“Deeper Insights into Different Consumer Perceptions of CSR Communication: Germany vs. United States vs. China”

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Abstract
Research, so far, has dealt insufficiently with the different consumer perceptions of CSR communication across nationalities, in spite of the growing number of multinational companies and their increased need to implement cross-national CSR communication strategies. This paper therefore addresses this research gap by examining whether Germans, as compared with US-Americans and Chinese, assign different credibility scores and attribute different motives to a company’s CSR communication. The results reveal that US-Americans and Chinese assign a higher degree of credibility to CSR communication and attribute other-centered motives more strongly to CSR communication than Germans. Moreover, the results confirm the role of motive attribution as a mediating variable.

Keywords: corporate social responsibility communication, credibility, motive attribution

Track: Social Responsibility & Ethics
1. Introduction

In recent decades, a growing number of companies from all over the world have been faced with the need for incorporating social responsibility activities in their business models (Thorne, Mahoney, Gregory, and Convery, 2017). Consistent with this development in marketing practice, a large body of literature dealing with the topic of CSR has also evolved in marketing research over recent years. Within this research stream, several studies place the emphasis on CSR communication and its impact on consumers (e.g., Schmelz, 2012; Lauritsen & Perks, 2015). There is empirical evidence that CSR communication can exert a positive influence on consumer behavior (Du, Bhattacharya, and Sen, 2007, 2010). In this regard, credibility has turned out to be a critical success factor of CSR communication. If consumers question the credibility of a company’s CSR communication and if they have the impression that a company follows its own egoistic interest instead of having a true desire to contribute to society, CSR communication does not have a positive influence on them (Yoon, Gürhan-Canli, and Schwarz, 2006; Jahdi & Acikdilli, 2009).

While the importance of the credibility of CSR communication is known, there is little empirical evidence with regard to national differences in the perception of CSR communication. The majority of the existing studies focus on a single country, specifically on a Western country, such as the United Kingdom or the United States of America (e.g., Lauritsen & Perks, 2015). However, we argue that, as a result of a country’s different political and cultural history, a company’s CSR communication is perceived differently depending on the country the consumers belong to. Based on the few existing comparative CSR studies considering differences among countries (e.g., Maignan, 2001; Mueller Loose & Remaud, 2013), we further argue that there are differences between Western and Eastern countries, but, that there are, due to the differences in terms of their political and cultural background, differences between Western countries as well.

Against this background, this paper seeks to identify differences in the perception of CSR communication between Germany and the US, as representative countries of the Western world, and China, as a representative country of the Eastern world. More specifically, the paper examines whether Germans, compared with US-Americans and Chinese, assign different credibility scores and attribute different motives to a company’s CSR communication and whether the different levels of credibility perception can be explained by the different motives attributed to CSR communication.

2. The CSR environment in the “Western and Eastern world”

CSR is defined as “discretionary business practices and contributions of corporate resources intended to improve societal well-being” (Korschun, Bhattacharya, and Swain, 2014, p. 20; Kotler & Lee, 2005). According to the well-known notion of the “triple bottom line” coined by Elkington (1997), CSR encompasses activities fostering economic prosperity, environmental quality, and social justice. Companies make use of a wide range of sources to communicate these activities to the firm’s stakeholders, including corporate websites, annual reports, TV ads, posters, etc. (Lattemann, Fetscherin, Alon, Li, and Schneider, 2009).

As a Western European country, Germany plays a leading role in the implementation of CSR activities. Although it is the German government that has traditionally engaged in societal issues (Fifka, 2013), Germany is situated in a mature stage of CSR development (Cotton-Chan, 2015). In recent years, as the government’s social services have been declining, there
has been a call for a stronger societal involvement of businesses (Fifka, 2013). German con-
sumers are highly interested in information on the CSR behaviors of companies. However, at
the same time, they display a high level of CSR skepticism, and therefore attach major im-
portance to independent institutions that ensure the credibility of companies' CSR information
(Habisch & Wegner, 2005).

In the US, due to the widespread absence of government and the Puritan and Calvinist
ethos in American culture, civic engagement and CSR activities have a longer tradition than
in Western Europe (Fifka, 2013). The limited power of the government led to a more disclo-
sure of firms' CSR activities in US companies compared with European ones (Gamerschlag,
Möller, and Verbeeten, 2011). Furthermore, US-consumers very much expect companies to
behave socially responsible. Thus, a strong CSR profile represents an important type of in-
vestment for companies in the US (Becker-Olsen, Taylor, Hill, and Yalcinkaya, 2011).

China has enjoyed a rapid economic development following the shift from a planned econ-
omy to a market economy. In contrast to Germany and the US, CSR practices in China were
only introduced in the late 1990s and are, even today, influenced by the Chinese government
(Lin, 2010). As a consequence of the rather early stage of CSR development (Cotton-Chan,
2015), Chinese are less familiar with the CSR concept than consumers from Western coun-
tries (Ramasamy & Yeung, 2009). However, at the same time, they show a high level of trust
in companies and consider them more trustworthy and caring than European customers do
(Bonini, McKillop, and Mendonca, 2007).

In summary, the disparities across the CSR landscape and the differences in consumers’
experiences with CSR activities led us to the conclusion that there are different perceptions of
CSR communication across the three countries in terms of credibility and motive attribution.

3. Conceptual Model and Hypotheses

We define credibility as the degree to which the consumer perceives the CSR communi-
cation of a company to be truthful and believable (Eberle, Berens, and Li, 2013). Given the
stronger societal engagement of the German government compared with the US government,
CSR practices of businesses are not considered equally important in Germany than in the US
(Fifka, 2013). As a consequence, Germans tend to question the credibility of such business
practices more than US-Americans. Therefore, we hypothesize:

H1a: US-Americans assign a higher degree of credibility to CSR communication than
Germans.

We have already pointed out that consumers’ awareness of CSR is less pronounced in Chi-
na than in Germany. This leads, in turn, to a comparatively lower level of CSR sensitivity of
Chinese consumers (Tian, Wang, and Yang, 2011). Additionally, there is empirical evidence
that a high level of CSR involvement is related to a high level of CSR skepticism and, hence,
a lower level of trust in CSR activities (Bögel, 2015). Taken this together, we hypothesize:
H1b: Chinese assign a higher degree of credibility to CSR communication than Germans.

Drawing on the attribution theory framework created by Heider (1944) and on the distinc-
tion made by Ellen, Webb, and Mohr (2006), we differentiate between two corporate motives
consumers attribute to CSR activities of companies. Other-centered motives (intrinsic mo-
tives) relate to the attribution of altruistic intentions from inside the actor, whereas self-
centered motives (extrinsic motives) refer to attributions to external circumstances and a self-
lish goal pursued by the actor. As already mentioned, Germans are highly skeptical towards CSR practices and want the credibility of a company’s CSR information to be confirmed by others. This led us to assume that Germans tend to perceive self-centered motives behind a company’s CSR activity. By contrast, as a result of the lesser role of government with regard to societal involvement in the US, we assume that US-Americans are likely to infer a true societal consciousness by a company’s CSR engagement. Thus, we hypothesize:

H2a_a: US-Americans attribute other-centered motives more strongly than Germans.
H2a_b: Germans attribute self-centered motives more strongly than US-Americans.

In contrast to German consumers and due to their high level of trust and favorable opinion of companies, Chinese consumers are likely to attribute other-centered motives to a company’s CSR practices (Bonini et al., 2007). These reflections result in the following hypotheses:

H2b_a: Chinese attribute other-centered motives more strongly than Germans.
H2b_b: Germans attribute self-centered motives more strongly than Chinese.

Furthermore, studies suggest that the attribution of other-centered motives lead to a higher degree of CSR communication credibility than self-centered motives (Bigné-Alcañiz, Currás-Pérez, and Sánchez-García, 2009). This finding, together with the assumed influence of nationality on the attribution of specific motives, we hypothesize:

H3: The motives attributed to the company’s CSR engagement mediate the relationship between “Nationality” and “CSR Communication Credibility”.

4. Methodology

To test the hypotheses, we conducted two studies. Study 1 relates to the differences in CSR communication perception between Germany and the United States, Study 2 refers to the differences between Germany and China. In both studies, a cause-related marketing (CRM) campaign as a specific form of marketing communication was used.

Study 1: We conducted an online survey with students in Germany and in the US, resulting in a sample size of 176 students: 111 participants were Germans (79 % female) and 58 were US-Americans (63 % female). To measure the credibility of a company’s CSR communication, specific CRM campaigns of the dog food producer Pedigree were shown to the participants. The brand was chosen because of its familiarity in both countries. Participants were randomly assigned, either to a CRM campaign with a high fit between the mission of the cause and the company’s core business (the donation is for a dog shelter) or a low fit (the donation is for rain forest protection). We included the different levels of company-cause fit drawing on Ellen et al. (2006), in order to identify whether differences in the credibility perception can also be traced back to the level of fit. The measurement of perceived CRM campaign credibility was based on the scales developed by Obermiller and Spangenberg (1998). Motive attribution has been measured by drawing on Ellen et al.’s (2006) differentiation between egoistic motives, stakeholder-driven motives, strategic motives, and altruistic motives. The former two motives relate to self-centered, extrinsic motives, the latter one refers to other-centered, intrinsic motives. Here, we do not consider the strategic motives, because they are neither clearly extrinsic nor intrinsic motives. We used a seven-point Likert scale from 1 = disagree strongly to 7 = agree strongly.

We analyzed the data according to a 2 (nationality: German vs. US-American) × 2 (company-cause fit: high vs. low) between-subjects design and, hence, conducted an ANOVA to test the hypotheses. The findings reveal that US-Americans assign a higher level of credibility...
to the CRM campaign than Germans (M\textsubscript{US} = 4.49; M\textsubscript{Germans} = 4.14, F(1,136) = 4.05, p < .05). Furthermore, US-Americans attribute altruistic motives, which relate to other-centered motives, more strongly to the CRM campaign than Germans (M\textsubscript{US} = 5.29; M\textsubscript{D} = 3.73, F(1,151) = 65.31, p < .001). In contrast, Germans assign more self-centered motives (egoistic and stakeholder-driven motives) to the CRM campaign than US-Americans (M\textsubscript{egoist\_US} = 4.46; M\textsubscript{egoist\_D} = 5.41, F(1,153) = 40.04, p < .001; M\textsubscript{stakeh\_US} = 4.34; M\textsubscript{stakeh\_D} = 5.17, F(1,154) = 46.74, p < .001). Overall, hypotheses H1a, H2a\_a and 2a\_b are supported. However, no significant differences were found between the level of perceived credibility in the high company-cause fit vs. in the low company-cause fit condition.

Study 2: In our second study, we had a sample size of 189 students, of whom 98 were Germans (84 % female) and 91 were Han-Chinese (54 % female). To test our hypotheses, we considered a CRM campaign of the fashion clothing company Hennes & Mauritz (H&M). Besides familiarity of the brand in both countries, the reasons for concentrating on this brand were the strong CSR engagement of the company and the ecological, social and ethical problems the fashion industry in general still suffers from. The questionnaire and the measurements were similarly to Study 1, apart from the following exceptions: First, as the findings in Study 1 suggest that company-cause fit has no influence on perceived credibility, we refrain from using different CRM campaigns. Second, instead of using different variables, we drew on the scale developed by Becker-Olsen and Hill (2006), and we considered only one single variable for motive attribution. Hereby, semantic differentials representing bi-polar items with self-centered motives on the left, and other-centered motives on the right, are established.

We conducted t-tests to test the hypotheses 1b and 2b\_a and 2b\_b. The results reveal that Chinese assign a higher level of credibility to the CRM campaign than Germans (M\textsubscript{Chinese} = 4.38; M\textsubscript{Germans} = 3.17, t(168) = -9.846, p < .001), which gives support to hypothesis 1b. There is also empirical support for the hypotheses 2b\_a and 2b\_b: Chinese attribute other-centered motives more strongly to the CRM campaign (M\textsubscript{MotiveAttribution\_Chinese} = 4.68), whereas Germans assign more self-centered motives to the CRM campaign (M\textsubscript{MotiveAttribution\_Germans} = 3.11; t(178) = -10.9, p < .001). To test the mediating role of motive attribution, we followed the procedure proposed by Baron and Kenny (1986) and performed a series of regression analyses. The results support hypothesis 3: the relationship between nationality and credibility of the CRM campaign reduces from 0.782 to 0.321 when motive attribution is included. As the relationship remains significant (p < .05), motive attribution exerts a partial mediating effect on this relationship.

Overall, the results reveal that there are not only differences between Western and Eastern countries, but also between Western countries. US-Americans and Chinese assign a higher degree of credibility to CSR communication and attribute other-centered motives more strongly to CSR communication than Germans. Moreover, the results disclose that motive attribution has a partially mediating effect on the relationship between nationality and perceived credibility of CSR communication.

5. Discussion

The contribution of this paper is threefold: First, given the outlined research gap, this paper answers the call to move towards comparative CSR studies by considering differences in the perception of CSR communication across nationalities. Second, this paper contributes to comparative CSR and attribution theory literature by providing empirical evidence that different levels of perceived CSR communication credibility occur through different motives that
people from different countries attribute to a company’s CSR communication. Third, this paper may hold practical implications for devising CSR communication strategies in the growing number of multinational companies. Given the differences found across nationalities, managers are well advised to apply a culture-specific CSR communication.

This research is not without limitations. First, we focused on Germany and the US as representative countries of the Western world and on China as a representative country of the Eastern world. Additionally, we only included Han-Chinese in our study. Consequently, we encourage research to validate the results considering other countries, as well as the other ethnicities in China. Second, student samples were used to test our hypotheses. Future research should seek to replicate the study by considering non-students as well. Third, we neglected to consider moderating variables in our model, such as a company’s reputation, although they might have an impact on the influence of nationality on perceived credibility of CSR communication and motive attribution.

References


