

THE EFFECTIVENESS OF CORPORATE SOCIAL RESPONSIBILITY IN CORPORATE
CRISES: FROM THE PERSPECTIVE OF ASSIMILATION – CONTRAST EFFECTS AND
ATTRIBUTION THEORY

BY

AKUA YEBOAA NYARKO

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Adviser:

Assistant Professor Chang Dae Ham

ABSTRACT

The positive impact of corporate social responsibility (CSR) activities on stakeholder reactions is widely discussed. However, minimal research has addressed how CSR plays diverse roles in insulating a company from negative impacts of corporate crises, depending on the type of crises. This study specifically took into consideration consumers' awareness of a company's CSR reputation and their interpretation of CSR motives. To help fill this gap, assimilation - contrast effects and attribution theory were applied to an experimental study exploring a 2 (crisis type: product harm vs. moral harm) x 2 (CSR reputation: high vs. low) x 2 (CSR motives: intrinsic vs. extrinsic) between-subjects design. Two interaction effects were observed between crisis type and CSR reputation and crisis type and consumer inferences of CSR motives on CSR skepticism, resilience to negative information, attitudes towards the corporation and purchase intention of the corporate products. The results indicated that consumers' awareness of a company's CSR reputation and their inferences of company motives from a CSR-based crisis played significant roles in determining the valence of reactions within different crisis type. In addition, resilience predicted the impact of crisis type and CSR on attitudes and purchase intentions. Theoretical and practical implications are discussed.

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CHAPTER 1: INTRODUCTION

A crisis puts a company's reputation at risk and incurs a huge cost (Shrivastava et al., 1988; Siomkos, 1999) on the company including a decline in sales and market share (Marcus et al., 1987, Weinberger et al., 1991). It also leads to unfavorable consumer evaluations and behavioral intentions towards the company in crisis (Griffin et al., 1991; Kelly and Campbell, 1997). Crisis communications research stipulates that crisis situations must be handled with urgency (Siomkos and Kurzbard, 1994) and be strategically designed to effectively prevent, reduce or resolve undesirable outcomes (Burnett, 1998).

However, research shows that during a crisis, some corporations make amends to the public while others do not. For example, Scalet and Kelly (2010) studied the impact of publicly available and well-known annual rankings of companies' corporate social responsibility (CSR) and found that over 80% of companies that were dropped from *Innovest* magazine's top 100 list did not address any of the negative events they were accused of causing whereas, 20% of them acknowledged the negative event after their removal from the list with varying strategic actions to resolve it. The vast gap between the amount of companies that address crisis situations in comparison to those who do not, prompts the question: do some companies experience more detrimental consequences from crisis events than others? However, since the authors only considered corporate reactions to corporate social responsibility (CSR) ratings, there needs to be a deeper investigation examining consumers' perceptions and reactions to company CSR ratings (Luo and Bhattacharya 2009).

Coombs and Holladay (2013) propose two explanations for companies' varying responses to crisis situations. First, they argued that stakeholders are gullible to false CSR claims

such as instances of green-washing. Second, consumers' vulnerability to false CSR reporting is enhanced by numerous 'success stories' of activist groups exposing corporate transgressions resulting in minimal CSR skepticism and enhanced beliefs in firms' CSR reporting. These assertions imply that companies do not have to go out of their way to address crisis situations when they can rely on CSR reporting.

Their assertions stem from the fact that CSR is widely used by companies and acclaimed as an effective strategy because it has been found to strengthen the consumer-firm relationship and defend a company against reputational damage (Coombs and Holladay 2015; Varadarajan and Menon 1988). However, their propositions are arguable as there have been some contention in literature against the insulation role of CSR, maintaining that CSR does not always mitigate the negative effects of a crisis but depends on situational factors (Coombs, 2007).

For example, there are indications that the crisis type affects the severity of consumers' reactions to the crisis. Specifically, crisis events pertaining to the company's morality (i.e. moral harm) have been found to have more negative consequences on consumer perceptions of the company than if crisis is product-related i.e. product harm (e.g. Wojciszke 1993; 1998; 2005). This suggests that different crisis situations must be resolved differently as they may elicit varying degrees of negative consumer evaluations. Thus, even the use of CSR may have varying influence on consumers' reactions depending on the crisis type.

Research has found that during a crisis, consumers rely on reputation as a pre-existing schema (Fombrun and Shanley, 1990) by which they interpret ambiguous information about the company (Du et al. 2010). Additionally, consumers' inferences of company motives for engaging in CSR also affect their evaluations of CSR (Janssen, Sen and Bhattacharya, 2015).

However, there has been no empirical research on the role of CSR with regards to prior reputation (i.e. CSR reputation) and attributions of company motives (i.e., CSR motives) within different crisis contexts. Therefore, the purpose of the current research is to examine how crisis type (product harm/ moral harm) affects the comparative effectiveness of CSR when used as a crisis response strategy. In this study, I explore two roles of CSR: CSR reputation (high/ low) and CSR motives (intrinsic and extrinsic) on four measures of consumer reactions (CSR skepticism, resilience negative to information, corporate attitude and purchase intentions of corporate products). This study employs a 2x2x2 between subject factorial design and seeks to understand the judgments outcomes of consumers that result from the interaction of crisis type with a CSR crisis response strategy.

This study extends CSR and crisis management literature by investigating the relative effectiveness of CSR as a crisis response when used within different crisis contexts (i.e. a moral harm and a moral harm) to mitigate consumers' reactions towards a company in crisis. To date, there has been no study to my knowledge that has compared the effects of CSR reputation and CSR motives within these crisis contexts. Second, this is also one of the few studies to assess consumers' resilience to negative information during crisis situations. The study additionally provides theoretical relevance for the application of assimilation- contrast effects (Biernat, 2005; Sherif and Hoveland, 1961) and attribution theory (Reeder and Brewer, 1979; Weiner, 1985) in explaining how, why and when consumers may have opposing perceptions and reactions to companies' use of CSR as a crisis response strategy. Assimilation- contrast effects provides a theoretical basis to understand how consumers make judgments when two sets of information are available (i.e. the crisis event and the crisis response strategy) and attribution theory further

clarifies how consumers engage in causal reasoning when they encounter such occurrences. This research also contributes managerial implications by providing evidence for when to use CSR as crisis response and how it will be perceived by consumers. Depending on the crisis situation and stakeholders' attributions of company motives, it may be fruitless and even sometimes more detrimental to make reference to a company's CSR practice (Klein and Dawar, 2004; Yoon et al., 2006).

CHAPTER 2: LITERATURE REVIEW

2.1 Corporate Crisis

A corporate crisis is defined as “a major event that has the potential to threaten collective perceptions and estimations held by all relevant stakeholders of an organization and its relevant attributes” (Sohn and Lariscy, 2014, p. 24). Similarly, Booth (2000) underscores the reputational threat posed by a corporate crisis stating that it causes an organization to lose its good name. Most importantly, a crisis is unpredictable (Janssen Sen and Bhattacharya, 2015) and escalated by media publicity. Coombs and Holladay (2013) asserts that a crisis is facilitated by the media and results in consumers’ questioning the organization’s social responsibility. Negative publicity in particular propels stakeholders to reevaluate their impressions of the organization (Zyglidopoulos and Phillips, 1999). If a corporate dysfunction is not publicized, witnesses and victims will have no information about an event, which will trigger them to reassess their perceptions of an organization. Moreover, negative consumer perceptions generated by a crisis can seriously impact an organization’s performance and result in negative outcomes. According to Coombs (2015), a crisis threatens consumers’ expectancies of issues related to their health, safety, environmental, and economic state. Therefore, negative crisis outcomes are undesirable and affect both the organization and stakeholders (Coombs 1999).

A corporate crisis can also be identified based on the causal event (Sohn and Lariscy, 2014). For instance, a crisis may trace back to organizational operations or reputational associations. Booth (2000) uncovered that a crisis can come about as a result of the corporation being associated with “some other activity, entity, or incident” (p. 197) rather than an existing

crisis. Consumers may even redefine a corporation's operations as being irresponsible resulting in a corporate crisis (Coombs and Holladay, 2013).

Taken together, a corporate crisis has the following features in general: first, a crisis is unpredictable; second, it has a triggering event or causal episode that can be traced; third, it is a negative and public event that poses a major threat for an organization; and fourth, it causes negative outcomes for the organization as well as a collective group of consumers. Therefore, corporations need to actively manage crisis events that emerge, otherwise their reputation will be at serious risk leading to other detrimental outcomes such as financial loss (Larkin, 2003)

2.2 Crisis Communications

Crisis communication research explores how crisis response strategies mitigate the negative impact on the organization's reputation. As crisis situations are unpredictable, managers have minimal time to respond. As a result, crisis responses must be handled quickly but must be carefully considered (Johar, Birk, and Einwiller, 2010). A prompt crisis response protects the company from financial damage by reducing negative consumer perceptions of the company and future purchase intentions (Siomkos and Kurzbard, 1994). For example, in 2010, Toyota found itself in a crisis situation that resulted in multiple deaths and a product recall of 8.8 million vehicles due to safety defects caused by accelerator jams. Unfortunately, the company's slow crisis response cost them 1.2 billion dollars in settlement with the Justice Department as well as three fines that summed up to 50 million dollars from the National Highway Traffic Safety Administration. Previous research studies also indicate that an effective crisis response has a positive and direct impact on brand equity (Dutta and Pullig, 2011). In the case of Toyota's 2010 crisis, the company bounced back by leveraging its long- track record, offering extended

warranties and airing ads that showed sincerity and dedication to fixing the problem thus, reassuring consumers about the brand's safety. Brand equity in turn positively and directly affects consumers' purchase intention towards the brand in crisis (Dawar and Pillutla, 2000). According to Burnett (1998), crisis communications should be strategically designed to effectively prevent, reduce or resolve the undesirable outcomes of a crisis.

In crisis communication research, situational factors have been found to influence the effectiveness of crisis response strategies. Therefore, Coombs and Holladay (2007) proposed the situational crisis communications theory (SCCT) suggesting that crisis managers should match crisis response strategies to the crisis situation (For example, reputational threat the crisis generates for the company). According to the authors, the level of responsibility attributed to the organization for the present crisis will shape the threat the crisis poses on the company's reputation. Furthermore, the type of crisis determines the level of crisis responsibility that stakeholders attribute to the organization.

2.2.1 Crisis Type

Coombs and Holladay (2007) identified three clusters of responsibility a crisis may fall under i.e., victim, accidental, and preventable (p. 168). In the victim cluster, a crisis may take the form of "natural disasters and rumor" and the organization is viewed as the victim. In the accidental cluster, crisis situations typically originate from "technical-error accident and challenge" and the organization's actions are viewed as "unintentional or uncontrollable". On the other hand, a crisis that falls under the preventable cluster results from "human-error accident, human-error product harm, and organizational misdeed" and is perceived to be the result of inappropriate actions or a violated a law/regulation. Corporate crisis situations are viewed as

indicative of the company's irresponsibility that can be traced back to some type of human error or negligence which even though unforeseen, could have been preventable. Therefore, for the purpose of this research, we examine the effects of crises within the preventable cluster on negative consumer reactions to the company in crisis.

Another fundamental categorization of crises within this cluster is the crisis domain (Janssen Sen and Bhattacharya, 2015). The crisis domain refers to the social construction of the crisis and affects the usefulness of response strategies. Corporate crises are broadly categorized into two domains: those involving matters of product performance (e.g., product failures, manufacturing faults, product recalls) and those involving social or ethical matters such as human rights violations (e.g., workplace discrimination, sexual harassment, sweatshop labor) (Janssen et al., 2015; Pullig et al., 2006; Romani, Grappi, and Bagozzi, 2013).

A crisis pertaining to a product performance concerns a corporation's ability to deliver functional benefits for consumers. On the other hand, a crisis concerning values does not directly involve the product but rather concerns a corporation's ability to deliver symbolic/ psychological benefits for consumers, as a result of "social or ethical issues surrounding the values espoused by the brand" (Dutta and Pullig, 2011, p.1282).

Negative information about a crisis either concerns immorality or incompetence and lack of functionality (Wojciszke et al., 1998) and affects consumers' perception of a company's reputation with respect to attribute or non- attribute brand associations (Pullig et al., 2006, p. 529). Therefore, consumers may perceive a crisis as a risk to their physical well-being (i.e. injury, death etc.) or their psychological well-being (i.e. stress, depression, sadness). According to Janssen, Sen and Bhattacharya (2015) when a crisis occurs, it is necessary for companies to

precisely evaluate the nature of the crisis and how it affects stakeholders' evaluations of the crisis and crisis communications.

Using affect heuristic theory, Slovic and Peters (2006) explain that negative events stimulate negative feelings which in turn cause people to have a negative risk evaluation and make negative decisions. On the other hand, positive events stimulate positive feelings which in turn cause people to have a positive risk evaluation and make positive decisions. Therefore, people judge negative events such as a crisis and make decisions about it based on their feelings. Additionally, consumers' perception of harm caused by a crisis stimulates panic and can exacerbate negative feelings about the crisis (Du, 2014). The author refers to perceived harm as the degree of probable physical and psychological harm caused by a crisis.

Previous research shows that individuals have a tendency to weigh positive information about ability more heavily than negative information, resulting in a positivity bias, and they weigh negative information about morality more heavily than positive information, hence generating a negativity bias (Sohn and Lariscy, 2014; Wojciszke, 2005). Wojciszke (2005) argues that people care much more about issues of immorality than inferior performance, and findings from Wojciszke et al. (1993) indicated that people judged moral failures more harshly than competence failures. The authors explain that cases of immorality tend to conflict with consumers' established ethical beliefs, unlike functional issues which are related to performance standards such as quality. As such competence failures seem more permissible, due to expected differences in abilities whereas moral failures seem to be less ignored.

Based on the reviewed literature, it can be inferred that the nature of the crisis has distinct effects on consumers' perceptions and estimations of harm caused by the crisis thus, leading to

different perceptions of risk and judgment. Therefore, in this study, a crisis is categorized into two types based on the perceived harm: harm caused by a product failure i.e. a product harm crisis and harm caused by a moral failure i.e. a moral harm crisis.

2.2.2 Product Harm Crisis

Dawar and Pillutla (2000) define a product harm crisis as publicized instances of a crisis pertaining to defective or dangerous products. A product harm crisis may involve situations that inconvenience consumers and cause stress, sadness and financial loss such as the purchase of malfunctioning consumer goods. It may also cause physical damage such as injury and death from issues like chemical or food product contaminations. A product harm crisis is therefore distressful (Coombs, 1999) and incurs a huge cost on the company (Shrivastava et al., 1988; Siomkos, 1999). Therefore, it is detrimental and jeopardizes the very existence of a company (Siomkos, 1999). A product harm crisis also results in a decline in sales and market share (Marcus et al., 1987, Weinberger et al., 1991) and gives the organization a bad reputation (Griffin et al, 1991) thereby affecting consumers' attitudes, beliefs and future business (Kelly and Campbell, 1997).

2.2.3 Moral Harm Crisis

Grappi et al. (2013) explicate that social and ethical transgressions caused by corporate irresponsible behavior causes a moral harm to the public. Ethical transgressions harm people when the corporation violates the freedom or humanity of the public whereas social transgressions harm the community through violations of norms or expectations concerning respect and loyalty to the community. Subsequently, a moral harm crisis triggers a contextual cue under the morality domain that alerts consumers that their expectancy about norms have been

violated (Sohn and Lariscy, 2014). Previous research further links a moral harm crisis to consumer perceptions of a firm's corporate social responsibility (CSR). Sohn and Lariscy (2014) propose that a crisis results from a company's failure to uphold societal norms and values due to stakeholder expectations of the firm's corporate social responsibility (CSR).

2.3 Role of CSR in Crisis Communication

2.3.1 The General Role of CSR in Crisis Communication: Mitigating the Negative Effect of Crises

CSR refers to a company's strategic efforts to create "economic value in a way that also creates value for society by addressing its needs and challenges" (Porter and Kramer, 2011, p. 64). The relationship between a crisis and CSR is based on corporate reputation (Coombs and Holladay, 2015). Corporate reputation refers to the extent to which consumers perceive the organization as good or bad (Laufer and Coombs, 2006). Consumers tend to have more positive attitudes towards companies with good reputations than those with bad reputations (Coombs and Holladay 1996; Dawar and Pillutla 2000; Lyon and Cameron 2004). Crisis communications researchers therefore attempt to mitigate the negative effects of a crisis on corporate reputation by enhancing positive corporate associations while reducing negative corporate associations (Kim, 2014).

CSR is an important facet of corporate reputation that evokes consumers' memory-based associations and evaluations of a company's ethical identity related to social, environmental, ethical, or political issues (Brown and Dacin 1997; Kim, 2014; Sen and Bhattacharya, 2001). CSR identity traits are fundamental and enduring, but also more distinctive by nature than identity traits associated with other corporate information (Balmer, Fukukawa, and Gray, 2007;

Sen and Bhattacharya, 2001). Previous studies show that companies with strong CSR associations before a crisis fare better across a number of post-crisis indicators including consumers' resilience to negative crisis information (Bhattacharya and Sen, 2003; Skarmeas and Leonidou, 2013), attitudes and purchase intentions as well as business reputation (Du et al., 2007; Janssen Sen and Bhattacharya, 2015; Russell et al., 2016). Therefore, CSR can defend a company against reputational damage (Coombs and Holladay 2015; Varadarajan and Menon 1988).

2.3.2 In-depth Research About the Role of CSR in Crisis Situations

Most crisis research has an asset view of CSR either as a post-crisis response initiative (Campbell and Kirmani 2000; Forehand and Grier 2003) or as a pre-crisis measure (Vanhamme and Grobben, 2009) that can be referred to in times of crisis to generate favorable feelings and counter negative crises effects. However, the use of CSR has been found to interact with other situational factors during a crisis such as a company's prior reputation (Coombs and Holladay, 2007) and consumers' attribution of company motives (Janssen, Sen and Bhattacharya, 2015). Therefore, CSR communications may not always give a company in crisis the expected protection (Coombs, 2015) and requires a more detailed examination with regards to prior CSR reputation and attributions of CSR motives.

Previous literature explains that during a crisis, consumers rely on prior reputation as a pre-existing schema to make evaluations (Fombrun and Shanley, 1990). Specifically, a company's existing or prior CSR record acts as a diagnostic cue in consumers' evaluation of its CSR communication (Du et al., 2010) and gives them information about the company's values and character concerning important societal issues (Brown and Dacin, 1997; Sen and

Bhattacharya, 2001). Such information helps them interpret ambiguous information about the company such as a crisis. Therefore, a company's pre-crisis CSR reputation plays a role in the success of its CSR strategy (Du et al. 2010; Lii and Lee 2012; Yoon et al. 2006).

CSR reputation refers to the degree of awareness consumers have of a company's CSR activity (Lii and Lee, 2012). Awareness of a company's pre-crisis CSR initiatives is found to build a stronger, more positive relationship between consumers and the company when it is communicated during a crisis and influences consumers' overall evaluation of the company in crisis (Sen and Bhattacharya, 2001). However, some researchers argue that even though CSR reputation can mitigate the repercussions of a crisis, it can also aggravate them. This occurs because a company's perceived ethical identity becomes a benchmark for values and standards of behavior the company is expected to uphold (Janssen, Sen and Bhattacharya, 2015) and must be evidenced at each moment and in every activity the corporation undertakes (Balmer et al., 2007). So, consumers tend to have higher expectations for companies with a strong CSR reputation than companies that do not identify with CSR. Therefore, high public expectation of CSR can be risky for companies with a high pre-crisis reputation because it increases the cost associated with failure (Luo et al., 2012) due to consumers' perceptions of social irresponsibility (Coombs and Holladay, 2015).

As such, there is now a communications dilemma on how to effectively communicate CSR initiatives without causing an unexpected backlash towards the company (Coombs and Holladay 2012). Janssen, Sen and Bhattacharya (2015) proposed that it is important for future research to assess how and when a company's CSR record affects its consumers' perceptions during crisis, especially for a company with a strong pre-crisis CSR reputation. One purpose of

this study is to answer the question of whether CSR reputation used as a message factor in a crisis response strategy will protect or worsen consumers' evaluation and behavioral intention towards a company in crisis. We argue that depending on the social construction of the crisis i.e. product harm or moral harm, CSR will generate opposing outcomes on consumer reactions. This concept has been given various labels including "insulation effect" or "amplification effect" (Janssen et al., 2015) "halo effect" or "liability effect" (King and McDonnell, 2013), "buffering effect" or "boomerang effect" (Sohn and Lariscy, 2014) respectively.

As previously mentioned, another factor that affects the effectiveness of CSR in crisis response is consumers' attributions of CSR motives. CSR motives have been found to influence the effectiveness of CSR communications in crisis situations (Ellen et al. 2006; Forehand and Grier 2003; Skarmeas and Leonidou 2013; Yoon et al. 2006) and refers to consumers' perception and interpretation of a company's underlying motives for engaging in and communicating its CSR activities. Consequently, consumers will attribute either intrinsic or extrinsic motives (Batson, 1998) to the company based on their perceptions of the company. Extrinsic motives are attributed to the company when consumers distrust the company's social responsibility and perceive the company to be acting out of self-interest to increase the company profits (Du et al., 2007; Forehand & Grier, 2003). On the other hand, intrinsic motives are attributed to the company when consumers perceive the company to have a genuine concern for the welfare of their target beneficiaries through the CSR issues it addresses. Prior researchers theorize that in the event of a corporate crisis, if consumers believe that a company is socially responsible, they give the company the benefit of the doubt and attribute the crisis event to bad luck or incompetence rather than bad management or malevolence (Minor and Morgan, 2011).

Attributions of extrinsic motives have been found to increase skepticism and result in less willingness to forgive the company unlike attributions of intrinsic motives. These outcomes have negative effects on consumer reactions such as attitudes and purchase intentions. Therefore, in such a case, the presence of CSR leaves a company with more negative repercussions than the absence of CSR activities (Yoon et al., 2006). Thus, the effectiveness of CSR reputation as a response strategy to mitigate the effects of a crisis, also depends on consumers' inferences of the company's intentions for highlighting their CSR reputation during the crisis (Yoon et al., 2006).

According to Janssen, Sen and Bhattacharya (2015), consumers' attributions of CSR motives also need more research as they influence the valence of stakeholders' assessment about the company and the crisis. Therefore, the second purpose of this study is to answer the question of whether crisis type i.e. product harm and moral harm interacts with CSR motives. To better explain how crisis type may generate opposing stakeholder inferences (i.e. CSR motives) of response strategies (i.e. CSR reputation as message factor) and subsequent reactions to the crisis, I discuss assimilation-contrast effects and attribution theory as a theoretical framework in the following section.

CHAPTER 3: THEORETICAL FRAMEWORK AND HYPOTHESIS

3.1 Assimilation-Contrast Effect

The assimilation-contrast effect explains how individuals make judgements in the presence of new information (Biernat, 2005; Sherif and Hoveland, 1961) and can help us determine whether and how consumers' reaction to a crisis assimilates toward or contrasts away from CSR perceptions promoted by the company. The theory posits that judgment occurs relative to reference points. These reference points may be induced by the context within which the judgment takes place such as a company's pre-crisis CSR reputation or new information such as news of a crisis and causes distorted impressions. As a result, one of two opposing judgements may be produced; the resulting judgement may contrast away from the contextual information i.e. CSR reputation or assimilate towards it. An assimilation effect occurs when the distance between the new crisis information and contextual information CSR reputation appears smaller than it actually is. A contrast effect occurs when the distance between the contextual information and new information appears larger than it actually is.

Generally, previous studies on assimilation-contrast effects explored motivational forces that drive these effects. In social psychology, Pickett and Brewer (2001) proposed that people have competing needs to be both similar to (assimilative needs) and distinct (distinctiveness needs) from others. It was found that individuals have biased perceptions of within-category homogeneity and between-categories distinctiveness such that people exaggerate the differences between groups if such exaggeration casts the in-group in a more favorable light than the out-group (Mullen, Brown, and Smith, 1992). For example, previous research found that when participants perceived a similarity between a target and a standard reference point (i.e. domain

match), it resulted in a positive relationship between the standard and the target and an assimilation effect. On the other hand, information regarding dissimilarity between the standard and target (i.e., domain mismatch) resulted in a negative relationship between the standard and the target and a contrast effect (Mussweiler, 2003). Findings from Schwarz and Bless (1992) similarly revealed that inclusion within the same mental category (similarity) led to assimilation judgment effects while exclusion (dissimilarity) led to contrast judgement effects.

Janssen, Sen and Bhattacharya (2015) adapted this concept to the context of a crisis and proposed that the crisis type and the ambiguity of available information will affect this process. The authors argue that during crisis, consumers are only willing to forgive the company and react more positively when they are presented with evidence that the company is not highly responsible for the crisis. Since crisis type can influence crisis responsibility attributions, the authors propose that the crisis type will influence the resulting judgements. Therefore, contrast effects will occur when there is a domain match between the contextual information and the new information (i.e., a match between crisis type and CSR reputation) whereas a domain mismatch will result in an assimilation effect.

Secondly, unambiguous stimuli tends to contrast with expectations whereas ambiguous stimuli tends to assimilate with expectations (Biernat, 2005). This is indicative of an attribution process. This occurs because ambiguous stimuli cause consumers to generate plausible alternative explanations for why the crisis occurred and to attribute less blame to the organization resulting in an assimilation effect. An example of an ambiguous stimuli could be if a company with a positive CSR reputation is found in an unrelated crisis type such as one that pertains to product mishaps. However, unambiguous stimuli occur when the company appears utterly

responsible for the crisis event, and alternate explanations are curbed, leading to a contrast effect. Thus, an example of an unambiguous stimuli could be if a company has a negative CSR reputation and is found in a crisis type that involves committing human rights offenses against workers' wellbeing.

Based on this framework, I propose that a crisis that results from a product malfunction (i.e., product harm) is more related to a company's expertise and unrelated to CSR. Therefore, it presents an ambiguous situation that will urge stakeholders to create alternate explanations about why the crisis occurred. As a result, consumers' judgement will assimilate to the original context of pre-crisis CSR reputation. Therefore, if the pre-crisis reputation is positive, positive inferences will be made and the resulting judgement will be positive leading to more positive consumer reactions towards the crisis. However, if the pre-crisis reputation is negative, negative inferences will be made and the resulting judgement will also be negative leading to more negative reactions. Therefore, a domain mismatch occurs when new crisis information is unrelated to the contextual pre-crisis information about the CSR reputation,

On the contrary, if the new information of the crisis involves morality (i.e., moral harm), such as the inhumane treatment of workers, there will be a domain match between the crisis type and CSR reputation. This is because both information pertains to the company's ethical identity and so it is unambiguous and does not elicit alternate explanations. As a result, there will be an incongruity between the positive contextual pre-crisis CSR reputation and the negative new information of the crisis type resulting in a wider distance between the two sets of information and a contrast effect. Thus, in theory a domain match between CSR reputation and crisis type

should result in negative judgement and negative reactions to the crisis if pre-crisis reputation is positive. Whereas judgment should be positive if pre-crisis reputation is negative.

The assimilation-contrast effects explain the judgement formation and outcomes when comparing two sets of information from different points in time adjacently. However, it is limited in its ability to explain the underlying causal reasoning that consumers engage in when presented with such information. Attribution theory further explains the mechanics underlying consumers' causal reasoning and is relevant to the assimilation-contrast effect. Therefore, it is discussed in the next section.

3.2 Attribution Theory

Attribution theory refers to causal reasoning that consumers engage in especially when they encounter events or occurrences. Individuals try to make sense of these experiences especially if these events are negative or out of the ordinary (Weiner, 1985). According to Ross (1977), when perceivers learn new information about an actor for whom they have minimal prior information about, they take the information at face value and make dispositional attributions. This occurs even in the presence of salient situational factors that are adequate to explain the behavior that requires judgement (Jones, 1979; Trope, 2000) especially for negative behaviors in the morality domain than for positive behaviors (Skowronski and Carlston, 1989; Yoon et. al., 2006).

Compared to positive information, negative information is more diagnostic. News of negative behavior is viewed as more informative to an individual's underlying dispositions because it violates social norms and expectations. Whereas positive behavior is viewed as less diagnostic because it burgeons from societal and normative pressure (Yoon et. al., 2006). Also,

ambiguity often surrounds the actual cause of a crisis (Laufer and Coombs, 2006), and so people consider the evidence at hand in order to develop commonsense explanations regarding why or how the crisis has occurred (Lange and Washburn, 2012). Therefore, when consumers are presented with information about a company's engagement in CSR activities during a crisis, they attempt to decipher the company's underlying communication motives. In other words, they will attempt to infer why CSR is being used in crisis communication (Gilbert and Malone, 1995).

Consumers' attributional process is further affected by a company's prior CSR reputation (Janssen Sen and Bhattacharya, 2015; Marcus and Goodman, 1991) and influences the valence of their subsequent reactions towards the company. Reeder and Brewer's (1979) schematic model of dispositional attributions helps explain how prior CSR reputation is perceived by consumers. The model posits that moral traits are influenced by a hierarchically restrictive schema. This means that people place honest people on a pedestal and therefore expect an honest person to exhibit honest behaviors in all situations. On the contrary, depending on the situation, expectations for dishonest people comprise both dishonest and honest behaviors. Therefore, the strength and valence of a company's pre-crisis CSR reputation is likely to influence consumer skepticism and inferences of a company's CSR motives.

When perceivers have reason to doubt, they will not infer positive dispositions (i.e., intrinsic CSR motives about an actor such as a company in crisis (Fein et al., 1990). Skepticism triggers more complex and sophisticated attributional reasoning and generates multiple hypotheses about the motives that drive a person's behavior, especially if information received is at odds with the perceiver's expectations about the actor (Hastie and Kumar, 1979). Skepticism towards CSR is defined as "public's inclination to question, disbelieve, and distrust toward an

organization's CSR motives, management and business, CSR outcomes, and the claims of socially responsible positions and actions" (Rim and Kim, 2016, p. 250). CSR skepticism originates from the paradox between the nature of a for-profit company (i.e., striving to increase profits) and the nature of CSR, which is a voluntary commitment to creating a better society (Rim and Kim 2016). Consequently, consumers develop skepticism as a coping and defense mechanism to protect themselves from marketers' conspicuous persuasion attempts and the overflow of promotional information in the market (Friestad and Wright, 1994).

Previous research documents a negative relationship between skepticism and resilience to negative information (Skarmeas and Leonidou, 2013). Consumers are resilient to corporate crisis information when they do not allow it to diminish their general perception of the company (Skarmeas and Leonidou, 2013). Resilience is an external outcome variable in CSR and refers to consumers' "willingness to overlook or even forgive a company when there is an occasional, possibly inadvertent, lapse on its part" (Bhattacharya and Sen, 2004, p. 19). During a crisis, consumers innately make attributions of blame towards the company for the crisis event. So, the higher the blame attributed to the company for the crisis, the more unwilling consumers are to forgive the company (Skarmeas and Leonidou; 2013) and the more negative their reactions are towards the company (Coombs and Holladay, 2002; Coombs and Holladay, 2007).

Taken together, consumers are not convinced to counter-argue negative information to defend a company in crisis when the information is congruent with their existing skepticism towards the company's social involvement (Eisingerich et al., 2011). They rather tend to make inferences of CSR motives based on dispositional attributions, especially those in the morality domain (Skowronski and Carlston, 1989; Yoon et. al., 2006). Therefore, CSR's ability to protect

a company from the negative impact of a crisis will depend on how the different roles of CSR reputation and CSR motives affect the public's evaluation of a corporate crisis.

3.3 Role of CSR: CSR Reputation

3.3.1 Insulation Role of CSR Reputation on Crisis Situations

The insulation role of CSR refers to the insurance CSR provides a company in crisis against experiencing the possibly devastating effects of the crisis (Minor and Morgan, 2011; Peloza, 2006). With regards to the insulation effects that a company's CSR reputation provides it, previous research shows a direct positive relationship between prior CSR reputation and consumer evaluations (Fombrun et al., 2000; McWilliams and Siegel, 2001; Shrivastava, 1995, Vanhamme and Grobbsen, 2009). Such favorable consumer evaluations positively impact a company's reputation and purchase intentions (Ahluwalia et al., 2000). Lii and Lee (2012) also found that CSR reputation moderates the relationship between a firm's CSR initiative and brand attitude. Specifically, when a brand is perceived to have a high CSR reputation, CSR initiative had a stronger positive impact on consumer attitudinal evaluations of the company in crisis than when CSR reputation was low.

Based on the assimilation-contrast effect as a theoretical framework, I propose that a positive CSR reputation can act as insulation for a company if the crisis type is unrelated to the crisis situation; because there will be a domain mismatch and an assimilation effect will occur. For example, Starbucks has been avidly promoted as an adopter of fair trade practices and has built a positive identity around ethics and a genuine concern for society. According to Pfarrer, Pollock, and Rindova (2010), "high reputations provide positive analytical frames about firms' demonstrated ability to deliver value," thus reducing the diagnosticity of negative information (p.

1136). Therefore, even though Starbucks faced the product harm crisis of food contamination of listeria (i.e., allergens in 2016), consumers still maintain their positive view of the coffee house due to their positive pre-crisis reputation for CSR. This occurrence can further be explained by the fact that a positivity bias is typical for situations in which negative information about a target such as a company in crisis pertains to a performance or ability categorization (Wojciszke, 2005). Therefore, the negative information becomes less diagnostic and is discounted in favor of the positive information, thus resulting in a seemingly small distance between the two sets of information. Since a product harm crisis is associated with a company's performance, a positive CSR reputation will lead to positive consumer reactions if mentioned as a reminder during the crisis and thereby, may mitigate the potential negative effects that the crisis could have caused the company.

3.3.2 Amplification Role of CSR Reputation on Crisis Situations

On the contrary, the amplification role of CSR refers to the backfiring effect of CSR (Sohn and Lariscy, 2014) that will intensify the negative effects experienced by a company in crisis. An illustration using the same example of Starbucks will be, if news emerges that the coffee house, which guarantees fair trading was found mistreating farmers and inhibiting them from obtaining trademark protection for their own produce in order to make profit for themselves. In this scenario, the resulting crisis will be a moral harm crisis and since this crisis type and CSR are both morality-related, based on assimilation-contrast effects, there will be a domain match resulting in a contrast effect.

This is due to the fact that an actor's (i.e., company) dominant and positive moral traits (i.e., CSR reputation) will result in heightened observer (i.e., Stakeholder) expectations (Janssen,

Sen and Bhattacharya, 2015; Reeder and Brewer, 1979) leading to a negativity bias. Sen and Bhattacharya (2001) proposed that consumers' reactions to a company's CSR exist based on the congruence they perceive between the company's CSR character and their own. Therefore, a crisis resulting from a moral failure that is associated with a company that is known for its positive CSR reputation will be incongruent with existing consumer perceptions and give the impression of a large distance between the two sets of information (i.e., CSR reputation and the moral harm crisis). As such, the contrast between the information will cause consumers to make negative attributions and have negative reactions towards the company.

Previous literature documents the existence of the amplification role of CSR. Generally, companies that have negative CSR reputation are usually held responsible for crises events and vice versa for positive CSR reputation (Dawar and Pitlutta 2000; Klein and Dawar 2004; Laufer and Coombs 2006; Sen and Bhattacharya 2001). This is also indicative of an assimilation effect of the negative pre-crisis reputation. According to Skowronski and Carlston (1987, p. 690), when negative cues are deemed more diagnostic, positive cues are discounted or ignored and a negativity bias occurs. Therefore, if pre-crisis CSR reputation is negative, the inherent insulation effect of CSR becomes nullified.

Additionally, previous research also points out that companies with favorable CSR reputation also bear the brunt of negative consumer reactions such as activist targeting during crises (King and McDonnell, 2013). Luo et al. (2012) found that company CSR records influence the probability of negative media publicity during a crisis especially when the company is ranked very highly or poorly in CSR activities. In addition, when a company with a favorable CSR reputation fails to meet consumer expectations, consumers attempt to induce corporate change

via punitive temporary or permanent economic responses that comprise withholding patronage of corporate goods altogether while also actively voicing disapproval to influence other consumers (Sen et al., 2001; Romani et al., 2013; Russell et al., 2016). Results from Neilson (2010) show that disapproving behaviors such as boycotts are negatively related to the ethical evaluations a firm's CSR activity receives, while approving behaviors such as purchase intentions are positively related to the ethical evaluations of CSR.

3.4 Interaction Between Crisis Type and CSR Reputation

For the purpose of this study, I assess how the crisis type comes together with CSR reputation to influence consumer reactions. Therefore, adapting these theories to the context of a crisis, in a response strategy, a crisis will most likely be at odds with CSR reputation; if the crisis type affects morality and CSR reputation is high rather than low. On the other hand, a crisis type that is related to product performance is not at odds with CSR and will not amplify skepticism. Literature suggests that in a product harm crisis, high reputation for CSR will enable cognitive dissonance due to the affective identification consumers feel towards companies with CSR associations (Lin, Chen, Chiu and Lee, 2011). Therefore, consumers will be likely to rationalize the negative crisis information and be more likely to forgive the company's mistakes unlike in a moral harm crisis. When the crisis type is a moral harm, consumers are more likely to be unforgiving towards the company due to failed expectations. Therefore, their skepticism will be heightened with regards to the company's CSR reputation and result in lower resilience to the negative information.

Prior studies report varying consumer reactions to violations of performance expectations such as a product harm crisis or a violation of moral expectations such as a moral harm crisis

(Sohn and Lariscy, 2012; Sohn and Lariscy, 2014). Findings revealed that a CEO's reputation for engaging in philanthropy served as a reputational buffer for consumer evaluations when they were exposed to a performance-related crisis but not a moral-related crisis. In addition, favorable prior reputation mitigated the effects of consumer attitudes in a product-related crisis. Whereas, in a moral crisis, companies with prior favorable reputation were more negatively influenced by the crisis than those with no prior reputation (Sohn and Lariscy, 2014). The authors explained that when consumer expectations of CSR from a company is violated, favorability gained from prior CSR initiatives become nullified (Sohn and Lariscy, 2012). Additionally, the longer the firm has held a reputation, the greater the damage on consumer evaluations.

Therefore, the strength of CSR reputation i.e. high or low interacts with crisis type and affects evaluations towards the company. Depending on the CSR reputation a company possesses, consumers will feel a higher violation of company CSR expectancies if there is a domain match between crisis type and CSR than if there is a domain mismatch. Based on the assimilation-contrast effects theoretical framework, I posit that the crisis type will interact with CSR reputation to create opposing effects on CSR skepticism, consumers' resilience to negative information and their subsequent attitudes and purchase intentions towards the company. Therefore, assimilation judgement effects will reinforce consumers' beliefs about the company's CSR reputation before the crisis (Janssen, Sen and Bhattacharya, 2015) while contrast judgement effects will oppose those beliefs. In effect, negative company evaluations will be mitigated or enhanced if consumers' perception of a company's CSR reputation is maintained or changed as a result of crisis type. Therefore, the following hypotheses were tested:

H1 There will be interactions between crisis type and CSR reputation on CSR skepticism, resilience, attitudes toward the corporation and purchase intentions of the corporate products.

H1a When a product harm-crisis occurs, CSR skepticism will be lower for a high CSR reputation than a low CSR reputation, but when a moral-harm crisis occurs, CSR skepticism will be higher for a high CSR reputation than a low CSR reputation.

H1b When a product harm-crisis occurs, resilience to negative information will be higher for a high CSR reputation than a low CSR reputation, but when a moral-harm crisis occurs, resilience to negative information will be lower for a high CSR reputation than a low CSR reputation.

H1c When a product harm-crisis occurs, corporate attitudes will be higher for a high CSR reputation than a low CSR reputation, but when a moral-harm crisis occurs, corporate attitudes will be lower for a high CSR reputation than a low CSR reputation.

H1d When a product harm-crisis occurs, purchase intentions of the corporate products will be higher for a high CSR reputation than a low CSR reputation, but when a moral-harm crisis occurs, purchase intentions will be lower for a high CSR reputation than a low CSR reputation.

3.5 Role of CSR: CSR Motives

In addition to CSR reputation, consumers' inferences of a company's CSR motives were examined because consumer attributions play a role in the effectiveness of CSR communications (Ellen et al. 2006; Forehand and Grier 2003; Kim and Lee 2012; Skarmeas and Leonidou 2013; Yoon et al. 2006). Previous literature shows that the type of attributions consumers make about a company will influence their actions towards the company and either protect the company from negative crisis outcomes or amplify the company's crisis problems (Campbell and Kirmani 2000; Forehand and Grier 2003; Rifon et al. 2004).

3.5.1 Insulation Role of CSR Motives on Crisis Situations

During crisis events, positive attributions of a company's CSR motives (i.e., intrinsic attributions) have been found to provide insulation for companies in crisis because of the positive effects it has on consumer evaluations (Sen and Bhattacharya 2001; Skarmeas and Leonidou

2013; Yoon et al. 2006). Previous research suggests that intrinsic attributions of company CSR are perceived as mutually beneficial motives rather than self-interested and results in the inhibition of consumers' CSR skepticism (Skarmeas and Leonidou 2013) while positively influencing their perceptions of the company and its products (Vanhamme and Grobben 2009). However, the crisis type is likely to affect how a crisis response using CSR will be interpreted. Therefore, it can be inferred from assimilation contrast effects and attribution theory that consumers' initial inferences of intrinsic CSR motives will be likely to generate a positivity bias and elicit positive reactions towards a CSR response strategy only in crisis situations that are unrelated to the company's CSR i.e. domain mismatch. For example, if consumers think Starbucks is genuinely helping society via their fair trade policies, information about their food contamination i.e. product harm will be made less negative by consumers' inferences of Starbucks' positive dispositional CSR nature i.e. intrinsic motives. This will increase the salience of positive associations with Starbucks when CSR is used in crisis response and lead to positive consumer reactions.

3.5.2 Amplification Role of CSR Motives on Crisis Situations

On the contrary, a company will face more negative and intense effects of a crisis when attributions of motives are extrinsic. Therefore, even in a domain mismatch, if consumers attribute extrinsic motives, it will increase the diagnosticity of negative cues and companies are more likely to be evaluated as deserving of negative crisis outcomes. This is possible because some people are generally disbelieving of company claims (Obermiller and Spangenberg, 1998) and skepticism varies among individuals and increases over time (Friestad and Wright, 1994). Thus, in such a scenario, any positive cues will be discounted or ignored.

Nevertheless, even if consumers had inferred that a company had intrinsic CSR motives prior to the crisis, a domain match of the CSR response strategy and the crisis type (such as the example of Starbucks preventing farmers from a better livelihood) may provoke them to revise their initial evaluations of Starbucks' CSR motives (Janssen, Sen and Bhattacharya, 2015). This will likely occur due to the incongruence between the two incompatible sets of information and may elicit an attempt to reconcile the cognitive dissonance by making changes to their pre-existing evaluations of the company (Mandler, 1982; Meyers-Levy and Tybout, 1989). Therefore, the initial pre-crisis attributions of intrinsic motives will be changed to attributions of extrinsic CSR motives during their evaluation of the CSR crisis response. This notion is supported by Wagner et al. (2009), who found that inconsistent CSR information about a company results in higher skepticism about prior CSR beliefs and strongly diminishes these CSR beliefs.

Literature also shows that attributions of extrinsic CSR motives (Elving, 2012) have a negative impact on company reputation (Bae and Cameron, 2006; Ellen, Webb, and Mohr, 2006) and attitude towards the company. Additionally, attributions of extrinsic motives are associated with increased investments in CSR because involvement in CSR increases public scrutiny and media attention and increased consumer awareness of company mishaps (Baur and Palazzo, 2011; Luo et al., 2012). Consequently, there will be an impact on consumers' skepticism (Yoon et al., 2006), higher attributions of blame (Kim, 2013) and unwillingness to forgive the company for the crisis (Skarmetas and Leonidou, 2013). Thus amplifies negative consumer evaluations and intentions towards the company.

3.6 Interaction Between Crisis Type and CSR Motives

In this study, I also test the comparative effects of intrinsic and extrinsic CSR motives on public perceptions towards a response strategy that highlights a company's prior CSR. Therefore, incorporating the assimilation-contrast effects and attribution theory frameworks, consumer reactions to a company in crisis will depend on whether the crisis type agrees with or conflicts with consumer's inferences of a company's CSR motives.

As suggested by previous research, intrinsic inferences of a company's pre-crisis engagement in CSR would result in the effectiveness of CSR as a message factor in a crisis response strategy when crisis type is a product harm rather than a moral harm. Based on the review of literature, I posit that stressing the company's genuine motive for social well-being in a response strategy is more likely to reduce the negative effects of a crisis in a product harm situation than in a moral harm situation. However, when extrinsic motives are inferred, the opposite effect will occur where stakeholder reactions will be more positive for the moral harm crisis than the product harm crisis. Therefore, if crisis is a moral harm, extrinsic inferences will result in less detrimental effects of the crisis than intrinsic motives. Therefore, I hypothesize:

H2 There will be an interaction effect between crisis type and CSR motive on CSR skepticism, resilience, attitudes toward the corporation and purchase intentions of the corporate products.

H2a When a product harm-crisis occurs, consumers who infer intrinsic corporate motives will exhibit lower CSR skepticism than those who infer extrinsic corporate motives; but when a moral-harm crisis occurs, those who infer intrinsic corporate motives will exhibit higher CSR skepticism than those who infer extrinsic corporate motives.

H2b When a product harm-crisis occurs, consumers who infer intrinsic corporate motives will exhibit higher resilience to negative information than those who infer extrinsic corporate motives; but when a moral-harm crisis occurs, those who infer intrinsic corporate motives will exhibit lower resilience to negative information than those who infer extrinsic corporate motives.

H2c When a product harm-crisis occurs, consumers who infer intrinsic corporate motives will express higher corporate attitudes than those who infer extrinsic corporate motives; but when a

moral-harm crisis occurs, those who infer intrinsic corporate motives will express lower corporate attitudes than those who infer extrinsic corporate motives.

H2d When a product harm-crisis occurs, consumers who infer intrinsic corporate motives will express higher purchase intentions than those who infer extrinsic corporate motives; but when a moral-harm crisis occurs, those who infer intrinsic corporate motives will express lower purchase intentions than those who infer extrinsic corporate motives.

3.7 Relationship Between Outcome Variables

The use of CSR in crisis communication is also affected by CSR skepticism. Wagner et al. (2009) found that when CSR information regardless of the valence is accompanied by reports of negative company behavior, it resulted in negative consumer reactions. Specifically, information about inconsistent behavior increased perceptions of doubt and negatively impacted consumers' attitudes and CSR beliefs (i.e. their assessments of the extent to which the company is socially responsible or not). These results were found even when the inconsistent information was positive. This occurs because consumers begin to believe that the company is not what it promoted itself to be and perceive the company as dishonest (Elving, 2012). So once a company's behavior is contrary to its claims, skepticism may be heightened. Yoon et al. (2006) asserted that perceptions of hypocrisy lead to skepticism and may cause people to form less positive attitudes (Vaidyanathan and Aggarwal, 2005). Additionally, it has been found that attitude towards a company influences purchase intention (Cho, 2015).

Similarly, CSR has been found to be effective in increasing stakeholders' resilience to negative information when negative news emerges (Eisingerich et al., 2011). Research indicates that resilience is a coping behavior that enables individuals to find positive meanings during stressful experiences and thus enable them to recover from negative events more quickly and effectively (Tugade and Fredrickson, 2004). The authors found that higher resilience is

associated with lower appraisals of threat and positively impacts ambient mood such as happiness and interest. Even though their study regards trait resilience, previous research has also found that emotional response such as happiness, arousal and dominance has a strong relationship with affective attitude, which is a dominant variable for predicting conative attitude and purchase intention (Morris, Chongmoo, Geason and Jooyoung, 2002). Moreover, interest has also been identified as a decision-making factor that affects consumer action such as purchases (Kotler & Armstrong, 2010).

Based on the review of literature on CSR skepticism and resilience to negative information, I posit that CSR skepticism is increased by a crisis due to doubts that result from inconsistencies between expected company behavior and actual company behavior. Such inconsistencies present stakeholders with a reason not to trust the company and will have a negative influence stakeholders' attitudes towards the company and purchase intentions. Secondly, the strong relational bond created between the company and stakeholders through CSR (Luo and Bhattacharya, 2006) increases resilience and creates a storehouse of positive affect that stakeholders may access during negative events such as a crisis, thus, leading to more positive attitudes towards the company and purchase intentions of the company's products. Therefore, I hypothesize that:

H3a. CSR skepticism will be negatively related to consumers' attitudes towards the corporation.

H3b. CSR skepticism will be negatively related to consumers' purchase intention of the corporation's product.

H4a. Resilience to negative information will be positively related to consumers' attitudes towards the corporation.

H4b. Resilience to negative information will be positively related to consumers' purchase intention of the corporation's product.

CHAPTER 4: METHODS

4.1. Experimental Design

To test the proposed hypotheses, I employed a 2 (crisis type: product vs. moral) x 2 (CSR reputation: high vs. low) x 2 (CSR motive: intrinsic vs. extrinsic) between-subject factorial design. The dependent variables were CSR skepticism, resilience to negative information, corporate attitude, and purchase intention of the corporation's product. Participants were randomly assigned to one of eight between-subject conditions in the main experiment. Prior to the main experiment, a pretest was conducted to confirm whether or not the manipulations were successful. The study was executed under University of Illinois' Institutional Review Board (IRB) at Urbana Champaign with the IRB protocol number: 17490 (see appendix B).

4.2. Participants

A total of 238 participants were recruited from a general adult sample on Amazon Mechanical Turk (MTurk). MTurk is an online platform where researchers can request for participants to sign up and fill out online surveys for a small monetary compensation. Burhmester, Kwang, and Gosling (2011) argue that, despite the low compensation rates, MTurk workers are just as reliable as those obtained through traditional methods. Additionally, MTurk workers are significantly more diverse than samples taken from American colleges. Jacquet (2011) also indicates that MTurk samples are more similar to the broad U.S. population than college students. Since corporate crisis situations affect the general public, an M-turk sample would therefore provide more practical implications for my study than a college sample would.

I used convenience sampling to recruit the participants and they were given a compensation of \$1 for completing the questionnaire. The age of the respondents ranged from 18

to 74 years old. Gender was balanced (Female: $n = 113$; 47.9%; Male: $n = 123$; 52.1%) The proportion of various ethnicities of participants were as follows; Caucasians made up the major group ($n = 178$; 75.4%) followed by Asian Americans ($n = 24$; 10.2%), African Americans ($n = 22$; 9.3%), Africans ($n = 8$; 3.4%), Hispanic American ($n = 3$; 1.3%), and Native American ($n = 1$; 0.4%). English was the primary language ($n = 232$; 98.3%). Prior to the main experiment, 40 subjects participated in a pretest to ensure that manipulations were successful. I used a qualification measures on the MTurk website to ensure that participants who signed up for the survey for the main study did not overlap with those who already took the pretest.

4.3. Stimuli Development and Manipulation

I created news articles for the experiment and used a fictitious retail brand name (Chiku) to prevent participants' personal biases about existing companies from influencing the test results. All three independent variables of crisis type (product harm vs. moral harm), CSR reputation (high vs. low), and CSR motives (intrinsic vs. extrinsic) were manipulated in a news story about a recent crisis. The crisis type was operationalized based on examples in the literature (Dutta and Pullig, 2011; Pullig et al., 2006). The product harm crisis was operationalized as a product defect and was manipulated by describing consumers' complaints about a company's product malfunction such as defective dispenser pumps and messy product spills. The moral harm crisis on the other hand was operationalized as a social and ethical transgression. It was manipulated via a scenario that described a documentary revealing a violation of human moral standards and obligations in the company's factories such as harassment and forced labor.

CSR Reputation was operationalized as CSR rank: high (i.e., positive) or low (i.e., negative). High CSR reputation was manipulated by stating that the company had an excellent

CSR reputation and ranked in the top 10 CSR companies in *Fortune* magazine. On the other hand, low CSR reputation was manipulated by stating that the company had terrible CSR reputation and ranked in the dirty dozen of CSR companies in *Fortune* magazine. CSR motives were manipulated by describing why the company was engaged in CSR activities (extrinsic motives, i.e., to stay competitive in the market and increase company profits, vs. intrinsic motives, i.e., the company's genuine concern for society's well-being). All together I produced 8 news stories (see Appendix C).

4.4 Pretest

The aim of the pretest was to assess whether the manipulations for the crisis type (product vs. moral), CSR reputation (high vs. low), and CSR motive (intrinsic vs. extrinsic) were successful. A total of 40 participants were recruited on MTurk and were randomly assigned to one of the four scenarios. Participants were asked to assess the crisis type based on one item measured on a 7- point Likert scale. The item was adapted from Yoon and Shin (2017): “What is your opinion about the crisis? 1(*It is a moral crisis*) to 7 (*It is a competence crisis*). Participants were also asked to rate the company's CSR reputation on a 7- point Likert scale. The item was adapted from Shim and Yang (2016): “What do you think about the company's corporate social responsibility (CSR) reputation” 1 (*extremely low*) to 7 (*extremely high*). Finally, participants were asked to assess the CSR motive based on eight items measured on a 7-point Likert scale. Items were adapted from Skarmeas and Leonidou (2013). Intrinsic items included “The company has been involved in socially responsible activities because: it has a genuine interest in the environment and society; because it is trying to give back something to the society; because it has an ethical responsibility to help the environment and society; and because it feels morally

obligated to help the environment and society”. The other four items addressed extrinsic CSR motives. The items are: “The company has been involved in socially responsible activities because: it believes those activities can help them achieve their business goals while being socially responsible; because it actually wants to increase its profits; because it believes those activities can help them reduce management cost; because its ultimate goal is to increase its profits by reducing management cost: 1 (*strongly disagree*) to 7 (*strongly agree*)”.

The first t-test results showed that participants who read the moral harm scenario perceived the crisis as a moral issue ($M = 2.59$, $SD = 1.99$) more than participants who read the product harm scenario ($M = 5.61$, $SD = 1.5$); $t = 5.312$; $df = 38$; $p < .001$. The second t-test results for CSR reputation were marginally significant. Participants in the high CSR reputation condition perceived the company to have a higher reputation for CSR ($M = 2.60$, $SD = 1.9$) than participants in the low CSR reputation ($M = 3.9$, $SD = 2.29$) condition; $t = -1.952$; $df = 38$; $p = .58$. The third t-test results for CSR motive were also significant. Participants in the intrinsic motive compared perceived significantly higher intrinsic and lower extrinsic CSR motives as compared to those in the extrinsic motive condition [$t = 6.10$; $df = 80$; $p < .001$; $M_{\text{intrinsic}} = 4.97$; $SD = 1.31$; $M_{\text{extrinsic}} = 3.06$; $SD = 1.54$]. The questionnaire for the pretest is attached in Appendix C. Therefore, the manipulations were successfully established.

4.5 Main Experiment

Participants who signed up for the study on MTurk visited an online survey page (Qualtrics.com) and were asked to consent to the study before proceeding. Participants who agreed to participate in the study were randomly assigned into one of the eight experimental conditions. Each participant read one version of the eight news articles and then answered follow

up questions. The questions included manipulation check items, questions to measure their responses to four dependent variables; CSR skepticism, resilience to negative information, attitudes toward the corporation, and purchase intention of the corporation's products. Questions about demographic information followed. The main experiment took approximately 25 minutes and questionnaires for the main experiment are attached in Appendix C.

4.6 Measures

4.6.1 Manipulation Check Items

I used two manipulation check items to determine whether the participants perceived the crisis information in the same direction as the manipulated stimuli. For the manipulation of crisis type, we measured two items (Cronbach's $\alpha = 0.87$); one adopted from Yoon and Shin (2017) as used in the pretest: "What is your opinion about the crisis? 1 (*It is a moral crisis*) to 7 (*It is a competence crisis*) and the other from Dutta and Pullig (2011): "To what extent is the crisis news story related to the company's failure with product- performance/ moral values? 1 (*It is a moral values failure*) to 7 (*It is a product-performance failure*).

In order to check the manipulation of CSR reputation, I used two items adapted from Shim and Yang (2016): "What do you think about the company's corporate social responsibility (CSR) reputation" 1 (*extremely low*) to 7 (*extremely high*) and Lii, Y., and Lee, M. (2012): "The company's reputation for corporate social responsibility (CSR) was above average/ below average for the industry" 1 (*above average*) to 7 (*below average*) (Cronbach's $\alpha = 0.96$).

For the manipulation of intrinsic CSR motives, we used four items (Cronbach's $\alpha = .95$), taken from Skarmeas and Leonidou (2013). Items include "The company has been involved in socially responsible activities because: it has a genuine interest in the environment and society;

because it is trying to give back something to the society; because it has an ethical responsibility to help the environment and society; because it feels morally obligated to help the environment and society”. Another of the four items addressed extrinsic CSR motives. The items comprise “The company has been involved in socially responsible activities because: it believes those activities can help them achieve their business goals while being socially responsible; because it actually wants to increase its profits; because it believes those activities can help them reduce management cost; because it’s ultimate goal is to increase its profits by reducing management cost: 1 (*strongly disagree*) to 7 (*strongly agree*)” (Cronbach’s $\alpha = .80$).

4.6.2 Dependent Measures

I measured CSR Skepticism on a 7 point Likert scale using four items adapted from Skarmeas and Leonidou (2013) (Cronbach’s $\alpha = 0.87$). The items comprised “It is doubtless/doubtful that the company is a socially responsible retailer,” “It is certain/uncertain that the company is concerned to improve the wellbeing of society,” “It is sure/unsure that this company follows high ethical standards,” and “It is unquestionable/ questionable that the company acts in a socially responsible way.”

Resilience to negative information was also measured on a 7 point Likert scale from 1 (*strongly disagree*) to 7 (*strongly agree*). I used three items adapted from Skarmeas and Leonidou (2013) (Cronbach’s $\alpha = 0.95$). comprising “If this company did something I did not like, I would be willing to give it another chance,” “I would be willing to excuse this company if negative information about its activities was reported in the media,” and “If I heard or read a negative story about this company, I would be willing to forgive it.”

The items I used to measure corporate brand attitudes were adapted from Spears and Singh (2004). The participants were asked to rate their overall attitudes toward the corporate brand (Cronbach's $\alpha = .98$) using three semantic differential questions on a 7-point scale: bad/good, unfavorable/favorable, negative/positive.

The three items used in this study to measure purchase intentions were developed by MacKenzie et al. (1986) (Cronbach's $\alpha = 0.97$), on a 7-point semantic differential scale comprising unlikely/likely, impossible/possible, and improbable/probable. Participants were asked to indicate their level of agreement with the following statement: "I would consider buying this company's product when I need to buy one next time."

CHAPTER 5: RESULTS

5.1 Manipulation Check

I ran three independent t-tests to check whether the manipulations were successfully established. The first t-test result showed that crisis type was successfully developed [$t = 15.262$; $df = 234$; $p < .001$; $M_{\text{productharm}} = 5.35$; $SD = 1.6$; $M_{\text{moralharm}} = 2.32$; $SD = 1.43$]. The second t-test also showed that CSR reputation was perceived as higher in the high reputation condition than in the low reputation condition [$t = 6.095$; $df = 234$; $p < .001$; $M_{\text{highreputation}} = 3.15$; $SD = 2.16$; $M_{\text{lowreputation}} = 4.81$; $SD = 1.99$]. The third t-test showed that CSR motive was perceived as more intrinsic in the intrinsic motive condition than in the extrinsic reputation condition [$t = 3.05$; $df = 234$; $p < .005$; $M_{\text{intrinsic}} = 5.36$; $SD = 1.44$; $M_{\text{extrinsic}} = 3.75$; $SD = 1.63$]. Thus, the experimental manipulations were successful.

5.2 Hypothesis Testing

5.2.1 Interaction Between Crisis Type and CSR Reputation

Hypotheses 1a, 1b, 1c and 1d examined the interaction effects between crisis type and CSR reputation on participants' CSR skepticism, resilience to negative information, attitude toward the corporation and purchase intentions, respectively. First, I ran a series of two-way ANOVA between crisis type and CSR reputation on the dependent variables. All the descriptive statistics are demonstrated in Table 5.1 in Tables and Figures.

Hypothesis 1a posits that there will be an interaction effect between crisis type and CSR reputation on CSR skepticism. It was assumed that CSR skepticism will be significantly lower for a high CSR reputation than a low CSR reputation in the product harm crisis condition; but significantly higher for a high CSR reputation than a low CSR reputation in the moral harm crisis

condition. The results of the ANOVA showed that there was a significant interaction effect of crisis type and CSR reputation on CSR skepticism [$F(1,232) = 10.195; p < .005$]. The following post-hoc analysis using independent samples t-test revealed that when crisis type was a product harm, there was a significant difference in the scores for high CSR reputation ($M = 3.96; SD = 1.27$) and low CSR reputation ($M = 4.49; SD = 1.07$) conditions; $t = 2.39; df = 112; p < .05$. The result indicates that for a product harm crisis, participants in the high CSR reputation condition perceived significantly lower CSR skepticism than those in the low CSR reputation condition. The following second t-test revealed that when crisis was a moral harm, there was a significant difference in scores for high CSR reputation ($M = 4.8; SD = .88$) and low CSR reputation ($M = 4.45; SD = 1$) conditions; $t = -2.08; df = 120; p < .05$. The result indicated that participants in the high CSR reputation condition perceived significantly higher CSR skepticism than those in the low CSR reputation condition. Thus, H1a was successfully supported (See Figure 5.1 in Tables and Figures).

Hypothesis 1b posits that there will be an interaction effect between crisis type and CSR reputation on resilience. It was assumed that resilience will be significantly higher for a high CSR reputation than a low CSR reputation in the product harm crisis condition; but significantly lower for a high CSR reputation than a low CSR reputation in the moral harm crisis condition. Results from the ANOVA revealed that crisis type and CSR reputation significantly interacted on resilience to negative information [$F(1,232) = 4.647; p < .05$]. The follow-up post hoc analysis using t-tests showed that when crisis was a product harm, there was a marginally significant difference between mean scores for high CSR reputation ($M = 5.1; SD = 1.14$) and low CSR reputation ($M = 4.74; SD = 1.13$) conditions; $t = -1.711; df = 112; p = .09$. No significant

differences were found between high CSR reputation ($M = 4.09$; $SD = 1.04$) and low CSR reputation ($M = 4.35$; $SD = 1.1$) conditions when crisis was a moral harm; $t = 1.318$; $df = 120$; $p > .1$. Thus, H1b was partially supported (See Figure 5.2 in Tables and Figures).

Hypothesis 1c proposed an interaction effect between crisis type and CSR reputation on the attitudes toward the corporation. It was assumed that attitudes will be significantly higher for a high CSR reputation than a low CSR reputation in the product harm crisis condition; but significantly lower for a high CSR reputation than a low CSR reputation in the moral harm crisis condition. The results of the third ANOVA indicated a significant interaction effect of crisis type and CSR reputation on corporate attitudes [$F(1,232) = 5.893$; $p < .05$]. The results of the post-hoc independent samples t-tests showed that when crisis type was a product harm, there was a significant difference in the scores for high CSR reputation ($M = 4.5$; $SD = 1.95$) and low CSR reputation ($M = 3.67$; $SD = 1.77$) conditions; $t = -2.410$; $df = 112$; $p < .05$. Thus indicating that for a product harm crisis, participants in the high CSR reputation condition had significantly higher corporate attitudes than those in the low CSR reputation condition. A second post-hoc t-test revealed that when crisis was a moral harm, there was no significant difference in scores for high CSR reputation ($M = 2.83$; $SD = 1.63$) and low CSR reputation ($M = 3.11$; $SD = 1.73$) conditions; $t = .916$; $df = 120$; $p > .1$. So, H1c was partially supported (See Figure 5.3 in Tables and Figures).

Hypothesis 1d predicted an interaction effect between crisis type and CSR reputation on purchase intentions. It was assumed that purchase intentions will be significantly higher for a high CSR reputation than a low CSR reputation in the product harm crisis condition; but significantly lower for a high CSR reputation than a low CSR reputation in the moral harm crisis

condition. A fourth ANOVA showed a significant interaction effect of crisis type and CSR reputation on purchase intention [$F(1,232) = 4.618; p < .05$]. The post-hoc t-test showed that when crisis type was a product harm, there was a significant difference in the scores for high CSR reputation ($M = 4.12; SD = 2.01$) and low CSR reputation ($M = 3.42; SD = 1.72$) conditions; $t = -1.986; df = 112; p < .05$. So, when crisis is a product harm, participants in the high CSR reputation condition had significantly higher corporate attitudes than those in the low CSR reputation condition. However, when crisis was a moral harm, there was no significant difference in scores for high CSR reputation ($M = 2.58; SD = 1.54$) and low CSR reputation ($M = 2.86; SD = 1.69$) conditions; $t = .954; df = 120; p > .1$. Thus, H1d was partially supported (See Figure 5.4 in Tables and Figures).

In summary, crisis type and CSR reputation significantly interacted on all the four dependent variables (H1a: CSR skepticism; H1b: resilience to negative information; H1c: corporate attitudes; H1d: purchase intentions). In line with my expectations, when crisis was a product harm, high CSR reputation (vs. low CSR reputation) decreased CSR skepticism and increased stakeholders' resilience, attitudes and purchase intentions. On the other hand, we expected that when crisis was a moral harm, high CSR reputation (vs. low CSR reputation) will increase stakeholders' CSR skepticism and decrease stakeholders' resilience to negative information, attitudes and purchase intentions. The data statistically supported only my hypothesis for CSR skepticism while resilience, attitudes and purchase were not statistically supported. However, in line with expectations, the difference in mean scores for resilience, attitudes and purchase intent also followed the suggested pattern albeit statistically not

significant. ANOVA and t-test results are provided in Table 5.3 and 5.5, respectively (crisis type x CSR reputation). A summary table of hypotheses is also provided in table 5.10.

5.2.2 Interaction Between Crisis Type and CSR Motives

Hypotheses 2a, 2b, 2c and 2d examined the interaction effects between crisis type and CSR motive on participants' CSR skepticism, resilience to negative information, attitudes toward the corporation, and purchase intention of the corporation's product, respectively. Similar analyses were run for this set of hypotheses. I conducted a series of two-way ANOVA between crisis type and CSR motive on the dependent variables (CSR skepticism; resilience to negative information; attitude and purchase intention). I also ran a series of post-hoc analyses using independent samples t-tests to compare the means differences between extrinsic and intrinsic CSR motive conditions within each crisis type. All the descriptive statistics are demonstrated in Table 5.2.

Hypothesis H2a posits an interaction effect between crisis type and CSR motive on CSR skepticism. It was assumed that attributions of intrinsic motives will produce significantly lower CSR skepticism than attributions of extrinsic motives in the product harm crisis condition; but I hypothesized that the reverse effect will happen in the moral-harm crisis condition. The results of the first ANOVA showed a significant interaction effect of crisis type and CSR motive on CSR skepticism [$F(1,232) = 7.5; p < .01$]. The post-hoc analysis using t-tests showed that when crisis type was a product harm, participants in the intrinsic CSR motive condition exhibited significantly lower CSR skepticism ($M = 3.9; SD = 1.25$) than those in the extrinsic CSR motive condition ($M = 4.49; SD = 1.09$); $t = -2.681; df = 112; p < .01$; but when the crisis was a moral harm, there was no significant difference between means between intrinsic CSR motive

condition ($M = 4.72$; $SD = .923$) and the extrinsic CSR motive conditions ($M = 4.94$; $SD = .99$); $t = .993$; $df = 120$; $p > .1$. Thus H2a is partially supported (See Figure 5.5 in Tables and Figures).

Hypothesis H2b posits that crisis type and CSR motive will interact on resilience. I asserted that attributions of intrinsic motives will result in significantly higher resilience than attributions of extrinsic motives in the product harm crisis condition; but predicted that the reverse effect will occur in the moral-harm crisis condition. The second ANOVA showed a significant interaction effect of crisis type and CSR motive on resilience to negative information [$F(1,232) = 29.760$; $p < .001$]. The post-hoc analysis using t-tests showed that when crisis type was a product harm, participants in the intrinsic CSR motive condition were significantly more resilient to negative information ($M = 5.58$; $SD = .75$) than those in the extrinsic CSR motive condition ($M = 4.34$; $SD = 1.12$); $t = 6.808$; $df = 112$; $p < .001$; but when the crisis was a moral harm, there was no significant difference between means for participants in the intrinsic CSR motive condition ($M = 4.11$; $SD = .998$) and those in the extrinsic CSR motive condition ($M = 4.32$; $SD = 1.15$); $t = -1.148$; $df = 120$; $p > .1$. Thus H2b is partially supported (See Figure 5.6 in Tables and Figures).

Hypothesis H2c posits an interaction between crisis type and CSR motive on corporate attitudes. It was assumed that attributions of intrinsic motives will produce significantly higher attitudes than attributions of extrinsic motives in the product harm crisis condition; but it was predicted that the reverse effect will happen in the moral-harm crisis condition. ANOVA also showed an interaction effect of crisis type and CSR motive on corporate attitudes [$F(1,232) = 30.063$; $p < .001$]. The following post-hoc analysis using t-tests showed that when crisis type was a product harm, participants in the intrinsic CSR motive condition had significantly higher

corporate attitudes ($M = 5.19$; $SD = 1.35$) than those in the extrinsic CSR motive condition ($M = 3.12$; $SD = 1.79$); $t = 6.885$; $df = 112$; $p < .001$; but when the crisis was a moral harm, there was no significant difference between means for participants in the intrinsic CSR motive condition ($M = 2.83$; $SD = 1.66$) and those in the extrinsic CSR motive condition ($M = 3.11$; $SD = 1.69$); $t = -.919$; $df = 120$; $p > .1$. Thus H2c is partially supported (See Figure 5.7 in Tables and Figures).

Hypothesis H2d posits an interaction effect between crisis type and CSR motive on purchase intentions. I predicted that attributions of intrinsic motives will result in significantly higher purchase intention than attributions of extrinsic motives in the product harm crisis condition; however, it was assumed that the reverse effect will happen in the moral-harm crisis condition. The results of the final ANOVA showed a significant interaction effect of crisis type and CSR motive on purchase intention [$F(1, 232) = 16.987$; $p < .001$]. The post-hoc analysis employing t-tests showed that when crisis type was a product harm, participants in the intrinsic CSR motive condition had significantly higher purchase intentions ($M = 4.65$; $SD = 1.61$) than those in the extrinsic CSR motive condition ($M = 3$; $SD = 1.82$); $t = 5.099$; $df = 112$; $p < .001$; but when the crisis was a moral harm, there was no significant difference between means for participants in the intrinsic CSR motive condition ($M = 2.65$; $SD = 1.52$) and those in the extrinsic CSR motive condition ($M = 2.79$; $SD = 1.7$); $t = -.497$; $df = 120$; $p > .5$. Thus, H2d is partially supported (See Figure 5.8 in Tables and Figures).

In summary, crisis type and CSR motive interacted on all our dependent variables (H2a: CSR skepticism; H2b: resilience to negative information; H2c: corporate attitudes; H2d: purchase intentions). As expected, on the one hand, when a crisis was a product harm, attributions of intrinsic CSR motives (vs. extrinsic CSR motives) decreased CSR skepticism and

increased consumers' resilience to negative information, attitudes and purchase intentions. On the other hand, when crisis was a moral harm, there was no difference between attributions of intrinsic CSR motives (vs. extrinsic CSR motives). The data indicate that inferences of intrinsic CSR motives increased consumers' CSR skepticism and decreased their resilience to negative information, attitudes and purchase intentions; but not more than attributions of extrinsic motives. ANOVA and t-test results are provided in Table 5.3 and 5.5, respectively (crisis type x CSR motives). A summary table of hypotheses is also provided in table 5.10.

5.2.3 Multiple Regression Analysis

Multiple regression analysis was used to test if CSR skepticism (H3a) and resilience to negative information (H4a) significantly predicted participants' corporate attitudes. The results of the regression indicated one predictor explained 58% of the variance ($R^2 = .58$, $F(2, 235) = 161.460$, $p < .001$). The results showed that resilience was significantly associated with corporate attitudes ($\beta = .73$, $p < .001$) but not CSR skepticism ($\beta = -.07$, $p > .05$). Thus, H3a is not supported but H4a is supported. The results of the multiple regression are provided in Table 5.7.

Another multiple regression analysis was used to test if CSR skepticism (H3b) and resilience to negative information (H4b) significantly predicted participants' purchase intentions. Similarly, the results of the multiple regression analysis indicated that the predictors explained 60% of the variance [$R^2 = .6$, $F(2, 235) = 175.809$, $p < .001$]. The results showed that resilience significantly predicted purchase intentions ($\beta = .75$, $p < .001$) but not CSR skepticism ($\beta = -.59$, $p > .1$). So, H3a is not supported but H4b is supported. Thus, the results showed no support for hypothesis 3 while hypothesis 4 was fully supported. The results of the multiple regression are

provided in Table 5.8. as well as a correlation table of dependent variables in Table 5.9. A summary table of hypotheses is also provided in table 5.11.

CHAPTER 6: DISCUSSION

CSR has been hailed for the positive effects it affords a company in crisis via its ability to build and strengthen a positive consumer-company relationship (Eisingerich et al., 2011; Fennis and Stroebe, 2013; Peloza, 2006). As such CSR has gained popularity as an effective solution to diminishing past mishaps (Sen and Bhattacharya, 2001) while serving as insurance against future mishaps (Minor and Morgan, 2011). Nevertheless, during crisis situations, consumers are not docile recipients of CSR response strategies but rather exert their reasoning capacities in assessing a crisis and deciding how to react towards the company. Previous literature indicates that a company's prior reputation serves as a benchmark for consumers' evaluations of CSR (Du et al. 2010, Janssen Sen and Bhattacharya, 2015). In addition, consumers' perception about a company's engagement in CSR is also affected by their evaluations of the company's genuine motives (Ellen et al. 2006; Forehand and Grier 2003; Skarmeas and Leonidou 2013; Yoon et al. 2006).

Yet, despite the importance of a company's CSR reputation and consumers' attribution of CSR motives in determining the success of a response strategy, little is known about how these factors work in different crisis situations to impact the effectiveness of a CSR crisis response strategy. Specifically, how consumers' responses will mitigate or amplify negative crisis outcomes for a company. Therefore, the goal of this study was to examine the relationship between crisis type (product harm vs. moral harm) and the role of CSR; CSR reputation (high vs. low) and CSR motives (intrinsic vs. extrinsic). This study aims to uncover whether CSR used in a crisis response strategy will insulate the company or make it more vulnerable to negative crisis outcomes in the presence of these three factors.

This study offers several interesting findings. First, this study revealed that the moral harm crisis resulted in more detrimental consumer evaluations than the product harm crisis. This finding is consistent with previous empirical work that people evaluate crisis in the morality domain more severely than crisis in the competence domain (e.g. Sohn and Lariscy, 2014; Wojciszke, 1993; 2005). More notably, I found that a favorable CSR reputation led to more positive consumer reactions than an unfavorable CSR reputation but this positive effect was only present when crisis was a product harm rather than a moral harm. These results support the notion that CSR changes consumers' evaluations of crisis situations they come across (Janssen, Sen and Bhattacharya, 2015).

My results further revealed that in the product harm crisis context, information about a company's prior CSR reputation whether positive or negative, led to an assimilation effect on CSR skepticism, corporate attitudes and purchase intent. Specifically, when prior CSR reputation was positive, the participants' reactions were positive. Similarly, when prior CSR reputation was negative, the participants' reactions were negative. These findings are broadly consistent with the work of Du and Chandran (2009) who also found assimilation effects for reputation in a product harm crisis. Their results showed that when the company had a positive CSR reputation, an ambiguous response action resulted in more positive attitudes, as if the action is positive. Whereas, when the company's CSR reputation was negative, an ambiguous action led to more negative attitudes, as if the action is negative. However, unlike previous studies, my research adds on to previous literature by comparing different crisis situations simultaneously and the different judgement outcomes that occur as a result. The results from this study showed that

depending on the crisis situation, a contrast effect could occur which was absent in the work of Du and Chandran (2009) and provides important theoretical and managerial implications.

The results from the moral harm crisis showed that a positive CSR reputation backfired and instead amplified negative consumer reactions. This finding is similar to findings from Sohn and Lariscy (2014) whose results also demonstrated the amplification effect of positive CSR proposed by Janssen, Sen and Bhattacharya (2015) when a crisis was related to ethics and social norms. However, extending beyond Sohn and Lariscy (2014) who used the expectancy theory as a theoretical framework, the use of the assimilation-contrast effects as the underlying framework of my research uncovered additional judgement effects caused by the combination of CSR and crisis situations that was absent in previous crisis literature. Specifically, my study uncovered that in a moral harm context, a negative CSR reputation led to more positive consumer reactions in the moral harm crisis. This finding is especially noteworthy and has theoretical and managerial implications.

I also found that intrinsic CSR motives led to more favorable consumer reactions than extrinsic CSR motives but only in the product harm crisis context. The results from the product harm crisis context, indicated an assimilation effect across all variables; CSR skepticism, resilience to negative information, attitudes and purchase intent. Specifically, inferences of intrinsic CSR motives resulted in more positive stakeholder reactions than inferences of extrinsic motives. This is consistent with suggestions made by Sjoval and Talk (2004) and previous work by Klein and Dawar (2004) and Swaen and Vanhamme (2005) whose findings evidenced that perceived motives play a central role in the effectiveness of CSR communication as insulation for companies experiencing a product harm crisis.

However, contrary to my expectations, my results did not show any significant contrast effects in the moral harm crisis. However, this finding is in line with propositions that attributions of extrinsic motives for CSR elicit negative consumer reactions that could leave a company with a worse image than in the absence of CSR (Yoon et al., 2006); whereas attributions of intrinsic motives for CSR are a dominant predictor of positive consumer reactions (Du et al., 2007; Forehand and Grier, 2003) such as favorable blame attributions during a crisis (Godfrey et al., 2009; Minor and Morgan, 2011). Lastly, I found that resilience predicted the variance of consumers' attitudes and purchase intentions. On the contrary, CSR skepticism did not explain the variance of attitudes and purchase intent as expected and provides implications for the advancement of theory.

6.1 Theoretical Implications

Even though, there have been controversies concerning the positive effects of companies' engagement in CSR (Brown and Dacin, 1997; Swaen and Vanhamme, 2004; Mohr and Webb, 2005), previous studies have provided minimal empirical findings to address which factors could cause these inconsistent effects of CSR initiatives on crisis evaluation. My study therefore extends theory by highlighting the moderating role of the crisis type on the effectiveness of CSR in diminishing negative crisis effects. My findings imply that consumers' awareness of a crisis type influences their perception of the crisis and attributions of a company's CSR motives to varying degrees i.e. more or less negatively. Specifically, a company's pre-crisis CSR engagement, used as a message factor in a response strategy was unable to generate positive reactions depending on the crisis contexts. This finding therefore provides support for previous

assertions that CSR does not automatically shield a company from negative crisis effects (Coombs 2015, Janssen, Sen and Bhattacharya, 2015).

Applying contrast-assimilation effects and attribution theory also provided predictive theoretical explanations to the mechanics of how consumer perceive, interpret and react-to CSR information i.e., a crisis response in different crisis contexts. My research findings suggest that assimilation effects of CSR (i.e. both CRS reputation and CSR motives) tend to be salient in a product harm crisis context. Thus, the results replicate findings from previous empirical work (e.g. Du and Chandran, 2009; Kim 2013; Klein and Dawar 2004). However, extending beyond previous studies, my research adds on to theory by also comparing the effects of a CSR response in a moral harm crisis. Interestingly, a contrast effect of consumers' reactions to CSR reputation in a moral harm crisis was found only on CSR skepticism.

This finding is especially noteworthy because previous studies have argued that during a crisis, the presence of CSR could be more detrimental than the absence of CSR (Janssen, Sen and Bhattacharya, 2015; Swaen and Vanhamme, 2005). Yet my study is the first to my knowledge to demonstrate that when crisis type is associated with morality, a negative CSR reputation could be more effective in mitigating negative consumer reactions than a positive CSR reputation.

Additionally, my results exhibited a consistent pattern of significant assimilation effects in a product harm crisis and marginal contrast effects in a moral harm which may be suggestive of a relationship between crisis type and CSR on consumers' perception of crisis severity. According to Fiske (1980), acts of transgressions are significant because of the salience and diagnosticity of negative events. Therefore, findings from this research imply that consumers perceive a crisis that is unrelated to CSR as less severe than one related to CSR. Therefore, it

may be inferred that a domain match may be perceived as more severe than a domain mismatch. So while a domain mismatch will most likely result in the posited assimilation effects, a domain match reduces the applicability of a contrast effect due to increased crisis severity and the salience of consumers' negative impressions of the company's identity. In other words, when crisis is perceived to be severe the contrast effect will most likely occur if previous impressions were positive rather than negative.

Furthermore, this study's examination of crisis type and the role of CSR (reputation and motives) on resilience has never been researched and advances theory by providing empirical evidence of the explanatory power of resilience on the variance of consumer attitudes and purchase intent in different crisis situations. The marginally significant assimilation effects and absence of contrast effects of crisis type and CSR reputation on consumers' resilience to negative information could be attributed to a reduction in consumers' identification to the company in crisis. Lin, Chen, Chiu and Lee (2011) reported a negative relationship between negative publicity and affective identification. Since crisis events are generally perceived as irresponsible, it causes a violation of consumers' expectations of a company's behavior (Coombs, 2012) and causes an incongruence when assessing contradictory crisis information (Wagner et al. 2009).

As consumers identify with companies based on their perceptions of the company's identity, the negative crisis information will reduce consumers' affective identification to the company via a revision of their prior company evaluations (Lin, Chen, Chiu and Lee, 2011). A decrease in affective identification is likely to reduce resilience to negative information and lead to negative evaluations (Bhattacharya and Sen, 2003; Lange and Washburn, 2012). As a result, information about a company's CSR has minimal influence on consumer's resilience as CSR

provides salient information about a corporation that they no longer have a strong bond or identify with. According to Baumeister, Bratslavsky, Finkenauer Free and Vohs (2001, p. 342), “affective consequences of negative information are stronger than those of good information”. I infer that the significant assimilation effect of crisis type and CSR motives on resilience may most likely have resulted from the salience of cognitive reasoning rather than the affective processing that may have been dominant in the assessment of CSR reputation. Additionally, the significance of resilience in predicting attitudes and purchase intention found in this study also most likely explains why neither attitudes nor purchase intent exhibited contrast effects of CSR when crisis was a moral harm. In sum, the results of this study demonstrate that while assimilation effects are quite common and occur frequently in crisis situations, contrast effects are not as common.

In my theoretical framework, I proposed that a domain match should result in more negative consumer reactions when prior CSR is positive rather than negative and when attributed motives are extrinsic rather than intrinsic. This hypothesis was made on the theoretical premise that unambiguous information is accepted while ambiguous information elicits alternate explanations (Biernat, 2005). For example, it would be hard to associate a socially responsible company who has been attributed intrinsic motives for participating in CSR with a moral harm crisis such as committing human rights offenses against workers’ wellbeing. Such a situation would be ambiguous and result in more negative reactions as it would be hard to match the company’s actions with previous consumer perceptions of the company. This is unlike a product harm crisis situation because in this crisis type, a company with a positive reputation would be given less blame due to consumers’ attribution of the crisis event to external forces such as bad

luck (Godfrey, Merrill, and Hansen, 2009; Minor and Morgan, 2011).

Yet, attribution theory explains that prior reputation and consumers' attribution process would influence the generation of multiple explanations for the occurrence of an event (Fein et al., 1990; Hastie and Kumar, 1979; Marcus and Goodman, 1991). Therefore, I also proposed that prior CSR reputation and attributions of CSR motives would impact the degree of ambiguity a crisis type presents for consumers. For instance, in a moral harm crisis scenario, it would not be too difficult for consumers to reconcile the company's reputation with its crisis situation if the company already had a negative CSR reputation and had been attributed extrinsic CSR motives. Therefore, we proposed that such factors would result in more positive consumer reactions for a company in a moral harm crisis than if prior reputation was positive and attributions of CSR motives were intrinsic.

However, the general absence of contrast effects in this study may be explained by prior assertions in research that moral transgressions are judged very negatively (e.g. Wojciszke 1993; 1998; 2005) and are more salient and diagnostic than other types of information (Skowronski and Carlston, 1989). Therefore, the negativity of the moral harm crisis most likely overshadows the level of ambiguity the situation presents. As a result, consumers' judgements are no longer influenced by the ambiguity of the crisis situation when they consider both the contextual information (for example, CSR reputation or motive) and the new information of the crisis event (i.e. crisis type). Instead, consumer judgement is influenced by the general negativity of the crisis resulting in general negative consumer reactions. and some marginal contrast effects. The main effect of CSR motives on the dependent variables provides further support for the absence of contrast effects because it suggests that attributions of extrinsic motives create a very strong

negative bias that counters the proposed contrast judgment effects caused by a domain match. Therefore, unlike the case of CSR reputation, consumers' inferences of extrinsic CSR motives will not be much more effective than attributions of intrinsic motives when crisis is unrelated to CSR i.e. a domain match.

These empirical findings contradict suggestions from previous researchers that consumers are gullible to corporate CSR claims (Coombs and Holladay, 2013). On the contrary, our results provide theoretical support for the proposition that consumers engage in attributional processes to understand a company's motives for engaging in CSR communications and help them assess the relevance of company claims when making judgments about a crisis (Rim and Kim, 2016; Skarmeas and Leonidou, 2013). This implies that even though consumers may be ignorant of a company's actual CSR activities (Bhattacharya and Sen, 2004; Pomeroy and Dolnicar, 2009), they actively assess the CSR information available to them and take situational crisis factors into consideration to make decisions (Janssen, Sen and Bhattacharya, 2015).

6.2 Managerial Implications

The results suggest some implications for public relations managers. First of all, a crisis event generally reduces the relational bond between consumers and the company and affects their attitudes and purchase intent. As a result, it is important for managers to carefully assess situational crisis factors when handling crisis situations in order to put forth the best solution to ameliorate the crisis situation. This study's findings indicate that a positive CSR response strategy will protect the company from an existing product harm crisis. On the contrary, when crisis is indicative of the company's morality, it is best not to mention the firm's favorable pre-crisis engagement in CSR as it will rather elicit more negative consumer reactions. Unless, the

company has a well- known negative pre-crisis reputation for engaging in CSR activities, then it will lower public expectations and serve as a more effective buffer for the company and generate less negative company evaluations. However, even these assertions depend on consumers' inferences of the company's motives for engaging in CSR. If they feel that the company is trying to make profit in their CSR endeavors, mentioning CSR will be more detrimental than beneficial.

It is therefore imperative for companies to review news, magazines, blogs for information about themselves with regards to their reputation such as *Fortune* magazine, *Forbes* magazine and the Reputation Institute's CSR Rep Track 100 study. Additionally, during crisis, surveys may be sent out to consumers to obtain deeper insights about consumers' interpretations of crisis severity, and consumer identification to the company as well as attributions of the company's CSR motives and crisis responsibility. Therefore, CSR is akin to a double- edged sword and should only be established, if companies are willing to pay close attention to their values, norms, and leadership styles formed within a corporate culture. Companies should be mindful of the fact that they will be judged by standards they set using CSR in the effect of a crisis as any failure to keep up with expectations will likely develop into a crisis (Coombs, 2015).

6.3. Limitations and Recommendations for Future Research

The limitations of this study provide some guidance for further research. The use of an online survey may reduce internal validity of results. Some participants may fill out online surveys with the aim of receiving an incentive for participation rather than a desire to contribute to the study. Despite the availability of software to screen out duplicate addresses, some respondents may still find ways to overcome the software controls to engage in repeat participation (Coomber 1997).

Second, compared to face to face methods, researchers do not have control over the composition, selection and supervision of the participant sample when administering web-based surveys causing a selection-bias (Bonchek, Hurwitz, and Mallery 1996). This causes ethical problems such as incomplete survey data results and selective participant responses, because there is no method to determine the accuracy of the responses to the survey, thus, resulting in low quality and misleading data. Additionally, the use of an online survey may lead to the overrepresentation of specific population samples (Kehoe and Pitkow 1997; Coomber 1997) and reduces the representativeness of the study to the general population.

Third, in this study, a fictitious company was used in the experimental stimuli. Even though fictitious names are proclaimed to strengthen the internal validity of the experimental design, it could weaken the external validity of the study (Sen and Bhattacharya, 2001). As such, future studies may address this limitation by using existing companies and their CSR activities. For example, future studies may test consumer reactions to popular brands such as Walmart or Starbucks assuming that they are found in a crisis situation. It is possible that because such companies are well known to have high CSR reputations, a crisis event may have a more negative impact on corporate reputation than fictitious companies and lead to more visible contrast effects depending on the crisis type. However, researchers should also keep in mind that unlike fictitious brand names, the use of existing brands may result in inaccurate and erroneous findings due to consumers' emotional and personal association with the brand. Therefore, in order not to diminish the internal validity of the study, it is recommended for future research to measure consumers existing brand attitude and involvement prior to and after conducting the experiment to exterminate possible confounding factors.

Additionally, the present study explored corporate attitudes however brand attitudes were not measured. It is possible that brand attitude may have generated different outcomes especially because the product used in the experiment is a grooming product (shampoo). Therefore, gender may also play a role in how consumers perceive the severity of the crisis and influence their resulting attitudes towards the brand so future studies may measure such variables. Moreover, purchase intentions of the company's brand was measured rather than actual purchase behavior. Since people do not always live like they think they do, it will be useful for future studies to measure actual boycott behavior of the company products.

Fifth, the present study sought to extend current CSR crisis communication literature by applying assimilation-contrast effects and attribution theory and found a main effect of crisis type. This could imply that consumers probably perceived varying levels of crisis severity for the different crisis types which may have affected the outcome of the results. Since crisis severity was not measured in the present study, it is therefore recommended that future studies replicate this study and measure crisis severity to eliminate any possible confounding factors and extend crisis literature. Future studies should also explore additional relationships between crisis type, CSR and consumers' perception of crisis severity to extend theory.

TABLES AND FIGURES

Table 5.1. Descriptive statistics (crisis type x CSR Reputation)

Type	Reputation	CSR Skepticism			Resilience			Corporate Attitude			Purchase Intention		
		<i>M</i>	<i>SD</i>	<i>n</i>	<i>M</i>	<i>SD</i>	<i>n</i>	<i>M</i>	<i>SD</i>	<i>n</i>	<i>M</i>	<i>SD</i>	<i>n</i>
Product harm	High	3.96	1.27	55	5.10	1.14	55	4.50	1.95	55	4.12	2.01	55
	Low	4.49	1.07	59	4.74	1.13	59	3.67	1.77	59	3.42	1.72	59
	Total	4.21	1.20	114	4.92	1.14	114	4.10	1.90	114	3.78	1.90	114
Moral harm	High	4.80	0.88	61	4.09	1.04	61	2.83	1.63	61	2.58	1.54	61
	Low	4.45	1.00	61	4.35	1.10	61	3.11	1.73	61	2.86	1.69	61
	Total	4.62	0.95	122	4.21	1.07	122	2.97	1.67	122	2.72	1.61	122
Total	High	4.38	1.16	120	4.58	1.12	120	3.65	1.97	120	3.34	1.94	120
	Low	4.46	1.03	116	4.53	1.13	116	3.37	1.76	116	3.12	1.72	116
	Total	4.42	1.10	236	4.56	1.16	236	3.51	1.87	236	3.23	1.83	236

Note: CSR: Corporate social responsibility.

Table 5.2. Descriptive statistics (crisis type x CSR motives)

Type	Motive	CSR Skepticism			Resilience			Corporate Attitude			Purchase Intention		
		<i>M</i>	<i>SD</i>	<i>n</i>	<i>M</i>	<i>SD</i>	<i>n</i>	<i>M</i>	<i>SD</i>	<i>n</i>	<i>M</i>	<i>SD</i>	<i>n</i>
Product harm	Intrinsic	3.9	1.25	54	5.57	0.75	54	5.19	1.35	54	4.65	1.61	54
	Extrinsic	4.49	1.09	60	4.34	1.12	60	3.12	1.79	60	3.00	1.82	60
	Total	4.21	1.09	114	4.92	1.14	114	4.10	1.90	114	3.78	1.90	114
Moral harm	Intrinsic	4.72	0.92	60	4.10	0.99	60	2.83	1.66	60	2.65	1.52	60
	Extrinsic	4.94	0.99	62	4.32	1.15	62	3.11	1.69	62	2.79	1.70	62
	Total	4.62	0.95	122	4.21	1.07	122	2.97	1.67	122	2.72	1.61	122
Total	Intrinsic	4.33	1.16	114	4.80	1.15	114	3.95	1.92	114	3.59	1.85	114
	Extrinsic	4.51	1.03	122	4.33	1.13	122	3.11	1.73	122	2.89	1.75	122
	Total	4.42	1.10	236	4.56	1.16	236	3.51	1.87	236	3.23	1.83	236

Note: CSR: Corporate social responsibility.

Table 5.3. The Results of Analyses of Variance (Crisis type x CSR Reputation)

	CSR Skepticism	Resilience	Corporate Attitude	Purchase Intention
Crisis type	8.623**	23.75***	23.223***	21.27***
CSR Reputation	.386	.139	1.488	.856
Crisis type x CSR Reputation	10.195**	4.647*	5.893*	4.618*

Notes. *F*-value is reported for each dependent variable. * $p \leq .05$, ** $p \leq .01$, *** $p \leq .001$. CSR: Corporate social responsibility.

Table 5.4. The Results of Analyses of Variance (crisis type x CSR motives)

	CSR Skepticism	Resilience	Corporate Attitude	Purchase Intention
Crisis type	9.72**	30.816***	30.542***	16.987***
CSR Motive	2.246	14.286***	17.453	11.918**
Crisis type x CSR Motive	7.5**	29.76***	30.063***	25.862***

Notes. *F*-value is reported for each dependent variable. * $p \leq .05$, ** $p \leq .01$, *** $p \leq .001$. CSR: Corporate social responsibility.

Table 5.5. The Results of Independent samples t-tests (crisis type x CSR Reputation)

Type	Reputator	CSR Skepticism			Resilience			Corporate Attitude			Purchase intention		
		<i>M</i>	<i>SD</i>	<i>t-test</i>	<i>M</i>	<i>SD</i>	<i>t-test</i>	<i>M</i>	<i>SD</i>	<i>t-test</i>	<i>M</i>	<i>SD</i>	<i>t-test</i>
Product harm	High	3.96	1.27	2.39*	5.10	1.14	-1.711*	4.50	1.95	-2.88*	4.12	2.01	-1.98*
	Low	4.49	1.07		4.74	1.13		3.67	1.77		3.42	1.72	
Moral harm	High	4.80	0.88	-2.08*	4.09	1.04	1.318	2.83	1.63	0.91	2.58	1.54	0.954
	Low	4.45	1.00		4.35	1.10		3.11	1.73		2.86	1.69	

Note: CSR: Corporate social responsibility. * $p \leq .1$, ** $p \leq .01$, *** $p \leq .001$.

Table 5.6. The Results of Independent samples t-tests (crisis type x CSR motives)

Type	Motive	CSR Skepticism			Resilience			Corporate Attitude			Purchase intention		
		<i>M</i>	<i>SD</i>	<i>t-test</i>	<i>M</i>	<i>SD</i>	<i>t-test</i>	<i>M</i>	<i>SD</i>	<i>t-test</i>	<i>M</i>	<i>SD</i>	<i>t-test</i>
Product harm	Intrinsic	3.9	1.25	-2.68**	5.57	0.75	6.80***	5.19	1.35	6.88***	4.65	1.61	5.09***
	Extrinsic	4.49	1.09		4.34	1.12		3.12	1.79		3.00	1.82	
Moral harm	Intrinsic	4.72	0.92	0.99	4.10	0.99	-1.148	2.83	1.66	-9.91	2.65	1.52	-0.49
	Extrinsic	4.94	0.99		4.32	1.15		3.11	1.69		2.79	1.70	

Note: CSR: Corporate social responsibility. * $p \leq .05$, ** $p \leq .01$, *** $p \leq .001$.

Table 5.7. The Results of regression analysis on Attitudes toward the Company

	<i>B</i>	<i>SE B</i>	β	<i>t</i>	<i>p</i>
CSR skepticism	-0.130	0.075	-0.076	-1.740	0.083
Resilience	1.188	0.071	0.738	16.794	0.000

Table 5.8. The Results of regression analysis on Purchase Intention of the company's Product

	<i>B</i>	<i>SE B</i>	β	<i>t</i>	<i>p</i>
CSR skepticism	-0.098	0.071	-0.059	-1.365	0.173
Resilience	1.194	0.068	0.758	17.680	0.000

Table 5.9 Correlation table of dependent variables

		CSR Skepticism	Resilience	Corporate Attitude	Purchase Intention
CSR Skepticism	Pearson correlation	1	-.26**	-.27**	-.25**
	Sig. (2-tailed)		.000	.000	.000
	N	236	236	236	236
Resilience	Pearson correlation	-.26**	1	.76**	.77**
	Sig. (2-tailed)	.00		.00	.00
	N	236	236	236	236
Corporate Attitude	Pearson correlation	-.27**	.76**	1	.82**
	Sig. (2-tailed)	.00	.00		.00
	N	236	236	236	236
Purchase Intention	Pearson correlation	-.26**	.77**	.82**	1
	Sig. (2-tailed)	.00	.00	.00	
	N	236	236	236	236

**, Correlation is significant at the 0.01 level (2- tailed)

Table 5.10 Summary of hypotheses 1 and 2 (Interaction effects)

HYPOTHESES	RESULTS	
	ASSIMILATION EFFECT	CONTRAST EFFECT
H1a Interaction between crisis type and CSR reputation on CSR skepticism	Supported	Supported
H1b Interaction between crisis type and CSR reputation on resilience to negative information	Supported (Marginally significant)	Not supported
H1c Interaction between crisis type and CSR reputation on corporate attitudes	Supported	Not supported
H1d Interaction between crisis type and CSR reputation on purchase intention of corporate products	Supported	Not supported
H2a Interaction between crisis type and CSR motive on CSR skepticism	Supported	Not supported
H2b Interaction between crisis type and CSR motive on resilience	Supported	Not Supported
H2c Interaction between crisis type and CSR motive on corporate attitudes	Supported	Not supported
H2d Interaction between crisis type and CSR motive on purchase intention of corporate products	Supported	Not supported

Table 5.11 Summary of hypotheses (multiple regression: hypotheses 3 and 4)

HYPOTHESES	RESULTS
H3a. CSR skepticism will be negatively related to consumers' attitudes towards the corporation.	Not supported
H3b. CSR skepticism will be negatively related to consumers' purchase intention of the corporation's product.	Not supported
H4a. Resilience to negative information will be positively related to consumers' attitudes towards the corporation.	Supported
H4b. Resilience to negative information will be positively related to consumers' purchase intention of the corporation's product.	Supported

Figure 5.1

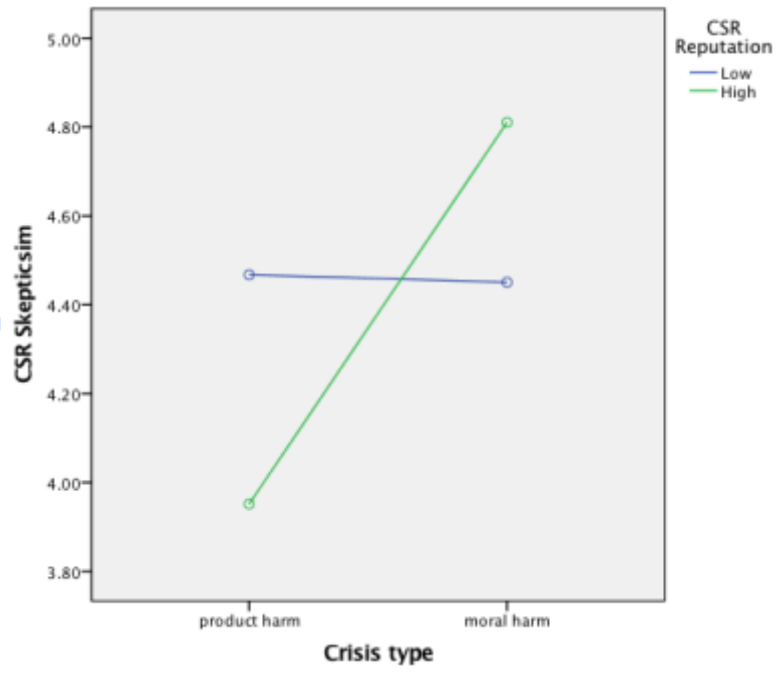


Figure 5.2

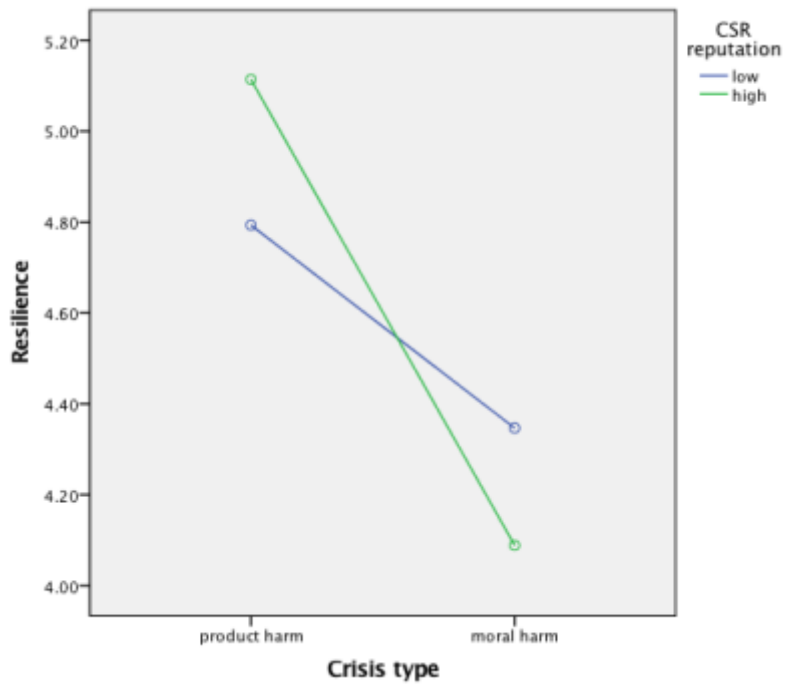


Figure 5.3

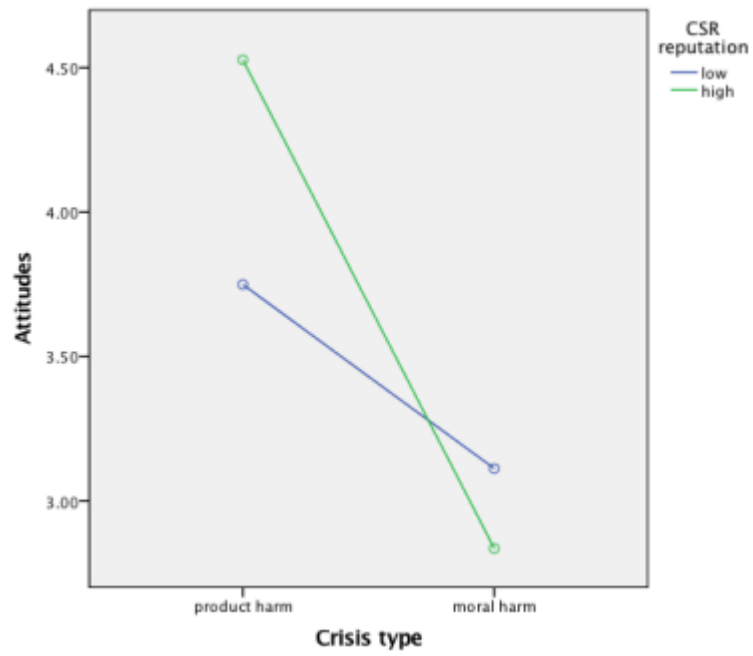


Figure 5.4

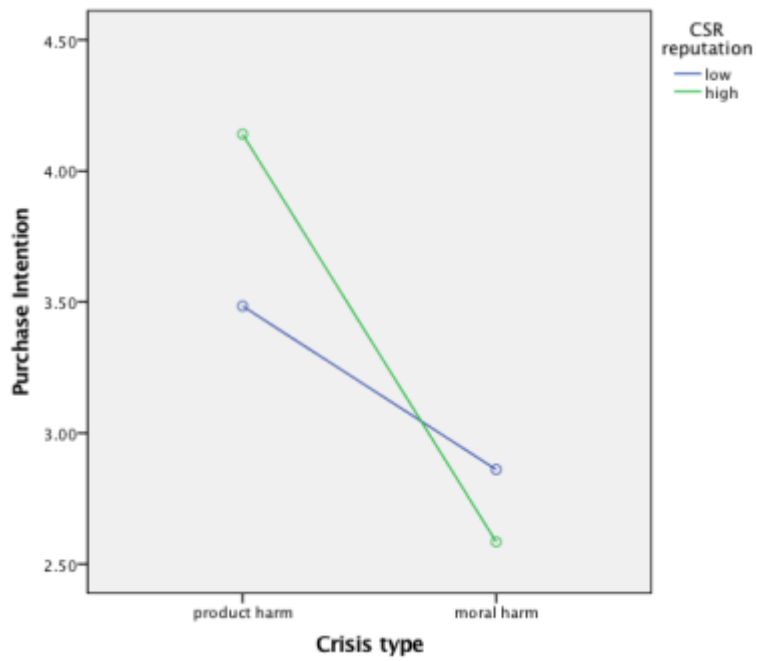


Figure 5.5

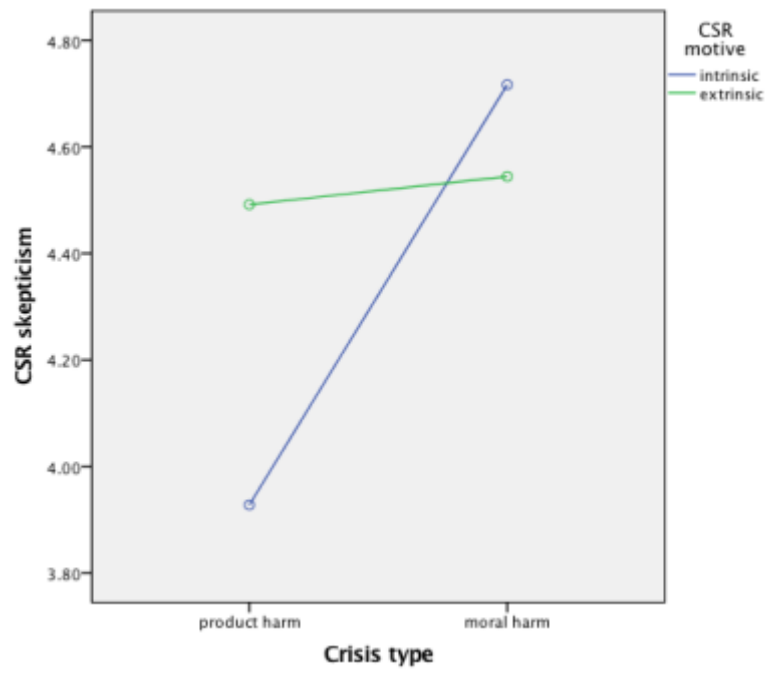


Figure 5.6

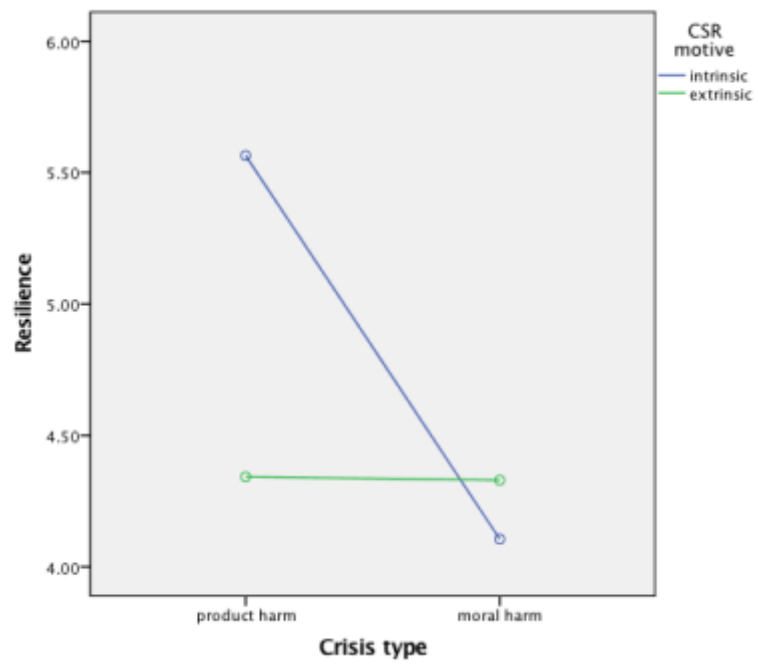


Figure 5.7

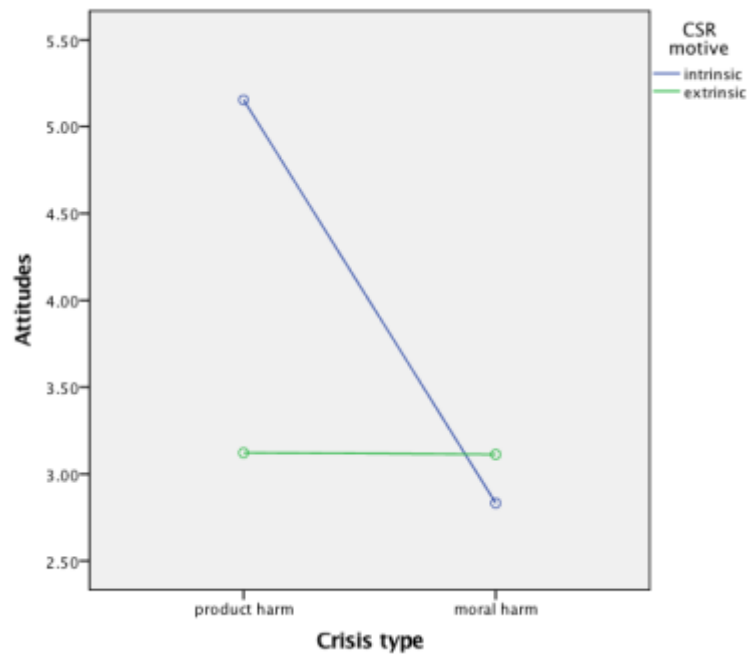
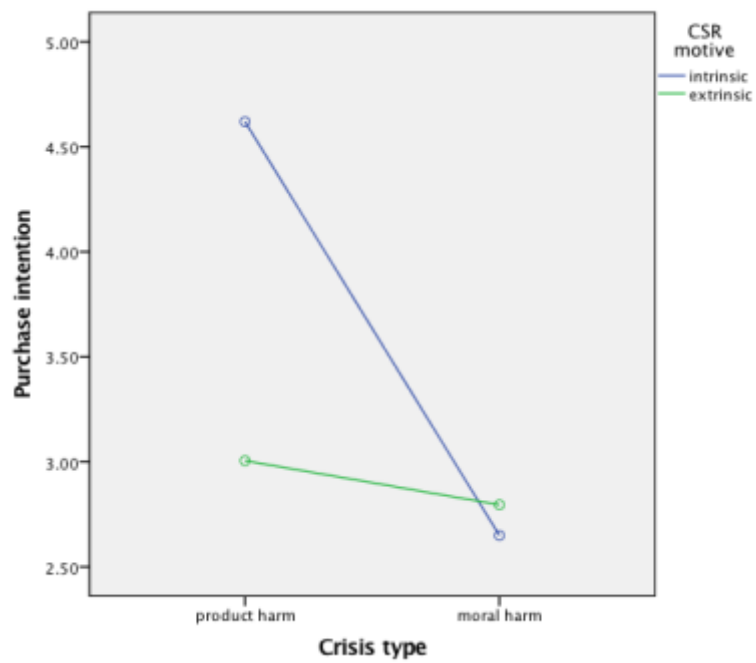


Figure 5.8



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APPENDIX A: IRB LETTER

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

Office of the Vice Chancellor for Research

Office for the Protection of Research Subjects
805 W Pennsylvania Ave
Urbana, IL 61801



April 25, 2017

Chang Dae Ham
Advertising
330 Gregory Hall
810 S Wright St
Urbana, IL 61801

RE: *The Dimensions of Consumer Reactions to a Company's CSR reputation Crises: The moderating roles of Skepticism and Crisis type*
IRB Protocol Number: 17490

Dear Dr. Ham:

Thank you very much for forwarding the modifications to the University of Illinois at Urbana-Champaign Institutional Review Board (IRB) office for your project entitled *The Dimensions of Consumer Reactions to a Company's CSR reputation Crises: The moderating roles of Skepticism and Crisis type*. I will officially note for the record that these minor modifications to the original project, as noted in your correspondence received 4/25/2017, Changing the title; Revising survey measures, have been approved. The expiration date for this protocol, IRB number 17490, is 02/12/2020. The risk designation applied to your project is *no more than minimal risk*.

As your modifications involved changes to consent form(s), I am attaching the revised form(s) with date-stamp approval. Please note that copies of date-stamped consent forms must be used in obtaining informed consent. If modification of the consent form(s) is needed, please submit the revised consent form(s) for IRB review and approval. Upon approval, a date-stamped copy will be returned to you for your use.

Please note that additional modifications to your project need to be submitted to the IRB for review and approval before the modifications are initiated. To submit modifications to your protocol, please complete the IRB Research Amendment Form (see <https://www.oprs.research.illinois.edu/forms-templates/forms/protocol-amendment-form>). Unless modifications are made to this project, no further submittals are required to the IRB.

You were granted a three-year approval. If there are any changes to the protocol that result in your study becoming ineligible for the extended approval period, the RPI is responsible for immediately notifying the IRB via an amendment. The protocol will be issued a modified expiration date accordingly.

We appreciate your conscientious adherence to the requirements of human subjects research. If you have any questions about the IRB process, or if you need assistance at any time, please feel free to contact me at the OPRS office, or visit our website at <https://www.oprs.research.illinois.edu>.

Sincerely,

Michelle Lore, MS
Human Subjects Research Specialist, Office for the Protection of Research Subjects

Attachment(s): 1 Consent Form

c: Akua Nyarko

U of Illinois at Urbana-Champaign • IORG0000014 • FWA #00008584
telephone (217) 333-2670 • fax (217) 333-0405 • email IRB@illinois.edu

APPENDIX B: EXPERIMENTAL STIMULI AND QUESTIONNAIRES

PRODUCT HARM/ HIGH CSR/ EXTRINSIC CONDITION



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Chiku Product Malfunction Results in Outraged Protests

By JOHN PARTINGTON
Updated June 1, 2017 3:42 p.m. ET

The scandal broke Friday, when the News Broadcasting Company aired significant instances of the Chiku company's product malfunctions. In the video, many customers complained of damaged dispenser pumps and messy product spills with Chiku hair products.

For ten years, Chiku has been ranked as a top ten Corporate Social Responsibility (CSR) company by Fortune magazine. Chiku has an excellent CSR reputation. The company is known to provide grants for small entrepreneurs in developing countries that work in the beauty industry.

Chiku's contribution to the society is most likely driven by the company's desire to reduce their crisis management cost and stay competitive in the market. After years of good reputation for social responsibility, companies like Chiku use their public contributions to increase company profits, rather than genuine concern for the public.

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MORAL HARM/ HIGH CSR/ EXTRINSIC CONDITION

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Harmful Work Conditions Discovered at Chiku Factories Results in Outraged Protests

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Updated June 1, 2017 3:42 p.m. ET

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MAIN EXPERIMENT QUESTIONNAIRE

This survey is being conducted by the University of Illinois at Urbana-Champaign students and faculty. All data collected through this questionnaire will only be used for research and will be kept confidential. For more information, please contact the Investigators: Dr. Chang-Dae Ham, Email: cdham317@illinois.edu or Akua Nyarko, Email: nyarko2@illinois.edu. The University of Illinois at Urbana-Champaign Institutional Review Board (IRB) has approved this study. If you have questions pertaining to your rights as a research participant, you can contact the University of Illinois Institutional Review Board at 217-333-2670 or via email at irb@illinois.edu.

The purpose of this study is to examine how people respond to Corporate Social Responsibility. Your participation is voluntary, and you have the right to refuse to participate or withdraw from participation at any time for any reason without penalty. All information is confidential and will be used for research purposes only. Confidentiality is assured, as your name will not appear on the questionnaire. This consent form is not attached to your questionnaire. Additionally, you should be 18 years old or older in order to participate in this study. There are no foreseeable risks more than those in daily life to the subject's physical well-being, privacy, dignity, self-respect, psyche, emotions, reputation, employability, and criminal and legal status.

There will be no attempt by the researchers to track any MT/Amazon identifiers. No discomforts, stresses, or risks are expected as a result of your participation in the survey, beyond those risks that exist in daily life. The data collected from the survey will be reported only in the aggregate, without identifying specific respondents.

When this research is discussed or published, no one will know that you were in the study. However, laws and university rules might require us to disclose information about you. For example, if required by laws or University Policy, study information may be seen or copied by the following people or groups: a) The university committee and office that reviews and approves research studies, the Institutional Review Board (IRB) and Office for the Protection of Research Subjects, or b) University and state auditors, and Departments of the university responsible for oversight of research.

This online survey will take no more than 20 minutes and \$1.00 will be endowed for the compensation of the survey completion.

"I have read and understand the above consent form, I certify that I am 18 years old or older. By checking the arrow (NEXT) button below, I indicate my willingness voluntarily take part in the study.

“NEXT”

Thank you for agreeing to participate in this survey! On the next page, we will define a concept called corporate social responsibility. Please read it carefully, we will ask you some follow up questions about it.

“NEXT”

Please carefully review the definition of corporate social responsibility below and answer the follow up questions on the next page. Corporate social responsibility is an ethical principle. According to this principle, an organization should be responsible for how its behavior might affect society and the environment. Therefore, companies that have corporate social responsibility do not only focus on making profit but pay attention to the impact of their operations on the society and environment at large.

“NEXT”

On the next page, you will see a news story about a company named Chiku. The Chiku company produces hair shampoos. As you read the news story, please imagine that you have used Chiku hair products without any problem for the past one year.

The news story below is an excerpt taken from The US News. Please review carefully and answer the following questions.



Now we are going to ask some questions. Please answer based on how you feel about the news story you just read. Please scroll left or right to see all answer options

What is your opinion about the breaking news scandal faced by Chiku?

Chiku is facing a moral crisis | — | — | — | — | — | — | — | Chiku is facing a competence crisis)

To what extent is the crisis news story (breaking news scandal faced by Chiku) related to the company's failure
with product- performance/ moral values?

It is a moral values failure | — | — | — | — | — | — | — | It is a product-performance failure

What do you think about the company's (Chiku) Corporate Social Responsibility reputation before the crisis?

extremely low | — | — | — | — | — | — | — | extremely high

Before the crisis, the company's (Chiku) reputation for corporate social responsibility was above average/ below
average for the industry

above average | — | — | — | — | — | — | — | below average

The company has been involved in socially responsible activities because it has a genuine interest in the
environment and society

strongly disagree | — | — | — | — | — | — | — | strongly agree

The company has been involved in socially responsible activities because it is trying to give back something to
the society

strongly disagree | — | — | — | — | — | — | — | strongly agree

The company has been involved in socially responsible activities because it has an ethical responsibility to help
the environment and society

strongly disagree | — | — | — | — | — | — | — | strongly agree

The company has been involved in socially responsible activities because it feels morally obligated to help the
environment and society

The company has been involved in socially responsible activities because it actually wants to increase its profits

strongly disagree | — | — | — | — | — | — | — | strongly agree

The company has been involved in socially responsible activities because it believes those activities can help them
reduce management cost

strongly disagree | — | — | — | — | — | — | — | strongly agree

The company has been involved in socially responsible activities because it believes those activities can help them
achieve their business goals while being socially responsible

strongly disagree | — | — | — | — | — | — | — | strongly agree

The company has been involved in socially responsible activities because it's ultimate goal is to increase its profits
by reducing management cost

strongly disagree | — | — | — | — | — | — | — | strongly agree

It is doubtless/doubtful that Chiku is a socially responsible retailer

it is doubtless | — | — | — | — | — | — | — | it is doubtful

It is certain/uncertain that Chiku is concerned to improve the well-being of society

It is certain | — | — | — | — | — | — | — | it is uncertain

It is sure/unsure that this Chiku follows high ethical standards

It is sure | — | — | — | — | — | — | — | it is unsure

It is unquestionable/questionable that Chiku acts in a socially responsible way

It is unquestionable | — | — | — | — | — | — | — | questionable

If the company (Chiku) did something I did not like, I would be willing to give it another chance

strongly disagree | — | — | — | — | — | — | — | to strongly agree

I am willing to excuse Chiku even though negative information about its activities was reported in the media

strongly disagree | — | — | — | — | — | — | — | to strongly agree

even though I read a negative story about Chiku, I am willing to forgive it

strongly disagree | — | — | — | — | — | — | — | to strongly agree

Please describe your overall feelings about Chiku products

Unfavorable | — | — | — | — | — | — | — | Favorable

Negative | — | — | — | — | — | — | — | Positive

Bad | — | — | — | — | — | — | — | Good

I would consider buying Chiku products when I need to buy shampoo next time

Very unlikely | — | — | — | — | — | — | — | very likely

Improbable | — | — | — | — | — | — | — | probable

Impossible | — | — | — | — | — | — | — | possible

Thank you for your answers! Before submitting the survey, please answer a few following questions about yourself.

Demographic Information

What is your gender?

Male ☐ Female ☐

What is your age?

With what racial group do you identify yourself?

- Caucasian (or White)
- African American (or Black);
- Hispanic American (or Latinos)
- Asian American (or Pacific Islanders)
- Native American (or American Indians)
- African

Main language How about native language? (yes, native language)

English ☐ Not English ☐

Thank you so much for completing this survey!