

A Study on the Interaction between Corporate Reputation and Negativity Framing on Consumer Evaluation of Corporate Social Responsibility

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Do corporate social responsibility (CSR) initiatives lead to positive outcomes for companies? Although it is commonly accepted that CSR is a necessary component of modern marketing communication, the empirical evidence shows that that is not always the case. If CSR is sometimes not conducive to better marketing, it behooves firms to determine the right conditions that foster more effective CSR. It is in that vein that this study aims to add to the growing body of marketing and CSR literature through a series of experiments that examines the dynamics between prior attitude toward the company, the fit between the company and the CSR cause, and consumers' accessible thoughts.

This study finds that the prior corporate reputation has an impact on how consumers evaluate the CSR activities of companies. Moreover, we show that the degree of accessible thoughts and their valence can change the moderating effect of the fit between the company and the CSR cause. This is because negative information is perceived as being more diagnostic than positive information in an evaluation situation. We demonstrate that companies that have lower prior public reputations can improve the evaluation of their CSR activities in two major ways: (1) by finding CSR causes that have a lower fit with their business, or (2) by providing information that allow consumers to access more positive thoughts about the CSR activity.

Key words: CSR, Negativity Framing, Corporate Reputation

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I. Introduction

In recent years, corporate social responsibility (CSR) has attained almost a buzzword-like status as an initiative that companies must pursue as part of their portfolio of marketing strategies. The notion of good corporate citizenship has driven this trend as there is now a broader public perception that companies must seek more than just positive results on their bottom line. In that regard, CSR is effective in showing that companies can be sensitive to such concerns and contribute to society in a philanthropic manner. For companies that have positive reputations, CSR adds to the extant goodwill that consumers have towards them. In contrast, for companies that have negative reputations such as by the nature of their products (e.g. alcohol, tobacco, etc.) or an unintended crisis (e.g. Exxon, BP, Volkswagen, etc.), the expectation could be that CSR-related good deeds can help them improve their standing in society.

While it is accepted that companies can generate positive results via their CSR activities, we also see through some examples (e.g. Philip Morris, Monsanto, etc.) that CSR can generate more harm than good for corporations. Take for instance McDonald's, a company that has long held a stellar reputation in part from their Ronald McDonald House Charities. Even though their contribution to society and especially the needy has been noted, it has been criticized by some

circles for its use of harmful polystyrene packaging in a CSR campaign (Livesey, 1992). That kind of double-standard perception can be found with Royal Dutch Shell, a pioneer in CSR and yet also the perpetrator of the disposal of oil buoy in the North Sea (Zyglidopoulos, 2002).

While there has been a great deal of research conducted on CSR, more investigations are needed to sort out the circumstances under which their effects on consumer perceptions and attitudes can be maximized. The objective of this study is to address partly address the lack of explanatory factors regarding consumer variability in responding to a company's CSR activities. As a baseline study we attempt to extend the findings of previous studies, which showed that in the case of a company with a poor reputation, a high fit between a company's business and the CSR activity can have a non-positive impact on the company's image. Importantly, this study shows that the existence of a negative reputation can interact with the CSR fit and lead to different consumer responses. In the second study, we manipulate the degree of negativity and valence of accessible thoughts by the consumer to see if the evaluation of the high fit CSR activity can be altered for the company with a poor reputation. In the final study, we replicate the method in the second study this time for a company with a positive prior reputation in order to see if CSR dynamics for such firms also matter as much as with those with a poor one.

1.1 Introduction

In the long-standing literature on CSR, there is a wealth of studies on the how CSR activities by companies lead to positive affective, cognitive and behavioral reactions by consumers. Previous research has shown CSR can increase willingness to pay higher prices (Creyer and Ross, 1997), perceived quality (Folkes and Kamins, 1999), product evaluations, Brown and Dacin, 1997), attitudes toward firms (Brown and Dacin, 1997), purchase intentions (Murray and Vogel, 1997) and the image of brands and firms (Luo and Bhattacharya, 2006, Park et al, 2010).

In understanding why the effect of CSR may vary by situation, a focal concept has been the consumer heuristic of the “congruence,” or “fit” between the company and the cause (Drumwright, 1996; Menon and Kahn, 2003; Sen and Bhattacharya, 2001). An example of fit would be Nike providing sporting equipment such as sneakers to needy teenagers in impoverished neighborhoods. The perceived level of fit can ultimately decide whether a firm succeeds or fails in their CSR campaign (Bower and Grau, 2009). The reason why fit matters in the CSR context is because it frames the consumer perception of companies that conduct them and ultimately their evaluations (Forehand and Grier, 2003; Sen and Bhattacharya, 2001). Not surprisingly, many studies show that high fit leads to positive outcomes (e.g. Ellen, Mohr, and Webb, 2000; Sen and Bhattacharya (2001). The higher

congruence between the sponsor and the social issue promoted favorable ratings because elaboration on the sponsorship activity was facilitated (Menon and Kahn, 2003). As a related result, higher congruence led to less negative thoughts or attitudes toward the firm (Becker-Olsen, Cudmore and Hill, 2006).

The positive effects of fit, however, are not always borne out as some other studies argue that the high fit, in some situations, does not necessarily lead to higher perceptions or attitudes of the sponsoring company. For example, high congruence can lead to the greater salience that companies have self-serving interests as opposed to having authentic altruistic motives (Forehand and Grier (2003; Yoon, Gurhan-Canli and Schwartz, 2006). These and similar studies suggest that company-CSR fit can be a double-edged construct that can have both positive and negative effects. This caveat may be especially important for companies that have poor reputations or are undergoing a crisis because of a transgression. In such instances, consumers may become more skeptical about the true intentions of CSR activity. A car company that is found to have cheated on allowable emission output will not likely be perceived as sincere if they suddenly campaign for environmental protection. It is the notion that a company's past misdeeds cannot be overcome overnight if the motives are too obviously self-serving. The limitation of these studies, however, is that there is less direct re-

search on the dynamics of the situational factors that lead to different consumer reactions. That is why more research must be conducted to determine when and how consumers prefer low fit CSR activities more so than high fit ones.

As stated previously, corporate reputation is an important determinant of the effect of fit between the firm and CSR activity. Prior research tells us that consumers are not willing to reward firms in negatively perceived situations such as when they are less trusting of the company's pro-social position (Osterhus, 1997), when the company is perceived to be unethical (Strahilevitz, 2003), when they think poorly about the persuasion tactics (Menon and Kahn, 2003), when the product has a mediocre quality (van de Ven, 2008) or when companies are not perceived to be strongly committed to the CSR initiative (Bhattacharya and Sen, 2004). Thus, in this overall examination of conditions where companies are negatively received, the likelihood is increased that their CSR initiatives will likely receive less positive results. Therefore, as a baseline study that replicates extant thought on CSR fit, we hypothesize that a negative prior attitude or reputation of companies will undermine the evaluations of their CSR activities especially when there is a high fit between firm and the cause.

Formally, we hypothesize the following:

Hypothesis 1

H1: If a consumer has a negative prior atti-

tude toward a company, consumers are likely to evaluate the CSR activity more negatively when the fit of the CSR activity is high than when the CSR activity fit is low.

Hypothesis 2

H2: If a consumer has a positive prior attitude toward a company, consumers are likely to evaluate the CSR activity more positively when the fit of the CSR activity is high when the CSR activity fit is low.

II. Another Key Construct: The Degree of Negativity

Building on the baseline study, we elaborate on how the degree of negativity and valence of accessible thoughts can interact with congruency and lead to different evaluations of the CSR conducting firm. Here, we define the degree of negativity as the weighing of negative information as compared with equally extreme positive information in the formation of evaluative judgments (Herr et al., 1991; Maheswaran and Meyers-Levy, 1990). We can understand the effect of the degree of negativity as follows -negative information is perceived as more being useful or diagnostic than positive information for categorizing targets into evaluative categories.

(Herr et al., 1991) Moreover, it is also well-established that negative events are subjectively more potent and have a higher salience than their positive counterparts (Rozin and Royzman, 2001, Kim and Kim, 2010). As a result, negative information tends to receive a greater weighting in evaluations. However, when presented with higher degrees of positive (non-negative) thoughts that improve the reputations of companies, we can expect to see normal positive relationship between congruence and corporate CSR evaluation.

Based on this discussion, in our second study we hypothesize the following:

Hypothesis 3

H3: If a consumer has a negative prior attitude toward a company, and the consumer become accessible to negative thoughts, then consumers are likely to evaluate the high fit CSR activity more negatively than the control group.

Hypothesis 4

H4: If a consumer has a negative prior attitude toward a company, and the consumer become accessible to positive thoughts, then consumers are likely to evaluate the high fit CSR activity more positively than the control group.

While the focus of the “negativity” effect research has been on companies with poor repu-

tations, what happens to companies that enjoy good reputations but suddenly are faced with a crisis? Applying the same notion of the stronger diagnosticity of negative information (Ahluwalia, 2002). could the “one off” bad event hurt the CSR evaluation of these companies? Put differently, are even companies with solid reputations, just one disaster PR event away from ruining their past CSR good deeds? Given that negativity of the “one off” is strong; would the negative interaction of congruence and firm also be replicated with these formerly positively evaluated companies? That was the motivation for the third study.

Thus, the hypotheses here are:

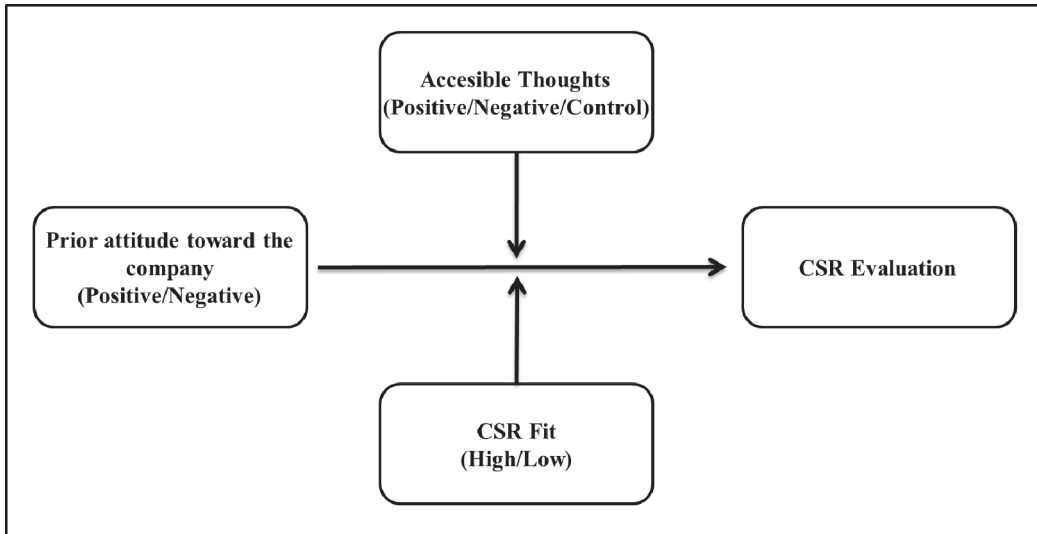
Hypothesis 5

H5: If a consumer has a positive prior attitude toward a company, and the consumer gains access to negative thoughts, then consumers are likely to evaluate the high fit CSR activity more negatively than the control group.

Hypothesis 6

H6: If a consumer has a positive prior attitude toward a company, and the consumer gains access to positive thoughts, then consumers are likely to evaluate the high fit CSR activity as same as the control group.

<Figure 1> Research Model



III. Experiment

3.1 Study 1

We tested the predictions of hypotheses H1 and H2 in Study 1, i.e. that the different directions of consumer reactions on fit will be based on the prior reputations of companies conducting the CSR. Towards this end, we measured respondents' prior attitudes of existing companies to establish those with good and poor reputations.

Using pretests, we attempted to identify a pair of firms that met two conditions: (1) respondents had to have a positive prior attitude towards one and a negative prior attitude towards the other, and (2) they had to belong to the same industry so as to control for, as much

as possible, inter-industry differences. Respondents were presented with a list of eight companies (SSangyong Motors, SK Telecom, Kangwonland, Hyundai Motors, Everland Resort, LG Telecom, Renault-Samsung Motors, and Lotte World) in 3 different industries (automotive, telecommunications, and resorts). The pretest results indicated that the pair of Kangwonland ($M = 2.80$, $SD = 1.02$) and Everland Resort good separation as an exemplar of a good reputation company and poor reputation one while both being in the resort business category ($M = 5.69$, $SD = 1.09$; $F(7,112) = 7.213$, $p < .001$) with prior attitudes measured using three 8-point scales each (1=unfavorable/8=favorable, 1=negative/8=positive, and 1=bad/8=good, $\alpha = 0.970$).

The next step was to determine a pair of CSR activities that would be perceived as be-

ing congruent to each chosen company while at the same time be perceived as equally important, relevant and necessary to society. Pretest respondents were given a list of seven different CSR initiatives (preventing gambling addiction, supporting artistic activities of children from multi-cultural households, providing guide dogs for the visually-impaired and the hearing-impaired, supporting players of unpopular sports, breast cancer awareness campaign, protect endangered species campaign, and supporting the prevention of obesity among children). The hypothetical CSR initiatives were chosen based on the expectation that respondents would perceive have a high fit with one and a low level of fit with the other target companies. The results showed that preventing gambling addiction and providing guide dogs for the visually-impaired and the hearing-impaired were perceived as equally important ($M_s = 6.57 (1.28)$ and $6.57 (1.16)$, $t(26) = .000$, $p > .05$), equally relevant ($M_s = 6.64 (1.37)$ and $6.79 (1.12)$, $t(26) = -.306$, $p > .05$) and equally necessary ($M_s = 6.57 (1.28)$ and $6.64 (1.21)$, $t(26) = .151$, $p > .05$), when measured by one 8-point scale each (1=not very important/8= very important, 1= not very relevant/8= very relevant, and 1= not very necessary/8= very necessary). 'Preventing gambling addiction' CSR activity naturally can be assumed to have a high fit with Kangwonland, which is famous for its casino, and in contrast, had a low fit with Everland Resort. Conversely, 'providing guide dogs for the visually-impaired

and the hearing-impaired' had a high fit with Everland Resort, which is famous for its animal farm, and had a low fit with Kangwonland. The manipulation of fit was checked and was found to be significant in experiment 1 (M high fit = 5.00, SD = 1.49 and M low fit = 3.36, SD = 1.78 for Kangwonland, M high fit = 5.42, SD = 1.24 and M low fit = 3.46, SD = 1.36 for Everland Resort: $F(1,92) = 36.930$, $p < .001$).

We hypothesized that when companies have a poor reputation among consumers, i.e. here with Kangwonland, the high fit CSR activity (preventing gambling addiction) will result in a more negative evaluation than as compared with the low fit (or unrelated) CSR activity (providing guide dogs for the visually-impaired and the hearing impaired). In contrast, when companies have a good reputation among consumers, i.e. here with Everland Resort, the high fit CSR activity (providing guide dogs for the visually-impaired and the hearing impaired) will result in a more positive evaluation than as compared to the low fit CSR activity (preventing gambling addiction).

3.2 Method

We tested Hypothesis H1 and H2 using a 2 (prior attitude toward the company: positive, negative) x 2 (fit: high, low) between subjects design. One hundred students (61 males, 39 females) at a major university in Seoul par-

ticipated in this experiment. All subjects were interviewed individually and each received a confectionary as compensation. The task given to each participant was to read an article of a fictitious daily called the 'Daehanilbo.' In the chosen piece there was information about a company (Kangwonland/Everland Resort) involved with CSR activities (preventing gambling addiction/providing guide dogs for the visually-impaired and the hearing impaired). The booklet containing the experimental materials was randomly assigned.

Next, each respondent was asked to evaluate the noted CSR activity on three eight-point, bipolar items (1=unfavorable/8=favorable, 1=negative/8=positive, and 1=bad/8=good). These items represented were averaged to form a single evaluation factor ($\alpha = .939$) where higher numbers indicate more favorable evaluations. Afterwards, respondents completed some additional questions, including two that served as manipulation checks. An important measure was then to check the fit between the company and the CSR initiative. It asked the following items: "This CSR initiative is a consistent activity with the company's business category", "The social issue that the company is trying to solve with its CSR activity has a similarity with the company's business category." They were all eight-point scales ranging from "not at all" to "very much." These items were averaged to form a perceived CSR fit score ($\alpha = .791$), where higher scores indicate high fit.

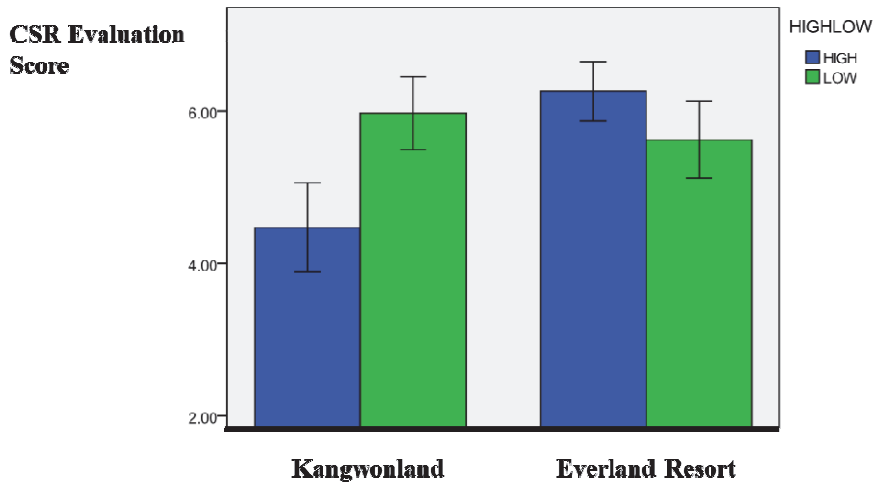
3.3 Results and Interim Discussion

We see that the ANOVA analysis on the CSR evaluation score indicates a significant interaction between corporate reputation and the CSR fit ($F(1,96) = 22.254, p < .001$). In the case of the poor reputation company Kangwonland, respondents evaluated the high fit CSR activity ($M = 4.45, SD = 1.36$) more negatively when compared with the low fit CSR activity ($M = 5.97, SD = 1.11; t(48) = -4.329, p < .05$). In contrast, for the good reputation company Everland, we see a reversal, i.e. the high fit CSR activity ($M = 6.26, SD = 0.93$) is rated more positively than the low ($M = 5.63, SD = 1.20; t(48) = 2.063, p < .05$).

As a baseline study, we confirm the results of prior research that argue that congruence between the CSR activity and firm help only when firms have good reputations. As predicted, for a company with a poor reputation (Kangwonland), the high fit CSR initiative (preventing gambling addiction) is perceived more negatively as compared to the low fit one (providing guide dogs for the visually-impaired and the hearing impaired). Again as expected, there is a reversal with a company that has a good reputation (Everland Resort), where the high fit CSR initiative is more highly regarded as compared to one that is unrelated to the firm.

Collectively, our results show that CSR fit's effect on the evaluation of the CSR activity can indeed be a double-edged sword that can

<Figure 2> Results on Experiment 1



help or hurt you depending on your reputational standing among consumers. The limitation is that we have only examined negativity in a static manner. Put differently, what happens when negativity is increased or even made positive by framing consumer perceptions with more accessible thoughts? We sought to answer those questions in Study 2, using the results of Study 1 as control group response.

3.4 Study 2

In Study 1 we assumed that corporate reputation was the main determinant of reversal of effects of congruence between the company and their CSR activity. Since, the degree of negativity of corporate reputation was not directly manipulated there is the danger that other possible confounds could have in part lead to the results seen. To make a stronger case for the

direct impact of negativity, Study 2 manipulated the degree and valence of accessible thoughts towards the subject company Kangwonland, the company with the poor reputation.

3.4.1 Method

We tested Hypotheses 3 and 4 using a 2 (accessible thoughts: positive, negative) x 2 (fit: high, low) between subjects design. One hundred students (59 males, 41 females) participated in this experiment. Again respondents were individually interviewed and as in the previous study each received a confectionary as compensation. Subjects were informed that they were participating in a study being conducted by Yonsei School of Business to study information processing.

Next, all participants were presented with a list of five companies (SSangyong Motors, SK

Telecom, Kangwonland, Korean Air, and Everland Resort) and then were asked about their attitudes toward the company using scales that from the pretest. Then, each participant was shown a group of four newspaper clippings. For the negative accessible thoughts condition, the four headlines of the articles were:

"Kangwonland allowing exceeding capacity... embroiled in controversy"

"Ssangyong Motors engine has stopped... chances of revival getting slim"

"Residents of Jeongseon-gun says 'Kangwonland, stop the anti-local management'"

"Kangwonland excessively encouraging gambling activities"

For the condition manipulating positive accessible thoughts, the four headlines of the articles were:

"Positive ripple effect of Kangwonland... production and wages worth 1.83 trillion won and 18,800 new jobs"

"'Kia Motors' winner of the red dot design award... 'Design marketing' blossoms"

"Nation's best Kangwonland-High1 ski resort... offers free skiing on weekday mornings"

"Exotic views of the Kangwonland resort tracking course"

When respondent finished reading the newspaper articles they were then required to read an article about the company and its CSR activities. As in Study 1, for the high condition, Kangwonland was paired with 'preventing gam-

bling addiction' CSR activity. As for the low fit condition, Kangwonland was paired with 'providing guide dogs for the visually-impaired and the hearing-impaired' CSR activity. When this was completed, each participant evaluated his/her attitude toward Kangwonland. Afterwards, the CSR activity was evaluated by respondents on 3 eight-point, bipolar items. The measures were same as those used in experiment 1. The responses to the evaluative items were then averaged to form an evaluation score. Then, the manipulation checks and demographic questions were asked and the respondents were debriefed.

3.4.2 Results

The data were analyzed according to a 2 (accessible thoughts: positive, negative) x 2 (fit: high, low) between subjects design with a non-factorial control group. Our predictions are generally supported. As expected, the manipulation check shows that the prior attitude toward the company varies with respondents showing a negative attitude toward Kangwonland ($M = 3.43$, $SD = 1.23$) than towards Everland Resort ($M = 5.51$, $SD = 1.42$; $t(99) = -11.550$, $p < .05$). Moreover, the CSR fit score was higher when Kangwonland was paired with 'preventing gambling addiction' activities ($M = 3.46$, $SD = 1.65$) as compared to when it was paired with 'providing guide dogs for the visually-impaired and the hearing-impaired' activities ($M = 2.93$, $SD = 1.18$; $F(1, 96) =$

6.715, $p < .05$).

We also checked for the adequacy of the manipulation of accessible thoughts with the following items: “The newspaper clipping made me think negatively” and “The newspaper clipping made me think positively,” using eight-point scales ranging from “not at all” to “very much.” Participants in the negative accessible thoughts condition gave higher scores on the negativity item ($M = 4.96$, $SD = 1.24$) than the positivity item ($M = 4.06$, $SD = 1.52$; $F(1, 96) = 10.868$, $p < .05$). In contrast, participants in the positive accessible thoughts condition awarded higher scores on the positivity item ($M = 4.72$, $SD = 1.28$) as compared to the negativity item ($M = 3.98$, $SD = 1.33$; $F(1, 96) = 7.894$, $p < .05$). Results show that all manipulations were successful.

The ANOVA analysis on the CSR evaluation score show the main effects of accessible thoughts and CSR fit. More specifically, participants rated the CSR activity more negatively when the accessible thoughts were negative ($M = 4.55$, $SD = 1.49$) as compared to being primed by positive accessible thoughts ($M = 5.20$, $SD =$

1.04 ; $F(1, 96) = 6.775$, $p < .05$). Additionally, they rated the company more negatively in the high fit CSR condition ($M = 4.62$, $SD = 1.37$) as compared to the low fit CSR condition ($M = 5.13$, $SD = 1.23$; $F(1, 96) = 4.075$, $p < .05$).

We used a t-test to compare the differences in the CSR evaluation score of each accessible thoughts condition. In the negativity accessible thoughts condition, low fit CSR activity had a higher and significant CSR evaluation score ($M = 5.01$, $SD = 1.38$) than for the high fit CSR activity. ($M = 4.08$, $SD = 1.49$; $t(48) = -2.302$, $p < .05$) However, in the positivity accessible thoughts condition, the evaluation score of high fit CSR activity ($M = 5.16$, $SD = 1.00$) did not differ significantly with the evaluation score of low fit CSR activity ($M = 5.24$, $SD = 1.08$; $t(48) = -.270$, $p > .05$).

Moreover, with the planned contrasts against the non-factorial control group that acted as the baseline and who received no prior information through newspaper clippings, we see that when the degree of negativity increases the high fit CSR initiative is evaluated even more negatively. A bad situation therefore can actually get worse

<Table 1> Manipulation Checks on Experiment 2

Process measure	Condition		Mean (SD)
CSR Fit	High		3.46 (1.65)
	Low		2.93 (1.18)
Accessible Thoughts	Negative	Negative item	4.96 (1.24)
		Positive item	4.06 (1.52)
	Positive	Negative item	3.98 (1.33)
		Positive item	4.72 (1.28)

that leads to important PR implications to be discussed later. We conducted a one-way between subjects ANOVA to compare the CSR evaluation score of high fit CSR activity in the negative, positive and control accessible thoughts conditions. There was a significant effect of accessible thoughts ($F(2, 72) = 4.405, p < .05$). Post hoc comparisons using the Tukey HSD test indicated that the mean score for the negative accessible thoughts condition ($M = 4.08, SD = 1.49$) and the positive accessible thoughts condition ($M = 5.16, SD = 1.01$) did not significantly differ from the control group condition ($M = 4.45, SD = 1.36$). We see, however, that as the degree of negativity increases the rating of the high fit CSR activity was lowered even further.

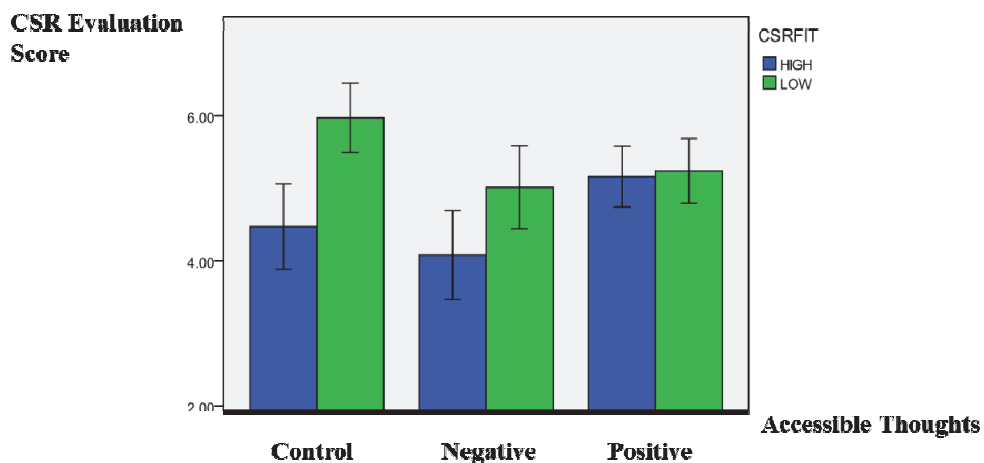
3.5 Discussion

Overall, these results offer supports for hy-

potheses H3 and H4. As predicted, when the respondents were primed directly with greater negativity through newspaper clippings, the high fit CSR initiative was evaluated more negatively as compared with the low fit one. Conversely, when the respondent's negativity was reduced through positive newspaper clippings, the high fit CSR initiative was evaluated on par with the low fit CSR initiative. Thus positive framing improved the evaluation of the CSR activity regardless of congruency.

These results as such offer further proof for the argument that the negativity is a key determinant of how congruency is influenced in their CSR impact. Even when using the same company, the CSR ratings varied depending on the degree of negativity. We were able to demonstrate that as consumers are primed with greater negative thoughts the rating of the high fit CSR activity is worsened. The opposite, however, happens when consumers are

<Figure 3> Results on Experiment 2



primed with positive thoughts - the rating of high fit and low fit CSR become equalized.

As strong as the results in Study 2 are, there is still some possibility negativity effects are limited to companies with poor reputations such as Kangwonland tested here. What can happen to companies with different brand perceptions or reputations? An intriguing question is could negativity hurt even a company with a good reputation such as Everland? To answer that line of inquiry, we conducted Study 3.

3.6 Study 3

Building on the results of the first two studies, here we designed a similar experiment that was conducted with Kangwonland and replicated it with Everland Resort, a company that was perceived as having a stellar corporate reputation. By obtaining a similar pattern as in Study 2 would boost the robustness of the effects of negativity in determining the effect of congruence in CSR impact. Moreover, the likelihood is reduced that some concomitant characteristics of the company accounted for the effects reported in previous experiment.

3.6.1 Method

We tested Hypotheses 5 and 6 again using a 2 (accessible thoughts: positive, negative) x 2 (fit: high, low) between subjects design. One hundred students (59 males, 41 females) par-

ticipated in this experiment. The method was identical to that used in Study 2. The only change was in the articles of the newspaper clippings stimulus and of course the subject company, Kangwonland being replaced by Everland.

As for the negative accessible thoughts condition, the four headlines of the articles were:

"Everland Resort's Rollercoaster Stops in Mid-air!"

"Ssangyong Motors engine has stopped... chances of revival getting slim"

"Everland Management Transition in trouble the whole story and forecast"

"Examining the illegal Everland convertible bond case"

As for the positive accessible thoughts condition, the four headlines of the articles were:

"Let's see the Snow! Everland attracting Asian Tourists"

"Kia Motors' winner of the red dot design award... 'Design marketing' blossoms"

"Everland's Golden monkey gives birth to a child: first in Korea"

"Children experiencing Racing "We drove our dreams!""

As with Study 2, each participant was asked to read the short negative or positive articles, and then asked to carefully read an article about Everland Resort and its CSR activities. For the high fit condition, Everland Resort was paired with 'providing guide dogs for the visually-impaired and the hearing-impaired' activities.

For the low fit condition, Everland Resort was paired with 'preventing gambling addiction' activities. After this was done, the respondents were then asked to answer the same questions that were used in Study 2 and in the same order.

3.6.2 Results

The data were analyzed according to a 2 (accessible thoughts: positive, negative) x 2 (fit: high, low) between subjects design with a non-factorial control group. We find that the hypotheses are generally supported by the results. A manipulation check shows that the prior attitude toward the company varies as expected with respondents showing a higher corporate evaluation of Everland Resort ($M = 5.75, SD = 1.20; t(99) = -11.550, p < .05$) when compared to Kangwonland ($M = 3.30, SD = 1.38$). Moreover, the CSR fit score was higher when Everland was paired with 'providing guide dogs for the visually-impaired and the hearing-impaired' activities ($M = 5.43, SD = 1.29$) than when it was paired with 'preventing gambling addiction' activities ($M = 4.41, SD = 1.50$;

$F(1, 96) = 16.572, p < .05$). We then checked for the adequacy of the manipulation of accessible thoughts as in Study 2 using the same items. As expected, here again participants in the negative accessible thoughts condition rated higher scores on the negativity item ($M = 4.96, SD = 1.38$) than the positivity item ($M = 3.70, SD = 1.74; F(1, 96) = 16.217, p < .05$). In contrast, participants in the positive accessible thoughts condition rated higher scores on the positivity item ($M = 5.06, SD = 1.57$) than on the negativity item ($M = 4.26, SD = 1.37; F(1, 96) = 7.382, p < .05$).

3.6.3 Evaluations

When performing an ANOVA analysis on the CSR evaluation score, we only found the main effect of the valence of accessible thoughts. More specifically, participants rated the CSR activity more negatively when the accessible thoughts were negative ($M = 4.91, SD = 1.13$) as compared to when the accessible thoughts were positive ($M = 5.48, SD = 1.18; F(1, 96) = 5.907, p < .05$). There was, however, no sig-

<Table 2> Manipulations Checks on Experiment 3

Process measure	Condition		Mean (SD)
CSR Fit	High		5.43 (1.29)
	Low		4.41 (1.50)
Accessible Thoughts	Negative	Negative item	4.96 (1.38)
		Positive item	3.70 (1.74)
	Positive	Negative item	4.26 (1.37)
		Positive item	5.06 (1.57)

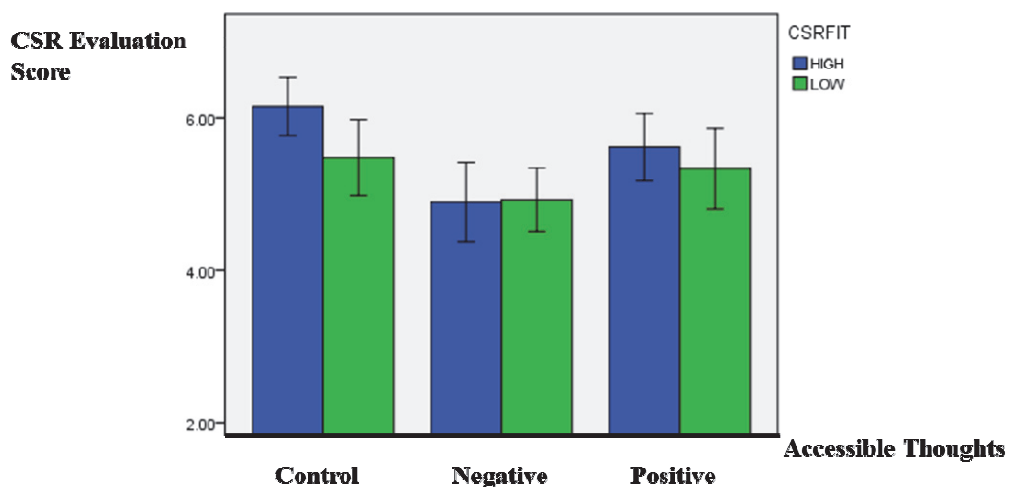
nificant difference found between the ratings of the high fit CSR condition ($M = 5.25$, $SD = 1.21$) and the low fit one ($M = 5.13$, $SD = 1.215$; $F(1, 96) = .286$, $p > .05$). A t-test was conducted to compare the differences in CSR evaluation score of each accessible thoughts condition. In the condition of negative accessible thoughts, the rating of high fit CSR activity ($M = 4.90$, $SD = 1.26$) did not differ significantly with the rating for the low fit one ($M = 4.93$, $SD = 1.01$; $t(48) = .920$, $p > .05$). In the condition of positive accessible thoughts condition, the rating for the high fit CSR activity ($M = 5.62$, $SD = 1.07$) is higher than that for the low fit CSR activity ($M = 5.34$, $SD = 1.28$; $t(48) = .840$, $p > .05$) but again this was not statistically significant.

As with Study 2, here the planned contrasts with the non-factorial control group that received no prior information through newspaper

clippings, we found predictable directional changes in CSR ratings. We conducted a one-way between subjects ANOVA to compare the CSR evaluation score of the high fit CSR activity in negative, positive and control accessible thoughts conditions. We established a significant effect of accessible thoughts ($F(2, 72) = 8.296$, $p < .05$) across the groups. Post hoc comparisons using the Tukey HSD test indicated that the mean score for the negatively primed accessible thoughts condition ($M = 4.90$, $SD = 1.26$) is significantly lower than for the control group ($M = 6.15$, $SD = 0.93$). The positively primed accessible thoughts condition ($M = 5.62$, $SD = 1.07$), however, did not significantly differ from the control group. We expected the high fit CSR activity to be evaluated more positively. However, there was no particular pattern seen in the evaluation score.

Overall, the results of Study 3 offer partial

<Figure 4> Results on Experiment 3



support for hypotheses H5 and H6. As expected, even for the companies that had good reputations, when the respondents were primed with negativity through newspaper clippings, the evaluation for the high fit CSR initiative was lowered to the same level as the low fit one. These results provide further evidence of the robustness of the interaction between overall negativity and the CSR fit as found in the initial two studies. Here using a company with a solid reputation, the evaluation and interaction of CSR fit changed with the intervention of negativity.

IV. General Discussion and Managerial Implications

The motivation of this study was to extend the extant knowledge of the effects of CSR by focusing on the interaction between corporate reputation and congruency of the CSR activities. We find that, as expected, that a high fit between a firm and its CSR activity may not lead to positive results if a company has a

negative corporate standing among consumers. This is because negative information can be more diagnostic than positive information and as such consumers may attribute self-serving motives for companies that have a priori a poor reputation or are undergoing a crisis via some unintended transgression.

Nonetheless, the three studies conducted in this paper suggest that even companies finding themselves in such situations can be much more proactive in how they conduct CSR activities and thereby increase the potential for their success. Our findings offer some academic as well as practical implications on how more positive outcomes can be realized. .

In terms of future research, this study can be seen as a first in a series of studies that examine the complicated dynamics between corporate reputation, choice of specific CSR activity, and framing strategies. Some possible extensions could be to look at personal reputation such as that of celebrities and the impact of negative events such as the occurrence of a transgression. How companies or people respond to such negative events on their reputation such as their communication media and message could be also

<Table 3> Results on Experiment 1, 2 And 3

		Kangwonland (Negative)		Everland Resort (Positive)	
		High fit	Low fit	High fit	Low fit
Accessible Thoughts	Control	4.45 (1.36)	5.97 (1.11)	6.26 (0.93)	5.63 (1.20)
	Negative	4.08 (1.49)	5.01 (1.38)	4.90 (1.26)	4.93 (1.01)
	Positive	5.16 (1.00)	5.24 (1.08)	5.62 (1.07)	5.34 (1.28)

fruitful future points of investigation especially if the study can be conducted in a longitudinal fashion.

As for the managerial implications, for companies with a poor corporate reputation, as a general rule, they need to guard against conducting CSR activities that have high congruence with their company or their transgression. In the case of this study, Kangwonland needs to dissociate their CSR with their main line of business which is gambling and choose some activity that is unrelated but still relevant to consumers as leading to positive social outcomes. The positive activation of study 2 included information such as the stimulation of the economy in Kangwon because of more visitors to Kangwonland coming from other regions.

That said, in some situations where the CSR activity has been already initiated, there may be substantial switching costs to change course to another CSR activity. Our second study, in that regard, provides some glimmer of hope of how companies can ameliorate a bad CSR situation. We learn that instead of treating negative corporate evaluation as a static status, companies can be more dynamic and proactive in reducing that perception. By framing a more positive story of a negative reputation, such as by producing more collateral information about the company, the CSR activity, and the rationale behind its support, the overall negativity can be reduced. In the case of alcoholic products, their promotion of drinking in moderation can

be understood in such a vein. This can be promoted by having an integrated brand communication strategy where a complete picture of the company, its contribution to society and the role played by the CSR activity (no matter the fit) can be explained.

Also, our third study shows essentially that no company is safe in terms of the potentially fickle effect of CSR and the firm CSR congruency. Even companies that have a positive corporate reputation can suffer from a sudden crisis. When this happens, their heretofore good deeds such as firm-fitting CSR may be reevaluated and even perceived negatively in a new light of skepticism. Companies therefore need to have a crisis management strategy in place where in such occurrences they need to lower the negativity and remind the public of the positive track record they previously had because of their contribution to related causes.

The overall important takeaway of this study is that in any given situation controlling the negativity of the situation should take precedence over trying to find the optimal CSR activity for the company. Companies should understand that negativity is an important variable in CSR evaluations and even if it cannot be completely controlled, its debilitating effects can be significantly lessened with good marketing management.

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