the desired Cronbach’s alpha value of 0.7 and above to portray a high internal validity (Tavakol & Dennick, 2011), it has been decided to include these items in the study as they are critical to the research. The low scale reliability can be explained for example through the study’s small sample size, individual differences of the participants, the general ability to comprehend the instructions, and the participants’ motivation.
The dependent variable of consumer trust was measured by a seven questions scale developed by Swaen and Chumpitaz (2008) and Vlachos et al. (2008). The scale included items such as “Walde Water has high integrity”. Scale reliability for consumer trust shown in the CSR survey is $\alpha_{\text{CSR}}=0.870$ ($\alpha_{\text{CSE}}=0.860$). Corporate reputation was assessed by a 20 questions CBR scale adapted from the study by Walsh and Beatty (2007). A sample item includes “Walde Water is a strong and reliable company” and the scale reliability for the CSR survey has a Cronbach’s alpha of $\alpha_{\text{CSR}}=0.825$ ($\alpha_{\text{CSE}}=0.874$). Corporate image was assessed by an eight questions scale based on Andreassen and Lindestad (1998) as well as Nguyen and Leblanc (2001) studies. The scale included items such as “I have a good impression of Walde Water”. The scale reliability showed a Cronbach’s alpha of $\alpha_{\text{CSR}}=0.741$ ($\alpha_{\text{CSE}}=0.800$). The structure of each mediator and dependent variable can be found in appendix 4.

4. Results

Hypothesis 1, which questions whether high fit CSR or CSE activities of a company affect differently consumer attributions, was tested by an Analysis of Variance (ANOVA). The initiatives of the two tested groups are characterized by a strong alignment to the company’s core business.

Determined by the ANOVA egoistic- ($p=0.693$), values- ($p=0.658$), and stakeholder-driven ($p=0.910$) attributions did not show statistically significant differences (all p-values are greater than 0.05) between the CSR and CSE groups. The variable of strategic-driven attributions suffered from a violation of homogeneity of variances. Due to this violation, a Welch test was performed, which confirmed the statistically significant difference between the CSE and CSR groups with a p-value of $p=0.016$ in relation to the variable strategic-driven attributions.

As the mean of strategic-driven attributions is lower for the CSE group than for the CSR group, hypothesis 1 a) has to be rejected. Further, values-driven attributions do not show a statistically significant difference between the groups, indicating that hypothesis 1 b) is to be rejected. As the means of egoistic-driven attributions between the CSR group and the CSE group does not show a statistical significant difference, hypothesis 1 c) has to be rejected. Moreover, stakeholder-driven attributions do
not show a statistically significant difference between CSE and high fit CSR efforts, indicating that hypothesis 1 d) needs to be rejected.

<table>
<thead>
<tr>
<th></th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egoistic-driven</td>
<td>0.925</td>
<td>1</td>
<td>154</td>
<td>0.338</td>
</tr>
<tr>
<td>Values-driven</td>
<td>0.734</td>
<td>1</td>
<td>154</td>
<td>0.393</td>
</tr>
<tr>
<td>Strategic-driven</td>
<td>15.508</td>
<td>1</td>
<td>154</td>
<td>0.000*</td>
</tr>
<tr>
<td>Stakeholder-driven</td>
<td>0.023</td>
<td>1</td>
<td>154</td>
<td>0.878</td>
</tr>
</tbody>
</table>

*Table 1: Test of homogeneity of variances for consumer attributions with Levene Statistic and Statistical Significance. Note: *. violation of homogeneity

<table>
<thead>
<tr>
<th>Survey</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egoistic-driven</td>
<td>CSR</td>
<td>86</td>
<td>3.33</td>
<td>0.627</td>
<td>0.156</td>
</tr>
<tr>
<td></td>
<td>CSE</td>
<td>70</td>
<td>3.29</td>
<td>0.631</td>
<td></td>
</tr>
<tr>
<td>Values-driven</td>
<td>CSR</td>
<td>86</td>
<td>3.33</td>
<td>0.719</td>
<td>0.197</td>
</tr>
<tr>
<td></td>
<td>CSE</td>
<td>70</td>
<td>3.38</td>
<td>0.650</td>
<td></td>
</tr>
<tr>
<td>Strategic-driven</td>
<td>CSR</td>
<td>86</td>
<td>4.01</td>
<td>0.487</td>
<td>6.411</td>
</tr>
<tr>
<td></td>
<td>CSE</td>
<td>70</td>
<td>3.76</td>
<td>0.721</td>
<td></td>
</tr>
<tr>
<td>Stakeholder-driven</td>
<td>CSR</td>
<td>86</td>
<td>3.36</td>
<td>0.623</td>
<td>0.013</td>
</tr>
<tr>
<td></td>
<td>CSE</td>
<td>70</td>
<td>3.38</td>
<td>0.655</td>
<td></td>
</tr>
</tbody>
</table>

*Table 2: Results of ANOVA for consumer attributions with Sample Sizes, Means, Standard Deviations, F-values and Statistical Significance for p<0.05. Note: Refer to Welch test for p-value*

Further, a bivariate correlation for both CSR and CSE programs was conducted separately in order to assess consumer attributions and consumer responses. Strategic-driven attributions have a positive relationship with consumer corporate reputation (R_{CSR}=0.223) and corporate image (R_{CSR}=0.282) for the CSR group but show a negative relationship with consumer trust (R_{CSR}=0.014). Further, strategic-driven attributions show a negative relationship with consumer trust (R_{CSE}=0.233) and corporate reputation (R_{CSE}=0.046) for the CSE group, which contradicts drawn assumptions. Only corporate image (R_{CSE}=0.011) for the CSE group shows a slight positive relationship of strategic-driven attributions. Hence, hypothesis 2 a) is being rejected for the CSR and CSE group. The analysis of values-driven attributions shows a positive relationship with consumer trust (R_{CSR}=0.508; R_{CSE}=0.548), corporate reputation (R_{CSR}=0.576; R_{CSE}=0.580), and corporate image (R_{CSR}=0.481; R_{CSE}=0.596) for both assessed CSR and CSE groups, which confirms hypothesis 2 b).
As proposed, egoistic-driven attributions show a negative relationship with consumer trust ($R_{CSR}=-0.422$; $R_{CSE}=-0.404$), corporate reputation ($R_{CSR}=-0.413$; $R_{CSE}=-0.325$), and corporate image ($R_{CSR}=-0.365$; $R_{CSE}=-0.323$) for both assessed CSR and CSE groups, upholding hypothesis 2 c). In contrast to the assumption, stakeholder-driven attributions demonstrate ambivalent relationships with consumer responses. Stakeholder-driven attributions have a positive relationship with corporate reputation ($R_{CSR}=0.181$; $R_{CSE}=0.110$) for both assessed CSR and CSE groups, but a negative relationship with corporate image ($R_{CSR}=-0.053$; $R_{CSE}=-0.041$) for the same. Further, stakeholder-driven attributions demonstrate a negative relationship with consumer trust ($R_{CSR}=-0.028$) for the CSR group but a positive relationship for the CSE group ($R_{CSE}=0.070$). Therefore, hypothesis 2 d) cannot be confirmed.

To support these findings, a linear regression analysis was run. The consumer attributions of values-driven and egoistic-driven are the only two attributions which demonstrate significant results and, therefore, back the previously mentioned hypothesis acceptance or rejection. Based on the linear regression analysis, values-driven attributions have the greatest influence on consumer responses followed by egoistic-driven attributions. For the CSR group, values-driven attributions explain 32.4% of the variance of corporate reputation (adj.$R^2_{CSR}=32.7$%), 22.3% of the variance of corporate image (adj.$R^2_{CSE}=34.6$%) and 24.9% of the variance of consumer trust (adj.$R^2_{CSE}=29.0$%). Egoistic-driven attributions explain 16.0% of the variance of corporate reputation (adj.$R^2_{CSE}=9.3$%), 12.3% of the variance of corporate image (adj.$R^2_{CSE}=9.1$%) and 16.9% of the variance of consumer trust (adj.$R^2_{CSE}=15.1$%) for the CSR 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 Egoistic-driven</td>
<td>3.33</td>
<td>0.627</td>
<td>0.648</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Values-driven</td>
<td>3.33</td>
<td>0.719</td>
<td>-0.440**</td>
<td>0.833</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Strategic-driven</td>
<td>4.01</td>
<td>0.487</td>
<td>0.054</td>
<td>-0.007</td>
<td>0.621</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Stakeholder-driven</td>
<td>3.36</td>
<td>0.623</td>
<td>0.156</td>
<td>-0.026</td>
<td>0.102</td>
<td>0.680</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Consumer Trust</td>
<td>3.42</td>
<td>0.503</td>
<td>-0.422**</td>
<td>0.508**</td>
<td>-0.014</td>
<td>-0.028</td>
<td>0.870</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Corporate Reputation</td>
<td>3.53</td>
<td>0.334</td>
<td>-0.413**</td>
<td>0.576**</td>
<td>0.223*</td>
<td>0.181</td>
<td>0.675**</td>
<td>0.825</td>
<td></td>
</tr>
<tr>
<td>7 Corporate Image</td>
<td>3.69</td>
<td>0.459</td>
<td>-0.365**</td>
<td>0.481**</td>
<td>0.282**</td>
<td>-0.053</td>
<td>0.781**</td>
<td>0.650**</td>
<td>0.741</td>
</tr>
</tbody>
</table>

Table 4: Bivariate correlation coefficients, Means, Standard Deviations, and Cronbach's alphas for the CSR group. Note: Values in italics in the main diagonal are Cronbach's alphas; **. Correlation is significant at the 0.01 level; *. Correlation is significant at the 0.05 level.
A mediation analysis was run with the objective to provide support for the relationship between the fit of sustainability endeavors and consumer responses such as consumer trust, corporate reputation and corporate image. According to Preacher and Hayes (2008 & 2004), independent, mediator and dependent variables need to be significantly correlated. The formerly conducted bivariate correlation analysis for the CSR and CSE survey showed that only between egoistic- and values-driven attributions a significant correlation with consumer trust, corporate reputation and corporate image can be determined. Therefore, only egoistic- and values-driven attributions were tested on their mediation ability. Further, the mediation analysis was conducted based on the suggestions by Baron and Kenny (1986). Support for mediation would be achieved if (a) the scenario had significant effect on the consumer response (b) the scenario had significant effect on the consumer attribution and (c) the effect of the scenario is reduced or equal to zero when the mediator is added (Baron & Kenny, 1986).

After running several regression analyses all three consumer responses are significantly predicted by the CSR practices ($b_T=0.617$, $p_T<0.05$; $b_R=0.787$, $p_R<0.05$; $b_I=0.709$, $p_I<0.05$). As the

### Table 5: Bivariate correlation coefficients, Means, Standard Deviations, and Cronbach's alphas for the CSE group. Note: Values in italics in the main diagonal are Cronbach's alphas; **. Correlation is significant at the 0.01 level

<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 Egoistic-driven</td>
<td>3.29</td>
<td>0.631</td>
<td>0.700</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Values-driven</td>
<td>3.38</td>
<td>0.650</td>
<td>-0.400**</td>
<td>0.737</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Strategic-driven</td>
<td>3.76</td>
<td>0.721</td>
<td>0.422**</td>
<td>-0.097</td>
<td>0.820</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Stakeholder-driven</td>
<td>3.38</td>
<td>0.655</td>
<td>0.162</td>
<td>0.112</td>
<td>0.350**</td>
<td>0.766</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Consumer Trust</td>
<td>3.46</td>
<td>0.523</td>
<td>-0.404**</td>
<td>0.548**</td>
<td>-0.233</td>
<td>0.070</td>
<td>0.860</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Corporate Reputation</td>
<td>3.54</td>
<td>0.422</td>
<td>-0.325**</td>
<td>0.580**</td>
<td>-0.046</td>
<td>0.110</td>
<td>0.754**</td>
<td>0.874</td>
<td></td>
</tr>
<tr>
<td>7 Corporate Image</td>
<td>3.63</td>
<td>0.500</td>
<td>-0.323**</td>
<td>0.596**</td>
<td>0.011</td>
<td>-0.041</td>
<td>0.811**</td>
<td>0.644**</td>
<td>0.800</td>
</tr>
</tbody>
</table>

### Table 6: Results of the Linear Regression Analysis with Adjusted R Squares

<table>
<thead>
<tr>
<th></th>
<th>CSE</th>
<th>CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egoistic-driven</td>
<td>Consumer Trust</td>
<td>0.151</td>
</tr>
<tr>
<td></td>
<td>Corporate Reputation</td>
<td>0.093</td>
</tr>
<tr>
<td></td>
<td>Corporate Image</td>
<td>0.091</td>
</tr>
<tr>
<td>Values-driven</td>
<td>Consumer Trust</td>
<td>0.290</td>
</tr>
<tr>
<td></td>
<td>Corporate Reputation</td>
<td>0.327</td>
</tr>
<tr>
<td></td>
<td>Corporate Image</td>
<td>0.346</td>
</tr>
<tr>
<td>Strategic-driven</td>
<td>Consumer Trust</td>
<td>0.040</td>
</tr>
<tr>
<td></td>
<td>Corporate Reputation</td>
<td>-0.013</td>
</tr>
<tr>
<td></td>
<td>Corporate Image</td>
<td>-0.015</td>
</tr>
<tr>
<td>Stakeholder-driven</td>
<td>Consumer Trust</td>
<td>-0.010</td>
</tr>
<tr>
<td></td>
<td>Corporate Reputation</td>
<td>-0.002</td>
</tr>
<tr>
<td></td>
<td>Corporate Image</td>
<td>-0.013</td>
</tr>
</tbody>
</table>
relation between the CSR scenario and egoistic-driven attributions was not significant, mediation for egoistic-driven attributions for CSE programs could be not tested \((b_{Ego}=-0.047, p_{Ego}=0.669)\). However, the effect of CSE practices is significant for values-driven attributions \((b_{Val}=0.610, p_{Val}<0.05)\). The effect of the CSE scenario on consumer responses is reduced \((from \ b_T=0.617 to \ b_T=0.489, \ p_T<0.05; \ from \ b_R=0.787 to \ b_R=0.695, \ p_R<0.05; \ from \ b_I=0.709 to \ b_I=0.662, \ p_I<0.05)\) when values-driven associations are entered into the analysis. The indirect effect of CSR practices on consumer reputations through values-driven associations is significantly different from zero, thus, only a partial mediation can be implied (Baron & Kenny, 1986).

After running several regression analyses all three consumer responses are significantly predicted by the CSE practices \((b_T=0.549, p_T<0.05; \ b_R=0.688, p_R<0.05; \ b_I=0.645, p_I<0.05)\). As the relation between the CSE scenario and egoistic-driven attributions was not significant, mediation for egoistic-driven attributions for CSE programs could be not tested \((b_{Ego}=0.131, p_{Ego}=0.280)\). However, the effect of CSE practices is significant for values-driven attributions \((b_{Val}=0.591, p_{Val}<0.05)\). The effect of the CSE scenario on consumer responses is reduced \((from \ b_T=0.549 to \ b_T=0.416, \ p_T<0.05; \ from \ b_R=0.688 to \ b_R=0.365, \ p_R<0.05; \ from \ b_I=0.645 to \ b_I=0.354, \ p_I<0.05)\) when values-driven associations are entered into the analysis. The indirect effect of CSE practices on consumer reputation through values-driven associations is significantly different from zero, thus, only a partial mediation can be implied (Baron & Kenny, 1986). Consequently, hypothesis 3 is partially accepted.

5. Discussion

The results of the study suggest that high fit CSR as well as CSE programs stimulate positive consumers’ responses. In contrast to established assumptions values-, egoistic- and stakeholder-driven attributions did not show a significant difference in attributions between high fit CSR and CSE, indicating indifference when choosing between programs. However, high fit CSR programs were perceived as being of a more strategic nature than CSE initiatives, the reason behind that may have been that the presented high fit CSR program led to the participants’ assumption that more strategic business
goals like a higher customer retention rate or sales increase were pursued by the company. Thus, no support was found for hypothesis 1. For both CSR and CSE programs values-driven attributions showed a positive as well as the strongest effect on consumers’ trust, corporate reputation and corporate image, whereas egoistic-driven attributions showed to negatively impact consumers’ responses. On the other hand, strategic- and stakeholder-driven motives did not significantly affect consumers’ responses, consequently the results support hypothesis 2 only partially. In contrast to entrenched assumptions, egoistic-, strategic- and stakeholder-driven attributions did not mediate the effect of high fit CSR or CSE programs on consumers’ responses. Only values-driven attributions had the ability to mediate the relationship of the different sustainability programs on consumer trust, corporate reputation and image, indicating a crucial role for perceived values-driven motives in choosing sustainability programs. Hence, the evidence found leads to a partial support of hypothesis 3. These findings lead to the following theoretical and managerial implications.

5.1 Theoretical Implications

The work project provides empirical evidence on how high fit CSR and CSE practices influence consumers’ attributions and consumers’ responses. According to Fein (1996), how a company’s sustainability initiatives match with its core business manipulates the attributions associated by consumers and reduces suspicion. However, the work project’s results showed that consumers do not differentiate between values-, egoistic-, and stakeholder-driven motives of high fit CSR and CSE programs, indicating that CSE is not associated with being closer to the company’s core business than high fit CSR practices. CSR having evoked stronger strategic-driven attributions by consumers than CSE practices contradicts drawn assumptions as well. This raises the question if CSE initiatives should be considered as a process of strengthening and advancing the development of CSR as it is indicated by Austin and Reficco (2009) at least from the consumer perspective.

Further, the results support Ellen et al.’s (2006) findings that values-driven attributions positively affect consumers’ responses, whereas egoistic-driven attributions affect them in a negative way.
However, strategic- and stakeholder-driven attributions about a company’s motive to engage in CSE or high fit CSR are neither positively nor negatively perceived by consumers, contradicting findings from Ellen et al. (2006) and Vlachos et al. (2009). This might be explained by the fact that consumers build part of the stakeholder group and that strategic-driven motives may still not be sufficiently accepted by the public, a fact that opposes Whetten and Mackey’s (2002) findings.

When considering the mediation capacity of attributions, only values-driven attributions played an important role for the relationship between sustainability initiatives and consumers’ responses, partially supporting the findings of Yoon et al. (2006).

5.2 Managerial Implications

The study suggests that based on consumer attributions managers can be largely indifferent concerning the choice of either high fit CSR or CSE initiatives, because only strategic-driven motives show a significant difference in favor of CSR but are affecting consumers’ responses neither positively nor negatively and have no mediating nature. Hence, the question arises if companies should invest at all in sustainability initiatives. As consumer trust, corporate reputation and image are increased by values-driven attributions for both CSR and CSE initiatives and values-driven attributions also mediate the effect of both sustainability endeavors on consumer responses, companies should engage in sustainability activities.

6. Limitations and Future Research Suggestions

Although not all results were significant, some strong implications were determined, which need to be considered with caution. Firstly, the study’s sample size can be perceived as too small and as not capturing representative findings since e.g. most participants were German, had a high academic background and were between 18 and 34 years old. Further, the experiment was conducted online and self-selection was used, which reduces the external validity of this study. This effect may have been increased through the introduced donation for every completed questionnaire. This could create a sample
with special interest in CSR, CSE and/or good causes. Thus, future research should consist of a larger sample size and make self-selection more difficult.

Secondly, the presented scenarios focused on the bottled water industry, which has been target of criticism lately and caused the awareness of water scarcity to increase (Regenass, 2012; United Nations, 2015). In addition, participants’ general perception of the bottled water industry has not been assessed and thus, participants may have reacted differently with regards to their knowledge of this topic. Future research should assess the attitude towards this industry in order to indicate if it is an industry with good, neutral or bad reputation.

Thirdly, in order to improve scale reliability, items EGO5 of egoistic-driven question items and STRA5 stakeholder-driven question items were deleted for the CSR survey. Although the desired Cronbach’s alpha value of 0.7 and above – to portray a high internal validity (Tavakol & Dennick, 2011) – was still not met, it has been decided to include egoistic- and stakeholder-driven question items in the study as they are critical to the research. Future research should try to meet the recommended Cronbach’s alpha value of 0.7 through e.g. increasing the sample size and/or creating a questionnaire in different languages for better understanding.

Moreover, future research should identify if there are significant differences between high fit CSR activities and CSE initiatives in relation to a different relevant stakeholder group such as employees instead of consumers. Especially employees’ reactions and attitudes have been of interest to scholars and managers in relation to CSR and thus, differences to CSE might be of interest as well (Meister, 2012).

Further, only internal consumer responses in form of consumer trust, corporate reputation and image have been assessed. Future research should investigate consumers’ behavioral intentions triggered by consumers’ assumptions about corporate motives for engaging in CSR and CSE practices as well and a mediation or moderation role of internal consumer responses should be assessed.
7. Conclusion

This work project analyzes how different sustainability efforts of an organization influence consumers’ responses such as consumer trust, corporate reputation and image. The study suggests that the perceived effectiveness of sustainability initiatives depends on consumers’ attributions, which are being made with regard to a company’s motive. However, the study reveals that consumers only partially associate different motivations behind CSR and CSE initiatives and are largely indifferent when comparing the two initiatives. Only strategic-driven attributions were rated higher for CSR activities than CSE initiatives by consumers. Lastly, the study provides evidence that CSR as well as CSE programs stimulate values-driven attributions, which positively affect consumers’ trust, corporate reputation and corporate image.