



Consumer inferences of corporate social responsibility (CSR) claims on packaged foods



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ABSTRACT

Food packages have emerged as an important Corporate Social Responsibility (CSR) communication tool. This study examined the effect of on-package CSR claims on consumers' health benefits perceptions, taste perception, attitude and behavioral intentions toward the food company. A 4 (CSR claims: none, food manufacturing, employee welfare, and eco-friendly packaging) by 2 (type of food: essential vs. indulgent) factorial experimental study was conducted to test the hypotheses. The findings demonstrate that consumer-oriented CSR claim (food manufacturing) is most strongly associated with consumers' health benefits perception, whereas employee-oriented CSR claim (employee welfare) is most strongly linked to taste perception and attitude toward the company. All CSR claims were found to positively influence consumers' intentions to purchase and willingness to pay premium. Additional content analysis of the textual data indicated that the employee welfare CSR was most positively perceived. Theoretical and practical implications are discussed.

1. Introduction

Imagine that you are in a grocery store. While browsing the frozen food aisle, you are tempted by a pint of ice cream. You read on its package that the company uses non-GMO (genetically modified organism) ingredients and makes the package out of 100% recycled materials. You decide to buy it and you feel good about yourself for choosing a healthy food product and for being environmentally conscious. Then you find a box of pasta and its package description indicates that the company strives to protect employee rights and provide fair treatment. Ethical food companies make quality food, you believe. Both ice cream and pasta go into your shopping cart and it feels like you are part of a good cause.

This scenario demonstrates consumers' increasing desire for healthy options and socially responsible business practices. Such a trend has compelled the food industry to develop more socially responsible initiatives under the umbrella of Corporate Social Responsibility (CSR). CSR is generally defined as pro-social corporate endeavors (Sen & Bhattacharya, 2001) and has become one of the key business priorities in the global retail and consumer goods sector (Hartmann, 2011). The food sector's high dependency on natural resources, low supplier power, and generally large societal and environmental impacts

accelerate the urgency for food manufacturers to engage in CSR initiatives (Hartmann, 2011). For example, Coca-Cola decided to no longer use an ingredient linked to a flame retardant, after a consumer claimed that the ingredient was not approved in the European Union or Japan (Feeney, 2014). Among a variety of communication channels, marketers have greater control over the information displayed on the package (Du, Bhattacharya, & Sen, 2010). Packaging is perceived to have the ability to draw consumers' attention to the product and to establish distinctive positive associations that would differentiate the product from its competitors and further create value for consumers (Chandon, 2013). Therefore, food packaging has become a popular marketing tool to communicate CSR initiatives to consumers and build a favorable reputation and image.

Despite the increasing importance of packaging as a CSR communication channel, surprisingly insufficient research has been conducted on consumers' information processing of CSR claims displayed on food packages. Due to rising concerns about foods' relationship with obesity and diseases, academic researchers, along with years of governmental efforts, have prioritized studying consumers' information processing of nutrition labels and/or health-related packaging claims (e.g., Chandon, 2013). Traditionally, CSR has been viewed from the company's or stakeholder's perspectives in terms of direct profitability, financial

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performances, and/or value creation. However, CSR in the food industry is more complex, since food is fundamental to basic human needs and the entire food supply chain encompasses a wide range of stakeholders (Hartmann, 2011). Considering the prevalence of CSR practices in the food sector and the communication of CSR activities through food packaging, it is important for scholars and practitioners to understand how consumers process CSR claims conveyed on food packages, and how such claims influence consumer inferences, and ultimately, purchase decisions.

To fill in the abovementioned research gaps, this study focused on the effects of different domains of CSR claims (i.e., food manufacturing, employee welfare, and eco-friendly packaging CSR) on consumers' perceptions of food products and attitude as well as behavioral intentions toward food companies. In addition, this study examined whether these effects would vary depending on the types of food (i.e., essential vs. indulgent food). Specifically, the objectives of this study were to investigate the differential effects of three domains of CSR claims on consumers' (1) perceptions of food products, (2) attitudes toward company, (3) behavioral intentions, and (4) the potential moderating effects of food types on the tested relationships.

2. Literature review

2.1. CSR communications in the food industry

CSR has been broadly defined as pro-social corporate endeavors (Murray & Vogel, 1997; Sen & Bhattacharya, 2001), ranging from companies' social, economic, and environmental obligations to protections of ethical human rights and consumer concerns related to business operations and core strategy (European Commission, 2011). In modern society, as concerns of social welfare and general well-being evolve, CSR initiatives have extended to eco-friendly practices, employee and community support, equal opportunities, corporate philanthropy, transparency in social information, as well as representation of women and minorities (Assiouras, Ozgen, & Skourtis, 2013). Compared to other industries, the food sector faces greater criticisms from the public for responsible and ethical business practices due to its high dependency on natural resources (Hartmann, 2011). Various CSR initiatives are actively developed and communicated in the food sector (Maloni & Brown, 2006). Since the food industry consists of a “complex, labor-intensive nature of food supply chain” (Maloni & Brown, 2006, p. 38), its impacts on human health, environment, and society are far-reaching. CSR issues in the food industry also concern the ethical business practices and efforts toward consumer health such as labor rights, food safety related to genetically modified organisms (GMOs), and the antibiotic drug misuse in animal husbandry (Hartmann, 2011). With the growing concerns of obesity, alcohol abuse, and packaging management (Cuganesan, Guthrie, & Ward, 2010), food companies and manufacturers are driven to focus on the development of CSR initiatives related to environmental protection and the well-being of society.

Researchers have found that CSR communication is crucial to building corporate reputation, strengthening stakeholder-company relationships, enhancing stakeholders' advocacy behaviors, and raising awareness of companies' good deeds (Du et al., 2010). One of the first constructive theoretical models of CSR and consumer responses was introduced by Brown and Dacin (1997), who referred to CSR as “the character of the company, usually with regard to important societal issues” (Brown & Dacin, 1997, p. 70). Researchers have revealed that consumers draw inferences about missing product attributes from corporate information to which they are exposed (Brown & Dacin, 1997; Wansink, 1989). The importance of CSR communication has rapidly grown. Among a variety of channels to share CSR activities, such as press releases, official corporate websites, and TV commercials (Du et al., 2010), food packages reach consumers at the most critical moments of purchase and consumption (Chandon, 2013) and thus is perceived as one of the most effective CSR communication tools for many

food companies. Purchase of packaged foods inherently involves consumers' uncertainty about the products because they cannot be experienced before purchase (Darby & Karni, 1973). Consumers' dependency on on-package information may thus be inevitably high at the point of decision-making. While nutrition and health information on food packages are found to influence how consumers make health inferences (Chandon & Wansink, 2007; Kozup, Creyer, & Burton, 2003; Wansink & Chandon, 2006a, 2006b), little research has been conducted in relations to non-nutrition related health claims, such as CSR activities on packaged foods, despite their growing prevalence in the market place. Consequently, theoretical foundations of how consumers develop inferences related to packaged food products warrant further exploration.

2.2. On-package CSR claims and consumer inferences

2.2.1. Information processing of on-package CSR claims

To understand how CSR claims on food packages influence consumer inferences, this research drew upon Elaboration Likelihood Model (Petty & Cacioppo, 1986) and the notion of the Halo Effect (Nisbett & Wilson, 1977). Petty and Cacioppo (1986)'s Elaboration Likelihood Model (ELM), broadly known as dual process, outlines two basic routes (central vs. peripheral) of information processing. ELM primarily explains the attitude change via persuasive communications with high or low cognitive elaborations based on the availability of one's motivation and ability. According to ELM, if consumers are poorly involved, lack of motivation, or do not have sufficient cognitive abilities to process the information, it is assumed that they are less likely to spend a significant amount of conscious cognitive efforts on information processing. Moreover, consumers become more susceptible to a change in attitude via “peripheral cues”, and vice versa (Petty, Wegener, & Fabrigar, 1997).

Many variables are known to affect the onset of central or peripheral route of elaboration. Frequent and repeated buying situations make consumers familiar with the products and purchase situations (Park, Iyer, & Smith, 1989); when the importance of the choice is low and the product is purchased frequently (e.g., buying cereals), consumers expend low degrees of cognitive effort and commitment (Hoyer, 1984); thus heuristic processing dominates consumers' judgments. In a grocery-shopping context, the selection of a packaged food product is inherently characterized by a series of buying with low-involvement level and low financial importance that requires limited cognitive efforts (Park et al., 1989). Limited time to absorb information and to make purchase decisions in this context may result in more rapid cognitive processing, where consumers likely have a relatively low motivation or sufficient ability to engage in effortful processing of all available information at the point of purchase. Consequently, consumers become more vulnerable to collectively integrate information and/or selectively recognize certain attributes on packages with effortless attention, engaging in a heuristic processing by using salient and familiar information such as CSR claims displayed on packages to form inferences of product attributes (Kardes, Posavac, & Cronley, 2004). These claims “selectively trigger consistent beliefs or associations, thereby biasing their inferences toward confirming the claims made” (Chandon, 2013, p. 9). Following this line of thoughts, it is reasonable to assume that CSR claims displayed on packaged food are expected to serve as peripheral cues influencing consumers' inferences of food products and food companies in grocery shopping.

2.2.2. The halo effect of on-package CSR claims: Global or discrete?

Consumers' evaluation of products is often influenced by the halo effect (Nisbett & Wilson, 1977). The halo effect has been widely defined as the cognitive bias that occurs when individuals' evaluation of one attribute strongly biases their perceptions of other attributes of that entity (Lee, Shimizu, Kniffin, & Wansink, 2013). These inferences are non-analytic and logically irrelevant to the facts, involve little cognitive

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