

CSR communication: What is the impact for companies facing future allegations of social irresponsibility?

Based on an interview with Catherine Janssen on her paper in Marketing Letters, "Playing with fire: aggravating and buffering effects of ex ante CSR communication campaigns for companies facing allegations of social irresponsibility" co-authored with Joëlle Vanhamme, (Edhec Business School), Valérie Swaen (IÉSEG & Louvain School of Management) and Guido Berens (Rotterdam School of Management, Erasmus University).*

Can a company's previous communication about its CSR (corporate social responsibility) activities reduce the fallout from future accusations of social irresponsibility? This new research reveals that prior CSR communication can buffer the ill effects of future negative press. However, detrimental effects are seen when early communications come from independent external sources.

Biography

Catherine Janssen is Assistant Professor in Marketing at the IÉSEG School of Management. She received her PhD in Management Sciences from the Louvain School of Management of the Catholic University of Louvain. Her research focuses on consumer responses to corporate social responsibility, corporate crises and corporate social irresponsibility and their marketing implications, and consumers' socially responsible behaviors. She is a member of the IÉSEG Center for Organizational Responsibility, [ICOR](#), a cross-departmental academic center that coordinates the School's different activities (teaching, research..) on corporate social responsibility, sustainability, ethics and social innovation.

Methodology

Janssen and co-authors conducted studies via a web-based survey of 743 adults, recruited via snowball sampling. Those participating were presented with information about a fictitious company. This either included information about the company's CSR activities, or did not; and was communicated either by the company or a third party. Participants were then presented with a news article reporting that that company had acted in a socially irresponsible way, in a CSR domain unrelated to the first communication. They answered questions related to their attitude towards the company either after the first, or after the first and second communication. The study also included questions that enabled participants' persuasion knowledge to be measured through introduction of a bias scale. Janssen and co-authors then conducted an analysis of variance (ANOVA) on attitude towards the company.

Companies increasingly communicate their corporate social responsibility (CSR) activities. This is thought to help consumers see them in a positive light. But, do these communications do anything to temper negative consumer attitudes towards a company accused of social irresponsibility? "There are competing schools of thought when it comes to assessing the effect of CSR communications of companies facing allegations of social irresponsibility," Catherine Janssen explains. "On one side it is thought that a company's prior CSR communications can protect it when in crisis. But on the other, it is thought to have an aggravating effect on consumer attitudes."

Communication source plays a vital role

When it comes to how companies communicate, or market themselves, they may choose to do this in a way that does, or does not, highlight their CSR activities. Information about companies can also often come from third party, independent sources. Janssen and co-authors looked at whether companies' communications about their CSR activities could potentially influence and mitigate the effects of any future allegations of social irresponsibility. "Specifically, we wanted to understand the role of the communication source," she explains. "Generally, third party reports on company CSR activities are perceived to be more credible than when a company communicates its own activities, as consumers do not activate their 'persuasion knowledge' - their awareness of company marketing tactics to sway and persuade". And she adds, "We wanted to see if this is reflected in consumer attitudes towards companies accused of social irresponsibility".

A variable study

Janssen and co-authors carried out a web-based survey that presented participants with a number of scenarios related to a fictitious company, devised to avoid opinion bias based on prior knowledge of an existing company. Background information on the company either included, or did not include, information related to its CSR practices; and came either from the company or a third party. Participants were then shown a news article related to an allegation of social irresponsibility by the company in a different CSR domain. "The participants may have been shown background information about the company's positive environmental work, followed by an accusation that they are outsourcing a cheap workforce" explains Janssen. A minimum of 30 participants were presented with a given scenario and the same key variables of interest were measured after all scenarios. "The main variable was consumer attitude towards the company and we wanted to investigate the mechanism behind any change".

Aggravating and buffering effects of CSR communication

In contrast to previous work, Janssen and co-authors' survey and subsequent analysis allowed them to determine how change in consumer attitudes towards a company depends on the source of initial communication in the wake of irresponsibility allegations. They also factored in consumer persuasion knowledge. Results showed that when the initial CSR communication comes from the company itself, this acts as a buffer, reducing the impact of the allegations on consumer attitudes. "We can explain this through our understanding of persuasion knowledge," Janssen explains.

"Consumers are aware that companies embellish claims when they communicate about their own CSR activities, and activate their persuasion knowledge prior to any negative allegations. When allegations of irresponsibility surface later, therefore, the shock is less due to the persuasion knowledge that is already linked to the initial communications." However, because consumers see CSR communications from independent sources to be generally more credible, persuasion knowledge only gets activated when they learn about the allegations of social irresponsibility and, in that case, the allegations create a bigger shock, leading to stronger negative consumer responses."

Practical applications

“Our findings might seem to be counterintuitive,” Janssen explains. “Consumers give more credit to CSR activities reported by third parties, so it would be a good idea to communicate through them.” But, she warns, the initial credibility of third-party communications will aggravate the shock of later allegations of irresponsibility, if they surface, and thus result in stronger negative consumer responses. “When companies address their CSR communication strategy, they must consider the risk of being accused of social irresponsibility, in any domain, in the future” Janssen stresses. “Consumers do give more credit to CSR activities reported by third parties, but our results show that a company needs to beware of any ‘skeletons in the closet’ if it chooses to communicate via independent sources”. She gives the example, “Let’s say a third party reports on a company’s environmental CSR strategy, but then it is later accused of irresponsible behavior, even in a totally unrelated domain such as employee working conditions, the early CSR communication will not mitigate the ill effects of the allegations”. And concludes, “This should be something companies consider when designing their CSR communication strategy”.

About IÉSEG School of Management: Established in 1964, IÉSEG School of Management is one of the top business schools in France, and ranked 17th in 2016 in the Financial Times ranking of Master in Management Programs. As a French Grande École and member of the *Conférence des Grandes Écoles*, IÉSEG is one of the most prestigious higher education institutions in the country. It has also been awarded the triple crown of international accreditations: AACSB, AMBA, and EQUIS.

The School currently has 4 800 students at its two campuses; the historic campus in Lille and at Paris at La Défense, Europe’s biggest business hub. Bachelor, Master of Science and Post-graduate Programs at IÉSEG are taught in English. IÉSEG collaborates closely with the largest institute of research in Europe, the French National Centre for Scientific Research (CNRS). 84% of IÉSEG’s permanent faculty is international, and the school has a network of more than 260 partner universities in 66 countries

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Press Contact

Andrew Miller

Press officer

T: +33 (0)320 545 892

a.miller@ieseg.fr

www.ieseg.fr

Lille campus: 3, rue de la Digue - F- 59000 LILLE

Paris campus: Socle de la Grande Arche

1 Parvis de La Défense - F-92044 Paris La Défense

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