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Role of Regulatory Focus on CSR Communication

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Abstract

The study examines the role of CSR communication strategies and regulatory orientations on the intention of the consumers to recommend a company or its product. The study employs a 2 (CSR communication strategies: symmetric vs. asymmetric) × 2 (regulatory focus: promotion vs. prevention) between-subject experimental design. The study offers empirical insights to validate how various CSR communication strategies over social media influence consumers' recommendation intention.

Keywords: CSR, CSR communication, regulatory focus, recommendation intention.

1. Introduction

Corporate Social Responsibility (CSR), an endeavor of the organizations to consolidate both the business and social needs, has got extensive acknowledgment from among the academic and corporate domains. From the marketing viewpoint, CSR can be defined as a conscious effort made by the corporates so as to control the apprehensions of the consumers in regards to various phenomena identified with environment, ethics and society with an ultimate aim of producing business benefits (Vaaland, Heide, & Grønhaug, 2008). A company can create business benefits out of its CSR performances exactly when it is satisfactorily imparted to the consumers (Maignan & Ferrell, 2004). In this way, designing an effective CSR communication strategy is viewed as one of the noteworthy components of the corporates investing in CSR activities in order to encourage anticipated customer outcomes.

The technological innovations demand the corporates to utilize various most modern communication devices that facilitates easy and effective flow of message in between the company and the consumers. Of these, social media is considered to be one of the powerful media for communicating the CSR messages of a company. While designing CSR communication strategies over social media, the corporates should consider its distinct characteristics of providing both one-way and two-way oriented communications. The one-way communication, which is otherwise termed as the asymmetric strategy of CSR communication, is more likely passive in nature as it is intended to convey the CSR messages of an organization as objectively as conceivable to the consumers; on the other hand, the two-way communication, which is also called as the symmetric CSR communication strategy, is progressively dynamic in nature as it expects a dialogue with the consumers with a view to invite their dynamic consultations concerning the CSR policies of the company (Morsing & Shultz, 2006).

Regulatory orientations of the consumers who directly deal with the CSR messages of a company also play a significant role in the message interpretations (Lee & Aaker, 2004). Each individual has two distinct and independent self-regulatory orientations co-exist with them, namely, promotion-focus and prevention-focus (Higgin, 1997). A promotion focused consumer is more concerned about the achievement and advancement of something; whereas a prevention focused consumer is conscious about the security and

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safety aspect of anything (Crowe & Higgins, 1997). While framing CSR communication messages, the company should consider these two regulatory orientations of the consumers, as dealing each and every one with the very same message will not create effectiveness, sometimes, it may lead to a negative effect also. Hence, the objective of this study is to examine the role of regulatory focus of the stakeholders, especially of the consumers, on the effectiveness of the CSR communication strategies. More precisely, the existing research is generally constrained with regards to understanding the regulatory orientations of the consumers in relation to the interpretation of the CSR messages and how these regulatory orientations impact the effectiveness of CSR communication strategies of a company. Hence, in this study, we proposed that the asymmetric and symmetric CSR communication strategies over social media and the promotion and prevention orientations of the consumers differently impact the intentions of the consumers to recommend the company and its products. The study is the first in its empirical effort to demonstrate how differences in the CSR communication strategies over social media influence consumers' recommendation intention. It provides both managerial and practical implications by highlighting the importance of the consumer's regulatory orientations in CSR message communication over social media platforms.

2. Literature Review

2.1. CSR communication strategies

CSR communication covers the overall activities and procedures a company should undertake while exchanging the information relating to its CSR performances with the aim of giving an exact idea to the stakeholders by making use of appropriate media of communication (Podnar, 2008; Moravcikova, Stefanicova & Rypakova, 2015). Based on the mode of transmitting CSR information, the CSR communication strategies can assume various types, for example, asymmetric and symmetric CSR communication strategies (Kollat & Farache, 2017). Asymmetric CSR communication strategy is a one-way oriented approach of communicating CSR information of a company by giving importance to the purpose of just informing the stakeholders about its CSR initiatives, whereas symmetric CSR communication strategy is a two-way, dialogue-oriented style of the communication efforts of a company which expects active interaction from the stakeholders towards the formulation of its CSR policies (Morsing & Schultz, 2006).

The decision of adopting either of these strategies is based on two factors; (1) the purpose of communication, and (2) the media of communication. The purpose of CSR communication may be either to influence the consumers through public information or to get suggestions from consumers about CSR policies through active involvement in the communication process (Morsing & Shultz, 2006). CSR communication media may be broadly classified into two as traditional media such as newspapers, television, radio, posters, brochures, etc. and virtual media including social media and blog (Korschun & Du, 2013). If the company aims just to inform the stakeholders about its CSR information and intend to make use of static, traditional media such as print media, it can adopt the asymmetric CSR communication strategies. On contrary to this, if the company would like to gain the active interaction of the stakeholders towards its CSR policies and intends to utilize the full capacities of social media communication, it can adopt symmetric strategy of CSR communication.

2.2. Regulatory focus theory

Regulatory orientations of consumers have an important role framing the CSR messages of a company. Regulatory focus theory assumes two independent and self-regulatory orientations that belongs to every individual, namely, a promotion-focus and a prevention-focus (Higgins, 1997). A promotion focus is related with the achievement and advancement preferences of an individual whereas a prevention focus concerns the security and safety specialties (Crowe & Higgins, 1997). Each individual, based on their personal priorities will have either promotion orientation or prevention orientations towards achieving an action (Bullard & Penner, 2017).

2.3. Moderating role of regulatory on CSR communication strategies

Previous studies report that different CSR communication strategies influence stakeholders differentially (Kollat & Farache, 2017). Hence, consumer evaluations in the form of recommendation intention towards different CSR communication strategies will also be different. In order to moderate the negative influence of consumer evaluations towards CSR communication strategies, the regulatory

orientations of consumers will play a significant role. As the prevention-focused consumers are more concerned about the security and safety aspects of the information contained in the CSR message, they will only be satisfied with a detailed and continuous dialogue-oriented symmetric CSR communication strategies. Since the promotion-focused consumers are attracted towards the achievement and advancement features of a CSR message, they will be satisfied with a one-way oriented asymmetric CSR communication strategy. Hence, based on the above arguments, the following hypotheses are proposed:

H₁: Prevention-oriented CSR message creates positive recommendation intention in the case of symmetric CSR communication strategy.

H₂: Promotion-oriented CSR message creates positive recommendation intention in the case of asymmetric CSR communication strategy.

3. Research Methodology

3.1 Method

The present study proposes to construct on a 2 (CSR communication strategies: symmetric vs. asymmetric) X 2 (regulatory focus: prevention-focus vs. promotion-focus) between-subject experimental design. The study considers CSR communication strategies and regulatory focus as independent variables and recommendation intention as dependent variables.

3.2 Stimuli development

The study will manipulate the CSR communication strategies by adapting the method used by Kollat & Farache (2017). A model Facebook page of a fictitious company, named ABC Ltd., will be created as the it is capable of overcoming the participant's preconception about the companies. The participants will be given a set of Facebook posts of ABC Ltd. depicting their CSR performances. After reading the posts, the participants will be asked to rate it as one-way or two-way in nature in order to check the manipulation of CSR communication strategies.

Regulatory focus will be manipulated by adapting the method used by Kim (2006) on a seven-point Likert scale (1 = definitely not/7 = definitely yes). In the case of promotion-oriented CSR messages, the participants will be asked to rate the degree of enhancement, the message concerned about. In the case of prevention-oriented CSR messages, the participants will be asked to rate the degree to which the message is related to protection.

3.3 Study participants and procedure

The sample will comprise of the post-graduate students at a state university in Kerala, India, who are well educated with a desirability to the social media pages. The sample will be selected by using random sampling method from a complete list of the university students. After considering the regulatory orientations of the participants, the sample will be randomly assigned to different CSR communication strategies. After reading the Facebook posts the participants will be asked to fill up the questionnaire, with items of recommendation intention.

3.4 Independent Variables

The study will use two independent variables, namely, CSR communication strategies and regulatory focus. Both the independent variables are the manipulating variables.

3.5 Dependent Variable

The dependent variable of the study will be the intention of the consumers to recommend the company or its product. Recommendation intention will be measured by adapting the scales from the study of Al-Ansi, Olya & Han (2007). Recommendation intention scale includes three items: "I will recommend the company to others", "I will say positive things about the company to others", and "I will encourage friends and relatives to buy goods from the company" (1 = strongly disagree/7 = strongly agree).

4. Conclusion

In today's competitive business environment, CSR has been acknowledged among the academic and corporate domains as an effective marketing tool along with its social significance. In order to be justified as a marketing tool, the companies investing in CSR activities should have to design attractive communication strategies to transmit their CSR performances to the consumers. To be effective, one of the vital factors that should be considered while designing CSR communication strategies is the regulatory orientations of the consumers. Different strategies to be applied, along with different medium of communication, will be influenced by the different regulatory orientations of the consumers. Hence, different CSR communication strategies should be designed by considering the regulatory orientations of the consumer so as to achieve maximum benefit to the companies from its investment in socially responsible activities.

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