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## Examining consumers' responses to corporate social responsibility addressing childhood obesity: The mediating role of attributional judgments\*



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#### ABSTRACT

Food marketers have responded with numerous self-regulatory actions intended to address childhood obesity. While research on corporate social responsibility (CSR) generally provides strong evidence with regard to the economic benefits enjoyed by socially responsible corporations, it is unclear how and why consumers respond to different levels of CSR, especially in the food industry. Our research examines the effects of CSR activities, intended to combat childhood obesity, on consumers' company evaluations and subsequent purchase intentions, while assessing the mediating role of attributions, in a product-failure setting. Results indicate that a food company's high commitment toward a major social issue may trigger less blame to the food marketer for a product failure, which in turn positively affects consumers' attitudes toward the company. Our findings offer strong evidence that food corporations can truly do well by doing good.

#### 1. Introduction

Corporate social responsibility (CSR) has become an imperative business practice in today's national and global marketplace (Carvalho, Sen, de Oliveira Mota, & de Lima, 2010). This view derives not only from companies' obligations to enhance society's well-being, but also from their capability to prosper, increase competitive advantage, and improve company performance. Academics and practitioners alike have realized that CSR is more than an ethical imperative, it also represents an economic requirement in today's marketplace (Sen & Bhattacharya, 2001); this business practice being incorporated into long-term strategic plans to maintain and/or enhance market performance (Mahoney & Thorne, 2005; Tian, Wang, & Yang, 2011). Moreover, the literature on CSR suggests a well-established link between CSR and consumers' attitudes toward the company and intentions to repurchase its products (Inoue, Funk, & McDonald, 2017). As Sen, Du, and Bhattacharya (2016) argue in their review of the substantial work on corporate social responsibility, there is a strong consensus among CSR scholars that consumers make their purchases based on the company's socially responsible behavior. Importantly, CSR-related outcomes that include increased loyalty and purchase intentions, willingness to pay premium prices, and positive company and/or product evaluations,

unequivocally contribute to enhanced firm financial performance (Peloza & Shang, 2011). Nevertheless, consumers' CSR awareness remains considerably low (Park, Kim, & Kwon, 2017). A strong belief in the literature is that CSR should be done right (Carvalho et al., 2010) and consumers' responses to CSR depend on how corporations manifest their CSR (Green & Peloza, 2011). Consumers do not perceive all CSR actions in the same manner (Andreu, Casado-Díaz, & Mattila, 2015); this reality merits further attention (Green & Peloza, 2011). Different levels of CSR produce different stakeholder reactions (Torugsa, O'Donohue, & Hecker, 2012); this insight should be considered when predicting CSR critical outcomes such as attitudes and purchase intentions (Kim, 2017).

In their systematic review of corporate social responsibility, Peloza and Shang (2011) called for research that explores the effects of various CSR activities on consumer attitudes. This is instrumental because different CSR initiatives may be perceived as higher or lower commitments to a cause, which in turn are expected to lead to more positive or negative consumer responses. These authors further argue that philanthropy is the well-researched CSR initiative, while business practices (e.g., environmental protection; socially responsible behavior) lag behind. Additionally, environmental protection practices, such as pollution levels, have been the most popular forms of business practices

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researched in the CSR literature.

Our research aims to address the aforementioned gaps by examining the impact of socially responsible business practices on consumers' attitudes and subsequent behaviors toward a company, by varying levels of CSR. Our study of the food industry also advances the CSR literature by analyzing consumers' reactions to a category of CSR activities that needs further research - i.e., related to the business practices of a firm; notably, we examine CSR actions intended to solve a major, compelling issue (i.e., childhood obesity) different from environmental sustainability.

Consumers' responses to CSR go beyond purchase and purchase intentions, to include advocacy behavior, consumers' CSR-based resistance to negative information about a company or its products (e.g., product failure; product-harm crisis; Sen et al., 2016). Specifically, corporate social responsibility may protect a company by making consumers to attribute a product-harm crisis to other circumstances rather than to the company. In their review of CSR studies, Sen et al. (2016) argue that a better understanding of this advocacy behavior is needed and both conceptual and empirical studies are essential in this realm. Therefore, our research fills this gap by focusing on the extent to which CSR may operate as an insurance policy, by analyzing consumers' attributions of responsibility after a product failure. Specifically, we empirically examine the effects of CSR on attributions of responsibility in a product failure setting; we then test the mediating impact of CSR, through attributions of responsibility, on company evaluations and subsequent purchase intentions.

In this study, we integrate three literature streams: (1) the relationship between CSR and attributional judgments; (2) the impact of CSR on consumer behavior; and (3) the effects of attributions on consumer behavior. This paper proceeds as follows: first, we review the relevant literature and derive our hypotheses. Next, we present the methodology and empirical findings. Lastly, we discuss the managerial and theoretical implications, limitations, and future research.

#### 2. Conceptual framework

#### 2.1. CSR commitments in the food industry

Childhood obesity has become progressively important to the food industry, due to the critical role that food marketing has on this major, and increasingly global, problem (Moore, 2013; Seiders & Petty, 2007). A concerning conclusion is that marketing tactics trigger children's unhealthy food choices, especially when sales promotions (i.e., toy premiums) are included in companies' promotional efforts (Goldberg & Gunasti, 2007; McAlister & Cornwell, 2012). Almost 20% of parents who visited fast-food restaurants reported that their children asked for the toys provided with kids' meals (Rudd Center, 2010). The fast food industry spent \$341 million dollars (in 2009) on toys to distribute with children's meals (Otten, 2014). Subsequently, food marketers have been encouraged to demonstrate responsible promotional strategies in addressing the current obesity issue.

In the food industry, to address the increased concerns about childhood obesity, companies have engaged in various forms of CSR. For example, major food and beverage manufacturers have created the Children's Food and Beverage Advertising Initiative (CFBAI), which is a voluntary self-regulatory program whereby food companies (e.g., PepsiCo, McDonald's, Coca-Cola, Kellogg's) pledged to devote their advertising, primarily directed at children under 12, to healthier food products and/or to messages that encourage good nutrition or healthy lifestyles (Council of Better Business Bureaus, 2016). These industry self-regulatory initiatives show that some progress is being made to address the obesity problem in the US; however, public health researchers and consumer advocates have addressed their concerns over the exclusion of critical marketing strategies, such as sales promotions (Moore, 2013). For example, while companies like McDonald's have committed to promote healthier product offerings – kids' meals that

include more fruits, a smaller size of fries, and reduced calories and sodium – they continue to offer sales promotions for products that are considered less healthy. Conversely, Jack in the Box, although not a CFBAI member, decided to pull its toys from children's meals, earning various consumer advocates' admiration (Slosson, 2011).

Thus, it appears food marketers show different levels of commitment to solve the problem of childhood obesity; while these CSR practices clearly illustrate these companies' pledge to fight this social issue, they strictly adhere to the self-regulations prescribed by the CFBAI program. Conversely, other businesses have responded by promoting healthier options for children and eliminating promotion of lesshealthy foods to this target market (Strom, 2011; York, 2007), which exceed the CFBAI program's demands. Offering toy premiums only with kids' meals that meet stricter nutritional guidelines has been suggested as a good compromise that the food industry could make to balance the success of toy premiums against concerns about their impact on childhood obesity (McAlister & Cornwell, 2012).

Consumers are aware that companies use aggressive food marketing to children in order to increase sales and profits; therefore, those businesses that adopt radical changes to their promotional strategies and go beyond minimum self-regulations may be perceived as truly concerned about obesity and more committed to fight this problem. For instance, companies that eliminate the advertising of poor-nutritional products are viewed as less altruistic and putting the customers and society's interests first; moreover, these values-driven motives suggest a high commitment to a cause (Ellen, Webb, & Mohr, 2006; Quilliam, 2008).

Given the literature reviewed above, a firm's CSR initiative to eliminate toy premiums with unhealthy foods, in addition to promoting healthier products, will be viewed as the company's *high commitment* toward childhood obesity, whereas the decision to promote healthier products will be referred to as a *low commitment* to this issue.

#### 2.2. Product failure in the current context

Following a product purchase, consumers may experience two outcomes: positive (i.e., product success) and negative (i.e., product failure). Most importantly, consumers engage in attributional conclusions relative to why the outcome is positive or negative, which in turn influence their attitudes and behavior toward a company (Weiner, 2000). Individuals engage in causal attributions mostly when they encounter product failure or a negative product outcome (Weiner, 2000); negative information "instinctively motivates relatively high attributional activity" due to its potential threat to individuals' welfare (Griffin, Babin, & Attaway, 1996, p. 315).

Any product-related problem has been used to depict a product failure (Folkes, 1984; Folkes & Kotsos, 1986). Product failures may vary in severity; some issues might concern the appearance of the product and others might result in any kind of physical harm to consumers (Kardes, Herr, & Nantel, 2006). Examples of such negative product outcomes, in the marketing literature, include: taste (Folkes, 1984; Weiner, 2000), flight delays (Folkes, Koletsky, & Graham, 1987; Weiner, 2000), ineffective weight-loss drinks (Curren & Folkes, 1987; Folkes, 1984), and insufficient nutrients in baby formula, resulting in retardation (Berry, 2017). Likewise, we use the nutritional issues (i.e., an excess of calories, sodium, fat, and sugar) of a kids' meal to illustrate a product failure or a negative product-related outcome. The role of high-sugar, -sodium, -calories, and -fat products in childhood obesity has been made visible by the media and various government regulations, which has created consumer awareness of these product-related issues.

#### 2.3. The effects of CSR on attributions of responsibility

In their review of the substantial work on CSR, Sen et al. (2016) argue that previous research on CSR and consumer attributions has

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