

**DRAWING INFERENCES ABOUT OTHERS BASED ON CORPORATE SOCIAL
RESPONSIBILITY ASSOCIATIONS**

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ABSTRACT

This research examines how observers use corporate social responsibility (e.g., environmental responsibility) information in drawing inferences about a target consumer's dispositions (e.g., whether the target person really cares about the environment). Respondents read a scenario describing a target consumer purchasing a certain brand of pens, which recently teamed up with an environmental organization. We found that target related factors (e.g., impression motivation, consistency of behavior) and company related factors (e.g., congruity of the supported cause with company image) systematically influence the dispositional inferences made by the observers. Under high impression motivation, dispositional inferences do not vary as a function of consistency of behavior and congruity. Under low impression motivation, we found a significant interaction between consistency of behavior and congruity. The target consumer is perceived as caring for the environment more under high consistency (i.e., when she has purchased the same brand before) when the supported cause is congruent (vs. incongruent) with the company's image. Under low consistency (i.e., when she has not previously purchased the same brand), she is perceived as caring for the environment more when the supported cause is incongruent (vs. congruent) with the company's image.

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People have an ongoing interest in perceiving and evaluating other people. Nearly everyone forms an impression of someone else everyday. This research examines the process by which people draw inferences about others based on their connection to certain companies. Specifically, we are interested in understanding when observers use corporate social responsibility (e.g., environmental responsibility) information in drawing inferences about a target consumer's dispositions (e.g., whether the target person cares about the environment). For example, if a consumer purchased products from a company, which recently teamed up with an environmental organization, will others conclude that s/he cares about the environment sincerely?

This issue is important because many consumers are interested in reflecting their self image by using or purchasing certain products and brands (Aaker 1999; Sirgy 1982; Solomon 1983; Shavitt and Nelson 2004). However, it is not clear when and how observers draw inferences about other consumers based on their purchase or usage of products from companies with different social responsibility associations. While we know that observers make inferences about a consumer's characteristics based on purchase decisions, most of this research focused on product category preferences rather than company-level characteristics (Belk, Bahn, and Mayer 1982; Shavitt and Nelson 2000). Relatively little research addresses how people form impressions of consumers when they use or purchase products from companies with different social responsibility associations. Our objective is to extend previous research on inference making based on product preferences to the corporate social responsibility domain.

THEORETICAL BACKGROUND

Inference Making Based on Product Preferences

The tendency to make inferences about others based on their product preferences has been described as “one of the strongest and most culturally universal phenomena inspired by consumer behavior” (Belk et al. 1982, p. 4). Consistent with this observation, several studies showed that observers draw inferences about characteristics of other consumers on the basis of their product preferences ranging from clothing, automobiles, home appliances to foods, drinks, and cleaning products (see Belk et al. 1982 for review).

Recent research suggests that tendency to draw dispositional inferences about others is more pronounced for product categories that serve a social-identity function as opposed to a utilitarian function (Shavitt and Nelson 2000). Products serve a social-identity function to the extent that they are used to express personal identity and values. Shavitt and Nelson (2000) showed that utilitarian products such as aspirin, air conditioner or orange juice elicit less individuating information (e.g., personality traits as opposed to demographic information) than products that serve a social-identity function such as gourmet coffee and sweat shirts. This effect is pronounced more for observers who are highly (vs. lowly) motivated to form an accurate impression of the target.

Inference Making Based on Corporate Social Responsibility (CSR) Associations

Several corporations attempt to express their identity and values to their consumers through their corporate social responsibility programs (Sen and Bhattacharya 2001). One practice that some companies choose is to develop strategic partnerships with non-profit organizations (e.g., environmental organizations) and market their products with the non-profit organization's label to improve or change their image, among other reasons (Lichtenstein, Drumwright, and Braig 2004). Similarly as to how the preference of products that serve a social-identity function, choosing brands that have partnered with non-profit organizations may reveal individuating information (e.g. environmental responsibility) about their consumers. For example, purchasing or using a pen with an environmental label may indicate that the consumer cares about the environment. In this study, we identify consumer (e.g., impression motivation, consistency of behavior) and company-related factors (e.g., congruity of CSR with company image) that should influence how observers draw dispositional inferences about the target consumer's environmental sensitivity.

Recent research suggests that consumers draw inferences about companies engaging in CSR activity (Yoon, Gürhan-Canli, and Schwarz 2004). More sincere inferences are drawn (e.g., this company sincerely cares about the environment) when the congruity between CSR activity and company image is high (vs. low). For example, if a company with a good environmental reputation supports an environmental organization (high congruity), consumers perceive this support as a sincere effort to help with environmental issues. On the other hand, if a company has a bad reputation about environmental issues and supports an environmental organization (low congruity), consumers perceive this behavior (i.e., supporting an environmental organization) to be less sincere. While congruity affects inferences about a company, it cannot be used by itself to draw inferences regarding the consumer of that company's products. In order to

make inferences about a target consumer, observers need to utilize information specific to the target.

Previous research in psychology suggests that “consistency” information is generally used by observers in making dispositional attributions (e.g., Hewstone and Jaspers 1987; Major 1980). That is, behaviors that are expressed over time, so called “consistent behavior,” are likely to be attributed to individual dispositions versus situational factors (Calder and Burnkrant 1997, Folkes 1988). For example, if observers learn that a consumer has consistently (vs. recently) purchased from a company known for its environmental consciousness, they are more likely to perceive the target consumers as environmentally sensitive. We expect observers to infer that a target consumer cares about the environment more under high congruity (i.e., supported cause is congruent with company image) when the consistency of the behavior is high (vs. low). This is because consistent (vs. no) purchases over time from a company with a strong environmental reputation indicate more sincere commitment to the supported cause.

In contrast, if the target consumer has not purchased the brand before (i.e., low consistency), we expect more favorable inferences regarding environmental sensitivity when the congruity of the supported cause with company image is low (vs. high). In this situation, the target consumer may be perceived as changing her past purchase behavior of no prior purchases in response to a change in company behavior (e.g., company is now supporting an environmental organization). In other words, observers may infer that the target consumer cares about the environment because she started purchasing the brand when the company started to support an environmental organization. This change in the target consumer’s behavior is a clear indication of her concern for the environment.

In sum, we expect an interaction between consistency of the target consumer's behavior and congruity of CSR with company image. Observers should infer that the target consumer cares about the environment more under high consistency when the congruity of supported cause with company image is high (vs. low). Observers should also infer that the target consumer cares about the environment more under low consistency when the congruity of supported cause with company image is low (vs. high). Importantly, we propose that this interaction should occur only when observers believe that they can make inferences based on the target consumer's purchase behavior. Observers' perception of the target consumer's motives affect whether they can make inferences based on the purchase behavior.

Consumers may have several motives to purchase products from companies working with environmental organizations. They may feel good about their purchases because such purchases are consistent with their values (Sen and Bhattacharya 2001; Sirgy 1982). However, consumers may wish to manage their impression on others when they choose products from companies with social responsibility associations. Impression motivation is the degree to which people are motivated to influence how others perceive them (Chen, Shechter, and Chaiken 1996; Leary and Kowalski 1990). When impression motivation is high, people tend to behave in ways that will create desirable impressions in others' eyes. Impression motivation is thought to depend on the goal-relevance of impressions, the value of desired goals, and the discrepancy between desired and current image (Leary and Kowalski 1990). People are more likely to manage their impressions on others when the impressions they make are relevant to attainment of desired goals. For example, impression motivation is high during a job interview in which individuals like to create a favorable impression in the eyes of the prospective employer. If impression motivation is high, it is difficult to draw dispositional inferences about the target because people

may change their behavior in order to create a certain impression (Schlenker and Weigold 1992; Wooten 2000). That is, a person's behavior may not reflect his or her true character. In contrast, if impression motivation is low, it is easier to draw inferences on the basis of behavior. When impression motivation is low (vs. high), people are more likely to attribute a person's behavior to his or her dispositions. Thus, when impression motivation is low, we expect to find a significant interaction between congruity and consistency, as discussed earlier. We do not expect that inferences would vary as a function of consistency and congruity when impression motivation is high. In sum, we hypothesize the following.

H1(a): When impression motivation is low, observers should infer that the target consumer cares about the environment more under high consistency when the congruity of supported cause with company image is high (vs. low).

H1(b): When impression motivation is low, observers should infer that the target consumer cares about the environment more under low consistency when the congruity of supported cause with company image is low (vs. high).

H2: When impression motivation is high, inferences should not vary as a function of consistency and congruity.

METHOD

Design and Subjects

A 2 (impression motivation: high or low) X 2 (consistency of behavior: high or low) X 2 (congruity of the supported cause: congruent or incongruent) between subjects design was used.

One hundred ninety-six undergraduate students in a large university received partial course credit to participate in this study. They were randomly assigned to the conditions.

Procedure

Respondents read a scenario that described a target consumer, Jamie, purchasing two Faber-Castle pens. They were told that recently the company teamed up with World Environmental Organization (WEO) and is now marketing a new line of pencils, pens, and markers with the WEO label. Jamie realizes that she does not have any pens with her on her way to a job meeting or a job interview and she purchases two pens with WEO label. After respondents read the scenario, they responded to the dependent measures and a suspicion probe. They filled out two other unrelated questionnaires and then they were thanked and debriefed. They were told that the information about Jamie and Faber-Castle was prepared for research purposes and was not true.

Independent Variables

Impression motivation. Under high impression motivation condition, respondents learned that she was on her way to a job interview with an environmental consulting company and that she is very much worried about making a good impression because she wants to establish a good relationship. Under low impression motivation condition, they were told that the target consumer is on her way for a job meeting and that she is not worried about making an impression because she has already established a good relationship.

Congruity of the cause with company image. Faber-Castle was described as among the best (worst) in the industry in terms of environmental responsibility in the congruent (incongruent) condition.

Consistency of behavior. Under high consistency condition, respondents read that Jamie has been purchasing Faber-Castle pens for a while. Under low consistency condition, they learned that she has never purchased Faber-Castle pens before.

Dependent Variables

Dependent variables were seven-point scales and were administered in the following order.

Dispositional inference. Respondents rated the extent to which Jamie cares about environmental issues and environmental responsibility, and pays attention to environmental responsibility on these seven-point scales anchored by “not at all” and “very much.” These items were averaged to form a dispositional inference index ($\alpha = .91$).

Manipulation checks. Respondents rated their level of agreement with three statements (e.g., Jamie worried about making a good impression on the interviewees) anchored by “strongly disagree” and “strongly agree.” These items were averaged to form an impression motivation index ($\alpha = .92$). In addition, they indicated their level of agreement anchored by “strongly disagree” and “strongly agree” with the following two statements: Jamie has been using Faber-Castle products for a while and Jamie has not previously used Faber-Castle products before. The last sentence was reverse coded for the analysis. These two items were averaged to form a consistency index ($r = .86$). Respondents also indicated whether Faber-Castle’s support of WEO

was consistent with their environmental image on two scales anchored by “incongruent” versus “congruent” and “inconsistent” versus “consistent.” These items were averaged to form a congruity index ($r = .93$).

Other measures. Respondents indicated their own involvement with environment using four-item scale adopted from Schuhwerk and Lefkoff-Hagius (1995). These items were averaged to form an environmental involvement index ($\alpha = .84$). Finally, they indicated their age, gender and responded to an open-ended suspicion probe.

RESULTS

The results were analyzed using a 2 (impression motivation) X 2 (consistency) X 2 (congruity) between subjects design. The control variables of environmental sensitivity, age, and gender did not lead to significant findings as covariates.

Manipulation checks. An ANOVA on the impression motivation index revealed only a significant main effect of impression motivation ($F(1, 188) = 245.51, p < .001$). Respondents indicated that Jamie worried about making a good impression more under high (vs. low) impression motivation condition (M 's = 6.13 vs. 3.08). An ANOVA on the congruity index yielded only a significant main effect of congruity ($F(1, 188) = 190.51, p < .001$). Respondents mentioned that Faber-Castle's support of WEO is more congruent with Faber-Castle's environmental image under high (vs. low) congruity (M 's = 5.98 vs. 3.11). An ANOVA on the consistency index indicated only a significant main effect of consistency ($F(1, 188) = 355.89, p < .001$). Respondents were more likely to indicate that Jamie has been using Faber-Castle

products for a while under high (vs. low) consistency (M 's = 6.31 vs. 2.48). These findings indicate that all manipulations were successful.

Dispositional inference. An ANOVA on the dispositional inference index yielded a main effect of impression motivation ($F(1, 188) = 4.89, p < .05$). Importantly, the three-way interaction was also significant ($F(1, 188) = 6.71, p < .01$). Further analysis indicated that the two-way interaction between congruity and consistency was significant under only low impression motivation ($F(1, 188) = 8.87, p < .01$). The same interaction was insignificant under high impression motivation ($F < 1$). These findings are consistent with Hypotheses 1 and 2, which suggest that inferences vary as a function of consistency and congruity only when impression motivation is low. Results are presented in Table 1.

Insert Table 1 about here

The simple effects test revealed that under low impression motivation and congruent conditions, respondents rated the target consumer more environmentally sensitive under high (vs. low) consistency (M 's = 4.57 vs. 3.78; $F(1, 188) = 4.34, p < .05$). In other words, respondents thought that the target consumer cared about environmental issues more under low impression motivation when Faber-Castle was described as one of the best in the industry in terms of environmental responsibility and when she has been consistently purchasing (vs. never purchased) Faber-Castle products. Simple effects test also demonstrated that under low impression motivation and incongruent condition, respondents rated the target consumer more environmentally sensitive under low (vs. high) consistency (M 's = 4.74 vs. 3.91; $F(1, 188) = 4.53, p < .05$). That is, respondents thought that the target consumer cared about environmental issues more under low impression motivation when Faber-Castle was described as one of the

worst in the industry in terms of environmental responsibility and when she has never (vs. consistently) purchased Faber-Castle products.

DISCUSSION

Our research stemmed from the idea that people draw inferences about others based on their connection to certain companies. Specifically, we addressed the question of when observers are likely to draw dispositional inferences about target consumers who purchase products from companies with different CSR associations. We found that both target related factors (e.g., impression motivation, consistency of behavior) and company related factors (e.g., congruity of the supported cause with company image) systematically influence dispositional inferences. Under high impression motivation, observers' dispositional inferences do not vary as a function of consistency of behavior and congruity. Under low impression motivation, we found a significant interaction between consistency of behavior and congruity. The target consumer is perceived as caring for the environment more under high consistency (i.e., when she has purchased the same brand before) when the supported cause is congruent (vs. incongruent) with company image. Under low consistency (i.e., when she has not purchased the same brand before), she is perceived as caring for the environment more when the supported cause is incongruent (vs. congruent) with the company's previous social image.

From a theoretical perspective, our findings extend previous research on person perception on the basis of product preferences (e.g., Shiv and Nelson 2000) by highlighting the important role of the target consumer's motives. While the present research focused on impression motivation, future research can examine the effect of other motives such as need for

affiliation on inference making. Consumers may purchase from socially responsible companies because of their need to be affiliated with various reference groups. It is interesting to explore how type of reference groups (e.g., associative, dissociative, aspirational) influence a target consumer's purchase behavior and how observers draw dispositional inferences considering such influence.

Previous research suggests that observers generate more sincere inferences about the company when the supported cause is congruent (vs. incongruent) with company image (e.g., Sen and Bhattacharya 2001; Yoon et al. 2004). We extended this finding to the context of drawing inferences about the consumer. Our findings suggest that observers utilize information about previous purchase behaviors together with information about congruity in drawing inferences about the target consumers. Another factor that may influence the process by which observers draw dispositional inferences is distinctiveness of purchase behavior. Observers' inclination to draw dispositional inferences may decline when the behavior is not perceived as distinctive (i.e., when the target consumer's friends are also purchasing the same brand).

Consumers might manage others' impressions of themselves by allowing others to see their connection to certain causes and corporations. One way in which consumers may indicate their connection to certain causes and corporations is by recommending companies associated with the causes they prefer (c.f., Brown, Barry, Dacin, and Gunst 2004). It is probably easier to draw dispositional inferences about consumers who generate more (vs. less) word-of-mouth communication regarding corporate social responsibility. Future research can examine when and how observers draw dispositional inference based on word-of-mouth communication.

We focused our research on inferences regarding environmental sensitivity. We believe our hypotheses can be extended to other types of corporate social responsibility associations such

as being compassionate, helpful, caring, etc. However, it is important to investigate the extent to which effects reported in this research replicate using other types of associations.

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TABLE 1
DISPOSITIONAL INFERENCES (STANDARD DEVIATION) AS A FUNCTION OF EXPERIMENTAL
MANIPULATIONS

	High Impression Motivation		Low Impression Motivation	
Congruity	High	Low	High	Low
High Consistency	4.75 (1.24)	4.68 (1.22)	4.57 (1.02)	3.91 (1.42)
Low Consistency	4.82 (1.24)	4.42 (1.34)	3.78 (1.59)	4.74 (1.40)

