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Consumer reactions to corporate social responsibility: The role of CSR domains

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ABSTRACT

Based on the central premise that corporate social responsibility (CSR) actions are inherently moral acts, we draw upon moral foundations theory to investigate the extent to which consumers' moral foundations affect their pro-company behaviors based on CSR domains. In two studies, our results reveal that when consumers' moral foundations are congruent with CSR domains, positive pro-company behaviors increase. Moreover, this congruency effect is observed only in positive CSR actions but not in CSR lapses. Lastly, we introduce consumer-company identification as the underlying process driving the consumer-domain congruence effect on pro-company reactions. Theoretical contributions and practical implications for marketers are discussed.

1. Introduction

Corporate social responsibility (CSR) today is a pervasive pre-occupation of businesses worldwide. The prominence of CSR on the global business landscape is fueled in no small measure by consumer demand: the sense provided by companies of the pivotal role of consumers in driving their CSR strategies (McKinsey & Company, 2014) is matched by marketplace surveys attesting to unprecedented consumer interest in consuming from companies that are socially responsible/sustainable (Cone, 2017). In that, CSR is not only a moral imperative for businesses today but, increasingly, a business imperative as well, with consumers rewarding socially responsible companies by engaging in a host of pro-company behaviors (e.g., purchase, loyalty, advocacy).

Not surprisingly, the socially responsible activities of companies span a great variety of CSR domains, which refers to the substantive areas of a firm's CSR policies, programs, and actions as they relate to the firm's stakeholder relationships (Öberseder, Schlegelmilch, & Murphy, 2013; Pelozo & Shang, 2011; Sen & Bhattacharya, 2001; Wood, 1991). Among various classifications of CSR actions (e.g., Pelozo & Shang, 2011), this paper chooses the taxonomy of CSR domains provided by MSCIKLD (formerly KLD Research & Analytics Inc.) because it is the most the widely used taxonomy of CSR domains, both in practice (Du, Yu, Bhattacharya, & Sen, 2017) and, importantly, in academic research (e.g., Servaes & Tamayo, 2013). Specifically, MSCIKLD reports

on firm performance in seven CSR domains: employee relations; human rights; diversity; community issues; corporate governance; the environment; product issues. Naturally, while the CSR actions of many companies encompass all seven domains, others choose to focus, for a variety of identity and strategic reasons, on a subset. This raises a basic question of considerable conceptual and practical import: are consumer responses to CSR sensitive to the domain of CSR action? Interestingly, while the substantial body of extant work on consumer reactions to CSR points to a variety of consumer- and CSR-specific sources of variation in such reactions (see Sen, Du, & Bhattacharya, 2016 for a recent review), it is virtually silent on the role of the CSR domain per se.

In this paper, we build on the basic premise that consumers view CSR actions as, fundamentally moral acts to argue that they will evince significant CSR domain-based variation in their pro-company responses. Specifically, a key dimension characterizing CSR domains is whether the intended beneficiaries or the observable outcomes of a CSR initiative in a particular domain are perceived by consumers to relate to individuals (i.e., an individual-oriented domain) versus to collective groups (i.e., a group-oriented domain). To illustrate, flex-work programs for employees can be perceived primarily as advancing the welfare of individuals, whereas support of STEM education is likely seen more in terms of advancing the collective welfare of groups.

Drawing on the most influential individual-level theory of moral psychology - moral foundations theory (MFT) (Haidt & Graham, 2007)

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as well as those pertaining to individual- (Triandis, 1996) and organizational identity (Brickson, 2005), we proffer two basic arguments: (1) consumers perceive CSR activities through a moral lens and view CSR domains to be either individual-oriented or group-oriented (i.e., reducing harm to and enhancing the welfare of individuals or of collective groups), and (2) their pro-company reactions to CSR actions in a particular domain hinges, *ceteris paribus*, on the match or congruence between their perceived individual- or group-orientation of the CSR domain and the extent to which they characterize themselves in terms of individualizing moral foundations (i.e., caring, treating individuals fairly, and reducing harm to individuals) versus binding moral foundations (i.e., strengthening and preserving the group; Graham, Haidt, & Nosek, 2009).

Two experiments provide general support for our basic prediction that a company's positive actions (i.e., CSR strengths) in CSR domains perceived to be more individual-oriented elicit more positive pro-company reactions from consumers with greater individualizing moral concerns whereas domains perceived to be more group-oriented elicit more positive reactions from consumers with greater binding moral concerns. As well, we demonstrate an asymmetry in the role of CSR domain in consumer responses to CSR strengths versus lapses: while the aforementioned consumer-domain congruence matters in the case of CSR strengths, consumers' reactions to CSR lapses are not sensitive to variations in domain. Finally, we point to an identity-based mechanism, consumer-company identification, as a key driver of consumer responses to company strengths in the varying CSR domains.

In providing these insights, this paper makes three contributions. First and most basically, we contribute to the CSR literature by documenting an important and as of yet unestablished source of variation in consumer responses to CSR. Our findings show that consumers' pro-company responses vary along a fundamental dimension of a company's CSR efforts: the CSR domain. At the same time, we proffer a theoretically grounded sense for the moral basis of this domain-specific variation: consumers' reactions to the different CSR domains vary systematically with the extent to which their morality is founded on individualizing and binding moral concerns. Second, we contribute to the incipient body of work on prescriptive versus proscriptive morality (Janoff-Bulman, Sheikh, & Hepp, 2009) by showing that the CSR domain moderates consumer reactions only in the case of CSR strengths; in the case of CSR lapses, consumers are immune to domain differences. The failure to act morally is judged with a broader stroke than are "good" behaviors. Finally, we provide some evidence for the process underlying the effect of the congruence between consumers' moral foundations and CSR domain on their company advocacy behaviors. In doing so, we advance our understanding of consumer-company identification by implicating the domain of a company's CSR actions and the moral foundations guiding its consumers as inputs into the identity-based affiliations people form with the companies they consume from.

Next, we theorize about the interactive effects of the CSR domain and consumers' moral foundations on their reactions to both socially responsible and irresponsible companies. We then present two experiments that test the predictions emerging from our theorizing (summarized in Fig. 1). The paper ends with a discussion of the conceptual and practical implications of our findings.

2. Conceptual development

2.1. CSR domains

CSR is a company's commitment to improve societal, economic and environmental well-being through business practices (Sen & Bhattacharya, 2001). CSR domain is the substantive area of a firm's CSR policies, programs, and actions as they relate to the firm's stakeholder relationships (Wood, 1991). Prior research has provided various taxonomies of CSR actions. For example, Pelozo and Shang (2011) classify CSR actions into philanthropy, business practices, and product-related.

Several studies differentiate between institutional (i.e., pertaining to secondary stakeholders) and technical (i.e., pertaining to primary stakeholders) CSR (Godfrey, Merrill, & Hansen, 2009; Mattingly & Berman, 2006). Additionally, Johnson and Greening (1999) classify CSR performance into a people (community, diversity, employee relations) dimension and a product (environment, product) dimension.

This study uses the MSCIKLD (KLD for short) classification of CSR domains because it is the mostly widely used taxonomy of CSR domains in both practice and academic research. In their annual CSR or sustainability reports, for instance, companies typically classify their CSR activities into buckets that are closely aligned with the KLD domains (Du et al., 2017). As well, a large body of CSR research either uses KLD classification to operationalize a CSR domain (e.g., Sen & Bhattacharya, 2001) or examines firm overall CSR activities based on actions in the different KLD domains (e.g., Godfrey et al., 2009; Servaes & Tamayo, 2013; Waddock & Graves, 1997).

Furthermore, the KLD classification is a preferable taxonomy of CSR domains as it comes closest, of all classifications, to capturing the multi-dimensional and stakeholder-oriented nature of CSR actions. We chose the KLD classification because its domains relate to how firms address the interests and well-being of their multiple stakeholder groups (Waddock & Graves, 1997). Specifically, there are seven basic domains according to KLD: (1) employee relations (i.e., the extent to which a company is involved with employee related issues, such as, providing a safe and healthy working environment, retirement plans to its employees and having favorable union relations), (2) human rights (i.e., the extent to which a company ensures and supports the basic rights and freedoms of all human beings (e.g., help eliminate human trafficking, favorable relations with indigenous people), (3) diversity (i.e., the extent to which companies address the matters related to gender, age, sex, ethnicity, and sexual orientation in the workplace (e.g., promotion of minority and women to line positions, benefits for non-traditional and/or disabled employees), (4) community issues, evaluated in terms of companies' impact on local communities by offering educational initiatives, volunteer programs and charitable giving, (5) corporate governance, based on the extent to which a company ensures its management acts in the best interest of its shareholders and the community in which it operates by ensuring record of transparency and by creating governance framework, (6) environment, based on a company's impact on the environment such as the use of recycled materials, renewable energy and clean fuels, and (7) product (i.e., the company's commitment to ensuring equal access for innovative, safe and quality products to customers). The seven domain KLD classification contains greater granularity, relative to alternate classifications, in terms of domain-specific differences and their underlying dimensions to allow a more meaningful and in-depth examination of inter-domain differences.

Might consumers respond differently to a company based on the domain(s) of its CSR actions? Notably, almost all prior research on consumer responses to CSR has either focused on a single domain (e.g., consumer reactions to green products) or collapsed across domains (e.g., consumer reactions to socially responsible, in general, companies) in a way that ignores potential domain-specific differences (Borin, Lindsey-Mullikin, & Krishnan, 2013; Russell & Russell, 2010; Trudel & Cotte, 2009). Even the research that has tried to characterize variations in consumer responses to a single CSR domain (or perhaps a couple of domains) has done so primarily in terms of the importance or relevance of that domain to consumers (e.g., Sen & Bhattacharya, 2001). Thus, conceptually grounded insight into the role of inter-CSR domain differences in consumer responses to CSR has remained, thus far, elusive.

To explore such inter-domain differences in consumer reactions to CSR, we focus on the individual- vs. group-orientation of CSR domains, which pertain to whether a CSR domain is perceived as focusing on protecting and enhancing the welfare of individuals or groups. For instance, the domain of human rights addresses the welfare of each and every individual human being, regardless of race, ethnicity, religion, gender, socioeconomic class, and other demographic variables, and

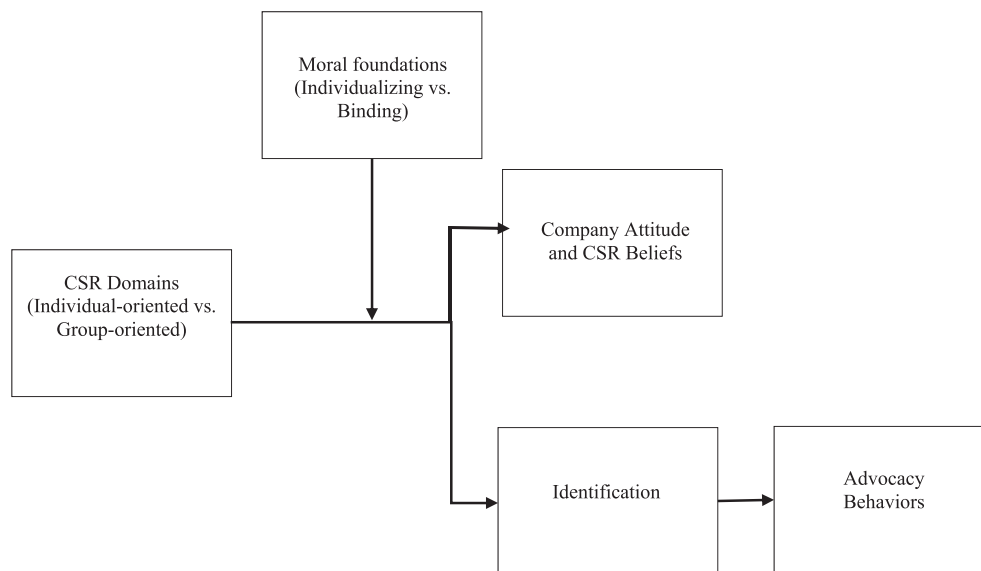


Fig. 1. Conceptual model of consumer reactions to CSR domains.

consists of initiative such as eradicating forced labor and human trafficking. As such, the domain of human rights is more likely to be perceived as higher on individual-orientation. On the other hand, the domain of community, consisting of initiatives such as supporting STEM education and building common facilities for communal benefit, focuses on strengthening and enhancing the welfare of groups (i.e., communities), and is thus likely to be perceived as higher on group-orientation.

This individual-group characterization of CSR domains is rooted in how people perceive and understand the world. Specifically, a substantial body of work (Aaker & Lee, 2001; Markus & Kitayama, 1991; Swaminathan, Page, & Canli, 2007; Triandis, 1989) points to individualism/collectivism as a fundamental, cultural dimension defining the self; while some consumers view the world in primarily interdependent/collectivistic (connected to others) terms, others do so in primarily independent/individualistic (distinct from others) terms. Not surprisingly, then, this spills over, more specifically, to the identity of companies as well; according to Brickson (2005), the identity orientation of certain companies is more individualistic (i.e., the company sees itself as a “sole entity atomized and distinct from others” (page 865, Brickson, 2007) whereas that of others is more collectivistic (i.e., the company sees itself as “a member of a larger group with generalized ties to other stakeholders in that group” (page 865, Brickson, 2007). Naturally, these identity orientations determine the nature of a company’s relationships with key stakeholder groups (e.g., employees, customers, nonprofits) to create distinct forms of social value (Brickson, 2007), including, conceivably, different types of CSR engagement (individual vs. group/collectivistic). In other words, consumers are likely to perceive CSR domains along this fundamental, individual-group dimension, due in part to a match between the identity orientation of companies (i.e., individualistic vs. collectivistic) and their CSR domain choices (individual vs. group).

Importantly, given the moral conceptual lens we bring to our investigation of consumer responses to CSR, the perceived individual-versus group-orientation of a CSR domain is particularly germane to our theorizing as it maps onto, or mirrors, the two fundamental dimensions of moral foundations: individualizing (protecting individuals’ rights and treating them fairly) and binding (preserving and enhancing the collective entities; Graham et al., 2011).

2.2. Individualizing versus binding moral foundations

Much moral psychology research today draws on the influential moral foundations theory (MFT; Haidt & Graham, 2007; Haidt & Joseph, 2004) to characterize individual morality in terms of five culturally inclusive, social-functional, psychological dimensions or foundations: Harm/Care, Fairness/Reciprocity, Ingroup/Loyalty, Authority/Respect, and Purity/Sanctity. While all five foundations are rooted in anthropological and evolutionary accounts of morality, the first two are commonly construed as the *individualizing* foundations because they - in their ties to the human concern with caring and protecting vulnerable individuals from harm and for fairness, reciprocity and justice - focus on the rights and welfare of individuals (i.e., the “ethic of autonomy”). The latter three foundations, tied to the “ethics of community and divinity” are, on the other hand, construed as the *binding* foundations because they emphasize in-group loyalty, obedience to authority, and shared rituals of purity and decency, as instruments of group-binding and group-strengthening. In short, the individualizing dimension is concerned with protecting individuals’ rights and treating them fairly whereas the binding foundation is centered on preserving the group as a whole (Haidt & Graham, 2007).

Research in both psychology and marketing suggest that the location of individuals on each of these two independent morality dimensions has wide-ranging implications, from the extent to which they moralize self-control (Mooijman et al., 2017) to their responses to charity (Winterich, Zhang, & Mittal, 2012) and environmental (i.e., “going green”) appeals (Kidwell, Farmer, & Hardesty, 2013). In particular, prior research documents a positive effect of the congruence or alignment between the individualizing versus binding nature of an individual’s morality and the type of moral appeal they are exposed to: those higher on the individualizing [binding] moral concerns respond more positively to both charitable and environmental appeals framed in individualizing [binding] language (Kidwell et al., 2013; Winterich et al., 2012). We draw on this research, and more generally that on person-message fit (Agrawal & Maheswaran, 2005; Higgins, 2000; Keller, 2006; Lee & Aaker, 2004), to argue for a congruence effect in consumers’ reactions to different CSR domains: consumers higher on the individualizing [binding] moral foundations will react more favorably to company strengths CSR domains that are perceived as individual-oriented [group-oriented] than those perceived as group-oriented [individual-oriented]. In other words, the alignment, as opposed to misalignment, of a consumer’s moral foundations (individualizing vs.

binding) with that of a company's CSR domains (individual-oriented vs. group-oriented) will produce more positive pro-company reactions.

This positive congruence effect between CSR domain and consumer moral foundations is related to but distinct, in its greater specificity, from the notion of CSR support identified in prior literature (i.e., Sen & Bhattacharya, 2001). Sen and Bhattacharya (2001) measured consumers' support for a specific CSR domain and find such CSR support promotes pro-company outcomes through identification. While such issue support can be based, broadly, on a variety of individual characteristics (e.g., consumers' personal affiliation, experience, or history with a particular cause) or even stakeholder status (e.g., consumers may find more relevant CSR actions in the product domain than in others), our research pinpoints the alignment between consumers' moral foundations and their perceptions of a CSR domain along the individual- and group-oriented dimensions, as a specific and particularly potent driver of differential consumer responses to CSR.

More formally:

H1a : Consumers with higher individualizing moral foundations will react more favorably to individual-oriented CSR strengths than group-oriented CSR strengths.

H1b : Consumers with higher binding moral foundations will react more favorably to group-oriented CSR strengths than individual-oriented CSR strengths.

2.3. CSR strengths versus CSR concerns

Thus far, our theorizing has been restricted to domain-specific differences in consumer reactions to the positive actions and achievements of a company in the CSR realm (i.e., CSR strengths). This raises an interesting question: would we expect the same interactive effect of CSR domain (individual vs. group-oriented) and consumer moral concerns (individualizing vs. binding foundations) for CSR lapses, or what KLD calls CSR concerns? Insights from prior research suggest that consumers tend to react in a qualitatively different way to CSR concerns vs. CSR strengths, and therefore our predictions thus far might not hold in the case of CSR lapses. First, research within the morality domain suggest that proscriptive morality (i.e., what we should not do) and prescriptive morality (i.e., what we should do) are not psychologically equivalent (Janoff-Bulman et al., 2009): proscriptive morality is a “stricter, more condemnatory system of moral regulation (Janoff-Bulman et al., 2009, page 524)” than prescriptive morality. This dovetails with the vast body of work on the negativity bias, which suggests that consumers will react more extremely to CSR lapses than to CSR strengths of an equivalent magnitude (see Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001; Rozin & Royzman, 2001; Taylor, 1991). Thus, this stronger, more sustained, and more consistent negative reaction to undesirable and harmful outcomes compared to desirable and beneficial outcomes is likely to flatten out, at the margins, any CSR-domain-based variations therein.

More importantly, Yoon, Gürhan-Canli, and Schwarz (2006) suggest that because the fundamental attribution error (i.e., attributing behaviors to dispositions rather than the context; Ross, 1977) is more pronounced for negative than for positive behaviors, particularly in the morality domain (Skowronski & Carlston, 1989), consumers readily attribute CSR concerns to a company's character. This suggests that concerns are not only viewed as more extreme than strengths, but are also, importantly, seen as more diagnostic of a company's character (i.e., of higher informational value), making the domain of CSR transgression less material in consumers' company judgement. Put simply, a company with CSR concerns is more likely to be seen as a “bad” company, regardless of whether it transgressed in the community or human rights domain. In contrast, positive behaviors (e.g., CSR strengths) are less diagnostic and have lower informational value in terms of inferring the company's character (Yoon et al., 2006). Consumers thus are more

likely to consider other, contextual information in making sense of a company's CSR strengths by, for example, taking into account the domain of CSR activities (e.g., Godfrey et al., 2009; Sen & Bhattacharya, 2001) and the extent to which that matches their own moral foundations. Not surprisingly, then, Jayachandran, Kalaiganam, and Eilert (2013) examine the impact of CSR performance on firm performance in two areas – product and environment, and find that CSR concerns in these domains have similar effect on firm financial performance.

Based on this, we expect that in the case of CSR lapses, consumers' reactions to different CSR domains are likely to be negative and homogeneous, independent of their individual moral foundations and the alignment between the domain and moral foundations. More formally,

H2 : Regardless of their individualizing and binding moral foundations, consumers' reactions to CSR lapses in individual- and group-oriented CSR domains are likely to be similar.

2.4. The role of consumer-company identification

Prior research, both within (Lichtenstein, Drumwright, & Braig, 2004; Sen & Bhattacharya, 2001) and outside (Bhattacharya & Sen, 2003; Escalas & Bettman, 2005; Stokburger-Sauer, Ratneshwar, & Sen, 2012) the CSR realm, draws on the broader literature on social identity and organizational identification (Dutton, Dukerich, & Harquail, 1994; Tajfel & Turner, 1986) to suggest that consumers' reactions to CSR hinge to a significant degree on the extent to which a company's CSR actions reveals its values or “soul,” permitting consumers to identify with that company for the purposes of self-definition and/or self-enhancement. Identification itself involves consumers' appraisal of the company's identity, and their subsequent affiliation with it and is perceived as a sense of overlap between the company's identity and their own (Bhattacharya & Sen, 2003).

Extant research construes both consumer and company identities, in line with their social cognitive roots, in terms of traits and values that each entity is thought to possess. Importantly, a consumers' sense of morality is likely to be a key component of their own identity. This is borne out by a large body of work (see Dunning, 2007 for a relatively recent integration) that attests to certain sacrosanct or inviolable traits that are at the center of most people's perceptions of themselves (i.e., their identity): that they are moral, lovable, and capable individuals. A more specific stream of work (Aquino & Reed, 2002; Reed, Aquino, & Levy, 2007) parses the moral component of consumers' identity more explicitly as their moral identity, defined as a cognitive schema of the moral self that is organized around a set of moral trait associations (Reed et al., 2007, page 180). Clearly, the individualizing and binding moral concerns this paper focuses on are likely to be part of consumers' moral identity, which in turn belongs to the constellation of self-perceptions that comprise their overall identity. Given this, we argue that consumers will also perceive a company's morality as an integral part of its identity, and their sense for the congruence between their own moral concerns and that of a company, as revealed by its choice of group-oriented versus individual-oriented CSR domains, is likely to influence the extent to which they identify with the company: greater perceived congruence is likely to produce stronger consumer-company identification. It is worth pointing out that, although a company may choose an individual [group]-oriented CSR domain for a variety of reasons (i.e., not necessarily out of its moral concerns/moral identity), consumers are likely to appraise its CSR actions through a moral lens and, all else equal, perceive the corporate moral identity to be more individual [group]-focused if it engages in an individual [group]-oriented CSR domain. In other words, it is the perceived, not actual, corporate identity that drives consumer-company identification.

Interestingly, prior research implicates consumers' identification with companies/brands as a key driver of an array of pro-company behaviors (e.g., brand loyalty, positive word-of-mouth, resilience to

negative information about the company) that [Bhattacharya, Sen, and Korschun \(2011\)](#) label as advocacy behaviors. Thus, we expect the greater consumer-company identification produced by the congruence, as opposed to incongruence, between a consumer's moral concerns (individualizing vs. binding) and the domains (individual-oriented vs. group-oriented) of a company's CSR strengths to lead, more specifically, to their greater intentions to engage in pro-company advocacy behaviors. Stated formally:

H3. : In reacting to a company's CSR strengths, consumers with higher individualizing moral foundations will have (a) greater identification with, and (b) higher advocacy intentions toward a brand focused on individual-oriented CSR, as compared to a brand engaged in group-oriented CSR.

H4. : In reacting to a company's CSR strengths, consumers with higher binding moral foundations will have (a) higher identification with, and (b) higher advocacy intentions toward a brand focused on group-oriented CSR as compared to a brand engaged in individual-oriented CSR.

H5. : Identification will at least partially mediate the interactive effect of moral foundations and CSR domain on consumers' advocacy intentions.

We turn, next, to the studies that test our predictions.

3. Study 1

3.1. Pretest

3.1.1. Participants and procedure

We conducted a pretest to assess how consumers perceive CSR activities in different domains along the individual- or group-oriented dimensions. We created our stimuli by applying the CSR domains covered in the KLD dataset. Specifically, we created a brief description for each of the seven domains (i.e., environment, diversity, community, employee relations, human rights, product, and corporate governance) based on what is covered in each CSR domain as outlined in the KLD ratings definition and methodology. This approach allows us to assess how consumers naturally perceive each CSR domain.

One hundred fifty two Amazon Mechanical Turk workers ($M_{age} = 34.29$, 54.6% male) participated in this study in exchange for monetary compensation. First, participants read a brief explanation of each domain. For instance, the description of the diversity domain was "The DIVERSITY domain pertains to how a company addressed matters related to gender, age, sex, ethnicity, and sexual orientation in the workplace." Then, they rated their evaluation of the domain based on the question, "I believe that this domain focuses on: 1 = individuals, 7 = groups." Lastly, respondents filled out the 30-item moral foundation questionnaire (see Appendix B) as well as some demographic questions.

3.1.2. Results and discussion

The domains of employee relations ($M = 2.97$), human rights ($M = 3.70$), and diversity ($M = 3.83$) score lower on the individual-group scale and thus are perceived as individual-oriented; on the other hand, the domains of corporate governance ($M = 5.02$), environment ($M = 5.26$), and community ($M = 5.60$) score higher on the individual-group scale and thus are perceived as group-oriented. Untabulated t -tests indicate that the CSR domains of employee relations, human rights, and diversity are perceived as more individual-oriented than the domains of corporate governance, environment, and community (all t -test significant at $p < .01$). However, product-related domain is somewhere in the middle ($M_{product} = 4.11$) and perceived as neither individual- nor group-oriented.

We further examined whether the perceptions of these CSR domains along the individual – group dimension vary with individual consumers'

moral foundations. Correlational analysis shows moral foundations are either not correlated with perceptions of CSR domains, or correlated with the latter only at a low level. Specifically, binding moral foundations are not related to perceptions of CSR domains (all r 's not significant); individualizing moral foundations are not related to perceptions of the individual-oriented domains (i.e., employee, diversity, or human rights; all r 's not significant), but are related to perceptions of the other four domains (i.e., community, environment, governance, and product), albeit at a relatively low level (r 's range from 0.18 to 0.22); that is, consumers with higher individualizing moral foundations are likely to perceive the group-oriented domains as more group-oriented. In summary, the results of the pretest provide evidence that consumers seem to differentiate between individual- and group-oriented CSR domains, and that such distinction seems to generally hold regardless of consumers' moral foundations.

3.2. Consumer reactions to different CSR domains

3.2.1. Design and stimuli

The results of the pretest show that some domains are perceived as more individual-oriented while others as more group-oriented. Thus, the purpose of study 1 was to test how consumer reactions to individual- vs. group-oriented CSR domains vary with their moral foundations. We included six domains as specified by the KLD dataset and excluded the product domain because the pretest suggested that it is neither individual- nor group-oriented. We employed a 2 (CSR domain: individual vs. group; within subject) \times 2 (CSR valence: strengths vs. concerns; within subjects) \times 2 (moral foundations: individualizing vs. binding moral foundations; between subject, measured) mixed model design. We had three individual domains (i.e., employee, human rights, and diversity) and three group domains (i.e., environment, community, and governance).

We created six hypothetical consumer packaged goods companies, one for each CSR domain. For each domain, we created two sets of stimuli, one on CSR concerns and another on CSR strengths. In total, we generated 12 CSR scenarios for six hypothetical companies; participants were asked to evaluate all six companies and were randomly assigned to three CSR strengths and three CSR concerns. Note that a participant never evaluated the same company on both concerns and strengths frames. For instance, a hypothetical company YOKI's record in the community domain was as follows:

YOKI's strengths record in the community domain:

- It has consistently given over 1.5% of its three-year net earnings before taxes (NEBT) to charity.
- It has an exceptionally strong volunteer program that facilitates job-training initiatives for youth in the regions in which it operates.
- It has been notable in its support of primary and secondary school education for the economically disadvantaged.

YOKI's concerns record in the community domain:

- It is involved in a controversy regarding foreign product sourcing that has mobilized community opposition.
- Its actions have resulted in environmental contamination that has had a negative economic and health impact on the community around its headquarters.
- It is under investigation for minimizing its tax obligations to the community by inflating its intangible assets.

3.2.2. Participants and procedure

Two hundred and nine Amazon Mechanical Turk workers (44.5% female, $M_{age} = 35.32$ SD = 11.52) located in the U.S. participated in this study in exchange for monetary compensation. After providing their consent, participants read basic written instructions before starting the online study. Every participant viewed an introductory

Table 1
Consumer reactions to CSR: The effects of domain and individual moral foundations.

	CSR strengths condition		CSR concerns condition	
	CSR perceptions	Company attitude	CSR perceptions	Company attitude
CSRdomain	−0.08	−0.16**	0.00	−0.06
Individualizing moral foundations	0.33**	0.33**	−0.27**	−0.27**
Binding moral foundations	−0.01	0.00	0.00	0.03
CSRdomain × individualizing	−0.05	−0.13 +	0.07	0.06
CSRdomain × binding	0.15**	0.11*	0.04	−0.01
Gender	0.19*	0.20*	−0.16	−0.24**
Education	−0.05	−0.09	−0.05	0.03
Income	−0.09	−0.06	0.01	−0.10
F statistics	5.08**	7.00**	2.90**	3.51**
Adjusted R ²	0.15	0.14	0.08	0.09

Note: + $p < .10$, * $p < .05$, ** $p < .01$.

screen containing a brief description about the intent of the study (see appendix A). All participants were randomly assigned to evaluate three strengths and three concerns of the six hypothetical companies.

After reading a brief description about the company's record in a specific CSR domain, participants provided their ratings on company attitude (i.e., "This company is 1 = very bad, 7 = very good, and 1 = very unlikable 7 = very likable") and CSR perceptions (i.e., "This company is socially responsible," and "This company is a good corporate citizen," 1 = Strongly disagree, 7 = Strongly agree). Next, participants completed two manipulation checks "Please rate the extent to which you think the company information you read is" (1 = very unfavorable, 7 = very favorable) and (1 = very negative, 7 = very positive). Please note that unless otherwise specified, all measures in our studies used 7-point scales.

After evaluating all six companies, participants completed the 30-item moral foundations questionnaire (MFQ; Graham et al., 2011). Appendix B provides the 30 items of the MFQ. We inserted one attention check question to ensure that participants were filling out the questionnaire in good faith. After completing the MFQ, we asked participants to fill out some demographic questions (e.g., gender, education, and income) and a suspicion probe.

3.2.3. Measures

Each of the 209 participants rated six CSR domains and provided six sets of company evaluation, yielding a total of 1254 observations. After deleting data points that failed the CSR manipulation check questions, 1213 observations, with 207 unique participants, were left.

Following past research (Haidt & Graham, 2009), we created two measures to assess moral foundations; "individualizing" – the aggregate score on harm and fairness (Cronbach's alpha = 0.86), and "binding" – the aggregate score on authority, ingroup loyalty, and purity (Cronbach's alpha = 0.93). We created a CSRdomain variable based on the pretest results, which is equal to 1 for the corporate governance, environment, and community domains, and 0 for the employee relations, human rights, and diversity domains. We also created two interaction terms: CSRdomain × individualizing and CSRdomain × binding. To reduce multicollinearity and increase the ease of interpretation of the regression coefficient (Aiken, West, & Reno, 1991), we mean-centered individualizing and binding moral foundations before creating the interaction terms.

In terms of the dependent variables, we averaged the two items for company attitude (correlation = 0.98, $p < .001$) to form the measure for company attitude, and averaged the two items for CSR perceptions (correlation = 0.96, $p < .001$) to form the corresponding measure. We also include gender, education and income as our control variables in all the regression analyses. Age is not included because it is not significant in any of the analyses.

3.2.4. Results

The manipulation of CSR strengths and concerns are successful; the information in the strengths condition is considered more favorable ($M = 6.22$ vs. $M = 1.78$; $p < .001$) and more positive ($M = 6.25$ vs. $M = 1.79$; $p < .001$) than the information in the concerns condition. Since consumer reactions to CSR strengths and concerns are expected to be qualitatively different (Janoff-Bulman et al., 2009), we analyzed the strengths and concerns conditions separately. We regressed company attitude and CSR perceptions, respectively, on the following independent variables: CSRdomain, individualizing moral foundations, binding moral foundations, CSRdomain × individualizing moral foundations, CSRdomain × binding moral foundations, gender, education, and income. Since our dataset consists of multiple observations per participant, we employed cluster-robust regression analysis (Greene, 2012), with standard errors clustered by individual participants to account for the within-subject correlation in error terms.

For both CSR perceptions and company attitude in the strength condition, H1a predicts a negative interaction between CSRdomain (1 if group-oriented, and 0 otherwise) and individualizing moral foundations, and H1b predicts a positive interaction between CSRdomain and binding moral foundations. Table 1 presents the regression results. We find that the CSRdomain × Individualizing interaction is not significant ($b = -0.05$, NS) in the CSR perceptions model, but is negative in the company attitude model ($b = -0.13$, $p = .07$). This negative interaction means that consumers with higher individualizing moral foundations will have a more favorable company attitude if its CSR is individual-oriented (i.e., when CSRdomain = 0), as compared to if its CSR is group-oriented (i.e., when CSRdomain = 1), thus providing partial support for H1a.

Further, as expected, we find that the CSRdomain × Binding interaction is positive in influencing both CSR perceptions and company attitude (CSR perceptions: $b = 0.15$, $p < .01$; company attitude: $b = 0.11$, $p < .05$). This positive interaction suggests that consumers with higher binding moral foundations are likely to have more favorable CSR beliefs and a more positive company attitude if the company's CSR is group-oriented as compared to individual-oriented. Thus, H1b is supported both in the case of CSR perceptions and company attitude. Fig. 2 provides a graphic illustration of the interactive effects of CSR domain and individual moral foundations on company attitude for the CSR strengths condition.

In the CSR concerns condition, neither the CSRdomain × individualizing nor the CSRdomain × binding interaction is significant in influencing CSR perceptions or company attitude, suggesting a lack of an interactive effect between domain and moral foundations in the CSR concerns condition, thus providing support for H2.

3.2.5. Discussion

Study 1 provides partial support for H1a and full support for H1b. In

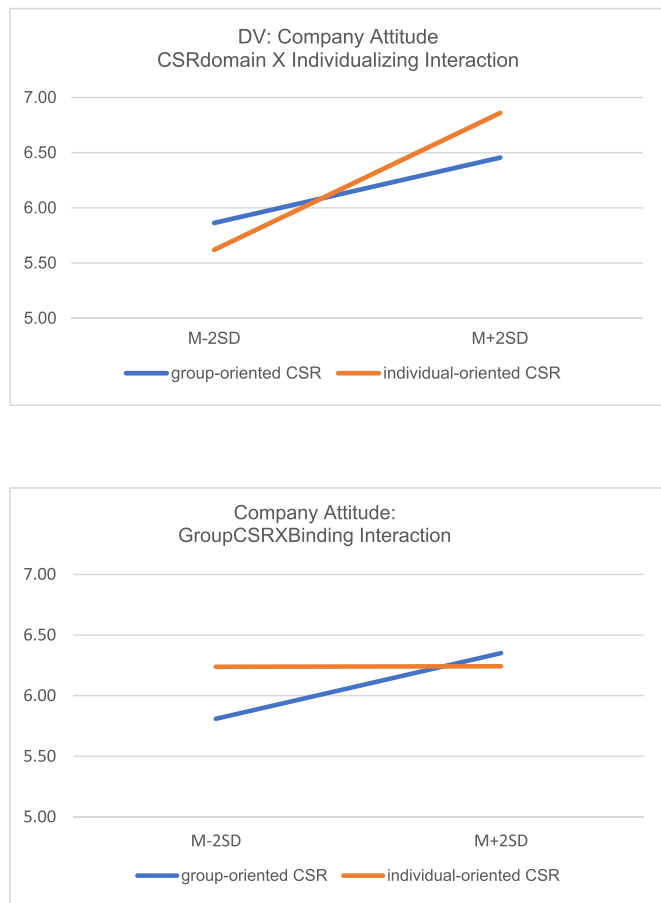


Fig. 2. Interactive effect of CSR domain and individual moral foundations.

the CSR strengths condition, there seem to be an alignment between consumers' moral foundations and their reaction to individual- vs. group-oriented CSR activities. Specifically, consumers with high individualizing moral foundations react more favorably to CSR strengths that they perceive to focus on individuals, and consumers with high binding moral foundations react more favorably to CSR strengths that they perceive to focus on groups. In contrast, in the CSR concerns condition, we do not find any evidence of interactive effect between moral foundations and CSR domains, suggesting that the influence of moral foundations on reactions to CSR concerns does not vary by domains. These findings are interesting and mostly in line with our theorized predictions. However, study 1 has certain limitations. We used hypothetical companies rather than real ones to enhance the internal validity of our findings and we only examined consumers' CSR perceptions and company attitude, but not behavioral measures. It would be important to examine the downstream consequences, such as relationship-related and behavioral outcomes, as well as to investigate the mechanism underlying the interactive effects of moral foundations and CSR domains on these outcomes.

4. Study 2

4.1. Pretest of stimuli

The purpose of this study is to examine the interactive effect of CSR domains and moral foundations on consumers' identification with and advocacy intentions toward a brand engaging in positive CSR actions (i.e., strengths). We used a real brand, the North Face, to enhance ecological validity, taking care to debrief all participants about the hypothetical nature of the CSR actions ascribed to it in our study. We

created four fictitious CSR scenarios about the North Face brand in the domains of employee relations, human rights, diversity, and community. These four domains are selected because, unlike those of product, governance, and environment, they map onto our focal individual- vs. group-oriented dimension in the clearest, most intuitive manner, allowing for stronger, more internally valid tests of our predictions. In contrast to the simple CSR descriptions used in study 1, in study 2, we created a more elaborate version of the North Face's CSR record, in the form of an excerpt from a Businessweek article. See appendix C for examples of CSR stimuli used in study 2. One hundred sixty-seven respondents from Mturk participated in the pretest.

After reading the excerpt on the company's CSR record, respondents rated how much the CSR activities in each domain relate to individuals/groups. For the question "The CSR actions of North Face focus on 1 = groups, 7 = individuals," consumers perceive the domains of human rights ($M = 4.70$) and employee relations ($M = 5.29$) as individual-oriented, and the domains of diversity ($M = 3.14$) and community ($M = 2.88$) as group-oriented. The domains of human rights and employees are both perceived as more individual-oriented than the domains of diversity and community (all p 's < .001).

Notably, it is conceivable that a CSR domain might be perceived as advancing the welfare of both individuals and groups. In other words, an individual versus a group orientation might not necessarily be perceived as much as opposite ends of a single continuum as two independent dimensions characterizing a CSR domain. Given this possibility, we also measure perceptions of CSR domains along the individual-oriented and group-oriented dimensions separately. To do this, we asked participants to rate the following statements "The CSR actions of North Face focus on enhancing the welfare of individuals", and "The CSR actions of North Face focus on enhancing the welfare of groups; 1 = strongly disagree, 7 = strongly agree". Our results suggest that consumers view the individual- and group-orientation of CSR domains as distinct, independent dimensions (the correlation between the two is 0.10, NS), rather than the endpoints of one dimension. However, one of these dimensions dominates the other for each of the four CSR domains. Specifically, the domains of community and diversity are perceived as more group-oriented than individual-oriented (community: $M_{\text{group-oriented}} = 6.23$ vs. $M_{\text{individual-oriented}} = 5.33$, t stat = 3.05, $p < .01$; diversity: $M_{\text{group-oriented}} = 5.95$ vs. $M_{\text{individual-oriented}} = 5.27$; t stat = 3.26, $p < .01$). In contrast, the domains of employees and human rights are perceived as more individual-oriented than group-oriented (employee: $M_{\text{group-oriented}} = 5.24$ vs. $M_{\text{individual-oriented}} = 6.07$, t stat = 3.09, $p < .01$; human rights: $M_{\text{group-oriented}} = 5.35$ vs. $M_{\text{individual-oriented}} = 6.30$; t stat = 2.99, $p < .01$). We thus use the predominant dimension (group vs. individual) of each domain to classify it as either an individual- or group-oriented domain.

It is worth noting that while diversity was perceived as individual-oriented in pretest 1, in this pretest it was perceived as group-oriented. This difference is likely due to the way in which we describe the diversity domain: in pretest 1, there is only a brief, one-sentence definition of the domain, whereas in pretest 2, we provide a full-page description of the North Face's CSR activities in the diversity domain. This underscores the subjective perceived, as opposed to objective, nature of the CSR domains and their underlying dimensions, and is in line with the findings of prior research (e.g., Kidwell et al., 2013), which points to the importance of message framing in consumers' reactions to pro-environment behaviors. At the same time, it is worth noting the considerable veridicality, across the two studies, in how the CSR domains are perceived: three out of the four CSR domains in this study are perceived identically across the two studies on the individual-group dimension despite changes in the actual domain description.

Next, participants responded to several questions measuring the extent to which the information they read about North Face was: "1 = not believable at all, 7 = very believable; 1 = not trustworthy, 7 = very trustworthy; 1 = not credible at all, 7 = very credible; 1 = boring, 7 = interesting; 1 = not at all involving, 7 = very

involving”. There were no significant differences overall or in any pairwise comparisons of the different domains on any of the measures ($p > .10$). Finally, participants rated the perceived fit of the domain to the brand (“I think the CSR issues described in the article fit well with the North Face brand”; 1 = Strongly disagree, 7 = Strongly agree) and brand commitment to the issue (“I think the North Face is very committed to the CSR issue described in the article”; 1 = Strongly disagree, 7 = Strongly agree). Again, there were no significant differences across domains on these measures.

4.2. Design, procedure and measures

Two hundred forty-one Amazon Mturk respondents (51.9% female, Mage = 35.2) completed the survey for monetary compensation. After providing their consent, participants read “Today, we want to know your opinions about The North Face® Company, which specializes in an extensive line of performance and outdoor apparel, equipment, and footwear”. This study employed 2 (CSR domain: group vs. individual) by 2 (moral foundations: individualizing vs. binding) between subjects design. We have two scenarios for the group domain (i.e., diversity and community) and two for the individual-oriented domain (human rights and employee relations). Respondents first rated their familiarity with the brand: “How familiar are you with the North Face Brand?” (1 = Not familiar at all, 7 = Very familiar). This question allows us to control for prior brand knowledge. Participants then read a full-page description of the company’s positive CSR efforts (i.e., strengths). They were told that it is an excerpt from a recent Businessweek article. Afterwards, they provided ratings on several brand-related measures, including advocacy behavioral intention toward the brand, brand identification, and perceived brand quality.

Drawing upon prior literature (Du, Bhattacharya, & Sen, 2007), we used five items to measure consumers’ advocacy behavior. Sample items include “How likely are you to be loyal to the brand?” “How likely are you to be willing to pay a price premium for North Face?” and “How likely are you to talk favorably about the brand to friends and family?” (1 = Very unlikely, 7 = Very likely). The five items are highly correlated Cronbach alpha = 0.89) and thus averaged to form the measure for advocacy. Brand identification was formed by averaging four items (Cronbach coefficient alpha = 0.94) (Bhattacharya & Sen, 2003; Stokburger-Sauer et al., 2012). Sample items from the identification scale include “I feel a strong sense of belonging to North Face,” “I identify strongly with North Face,” and “My sense of North Face matches my sense of who I am” (1 = Strongly disagree, 7 = Strongly agree). Since a brand’s ability to produce high quality products is a major factor influencing consumer attitude and behaviors toward the brand (Brown & Dacin, 1997; Luo & Bhattacharya, 2006), we also measured perceived brand quality, using two items: “North Face is competent” and “North Face is of high quality” (1 = Strongly disagree, 7 = Strongly agree; $r = 0.76$).

Next, participants rated how much the North Face’s CSR activities focus on three dimensions, group vs. individual (1 = group, 7 = individuals), internal vs. external (1 = internal to the company, 7 = external to the company), and people vs. product (1 = people, 7 = product). Participants then filled out the 30-item moral foundation scale (individualizing moral foundations = 0.86, binding moral foundations = 0.93), and provided demographic information (e.g., gender, education, and income). Finally, we created a CSRdomain variable based on our pretest results, equal to 1 for the group-oriented CSR (i.e., diversity and community), 0 for individual-oriented CSR (i.e., human rights and employee relations). Our analysis also confirmed that the domains of diversity and community are perceived as more group-oriented (mean = 3.48) than the domains of human rights and employee relations (mean = 5.03; $t = 6.62$, $p < .001$). However, the group-oriented domains (mean = 4.73) are also perceived as more external as compared to the individual-oriented ones (mean = 3.71; $t = 4.05$, $p < .001$). There is no difference between the group domains and

Table 2

The effects of CSR domain and moral foundations on consumer identification and advocacy.

	Brand identification I	Advocacy II	Advocacy III
CSRdomain	−0.16	−0.12	−0.06
Individualizing moral beliefs	0.26+	0.15	0.06
Binding moral beliefs	0.27**	0.09	−0.01
CSRdomain × individualizing	−0.40*	−0.02	0.13
CSRdomain × binding	0.45**	0.24*	0.07
Brand quality	0.51**	0.49**	0.30**
Brand familiarity	0.05	0.11**	0.09**
Gender	0.13	0.22+	0.17
Education	0.41*	0.06	−0.09
Income	0.49*	0.16	−0.02
CSR_external	0.07	0.00	−0.02
Brand identification	−	−	0.37**
F statistics	12.78**	16.40**	30.12**
Adjusted R ²	0.35	0.41	0.59

Note: + $p < .10$, * $p < .05$, ** $p < .01$.

individual domains along the people – product dimension. We thus control for the perceived difference in the internal – external dimension (CSR_External) in all the subsequent analysis.

4.3. Hypothesis testing results

We regressed two key outcome variables (brand identification and advocacy behaviors) on the following independent variables: CSRdomain, individualizing moral foundations, binding moral foundations, CSRdomain × individualizing, CSRdomain × binding. We also included brand familiarity, brand quality, CSR_External, and several demographic variables (i.e., gender, education, and income) as the control variables. We mean centered the variables of individualizing and binding moral foundations before creating the interaction terms with CSRdomain.

Table 2 presents the regression results. For the *brand identification model*, we find both individualizing ($b = 0.26$, $p < .10$) and binding ($b = 0.27$, $p < .05$) moral foundations to have a positive main effect on identification. Furthermore, in line with our expectation, there is a negative CSRdomain × Individualizing interaction ($b = −0.40$, $p < .05$), suggesting that the association between individualizing moral foundations and identification is weaker when the CSRdomain = 1 (i.e., group-oriented CSR activities) as compared to when the CSRdomain = 0 (i.e., individual-oriented CSR activities). In other words, consumers with high individualizing moral foundations are likely to have stronger brand identification when the brand’s CSR activities are individual-oriented, thus providing support for H3a. In contrast, there is a positive CSRdomain × Binding interaction ($b = 0.45$, $p < .01$), suggesting that the association between binding moral foundations and identification is stronger when the CSRdomain = 1. In other words, consumers with high binding moral foundations are likely to have stronger brand identification when the CSR activities are group-oriented as compared to when the CSR activities are individual-oriented, thus providing support for H4a.

For the *brand advocacy model* (Table 2, model II), we do not find a significant interaction between CSRdomain × Individualizing ($b = −0.02$, NS), suggesting that the association between individualizing moral foundations and advocacy does not vary across the CSR domain; thus H3b is not supported. On the other hand, we do find a positive interaction between binding moral foundations × CSRdomain and advocacy ($b = 0.24$, $p < .05$), suggesting that the association between binding moral foundations and advocacy is stronger for group-oriented CSR than for individual-oriented CSR. In other words, consumers with high binding moral foundations are more likely to engage in advocacy behaviors if the CSR activities are in the group-related domain than in the individual-related domain. Therefore, H4b is

Table 3
Summary of hypothesis test results.

Hypothesis	Prediction	Study 1	Study 2
H1a	Consumers with high individualizing moral foundations will react more favorably to individual-oriented CSR strengths than group-oriented CSR strengths.	Partially supported	
H1b	Consumers with high binding moral foundations will react more favorably to group-oriented CSR strengths than individual-oriented CSR strengths.	Supported	
H2	All consumers will react equally negatively to CSR concerns in both individual- and group-oriented CSR domains. In other words, consumer reaction to CSR lapses will not be moderated by the CSR domain.	Supported	
H3a	Consumers with high individualizing moral foundations will have higher identification with a brand engaged in individual-oriented CSR, as compared to a brand engaged in group-oriented CSR.		Supported
H3b	Consumers with high individualizing moral foundations will have higher advocacy behaviors toward a brand engaged in individual-oriented CSR, as compared to a brand engaged in group-oriented CSR.		Not supported
H4a	Consumers with high binding moral foundations will have higher identification with a brand engaged in group-oriented CSR, as compared to a brand engaged in individual-oriented CSR.		Supported
H4b	Consumers with high binding moral foundations will have higher advocacy behaviors toward a brand engaged in group-oriented CSR, as compared to a brand engaged in individual-oriented CSR.		Supported
H5	Brand identification at least partially mediates the interactive effect of moral foundations and CSR domain on consumers' advocacy behaviors.		Partially supported

supported.

We further examine whether the interactive effect of binding moral foundations and CSR domain on brand advocacy is mediated by brand identification. When including brand identification in the advocacy regression model (Table 2, model III), we find that the significant CSRdomain \times Binding interaction decreased from ($b = 0.24, p < .05$) to ($b = 0.07, NS$), while identification is highly significant ($b = 0.37, p < .01$), providing preliminary evidence that identification mediates the interactive effect of CSR domain and binding moral foundations on brand advocacy. Furthermore, we conducted the Preacher and Hayes (2008)'s bootstrap test of the indirect effect to more formally test the mediation effect. We used 5000 bootstrap samples and calculated the 95% confidence interval for the indirect effect of the CSRdomain \times Binding interaction on advocacy through brand identification, which is from 0.07 to 0.29. Thus, the 95% confidence interval of the indirect effect excludes zero, indicating that the indirect effect of CSRdomain \times Binding interaction through brand identification is significant. Therefore, H5 is partially supported in that identification mediates the interactive effect of CSR domain and binding moral foundations on brand advocacy. Table 3 provides a summary of our hypotheses testing results.

5. Discussion and conclusion

Building on both the CSR and moral foundations literatures, we theorized that the congruence between consumers' moral foundations and CSR domains would elicit more positive reactions to a company engaging in CSR. Specifically, two studies provided general support for our prediction that consumers with greater individualizing moral concerns react more positively to CSR domains perceived as more individual-oriented whereas domains perceived to be more group-oriented are evaluated more positively by consumers with greater binding moral concerns. Furthermore, we demonstrated that such consumer-domain congruence is sensitive to positive CSR actions but not to CSR lapses. Finally, we found that consumer-company identification is the underlying process driving the consumer-domain congruence effect on pro-company reactions. Below, we discuss the contributions of our study to both marketing theory and practice followed by a discussion of study limitations and future research opportunities.

5.1. Theoretical implications

This research sheds light on an understudied and not well understood aspect of the CSR literature — systematic variation in consumer responses to CSR domains. To explain such variation, we draw on the moral foundations literature to show the moral underpinnings of this domain-specific variation: consumers' reactions to the different CSR

domains vary systematically with the extent to which their morality is founded on individualizing and binding moral concerns. Specifically, our findings suggest that CSR domains elicit different reactions from consumers depending on the extent to which these are viewed as individual-oriented vs. group-oriented. By documenting domain-specific differences in consumers' reactions to CSR, we identify an important factor (i.e., individual- versus group-orientation) in the categorization of CSR domains. Importantly, we show that congruence between moral foundations and CSR domains elicit pro-company behaviors.

Second, past research in psychology shows that consumer reactions to negative events tend to be qualitatively different from their reactions to positive events, particularly in the morality area (Baumeister et al., 2001; Janoff-Bulman et al., 2009; Skowronski & Carlston, 1989). We add to this stream of literature by showing that the positive congruence effect between moral foundations and CSR domain only manifests in the case of CSR strengths but not in the case of CSR lapses. This asymmetry in consumer responses to CSR strengths versus lapses is particularly important as it suggests that CSR strengths and concerns are perhaps qualitatively distinct constructs and need to be managed as such. In particular, our results suggest that, whereas consumers integrate their moral foundations in their reactions to CSR strengths in different domains, they view all lapses as being equal violations of moral expectations and thus diagnostic of the company's underlying moral identity, regardless of the CSR domain and consumers' individual moral foundations. In other words, all CSR lapses are equally bad.

This finding is consistent with the research on proscriptive versus prescriptive morality (Janoff-Bulman et al., 2009) and helps bridge this stream of literature with that of the CSR literature. Specifically, Janoff-Bulman et al. (2009) argue that prescriptive morality (what we should do) is more discretionary and involves personal choice and preference, whereas proscriptive morality (what we should not do) is mandatory and does not involve personal choice. Our finding suggests that a similar asymmetry also exists in CSR strengths and concerns, further attesting to the validity of bringing a moral lens to the understanding of consumer reactions to CSR. Interestingly, though, some recent research (Antonetti & Anesa, 2017) suggests that consumers' reactions to CSR lapses may vary with their political leanings: left-leaning consumers react more negatively than right leaning consumers to tax evasion by a company. Given the established ties of political ideology to moral foundations (Graham et al., 2009), more considered research into the role of moral foundations in CSR lapses is an important priority.

Finally, we provide some evidence for the process underlying the effect of the congruence between consumers' moral foundations and CSR domain on individuals' pro-company behaviors. Prior research shows that consumers prefer to act in ways that are consistent with their social identity (Blasi, 1984; Forehand, Deshpandé, & Reed, 2002). In a similar vein, Bhattacharya and Sen (2003) suggest that consumers

become champions of the brands they identify with. In keeping with this prior work, we find that social identity in general and consumer-company identification in particular play a mediating role in driving morality based consumer reactions to CSR initiatives. This finding advances the identification literature by linking consumers' moral foundations with the domain of a company's CSR actions as collective inputs into the identity-based affiliations that drive our reactions to the companies we consume from.

5.2. Managerial implications

Our findings have implications for practice as well. The most significant implication is that before launching CSR initiatives, companies should research the moral foundations of their consumer segments in terms of individualizing and binding, and if distinct segments emerge, tailor initiatives accordingly. For instance, Yamaha Corporation carries out a diverse range of community activities with the aim of contributing to its regional community; a group oriented CSR domain. To do so, it supports local community organizations through both grant-funding and volunteering. All else equal, Yamaha may get more positive consumer reactions from their CSR if more of their consumers have binding moral foundations. On the other hand, Toshiba Group is committed to its employees' health and safety by encouraging safety supervisors to follow the required guidelines and supporting periodic medical check-ups; an individual oriented CSR domain. Such a company would be benefiting more from their CSR if more of their consumers have greater individualizing moral foundations. In essence, it is important for companies to a priori match their CSR efforts with their target markets' moral foundations to achieve business objectives such as purchase, loyalty or word of mouth behaviors.

Furthermore, our findings have implications for how companies should communicate their CSR programs. Companies usually engage in a multitude of CSR activities; to enhance the effectiveness of CSR communication, they should feature and highlight their efforts in a subset of those CSR domains that are most relevant to their key consumer segments based on their moral foundations. Given the covariation of such foundations with key consumer demographics, such as age (e.g., millennials might be more individualizing), ethnicity (those from collectivist cultures may be higher on binding foundations; [Graham et al., 2011](#)), and political affiliation ([Graham et al., 2009](#)), and in general, the greater availability of data on consumers, figuring out consumers' moral foundations may be more possible than ever before.

Second, our results reveal an asymmetry in consumer responses to CSR strengths and concerns, indicating that, unlike CSR strengths, CSR concerns in various domains lead to equally negative reactions. This suggests that consumers expect companies to refrain from moral transgressions in all domains and will sanction the company's moral lapses regardless of the domain and their individual moral foundations. Thus, while companies can exert certain discretion as to which pro-social programs to implement, they need to avoid social irresponsibility in all CSR domains. We suggest that companies carefully monitor their performance metrics in all domains, take corrective actions to get rid of existing CSR concerns and preventive actions to avoid future lapses.

Finally, our results further bolster the message to companies to measure consumer-company identification and look for ways to engender it. After researching consumers' moral foundations and honing in on CSR initiatives, designing CSR communications featuring such moral foundations of consumers may be an effective way to tap into their social identity, further increasing the chances of positive reactions to CSR.

5.3. Limitations and future research

This research has several limitations, which point to important avenues for future research. First, both studies utilized M-Turk respondents. Although there is evidence that the data obtained using M-

Turk respondents are as reliable as those obtained via other methods ([Buhrmester, Kwang, & Gosling, 2011](#)), and that M-Turk respondents are more demographically diverse relative to student samples, research suggests that M-Turk respondents do possess several weaknesses, such as the lack of representativeness, self-selection bias, and participant non-naiveté ([Goodman & Paolacci, 2017](#)). We encourage future research to examine our conceptual model using real consumers to increase the external validity of our findings. Second, our studies are based on U.S. samples. It remains for future studies to determine the universality of these effects by replicating our results with samples from other countries. The psychology of morality is tied inextricably to, and emerges from, culture (e.g., individualistic and collectivistic cultures). There is great untapped promise for examining consumer reactions to CSR beyond what the moral psychologists call the WEIRD (i.e., Western, Educated, Industrialized, Rich, and Democratic) cultures.

Third, it would be fruitful to investigate additional mediators and moderators to provide a finer-grained picture of consumer reactions to CSR from the moral lens. For example, past research defines moral identity as a basis for social identification ([Aquino & Reed, 2002](#)) and identifies two key dimensions of moral identity: one that represents symbolic demonstrations of one's moral character (symbolization) and one that represents internal moral character (internalization). Would moral identity symbolization and internalization differentially influence the importance of consumer-company congruence effects on pro-company behaviors? Further, in addition to consumer-company identification, future research could explore other mediating processes of the consumer – domain congruency effect, such as CSR perceptions and attitude.

Finally, another limitation of this paper pertains to the malleability of the diversity domain along the perceived individual- vs. group-orientation. Although three out of four domains were consistently perceived as either individual- or group- oriented regardless of our domain description, the perceptions of the diversity domain seem particularly malleable, depending on our description. We call for future research to more firmly establish the veridicality in consumer perceptions of all seven CSR domains in the real marketplace in terms of being individual- vs. group-oriented.

Declarations of interest

None.

Appendix A. Study 1: Introductory screen

“Today, we want to know your opinions about seven European and Asian consumer packaged goods (CPG) companies that are planning to introduce their products into American supermarkets and drugstores by the end of 2016. On each page, you will see some information about a particular company, excerpted from an annual performance report released by an independent and highly respected global corporate auditing organization affiliated with United Nations. The organization reports on the performance of the world's top 1000 companies on financial, social and environmental dimensions. Please respond to the questions of each company based on the information provided.”

Appendix B. Moral Foundation Questionnaire; I = individualizing item; B = binding item

(1 = very irrelevant, 7 = very relevant)

1. Whether or not someone suffered emotionally (I)
2. Whether or not someone cared for someone weak or vulnerable (I)
3. Whether or not someone was cruel (I)
4. Whether or not some people were treated differently from others (I)
5. Whether or not someone acted unfairly (I)
6. Whether or not someone was denied his or her rights (I)

7. Whether or not someone's action showed love for his or her country (B)
8. Whether or not someone did something to betray his or her group (B)
9. Whether or not someone showed a lack of loyalty (B)
10. Whether or not someone showed a lack of respect for authority (B)
11. Whether or not someone conformed to the traditions of society (B)
12. Whether or not an action caused chaos or disorder (B)
13. Whether or not someone violated standards of purity and decency (B)
14. Whether or not someone did something disgusting (B)
15. Whether or not someone acted in a way that God would approve of (B)

(1 = strongly disagree, 7 = strongly agree)

1. Compassion for those who are suffering is the most crucial virtue (I)
2. One of the worst things a person could do is hurt a defenseless animal (I)
3. It can never be right to kill a human being (I)
4. When the government makes laws, the number one principle should be ensuring that everyone is treated fairly (I)
5. Justice is the most important requirement for a society (I)
6. I think it's morally wrong that rich children inherit a lot of money while poor children inherit nothing (I)
7. I am proud of my country's history (B)
8. People should be loyal to their family members, even when they have done something wrong (B)
9. It is more important to be a team player than to express oneself (B)
10. Respect for authority is something all children need to learn (B)
11. Men and women each have different roles to play in society (B)
12. If I were a soldier and disagreed with my commanding officer's orders, I would obey anyway because that is my duty (B)
13. People should not do things that are disgusting, even if no one is harmed (B)
14. I would call some acts wrong on the grounds that they are unnatural (B)
15. Chastity (abstaining from sexual intercourse) is an important and valuable virtue (B)

Appendix C. Community domain (group-oriented)

Most people associate The North Face Company with outdoor apparel, equipment and footwear. However, according to the most recent Corporate Social Responsibility Ratings compiled and annually updated by MSCI KLD on more than 3000 companies, North Face is also a pioneer in giving back to the communities in the regions in which it operates.

North Face believes in fostering strong and vibrant communities, where the common interests of the group are valued and respected. It strives to promote the collective well-being of the communities in which it operates, by collaborating with local non-profit organizations to build basic, common facilities for use and enjoyment by all. The company supports programs at the high school and university levels that aim to increase the number and quality of curriculum offerings in science, technology, engineering and math (STEM), as well as providing funds for teachers to receive further professional development in these fields.

In its 2015 Community Action Plan, it set a goal to establish and implement an ambitious community development strategy by the end of 2016, which it achieved. It has built 35 playgrounds and renovated 12 health clinics, serving over 50,000 children in inner city areas around the nation. The company has helped restore hundreds of miles of natural trails for communal use in the home state of its headquarters.

In addition, the company has a prominent and active presence on several community organizations (e.g., STEM education council, the

Duck and Geese Farmers' Cooperative, Community Health Care Association and Fresh Youth Initiatives), making sure its dedication to community welfare, including the collective wellbeing of children, local communities, and small farmers and other suppliers, translates to actionable and effective support. Not surprisingly, then, North Face is a regular fixture on Businessweek's annual ranking of the "Top 50 Companies for Community Welfare."

C.1. Human rights domain (individual-oriented)

Most people associate The North Face Company with outdoor apparel, equipment and footwear. However, according to the most recent Corporate Social Responsibility Ratings compiled and annually updated by MSCI KLD on more than 3000 companies, North Face is also a pioneer in honoring and protecting the human rights of every person that is touched by their entire supply chain, ensuring that each person is treated with dignity and respect.

North Face believes in protecting the fundamental human rights of every individual, with a particular focus on workers in their garment factories. It explicitly prohibits the use of forced child labor, and regularly conducts independent factory inspection to check compliance with the company's Human Rights Policy and Code of Vendor Conduct. It has also been recognized for working with international human rights groups to eradicate child and forced labor, and human trafficking across the globe.

The company has pioneered an interactive map featuring the locations of its manufacturers which monitors and discloses, in real time, information about the wage rates, working conditions and general treatment of workers making North Face products. It also mandates human rights awareness training programs and seminars that all employees must attend in order to learn more about enforcing fair labor practices.

In its 2015 Human Rights Action Plan, it set a goal to establish and implement an ambitious human rights strategy by the end of 2016, which it achieved. It has established a new Human Rights Advisory Group to accurately assess and mitigate human rights risks in its entire supply chain. In addition, the company has teamed up with several human rights organizations (e.g., Global Witness and Human Rights Group), making sure the systems are in place to protect the fundamental human rights of individuals. Not surprisingly, then, North Face is a regular fixture on Businessweek's annual ranking of the "Top 50 Companies for Human Rights."

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