



Effect of Perceived Fit and Attribution of CSR Programs on Brands' Moral Legitimacy, Customer Satisfaction and Brand Loyalty

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Introduction Due to increasing publicity on CSR, consumers, especially Generation Y, are greatly equipped with various CSR resources which enable them to critically evaluate the CSR activities. Previous literatures suggest that, as this generation and their purchasing power continues to increase, studying their attitude and behavior will be valuable to marketers and advertisers (Cui *et al.*, 2003). College students, ages 18-24, represent a significant percent of this generation and are beginning to develop their life values and principles (Cui *et al.*, 2003). While previous research has shown that Generation Y did respond positively to the CSR activities (Cui *et al.*, 2003), further research needs to be conducted to determine exactly how and what types of CSR activities have the greatest influence on consumer loyalty. Therefore, this research aims to focus on Generation Y and examine the influence of perceived fit between CSR and consumer and consumers' attribution for CSR programs on their attitudinal and behavioral response, based on institutional theory that explains the norms of its environment and "proper" adherence to the norms determine the institution's legitimacy (Hadelman, 1999). Specifically, the objective of the study is to investigate the effect of consumer perceived fit (i.e., value and lifestyle) and different types of attribution (i.e., egoistic, value-driven, stakeholder-driven, strategic) on moral legitimization and satisfaction, which in turn leads to support toward the company.

Hypotheses Development With the popularity of CSR programs rising, consumers are left wondering if they are being fooled by green-washing (Vlacho, 2008). Since CSR marketing is often accompanied by increased sales, the sincerity behind their motives is often questioned. There are four types of attribution, which are characterized based on the company's motives for participation in CSR activities (Ellen et al, 2006). These include two self-centered driven attributions (i.e., egoistic and strategic) and two other-centered attributions (i.e., value driven and stakeholder) (Ellen et al, 2006).

According to Suchman (1995), moral legitimacy is defined as "congruence between the social values associated with or implied by (organizational) activities and the norms of acceptable behavior in the larger social system". He and Li (2010) define customer satisfaction as the accumulated general emotional evaluation of a company's services over time. Therefore, we hypothesize that the type of CSR attributions will have a differing effect on the evaluation of the brand's moral legitimacy and satisfaction.

H1: Consumer's 1) egoistic 2) stakeholder driven attribution towards company's CSR program will negatively affect moral legitimacy.

H2: Consumer's 1) value 2) strategic attribution towards company's CSR program will positively affect moral legitimacy.

H3: Consumer's 1) egoistic 2) stakeholder driven attribution towards company's CSR program will negatively affect customer satisfaction toward the brand.

H4: Consumer's 1) value driven 2) strategic attribution towards company's CSR program will positively affect customer satisfaction toward the brand.

Value fit refers to how the consumer feels their own personal values overlap with those of the retailer (Lee, 2011). Lifestyle fit refers to consumers' perceived fit, based on the degree of congruence between consumers' lifestyle and company CSR activities (Jain & Srinivasan, 1990). We hypothesize that better fit between brand's CSR and consumers will lead to positive outcomes.

H5: 1) Value fit 2) lifestyle fit will positively affect moral legitimacy

H6: 1) Value fit 2) lifestyle fit will positively affect satisfaction toward the brand

H7: Moral legitimacy will affect customer loyalty.

H8: Customer satisfaction will affect customer loyalty

Analysis An online survey was created based on the scales from the previous literature and was distributed to undergraduate students of a large Southern university. A total of 274 surveys were collected, however only 254 were usable due to incompleteness. The measurement model was tested using Confirmatory Factor Analysis to ensure good fit. Reliabilities, unidimensionality, convergent and discriminant validity were also confirmed. In order to test the proposed hypotheses, Structural Equation Modeling was employed. The proposed model yielded an acceptable fit to the data. See below figure for hypotheses testing result.

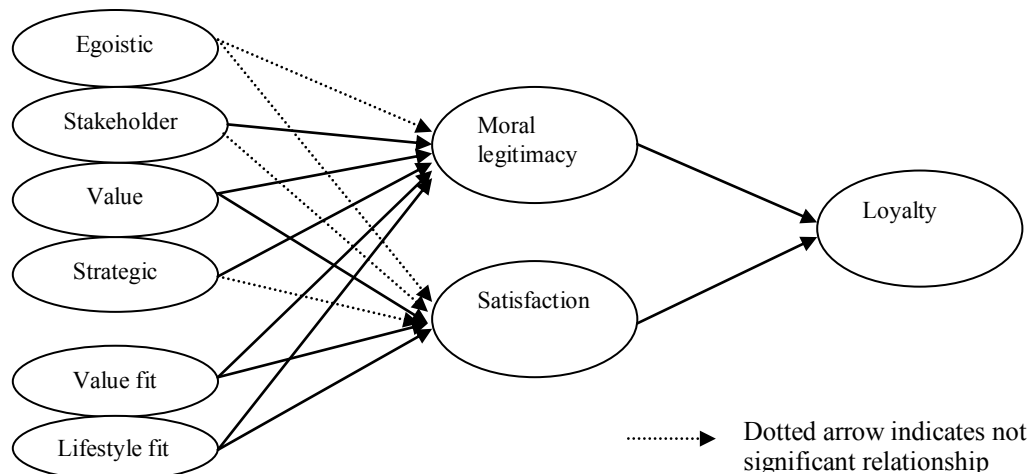


Figure 1. Research Model and Hypotheses Testing Result

Discussion Contrary to our expectation, egoistic attribution had no relationship to moral legitimacy or satisfaction. As egoistic attribution is related to the self-centered motivation, respondents may have considered the activities as marketing activities rather than CSR, leading to no significant relationships to emotional or social approval. It was interesting to note that stakeholder and strategic attribution had positive effect on legitimacy yet no effect on satisfaction. It indicates that with stakeholder driven and strategic motives, brands can earn social approval, as the outcome CSR activity still benefits the society, yet cannot win consumer's emotional approval.

References available upon request