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*Chapter 6*

## **HOW CORPORATE SOCIAL RESPONSIBILITY CAN INFLUENCE BRAND EQUITY**

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### **ABSTRACT**

The current chapter embraces a topic which is still underdeveloped in the literature: how Corporate Social Responsibility may or may not influence Brand Equity. Therefore, we conducted a literature review to analyse past studies on this topic. The results allow us to present the core studies and discuss them. In this context, we analyse four major aspects: types of CSR and brand-fit, effects on brand knowledge, effects on consumers' responses: (purchase intentions) and brand-cause fit (polarized results).

**Keywords:** corporate social responsibility, brand equity, literature review, brand knowledge and consumer responses

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## **INTRODUCTION**

Corporate social responsibility (CSR) has gained increasing interest from managers and scholars over the last decade, with its relevance being attributed to its effects on corporate reputation and crisis mitigation (Chernev & Blair, 2015). Previous research has also proved the direct economic value of CSR with firms' involvement in socially responsible initiatives being rewarded with a positive impact on brand equity (Marin et al., 2016). The rationale for this effect is that consumers appreciate firms' altruistic behavior (Marin et al., 2009) as this contributes to promoting a positive sense of well-being in those who support them (Bhattacharya and Sen, 2004), enhances brand evaluation (Sen and Bhattacharya, 2001; Sen, Bhattacharya and Korschun, 2006), improves brand feelings (AakerVohs and Mogilner, 2010; Lichtenstein, Drumwright and Braig, 2004) and brands' trustworthiness (Hansmann, 1981).

Given the relevance of the topic, several studies have analysed the effects of CSR on brand equity. For instance, Hoeffler and Keller (2002) are among those that most strongly influenced subsequent studies (Guerreiro et al., 2016). The authors introduce a set of propositions that explain how CSR initiatives may impact on consumers' responses by influencing various dimensions of brand knowledge, namely: brand image, brand awareness, brand credibility, brand feelings, brand engagement and brand community. No research has yet been dedicated to evaluating the complete set of propositions introduced by the authors, despite many researchers already partially addressing the model suggested. The findings are scarce and so far no research has integrated them in a comprehensive manner.

In this vein, to address this gap in the literature, the current study focuses on two research questions. The first attempts to understand previous findings on the effects of CSR on brand knowledge and consumer responses (e.g., purchase intent), identifying their main results and commonalities. The second research question intends to identify the main

inconsistencies and characterize them, attempting to propose a new conceptual articulation for the topic.

In view of these research questions, the authors have first located some of the most relevant studies that acknowledged the contribution of Hoeffler and Keller (2002) in evaluating the effects of CSR on brand equity. To answer the first research question, studies are integrated and analysed for their commonalities. Regarding the second research question, the most polarizing topic was identified, brand-cause fit, its inconsistencies being characterized and discussed. Theoretical and managerial implications are discussed and opportunities for future research are suggested.

## **THEORETICAL BACKGROUND**

### **Corporate Social Responsibility**

Corporate Social Responsibility (CSR) is a concept developed with the idea of contributing to society's well-being and has been applied in several industries: automobiles, apparel and hotels, among others. According to Kozłowski, Bardecki and Searcy, (2012: 20) 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". The European Commission's concept gives a clear overview of the main message of CSR. However, other definitions are important to have a detailed and more complete conceptualization. Another, more detailed, definition given by the European Commission (2017) is: "The responsibility of enterprises for their impacts on society"... To fully meet their social responsibility, enterprises... Should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders"

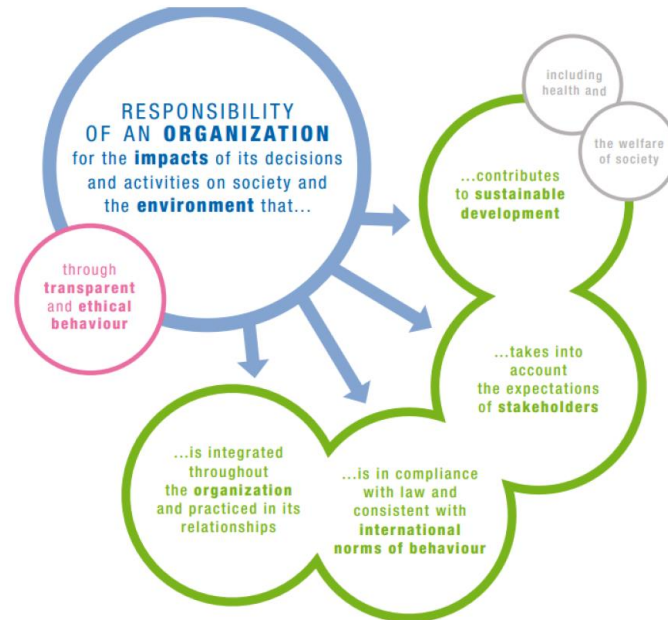


Figure 1. Conceptualization of CSR (source: ISO 26000, 2017).

The International Organization for Standardization (ISO, 26000), founded in 1947, "Is the world's largest developer of voluntary International Standards" (ISO, 2017). ISO 26000 is the Institution that provides the latest information and specifications for products, services and good practices for corporations. This means that the organization has to ensure that the products sold by a specific company are safe and reliable for consumers and are of good quality. These standardizations help companies to be more efficient and effective in their business.

The definition of ISO 26000 contemplates the environment, society and stakeholders, without forgetting the European Commission's definition (see Figure 1). Even so, we can point out four aspects emerging from the conceptualization: transparency, international norms and behaviours, sustainable development and the health and welfare of society. In other words, ISO 26000 helps companies with all the main concerns about CSR.

The critical issues in developing a programme to incorporate CSR in an organization are: society, environment, laws, culture, politics,

organizational diversity, economic conditions and international behaviour norms (ISO26000, 2010). ISO 26000 has developed seven core practices that should be performed by organizations in order to have the standards needed to be a corporation with social responsibility, that is, organizational governance, consumer issues (fulfilling expectations, good service and empathy), fair operational practices (concern about fair prices and fair interactions with stakeholders), environmental performance (implementation of a recycling policy, concern about the environmental damage that might be caused by their activity), labour practices (working conditions in factories, not employing children, treating employees well and being a pleasant place to work), human rights and community involvement and development (positive effect on society, supporting worthy social issues) (Loureiro, Sardinha & Reijnders, 2012).

## **Brand Equity**

Brand equity has gained importance in the agendas of scholars and managers over the last two decades. This increasing interest has generated multiple approaches to the concept, with focal points being established around two main areas – the firm and the consumer (Schivinski and Drabowski, 2014). Firm-brand equity studies focus on the value that brands bring to businesses, approaching brands as transactional assets (Simon and Sullivan, 1993). Consumer-based brand equity studies approach brands from the perspective of the added value given by the brand to the products and services they endorse (Yoon et al., 2002; Schivinski and Dabrowski, 2014). In the present study, the focus will be on consumer-based brand equity.

From this approach, previous studies have generally accepted two main conceptual frameworks, proposed by Aaker (1991) and Keller (1993). Aaker (1991) positioned brand equity as a type of balance sheet with brand equity resulting from the assets and liabilities that it adds to, or subtracts from firms' products and services. Assets are composed of consumers' level of awareness regarding brands, their perceptions regarding brand associations and quality, their brand loyalty and other proprietary assets. Keller (1993;

2003) approaches brand equity as the differential effect that consumers' knowledge about a brand adds to, or subtracts from its products and services. At the same time, Keller (1993; 2003) positions brand equity as a consequence of pre-established memories of the brand. These structures are formed of the level of brand awareness and the level of strength, favourability and uniqueness of brand associations that consumers hold in their memory. Keller (1993) coined these cognitive structures concerning a brand as *brand knowledge* and indicated this as the main source of brand equity, as consumers support with positive responses (e.g., purchasing and recommending) the brands they are aware of and with which they hold positive associations.

Since consumer-brand based brand equity was proposed, it has influenced studies in a variety of research contexts (e.g., Schivinski and Drabowski, 2014; Langaro et al. 2015; Yoo et. al, 2000). This also holds true for studies in the context of CSR which have validated the effects of CSR on consumers' responses to CSR initiatives (e.g., Kong & Zhang, 2014; Ku et al., 2012; Auger, 2010), enhanced evaluations (Sen & Bhattacharya, 2001; Sen, Bhattacharya & Korschun, 2006), improved brand feelings (Aaker, Vohs and Mogilner, 2010; Lichtenstein, Drumwright & Braig, 2004) and perceptions regarding brands' trustworthiness (Bigné et al., 2012; Huber et al., 2011; Hansmann, 1981).

Hoeffler and Keller (2002) emerges among the articles that most strongly influenced subsequent studies analyzing the impact of CSR on brand equity (Guerreiro et al., 2016). In the article, the authors introduce a set of propositions that explain how CSR initiatives may impact on consumers' responses through influencing various dimensions of brand knowledge, namely: brand image, brand awareness, brand credibility, brand feelings, brand engagement and brand community. Although no research has yet been dedicated to evaluating the complete set of propositions introduced by the authors, many researchers have already partially addressed the model suggested. The findings are scarce and so far no research has integrated the findings in a comprehensive manner.

## **METHODOLOGY**

To address the research questions proposed, studies that cited Hoeffler and Keller (2002) are identified and ordered for relevance in Google Scholar. The algorithm of relevance in Google Scholar considers the presence of the citations in the full article (title, abstract, key words and text), the name of the author, the publication in which the article appears and citations in other academic literature (Google Scholar, x). In the next stage, articles are manually selected for their fit with the objectives pursued in the current study. Therefore, only those research papers that evaluated with data collection the effects of CSR on consumer brand knowledge and/or consumers' responses are considered. In the final stage, only articles from the ABS list of publications were selected and considered for the present analysis.

The articles are analysed according to three criteria:

- *context of research*: e.g., types of CSR initiative, brand-cause fit, product
- *brand knowledge dimensions*: e.g., brand attitudes, product performance, awareness. CSR associations and consumers' attributions were also considered in this group.
- *consumers' responses*: e.g., purchase intent, word-of-mouth, product preference

## **RESULTS**

### **Analysis of Previous Studies**

An initial group of 400 studies are identified, with 30 articles being manually selected for their fit with the objective of the present study. In the final stage, only articles from the ABS list of publications are considered, with a final list of 20 articles forming the study. The articles were analysed



and their content summarized in Table 1. Additionally, the topics developed in the articles are also evaluated according to their frequency (see Table 2).

**Table 1. Selected articles**

| <b>Name (year)</b>      | <b>Context of research</b>  | <b>Brand knowledge</b>   | <b>Consumers' responses</b> | <b>Results</b>  |
|-------------------------|---|--|-----------------------------|---|
| Ellen et al. (2006)     | <i>Types of CSR:</i> Cause-related Mktg<br><i>Types of Brand-cause fit:</i> high versus low                                       | <i>Types of attribution for CSR:</i> self-centred (strategic and egoistic) and other-centred motives (stakeholders and value-driven)   | Purchase intent             | Strategic and Value-driven motives have positive effect on purchase intentions; Egoistic and lucrative motives have a negative effect<br>In high brand-cause fit contexts consumers tend to make more positive attributions |
| Green and Pelozo (2011) | <i>Types of CSR initiatives:</i> Philanthropic and Product related CSR  | <i>Types of value:</i> CSR offers three types of value propositions: emotional, social and functional  |                             | Philanthropic type of initiatives delivers on social and emotional value; Product related CSR delivers on functional value<br>In a context of economic recession, functional value is the most enduring                     |
| Marin et al. (2015)     | <i>Types of consumer:</i> interpersonal trust<br><i>Types of CSR:</i> Cause-related Mktg<br><i>Types of Brand-cause fit:</i> high | <i>Types of associations:</i> corporate ability and corporate hypocrisy<br><i>Types of attribution for CSR:</i> positive CSR attributions (strategic and value-driven) and negative CSR attributions (egoistic; stakeholder driven). |                             | Positive drivers of consumers' attributions: a) Brand-cause fit; b) corporate ability and c) interpersonal trust. Negative drivers of consumers' attributions: corporate hypocrisy.   |
| Kong and Zhang (2014)   | <i>Type of CSR:</i> environmental messages; <i>Type of product:</i> level of environmental harm                                   | <i>Type of association:</i> brand attitude   | Purchase intent             | Green advertising has a higher effect on brand attitudes and purchase intent for products that are considered harmful   |
| Ku et al. (2012)        | <i>Type of CSR:</i> environment; Competing mktg   | <i>Type of CSR associations:</i> minimizing losses   | Purchase intent             | Prevention-focused associates CSR minimizing losses;  |

| Name (year)           | Context of research  | Brand knowledge  | Consumers' responses                   | Results   |
|-----------------------|--|--|--|---|
|                       | efforts: sales promotion; Type of consumers: prevention-focused versus promotional-focused             | and experiential advancement   |  | Promotion-focused associates with experiential advancement<br>Prevention-focused have a higher purchase intent after seeing green advertising than promotional-focused  |
| Tingchi et al. (2014) |  | <i>Type of associations:</i> Value perceived (to the environment; to society and to stakeholders); Perceived brand quality         | Brand preference                       | Brand quality mediates the effects of CSR perceived value on brand preference   |
| Du et al. (2007)      | <i>Types of brand positioning:</i> CSR at the core of brand strategy versus CSR as a tactic initiative | <i>Types of associations:</i> Corporate ability beliefs (CA), CSR beliefs; CSR attributions regarding motivations<br>CSR Awareness | Loyalty, WoM, Identification           | Brands that incorporate CSR in the core of their brand positioning obtain higher levels of loyalty, WoM and identification. Effects are influenced by CSR beliefs; consumers' attributions, CSR awareness and CA  |
| Bigné et al. (2012)   | <i>Types of CSR:</i> Cause-related Mktg<br><i>Types of Brand-cause fit:</i> functional and image fit   | <i>Types of attribution to CSR:</i> altruistic<br><i>Types of associations:</i> brand credibility and CSR associations             |  | Functional fit has a positive and direct impact on CSR associations. Image fit has its impact influenced by the effects on altruistic attributions and brand credibility  |
| Bigné-Alcañiz (2012)  | <i>Types of CSR:</i> Cause-related Mktg<br><i>Types of Brand-cause fit:</i> high versus low            | <i>Types of associations:</i> CSR associations, corporate ability and brand attitudes.   | Purchase intention and support the NPO | The effects of CSR and CA associations on brand attitude vary according to the levels of brand-cause fit (moderation tested)<br>The effects of brand attitude on purchase intentions do not vary according to the levels of brand-cause fit; The effects of brand attitude on Consumers' intentions |

|  |  |  |  |                         |
|--|--|--|--|-------------------------|
|  |  |  |  | to support the NFO vary |
|--|--|--|--|-------------------------|

Table 1. (Continued)

| Name (year)              | Context of research   | Brand knowledge   | Consumers' responses   | Results  |
|--------------------------|---|---|--|--|
|                          |   |   |  | according to the levels of brand-cause fit   |
| Chernev and Blair (2015) | <p><i>Types of consumers:</i> knowledge to evaluate product performance</p> <p><i>Types of CSR:</i> Cause-related Mktg</p> <p><i>Types of Brand-cause fit:</i> low</p>  | <p><i>Types of attribution to CSR:</i> benevolence and self-interest</p> <p><i>Types of association:</i> CSR associations and product performance</p>         |  | <p>CSR initiatives have a positive effect on product evaluation. The effects are higher when benevolent attributions are raised and consumers are less knowledgeable regarding the product. This effect was tested in a context where the cause was not related to the firms' products</p> |
| Auger (2010)             | <p><i>Types of CSR:</i> environment and labour</p> <p><i>Types of product involvement:</i> high and low</p> <p><i>Types of economic contexts:</i> emerging and developed</p> <p><i>Competing mktg efforts:</i> brand name and country of origin</p> |   | Purchase intentions  | <p>CSR effects on purchase intentions did not differ between types of CSR, type of product involvement, or the presence of other types of marketing efforts. However, CSR effects on purchase intention differed according to the type of economic context</p>                             |
| Barone et al. (2007)     | <p><i>Types of CSR:</i> Cause-related Mktg</p> <p>Type of brand-cause fit: high</p>   | <p><i>Types of associations:</i> brand attitudes and attitudes towards the cause</p> <p><i>Types of attribution to CSR:</i> benevolence and self-interest</p> | <p>Purchase intentions;</p> <p>Intention to donate;</p> <p>Intention to recommend:</p> | <p>High brand-cause fit has a positive effect on consumers' intentions and brand attitudes when the attributions are positive. However it adds no value when consumers' attributions are negative. If the brand cause is liked, high brand-cause fit is less important. However,</p>       |

|                                 |  |   |                                    |   |
|---------------------------------|--|---|------------------------------------|---|
|                                 |  |   |                                    | when brand cause is less popular high brand-cause fit is important.   |
| Mohr and Web (2005)             | <i>Types of CSR:</i> environment and philanthropy<br><i>Competing</i>  | <i>Types of association:</i> brand attitudes and CSR associations                                 | Purchase intention                 | CSR evaluations have a positive impact on purchase intention. The effects do not differ   |
| <b>Name (year)</b>              | <b>Context of research</b>   | <b>Brand knowledge</b>  | <b>Consumers' responses</b>        | <b>Results</b>  |
|                                 | <i>marketing efforts:</i> price  |   |                                    | among types of CSR. Environmental CSR affects purchase intentions more strongly than price  |
| Nan and Heo (2007)              | <i>Types of CSR:</i> Cause-related Mktg<br><i>Types of brand-cause fit:</i> high and low<br><i>Types of consumers:</i> brand consciousness | <i>Types of associations:</i> brand attitudes   |                                    | Effects of CSR on brand attitudes differed only when consumers are brand conscious  |
| Montoro Rios et al., 2006       |  | <i>Types of associations:</i> CSR associations, Functional product performance and brand attitude |                                    | CSR associations have a positive impact on brand attitude, but the effects are smaller than those associated with product performance   |
| Simmons and Becker-Olsen (2006) | <i>Types of CSR:</i> Cause-related Mktg<br><i>Types of brand-cause fit:</i> high and low   | <i>Types of associations:</i> evaluation of sponsorship<br>Recall of CSR sponsorship              | Purchase intent and recommendation | High brand-cause fit is desirable. Low brand-cause fit can be harmful in consumers' responses and sponsorship evaluation. Effects of low fit can be mitigated by communicating the fit and changing the message source. Furthermore, the recall of CSR sponsorship can extend up to one year. |
| Westberg and Pope (2014)        | <i>Competing marketing efforts:</i> sales promotion and sponsorship  | <i>Types of associations:</i> brand attitude and CRM evaluations                                  |                                    | CRM has stronger effect on brand attitude than sponsorships and sales promotions  |

|                          |  |  |  |   |
|--------------------------|--|--|--|---|
|                          | <i>Types of CSR:</i><br>Cause-related<br>Mktg<br><i>Types of brand-<br/>cause fit:</i> high<br>and low |  |  | Brand-cause fit plays a more relevant role in CRM than in sponsorship or sales promotion. High fit is desirable to be perceived and communicated. |
| Zdravkovic et al. (2010) | <i>Types of CSR:</i><br>Cause-related<br>Mktg<br><i>Types of brand</i>                                 | <i>Types of associations:</i><br>attitude towards the brand-cause alliance |  | Both types of brand-cause fit (strategic and prominence) influence brand attitudes. Users'  |

Table 1. (Continued)

| Name (year)         | Context of research  | Brand knowledge  | Consumers' responses | Results   |
|---------------------|--|--|----------------------|---|
|                     | <i>cause fit:</i><br>marketing strategy (natural fit), prominence (designed commonalities); low and high | and brand attitude<br>Brand familiarity  |                      | attitude towards the alliance mediates the effects.<br>For those who are familiar with the cause the level of fit matters less and familiarity interacts with brand-cause fit |
| Huber et al. (2011) |  | <i>Types of associations:</i> CSR associations (positive corporate social performance - CSP) and brand misconduct (negative CSP); brand personality (reliability, attractiveness and creativity); Brand value: social image, trustworthiness, attachment, performance, value (pricing related) |                      | CSR has a positive effect on brand personality and brand value. Brand misconduct entails a stronger variation in brand personality than information about CSR activities      |
| Bloom et al. (2006) | <i>Types of brand-<br/>cause fit:</i> high and low   | Brand familiarity  | Brand preference     | There is no difference between high or low fit in brand preference. Familiarity with the cause is important.  |

In the following paragraphs, we provide an overview and brief discussion of the most common topics (see Table 2), that is, context of research, brand knowledge and consumers' responses.

**Context of Research: Types of CSR and Brand-Fit**

Most studies in Table 1 test the effects of CSR in the context of cause-related marketing. This result is in line with the overall literature in the field of CSR, with cause-related marketing being the most frequent form of philanthropy, which is itself the form of CSR most often investigated (Peloza & Shang, 2011). Cause-related marketing involves the practice of donating to a charity part of the revenues associated with product sales (Huertas-Garcia et al., 2017).

**Table 2. Topics and number of studies**

| <b>Topic</b>                          | <b>N° of studies</b> | <b>% of total</b> |
|---------------------------------------|----------------------|-------------------|
| <i><b>Context of research</b></i>     |                      |                   |
| Types of CRM: cause-related mktg      | 11                   | 55%               |
| Types of CRM initiatives: environment | 4                    | 20%               |
| Brand-cause fit                       | 11                   | 55%               |
| Types of consumers                    | 3                    | 15%               |
| Competing mktg efforts                | 3                    | 15%               |
| Types of products                     | 2                    | 10%               |
| Types of economic contexts            | 2                    | 10%               |
| <i><b>Brand knowledge</b></i>         |                      |                   |
| Brand attitude                        | 10                   | 50%               |
| CSR associations/perception/image     | 9                    | 45%               |
| Consumers' attributions               | 7                    | 35%               |
| Product performance                   | 2                    | 10%               |
| CA                                    | 3                    | 15%               |
| Attitudes towards sponsorship         | 2                    | 10%               |
| Brand credibility                     | 2                    | 10%               |
| Awareness                             | 3                    | 15%               |
| Attitudes towards the cause           | 1                    | 5%                |
| Brand misconduct                      | 1                    | 5%                |
| Brand personality                     | 1                    | 5%                |

|                                     |    |      |
|-------------------------------------|----|------|
| Brand quality                       | 1  | 5%   |
| Brand attachment                    | 1  | 5%   |
| <b>Consumers' responses</b>         |    |      |
| Purchase Intentions                 | 9  | 45%  |
| Word-of-mouth                       | 3  | 15%  |
| Support the non-profit-organization | 2  | 10%  |
| Consumers' responses in general     | 2  | 10%  |
| Product preference                  | 2  | 10%  |
| Loyalty                             | 1  | 5%   |
| Identification                      | 1  | 5%   |
| Total number of studies             | 20 | 100% |

In this context, brand-cause fit is among the topics most frequently considered in the articles analysed, as in Table 2. This result is also in line with the overall literature in cause-related marketing studies (Guerreiro et al., 2016). The concept of brand-cause fit is supported by mechanisms of *image transfer* (Hoeffler & Keller, 2002) and *consumers' attributions* (Ellen et al., 2006; Marin et al., 2016). It is generally accepted that the higher the similarity and compatibility between the cause and the brand, the more effective the image transfer tends to be and the consequent impact on consumers' responses (e.g., purchase intent) (Simmons & Becker-Olsen, 2006). High brand-cause fit is also investigated for its influences in generating positive consumers' attributions regarding the motivations behind the brand-cause agreement (Ellen et al., 2006; Marin et al., 2016).

Analysis of the studies in Table 1 reveals that despite the predominance of results reinforcing the general acceptance that high brand-cause fit is desirable, there is no consensus, with some studies defending low brand-cause fit (Chernev & Blair, 2015), while others are either in favour of its comparable effects (Nan & Heo, 2007; Bloom et al., 2006) or argue that the benefits of high brand-cause fit are conditional to other aspects (Barone, 2007; Jong et al., 2017).

The lack of consensus on brand-cause fit extends far beyond the studies presented in Table 1, dominating the discussion on cause-related marketing (Guerreiro et al., 2016). To address the polarized results, the next section will focus on discussing the different findings regarding low versus high brand-cause fit in view of their supporting theoretical arguments, aiming to

clarify the inconsistencies and propose a new conceptual articulation to deal with this topic.

### **Effects on Brand Knowledge: Brand Attitude, CSR Associations and Consumers' Attributions**

Hoeffler and Keller (2002) proposed that the effect of CSR on consumers' responses occurs through its impact on various dimensions of brand knowledge, among them: brand image, brand awareness, brand credibility, brand feelings, brand engagement and brand community. As presented in Table 2, previous studies have almost solely focused on measuring the effects of CSR on brand attitude with positive effects identified in all studies (e.g., Kong & Zhang, 2014; Bigné-Alcañiz, 2012; Mohr & Web, 2005). Regarding the antecedents, the effects of CSR on brand attitude are most often preceded by CSR associations (Du et al, 2007; Bigné-Alcañiz, 2012; Montoro Rios et al., 2006) and consumers' attributions (as in Table 2) (Du et al., 2007; Bigné et al., 2012; Chernev & Blair, 2015).

CSR associations aggregate consumers' perceptions about the social nature of a brand (Du et al., 2007; Bigné-Alcañiz, 2012; Montoro Rios et al., 2006). In most studies, CSR associations are treated as a simple construct to capture *general social-minded* perceptions of the brand. However, Montoro Rios et al. (2006) present CSR associations as a construct composed of three types of associations: functional, experiential and social. The first one gathers the CSR associations that consumers relate directly to the performance of the product or service. The second type involves the feelings and emotions consumers experience while supporting CSR initiatives. The third type involves the associations related to the social identity value consumers find in helping social causes (Montoro Rios et al., 2006). The effects of CSR associations on brand attitude result from the halo effect of CSR on brand associations (Chernev & Blair, 2015), influencing overall evaluations (Hoeffler & Keller, 2002).

Moreover, consumers' attributions are often evaluated for their effects on brand attitude (as in Table 2), purchase intentions (Ellen et al., 2006;



Barone et al., 2007) and CSR associations (Du et al., 2007; Bigné et al., 2012; Chernev & Blair, 2015). These effects occur when consumers accept that companies are driven by their genuine values and find a logic fit for the agreement between the brand and the cause (strategic-driven) (Ellen et al., 2006; Marin et al., 2016; Barone et al., 2007). In contrast, the effects tend to be negative when consumers attribute firms' motivations for supporting CSR initiatives to egoistic or lucrative reasons (Ellen et al., 2006; Marin et al., 2016; Barone et al., 2007).

Brand-cause fit is among the factors that most strongly influence consumers' attributions (Bigné et al., 2012; Marin et al., 2016; Barone et al., 2007). The mechanisms supporting these effects are discussed in the next section of the analysis, but overall it is accepted that high brand-cause fit positively influences consumers' in attributing positive motivations to brand-cause agreements (Bigné et al., 2012; Marin et al., 2016; Barone et al., 2007).

### **Effects on Consumers' Responses: Purchase Intentions**

The studies analysed (see Table 2) have almost exclusively focused on evaluating the effects of CSR initiatives on purchase intentions, with results being consistently positive across studies (e.g., Kong & Zhang, 2014; Auger et al., 2010; Simmons & Becker-Olsen, 2006) and contexts.

Despite only a limited number of studies comparing CSR across different contexts (Mohr & Web, 2005; Auger et al., 2010; Kong & Zhang, 2014; Ku et al., 2012), the results obtained regarding environmental, social labour and philanthropic types of initiatives were comparable (Auger et al., 2010; Mohr & Web, 2005; Green et al., 2007). Additionally, the effects of CSR initiatives on purchase intentions were also validated for their superiority over price promotion (Mohr & Web, 2005) and branding (Auger et al., 2010).

### **Brand-Cause Fit: Polarized Results**

Brand-cause fit has been a prominent topic in previous studies evaluating the effects of CSR on brand equity (Chernev & Blair, 2015; Nan & Heo, 2007; Bloom et al., 2006). This prominence can be attributed to three aspects. First, because brand-cause fit has an important influence on the effects of cause-related marketing on brand equity (Hoeffler & Keller, 2002). Second, because cause-related marketing is the type of CSR format most frequently researched (Peloza & Shang, 2011). Finally, this prominence can also be attributed to the complexity involved in the discussion of brand-cause fit, which is shown by the lack of consensus among studies regarding the effects of CSR on brand equity (Jong et al., 2014; Chernev & Blair, 2015; Du et al., 2007).

Despite the predominant understanding that high brand-cause fit is desirable (Ellen et al., 2006; Marin et al., 2016; Barone et al., 2007), some studies defend low brand-cause fit's superiority (Chernev & Blair, 2015), while others are either in favour of its comparable effects (Nan & Heo, 2007; Bloom et al., 2006) or argue that the benefits of high brand-cause fit are conditional on other aspects (Barone, 2007; Jong et al., 2017). Based on Nan and Heo (2007), the effects of CSR initiatives on brand attitude reveal that high brand-cause fit influences the results only for highly brand-conscious consumers. Chernev and Blair (2015) evaluate the effects of CSR on product performance in low brand-cause contexts. The findings indicate that the effects on product performance are stronger when benevolent attributions are perceived or consumers are less knowledgeable about the product. Other studies have investigated the conditions under which the effects of high brand-cause fit are significant (Barone et al., 2007). Findings indicate that high brand-cause fit has a positive effect on consumers' intentions only when the attributions are positive, but adds no value when consumers' attributions are negative (Barone et al., 2007). Furthermore, if brand cause is familiar and liked, then high brand-cause fit is less important (Barone et al., 2007; Zdravkovic et al., 2010).

The lack of consensus around brand-cause fit extends far beyond the studies presented in Table 1, with the topic being often present in cause-

related marketing studies (Guerreiro et al., 2016). To address the polarized results, in the following paragraphs we focus on presenting the different findings in view of their supporting theoretical arguments, with the objective of clarifying the inconsistencies for later discussion.

Concerning the supporting theoretical arguments, previous studies have proposed that the effects of CSR on brand equity occur by means of mechanisms related to *image transfer* and *consumers' attributions*. Understanding of these mechanisms is fundamental in analysing the potential sources of inconsistencies, and they are therefore presented in the following paragraphs.

To explore the mechanisms of image transfer, it is important to define how brand-cause fit relates to brand knowledge. As previously highlighted in the literature review, brand knowledge is accepted as the main source of brand equity (Keller, 1993), being composed of brand awareness and various types of brand associations (Keller, 2003). Brand associations can be created directly by means of brand communications, innovation and product experience or can be transferred from secondary sources through image transfer mechanisms (Ruth & Simonin, 2003; Keller, 2003; Olson, 2010). Keller (2003) introduces the concept of secondary brand associations to define this process, referring to the image transfer that occurs between parties as a result of their joint marketing efforts. Secondary associations in the context of CSR may occur between the cause and the brand, with consumers learning about the brand through associating it with the cause (Kong & Zhang, 2014). This mechanism finds support in the theory of classical conditioning (Till & Nowak, 2000), according to which human beings may learn about a stimulus (e.g., a brand) by associating it with another object. In the specific context of CSR, the logic is that when firms are endorsed by the causes they support, the transfer of associations from the cause to the brand occurs and as a result, consumers may see the brand as more socially responsible (Hoeffler & Keller, 2002; Barone et al., 2007). In view of this logic, researchers suggest that consumers' perception of fit between the brand and the stimuli is among the most important conditions for the mechanism of image transfer to occur due to brand-fit diagnosticity and accessibility (Bigné et al., 2012).

The concept of diagnosticity in the context of CSR implies that in situations where consumers perceive a high fit in terms of similarity and compatibility of associations between a brand and the cause (Lafferty, 2007), they will perceive that they can make judgements about the brand based on what they know about the cause. So, the information about the cause serves as diagnostic input for consumers' judgements about the brand (Lafferty, 2007). The concept of accessibility implies that when consumers perceive high fit between the cause and the brand, the associations transferred tend to reinforce pre-existing brand associations and make them more accessible in memory, with a positive impact on brand evaluations (Keller, 1993, 2003; Bigné-Alcañiz, 2012). Previous studies of CSR have concluded that in contexts where brand-cause fit is high, diagnosticity and accessibility has a positive effect on brand evaluations, CSR associations and consumers' responses (Chen et al., 2014; Lafferty & Goldsmith, 2005; Lafferty, 2009).

However, while benefiting from the mechanisms of image transfer, besides following a strategy of commonality, brands might also consider strategies of complementarity, which imply moderate or low brand-cause fit (Hoeffler & Keller, 2002). In this type of strategy, the objective is that brands build new points of differentiation through creating new associations (Chen et al., 2014; Bigné et al., 2012; Keller, 1993; 2003). In the perspective of Chen et al, (2014), brands' pre-existing CSR image should be considered when deciding for commonality versus complementarity. The authors recommend that brands that are already known for positive CSR associations should pursue high brand-cause fit, as this helps to reinforce existing associations. However, brands known for their corporate ability (CA) in producing and marketing goods and services, but lacking CSR associations, would benefit more from moderate or low brand-cause fit, which would allow them to differentiate. In both situations, some sort of consumer familiarity with the cause is desirable for associations to be transferred (Bloom et al., 2006).

Besides mechanisms related to image transfer, previous studies have also proposed that the effects of CSR on brand equity occur through *consumers' attributions* regarding firms' motivations to support CSR

initiatives (Ellen et al., 2006; Marin et al., 2016; Barone et al., 2007). The rationale behind these effects is that when the brand fit is perceived as high, consumers can easily elaborate on the motives and find the logic for the fit. In these situations, consumers tend to accept that firms' motivations are driven by more positive aspects, related to their strategy and values (Ellen et al., 2006; Bigné et al., 2012). By contrast, when consumers perceive low fit they find it difficult to make sense of the combined associations of the cause with the brand. In these situations, cognitive dissonance takes place (Marin et al., 2015), in response to which consumers tend to elaborate more suspicious thoughts regarding the motives justifying the brand-cause agreement (Bigné et al., 2012; Bigné-Alcañiz, 2012; Simmons and Becker-Olsen, 2006). In sum, when consumers are not able to understand the firm's motivations for establishing the brand-cause agreement, they tend to raise negative attributions associated with egoistic motives, driven by stakeholders' interests (Bigné-Alcañiz, 2012; Ellen et al., 2006).

From this perspective, it is assumed that when facing a brand-cause agreement, consumers make a cognitive effort to form their thoughts regarding firms' motivations (Lafferty & Goldsmith, 2005; Hoek & Gendall, 2008). This could be the case for choosing an insurance company or software (Forehand & Grier, 2003), which are high involvement types of product. However, when choosing beer (Bloom et al., 2006), water or canned food (Lafferty & Goldsmith, 2005), a lower level of product involvement is expected, with consumers naturally making fewer judgements along the decision-making process (Hoek & Gendall, 2008). Following this rationale, some authors propose that in low product involvement contexts consumers do not elaborate so much on companies' motivations for supporting the cause (Lafferty & Goldsmith, 2005; Hoek & Gendall, 2008) and therefore, the risks of negative consumer attributions associated with low brand-cause fit become less relevant (Lafferty & Goldsmith, 2005; Hoek & Gendall, 2008).

## **CONCLUSIONS AND IMPLICATIONS**

After comparing the two mechanisms influencing the effects of CSR on brand equity, in the following paragraphs each one is discussed for its implications and a new conceptual articulation to deal with decisions on low versus high brand-cause fit is proposed.

As long as the *mechanisms of image transfer* are considered, decisions regarding compatibility (high fit) versus complementarity (moderate or low fit) are addressed as strategic brand building decisions (Keller, 2003; Hoeffler & Keller, 2002; Bloom et al., 2006). In these situations, there is not necessarily a *right or wrong* decision regarding low or high brand-cause fit, as long as it addresses the marketing objectives defined (e.g., differentiate with new associations versus strengthen existing ones) (Hoeffler & Keller, 2002). The perspective adopted in the case of complementarity is that an initial low brand-cause fit is developed into a high brand-cause fit through firms' efforts to communicate the brand-cause association (Woisetschlager & Michaelis, 2012).

However, in the context where *mechanisms of consumers' attribution* are considered, low fit implies negative attributions (Simmons & Becker-Olsen 2006; Ellen et. al, 2006; Marin et al., 2015) and high brand-cause fit is often positioned as the *right* managerial decision, given the important role of consumers' attributions in brand evaluations and consumers' responses (Ellen et al., 2006; Marin et al., 2015; Bigné et al., 2012). These considerations would imply that if consumers' attributions could be controlled for, independently of the initial brand-cause fit level, then low or high fit would probably find comparable results. This rationale finds support in previous studies where attributions were manipulated in experimental settings (Barone et al., 2007; Forehand & Grier, 2003; Nan & Heo, 2007; Chernev & Blair, 2015). In line with this, Forehand and Grier (2003) propose that when brand-cause fit is low, firms should incorporate in their communications the strategic reasoning for the brand-cause agreement. The authors argue that if consumers have an explanation for the strategic reasoning, they can learn about the motives behind the agreement and will not elaborate on suspicious thoughts further. This proposition is also supported by other studies (Zdravkovic et al., 2010, Simmons and Becker-Olsen 2006), with brands being recommended to consider different

approaches when defining the strategic fit with the cause. Zdravkovic et al. (2010) propose that brand-cause fit can be addressed from ten different micro-perspectives, organized in two macro-groups: marketing strategy (e.g., target, positioning) and prominence (e.g., colour commonality, visibility, explicitness).

In view of these implications, the current study proposes that a new conceptual articulation should be considered for decisions regarding high versus low brand-cause fit. In this conceptual articulation, it is proposed that decisions at the level of brand-cause fit are driven exclusively by brand building motives. In view of which, high brand-cause fit would be justified by objectives of strengthening existing associations and low brand-cause fit would be justified by objectives of differentiation. In this context, low brand-cause fit is accepted as an initial condition for differentiation, evolving into a high brand-cause fit as long as firms communicate the brand-cause associations (Woisetschlager & Michaelis, 2012).

Regarding the negative implications of low brand-cause fit for consumers' attributions (Ellen et al., 2006; Marin et al., 2015), firms are recommended to design and communicate the strategic motives behind their support for CSR initiatives, preventing consumers from suspecting their motives (Forehand and Grier, 2003; Zdravkovic et al., 2010; Simmons and Becker-Olsen 2006). When defining the brand-cause fit, multiple dimensions might be considered (e.g., Jong et al., 2017. Bigné-Alcañiz, 2012; Zdravkovic et al., 2010). The level of product involvement should also be considered in low brand-cause fit scenarios, as low product involvement suggests less consumer effort in elaborating attributions (Lafferty & Goldsmith, 2005; Hoek & Gendall, 2008).

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