

**CORPORATE SPONSORSHIPS OF PHILANTHROPIC ACTIVITIES: WHEN DO
THEY IMPACT PERCEPTION OF SPONSOR BRAND?**

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ABSTRACT

The benefits to a corporate sponsor of two types of philanthropic activities --cause promotions and advocacy advertising -- are examined. Results from four laboratory studies indicate that perceptions of corporate sponsorship responsibility (CSR) are affected by consumers' elaboration levels. Consumer perceptions of CSR are more favorable for cause promotions, which do not receive much elaboration, than they are for advocacy advertising, which prompts more elaboration. In addition, perceived congruence between the sponsor and the social issue is shown to moderate these effects: higher congruence between the sponsor and social issue increases favorable ratings of CSR for cause promotions, but only if elaboration on the sponsorship activity is facilitated. On the other hand, lower congruence increases favorable ratings of CSR for advocacy advertising as long as elaboration on the sponsorship is not constrained. We also find that higher congruence enhances CSR ratings if participants are primed to focus their attention on the sponsor brand, while lower congruence enhances CSR if participants are primed to focus their attention on the social issue.

A prominent ad by Mercedes-Benz dealers in the *Wall Street Journal* featured this headline above a picture of a little girl: “Most car dealers offer ‘*cash back*’ programs. In our case, it just so happens to go back to *her*.” The ad promised that a purchase of a Mercedes-Benz from any of these dealers would result in a donation to help deserving children in Chicago. This advertisement is an example of cause-related marketing -- an increasingly popular activity that businesses are using to signal their corporate social responsibility (Brown and Dacin 1997).

The popularity of these corporate-sponsored philanthropic activities has been spurred on by the growing evidence that consumers today are eager to patronize businesses that share their own values and ethics (Cone Communications Press Release 1997; Creyer and Ross 1997; Sen and Bhattacharya 2001). In addition, socially responsible corporate activity may represent an important source of competitive advantage because it can enhance the overall reputation of the company (Keller and Aaker 1997). As a result, a variety of socially responsible business activities have emerged, including: cause-related promotions (Varadarajan and Menon 1989), advocacy advertising (Haley 1996), alliances with non-profit organizations (Andreasen 1996), socially responsible employment and manufacturing practices (Drumwright 1994) and corporate volunteerism in community activities (Forehand and Grier 1999). Prominent examples of such philanthropic sponsorships include Avon’s Breast Cancer Awareness Crusade, Johnson & Johnson’s SAFE KIDS campaign, Coors’ Adult Literacy effort, and Subway Restaurant’s “Heroes for Hunger” Food Drive.

In this research, we investigate consumers’ evaluations of the sponsors’ “corporate social responsibility” (CSR) as a function of two types of philanthropic messages: (1) *cause promotions* that promise a donation to a charitable cause based on a purchase of the company’s product (Andreasen 1996; Varadarajan and Menon 1989), and (2) *advocacy advertising* of social issues

that are sponsored by brands (Andreasen 1996; Haley 1996). To illustrate these, a cause promotion message sponsored by Johnson & Johnson's Baby shampoo might feature the product and promise a 10 cents donation to the World Wildlife Fund for every purchase. In contrast, an advocacy advertisement message might focus on the dangers of extinction of certain wildlife species and try to persuade consumers to support the World Wildlife Fund's efforts to save endangered species. Regardless of the format, sponsorship activities have two main goals: (1) to raise awareness and/or funds for the social cause and (2) to increase consumer perceptions of the sponsor's corporate social responsibility or CSR – that is, associations that reflect the brand's "character" with respect to its societal obligations (Brown and Dacin 1997). Tying the sale of a product to an incentive (*cause promotion*) is a more short-term, "business-as-usual" type of promotion, as opposed to *advocacy advertising*, which is a more long-term strategic marketing or branding-building type of effort (Fellman 1999). In the latter, the benefit to the sponsor is less concrete, and in fact, it usually features the philanthropic message prominently and merely identifies the branded product or logo as the sponsor in an under-stated manner.

THEORETICAL FRAMEWORK

Effectiveness of Persuasion Tactics

Friestad and Wright (1994) provide a framework for evaluating when and why consumers focus on persuasion tactics used by a marketer. They suggest that consumers develop "schemer-schemas" or implicit beliefs about various persuasion tactics and consider the appropriateness of using such tactics to persuade them. However, cognitions related to the marketer tactics may not be readily accessible and may not impact judgments about the marketer unless consumers consciously elaborate on the marketing tactic (e.g., Campbell and Kirmani 2000; Shiv, Edell and Payne 1997). For example, consumers are more likely to construct beliefs about a persuasion

agent's action when the context is surprising or unexpected (Goodstein 1993; Hastie 1984; Malle and Knobe 1997) or when a familiar brand uses a noticeably different persuasion strategy (Friestad and Wright 1994; Wiener, LaForge and Goolsby 1990). To the degree that consumers think about a brand's persuasion tactic, it is less likely to result in favorable evaluations about the brand.

Format of Sponsorship

Advocacy advertising focuses chiefly on the philanthropic message and is generally independent from direct purchasing of the sponsor's product. Such advertising messages frequently encourage the consumer to engage in some action or behavior that involve a trade-off between costs and benefits (for example, exercise more to prevent heart disease; quit smoking to prevent cancer). Therefore, consumers are likely to view this context as unusual or surprising, and are likely to elaborate about the ulterior motives of the sponsor. Prior research has established that when an individual thinks that an actor has an ulterior motive for a particular behavior, the resulting suspicion can result in less favorable perceptions (Campbell and Kirmani 2000; Fein 1996; Fein, Hilton and Miller 1990). As suggested by other researchers (Gilbert, Pelham and Krull 1988), the elaboration and resulting inferences about possible ulterior motives could lower consumers' CSR evaluations of the sponsor in the *advocacy advertising* format, particularly if the sponsorship is deemed inappropriate

On the other hand, *cause promotions* typically feature the product prominently and are aimed at encouraging purchase of the brand, just as regular advertisements do. Therefore, with *cause promotions*, consumers are less likely to elaborate about the appropriateness of the sponsor's motives relative to the situation for *advocacy advertising*. In the absence of elaboration, individuals typically resort to "relatively basic and automatic associative processes"

(Berkowitz 1993, p10), and react to a stimulus based on a rapid assessment of its affective significance. Drawing on research by Gilbert et al (1988), this implies for *cause promotions*, consumers may accept the sponsor's behavior at face value and draw correspondent inferences about the sponsor's character. Thus, for *cause promotions*, consumers are likely to process the activity as a positive cue, leading them to evaluate the sponsor more positively than if there were no activity. The degree to which sponsor brands gain in positive CSR from a specific philanthropic association may depend on factors such as pre-existing affinity for the philanthropy or pre-existing disposition towards the sponsor (Drumwright 1996; Haley 1996; Sen and Bhattacharya 2001), and the degree of congruence between the sponsor brand and the philanthropic cause featured in the sponsorship activity.

Congruity between the Sponsor and the Philanthropy

Consumers may use simple heuristics to judge the appropriateness of the brand's sponsorship action (Friestad and Wright 1994). In particular, consumers may rely on the level of congruence or perceived fit between the sponsor and the philanthropic activity in order to decide whether it is appropriate for the brand to engage in a specific sponsorship (Drumwright 1996; Haley 1996; Sen and Bhattacharya 2001).

In a qualitative study on advocacy sponsorships, Haley (1996) found that consumers held a strong belief that companies "ought to" sponsor only those social issues that have a logical association with their corporate activities. Other dimensions that were identified in Haley's research as influencing perceived congruence were the brand's expertise or investment in the philanthropic domain and the similarity in target segments between the brand and the philanthropy. Building from these findings, we suggest that congruence may result from

common associations that the brand shares with the philanthropy, arising from any of the following bases:

- product dimensions (e.g., herbal product brand sponsoring the protection of rain forests),
- affinity with specific target segments (e.g., the Self magazine sponsoring prevention of Breast Cancer),
- corporate image associations created by the brand's past conduct in a specific social domain (e.g., Ben & Jerry's and the Body Shop's activities in environment protection), or
- personal involvement of the company or brand in a social domain (e.g., Ryka 's (shoes) involvement in the fight against domestic abuse makes sense to people who know that its CEO Sheri Poe is a victim of domestic abuse herself.)

Advocacy advertising focuses more on the social issue or message than on the sponsor.

These messages often encourage more elaborative processing and because there is no overt appeal encouraging the consumer to buy the sponsor's product, they can heighten concern about the ulterior motives of the sponsor. However, following empirical findings in the social psychology literature (Eagly, Wood and Chaiken 1978; Priester and Petty 1995), if the focus is on the social message, and there appears to be a lack of vested self-interest, the credibility of the source is enhanced. Hence, we hypothesize that when the focus is on the message as in *advocacy advertising*, a lack of congruence between the sponsor brand and the social issue may be deemed more appropriate and thus heighten favorable CSR perceptions for the sponsor.

On the other hand, if consumers focus on the sponsor brand rather than the social issue, then they may believe that the action only makes sense if motivated by vested interest. In this

case, congruence could heighten favorable CSR perceptions. Recent research in social psychology (Miller and Ratner 1998) shows that individuals consider actions divorced from self-interest as strange and perplexing, and consider self-interested actions as more legitimate and appropriate. In these circumstances, consumers may discount the validity of a sponsored philanthropic activity if it is inconsistent with a clear vested interest. This implies that if the focus is on business objectives, corporate philanthropic activities should be tied to the corporation's self-interest – a belief held by many managers (Andreasen 1996; Major 1992). This is consistent with prior research about consumers' stated beliefs that companies ought to sponsor congruent social issues (Haley 1996).

Thus, we hypothesize that the benefit of congruence between the sponsor and the social issue depends upon the consumers' focus on the sponsor or the social issue. Lower congruence between sponsor and social issue would be seen as more appropriate if the focus is on the social issue or message such as in *advocacy advertising*. Higher congruence between the sponsor and social issue would be seen as more appropriate if the focus were on purchasing of the sponsor brand such as in *cause promotions*. Further, since the benefit of congruence hinges on elaborative processing of the sponsorship relationship, congruence is likely to have a bigger impact on *advocacy advertising* because it will evoke higher elaboration than *cause promotion*.

Formally, we hypothesize:

H1a: Higher congruence between the philanthropic activity and the sponsor brand will result in more positive perceptions of CSR for the sponsor for *cause promotions*, and lower perceptions of CSR for *advocacy advertising*.

H1b: Congruence will have a higher impact on CSR for *advocacy advertising* than for *cause promotions*.

Finally, we hypothesize that the differences in the effects proposed above (**H1a, b**) between the two formats are driven by the differences in the processes underlying consumer evaluations of the two sponsorship formats. That is,

H2: Consumers will elaborate more while processing *advocacy advertising* messages than while processing *cause promotions* messages.

H3: In *cause promotions*, consumers' primary focus will be on the sponsor brand. In *advocacy advertising*, consumers' primary focus will be on the social issue.

In Study 1, we compared *cause promotion* sponsorship to *advocacy advertising* and manipulated the degree of congruence. Here, we measured the impact on CSR perception, testing our central hypothesis about the interaction effect (**H1a, b**). Study 2 extended the results of the first study and provided the evidence for our process hypotheses relating to the differences in elaboration and primary focus (**H2, H3**). In Study 3, we show that by changing the consumer's natural focus in *advocacy advertising* from the social issue to the sponsor brand, we could reverse the effects of congruence on CSR. Finally in Study 4, we examine *cause promotions* and manipulate the degree of elaboration that consumers exhibit. We show that the degree of consumer elaboration on the appropriateness of the sponsorship activity can change ratings of CSR.

STUDY 1

To test our main hypotheses relating to the impact on CSR (**H1a, b**), we used a 2 (sponsorship format: *advocacy advertising* or *cause promotion*) x 2 (congruence level: high or low) between-subjects design for a breakfast cereal brand. In addition, we included a control condition where there was no sponsorship activity associated with the focal brand.

Stimuli: Higher congruence was manipulated by focusing the sponsored message on the prevention of cancer and by stating in the message that whole-grain cereal was a rich source of anti-oxidants that would reduce the risk of cancer. In this condition, the *advocacy advertising* message focused on the benefits of drinking orange juice (rich in anti-oxidants) to reduce the risk of cancer and the *cause promotion* message promised a donation to the American Cancer Society's cancer research fund based on product purchase. Lower congruence was manipulated by having the sponsored message focus on prevention of skin cancer. Here, the *advocacy advertising* message focused on the benefits of avoiding sun exposure in order to reduce the risk of skin cancer and the *cause promotion* message promised a donation to the American Cancer Society's skin cancer research fund. The length of the message was roughly equal across all conditions.

The two advocacy messages were first pre-tested in a separate sample ($n = 53$) to check the success of the congruence manipulation and to ensure that both social issues were considered equally important. Here, we asked participants to rate two sets of six items relating to perceived congruence and message relevance on a 1-9 scale. These multiple-item scales were used in all studies (see Appendix II). The mean rating of *perceived congruence* was significantly influenced by the manipulation of congruence (M (High) = 6.05, M (Low) = 4.56; $F(1, 51) = 10.84, p < 0.01$). The mean rating of *message importance* showed that the two social issues (cancer and skin cancer) were not considered different in importance ($M = 6.56$; $F(1, 51) = 1.16$; $p > 0.3$).

Procedure: One hundred fifty four undergraduate students participated in the study as a requirement for a marketing course; 123 participants were in the 2x2 conditions and 31 were in the control condition. After they were shown information about the sponsor brand and

sponsorship message, participants rated the brand on CSR dimensions. (See Appendix II for CSR scale items).

Results

In **H1a**, we proposed an interaction whereby lower congruence would increase CSR for *advocacy advertising* and higher congruence would increase CSR for *cause promotions*. We also proposed in **H1b** that congruence would have a greater impact on *advocacy advertising* than on the *cause promotion* format. As predicted, the interaction of format and congruence was significant ($F(1, 119) = 4.90; p < 0.03$) and largely supportive of our hypothesis. Lower congruence increased perceptions of CSR for *advocacy advertising* ($M(\text{Low}) = 5.81, M(\text{High}) = 4.90, p < 0.01$). For *cause promotions*, however, congruence had no significant impact on CSR ($M(\text{High}) = 6.47, M(\text{Low}) = 6.45, p > 0.95$). We suspect that this non-significance was because participants did not elaborate as much about the *cause promotions* since these focused on product purchases just as regular ads and were perceived as “business-as-usual” messages. We also found a main effect of sponsorship format on CSR with *cause promotions* having significantly higher mean CSR ratings ($M = 6.46$) than *advocacy advertising* ($M = 5.35, F(1,119) = 27.94, p < 0.01$). Again, we believe that this difference was caused by lower elaboration levels for *cause promotions*, a conjecture that will be specifically tested in Studies 2 and 4.

We also compared the CSR ratings in the Control condition with those in the four sponsorship conditions, using Dunnett’s test to control for Type 1 error for comparison with a single control group. The CSR rating in the Control condition ($M = 4.57$) was significantly lower than those for both *cause promotion* conditions, irrespective of congruence level ($p < 0.05$). However, relative to *advocacy advertising*, the control CSR ratings were lower when congruence

was low ($p < 0.05$) but there was no difference when congruence was higher ($p > 0.05$). (See Figure 1.)

INSERT FIGURE 1

In Study 2, we test whether differences in elaboration might account for the differences between the two sponsorship formats, by manipulating the cognitive resources available for elaboration about the sponsor. Consistent with our predictions in **H1a-b**, we found in Study 1 that for *advocacy advertising*, lower congruence with the social issue had a more positive impact on CSR ratings of the sponsor than higher congruence. We suggested this result occurred because in the *advocacy advertising* format, consumers are more likely to focus on the social issue rather than on the sponsor brand. To test this hypothesized reason, we obtain a measure of the processing focus in the two formats in Study 2 and manipulate the processing focus in the *advocacy advertising* format in Study 3.

Although we hypothesized that higher levels of congruence would increase CSR perceptions for *cause promotions*, we did not find a significant effect. This lack of significance is consistent with our hypothesis (**H2**) that *cause promotions* do not evoke much elaboration on the part of the consumers. Congruence level may play a more significant role in influencing sponsor evaluation for *cause promotions* if respondents are encouraged to elaborate on the sponsor's motives. We test this conjecture in Study 4.

STUDY 2

Study 2 was designed to test the explanations about elaboration levels and processing focus (**H2, H3**) that we proposed to account for differences between the two sponsorship formats, and to generalize our results to different product categories and different social issues. Further, in this study, we crossed the congruence and product manipulations in order to keep the

same messages in the two congruence conditions. We used a 2 (products: herbal toiletries, pet foods) x2 (congruence: high, low) x2 (sponsorship format: *advocacy advertising*, *cause promotions*) x2 (cognitive resources: high, low) between-subjects design.

Procedure: One hundred and sixty undergraduate students participated in Study 2 as a requirement for a marketing course, and were randomly assigned to the eight conditions. Respondents were told that they were participating in a series of unrelated experiments, and that the first study was an experiment in memory and ability to recall numbers after a delay. In the first part, we presented participants with a cognitive resources manipulation that has been widely used by prior researchers (see, e.g., Gilbert et al 1988; Shiv and Fedorikhin 1999). The manipulation provides competing cognitive demands so that elaboration about sponsor motives is likely to be restricted. Participants were requested to memorize a seven-digit number in the low resources condition, and a two-digit number in the high resources condition. They were told to keep the number active in memory, and that they would be asked to recall it later on. Then, they went on to the next study where they were presented with the stimuli related to the sponsor brand on a computer.

In order to get a measure of processing focus, we included a simple check. Immediately after they had viewed the sponsorship ad on the computer screen, participants had a choice of two buttons to click in order to move on to the next screen. The buttons were labeled “Read More About (sponsor brand)” and “Read More About (social issue)”. Regardless of which button they chose, they moved to an “Under Construction” screen, so that no additional information was provided in either case. This enabled us to get a measure of whether participants were thinking more about the sponsor brand or the social issue while viewing the sponsorship ad.

Congruency and Format Manipulations: Depending on the product condition, participants read about a sponsor brand that was in either the pet foods category or the herbal toiletries category. In the pet foods product condition, the high congruence social issue was protecting homeless pets and the low congruence issue was saving rainforests, and vice versa in the herbal toiletries product condition. Further, the messages in the two sponsorship formats were crafted carefully to have the same body copy (see Appendix I) and tested to ensure that the social issues were perceived to be significantly different in terms of congruence with sponsor, but not different in importance to participants.

Results

Manipulation Checks: A separate pool of sixty-eight participants were shown two sponsorship ads each, and asked to rate the perceived congruence with the brand as well as the importance of the selected social message. Using the within-subject replication as the error term, we analyzed these measures as a function of sponsorship format, congruence and product category. For *perceived congruence*, there was a significant effect of congruence as expected (M (High) = 6.42 and M (Low) = 4.26; $F(1, 65) = 60.75$; $p < .01$). No other effect was significant ($p > 0.13$). The mean rating of *message importance* ($M = 5.67$) was not significantly affected by any of the manipulations ($p > 0.39$), implying that both sponsored issues were relevant to participants.

As a measure of the cognitive resources manipulation, we asked participants in the experimental conditions ($n = 160$) to rate two items on a 1-9 scale after they had recalled the number they had been asked to memorize: “how mentally occupied were you with memorizing this number during the study” and “how effortful was it to memorize this number”. The two items were significantly correlated ($p < 0.01$) and we used the mean of these items as a measure

of cognitive load experienced by participants. ANOVA analysis showed a significant impact of the cognitive resources manipulation, with a higher cognitive load indicated by participants in the low resources condition than in the high resources condition (M (Low) = 5.35 and M (High) = 4.20; $F(1, 144) = 13.94$; $p < 0.01$). There was no significant main or interaction effect on this measure of the product, format or congruence manipulation ($p > 0.11$).

Dependent Measures

Evaluation of Sponsor Brand's CSR: First, we assessed whether we were able to replicate the tests of **H1a-b** using a different set of product categories and social issues. The product factor had no significant effects, and was consequently dropped from the model. We found a significant main effect of format, a significant interaction effect of format and congruence level, and a marginally significant main effect of cognitive resources on CSR. The main effect of format indicated that the CSR ratings were higher in the *cause promotions* (CP) format than in the *advocacy advertising* (AA) format (M (CP) = 6.93 and M (AA) = 6.33; $F(1, 152) = 11.94$; $p < 0.01$). The main effect of cognitive resources indicated that CSR ratings were higher when cognitive resources was lower rather than higher (M (Low Resources) = 6.79 and M (High Resources) = 6.46; $F(1, 152) = 3.58$; $p < 0.06$). Both these main effects are consistent with our theorizing that higher elaboration (as predicted to happen in the *advocacy advertising* format and in the higher resources condition) leads to lower perceptions of CSR.

The interaction of format and congruence level was significant ($F(1,152) = 6.27$; $p < 0.01$), with the means largely as predicted in **H1a-b**. In the *advocacy advertising* format, higher congruence led to lower CSR ratings as predicted (M (High) = 5.97 and M (Low) = 6.68; $p < 0.006$). In the *cause promotions* format, however, the means were not significantly different between the two congruence conditions (M (High) = 7.01 and M (Low) = 6.85; $p > 0.50$). This

is consistent with the **H1b** proposition that congruence would have a lower impact on *cause promotions* than on *advocacy advertising* messages, and replicated the same pattern found in Study 1.

INSERT FIGURE 2

Test of Processing Elaboration: To test hypothesis **H2** that *advocacy advertising* would lead to higher elaborative processing than *cause promotions*, we examined the CSR ratings as a function of the cognitive resources factor. We predicted that the effect of congruence within the *advocacy advertising* format would be found only when cognitive resources were high, facilitating elaborative processing. But if elaboration were to be constrained, then the impact of congruence would be lower, similar to the *cause promotions* format. We did not expect the cognitive resources manipulation to have any impact on the *cause promotions* format, as we hypothesized no elaborative processing even when cognitive resources were higher. To test this, we used a planned contrast to compare the mean CSR rating in the *advocacy advertising*, high congruence, high cognitive resources condition against the mean CSR ratings in the other seven experimental conditions. This contrast was significant ($F(1, 152) = 13.90; p < 0.01$), indicating that the mean rating in this condition was significantly different from the average level in the other conditions. Specifically, planned comparisons showed that when cognitive resources were higher, the CSR rating for the *advocacy advertising* format was higher when congruence was lower, as predicted by **H1a** (M (Low congruence) = 6.59 and M (High congruence) = 5.60; $p < 0.02$). However, when cognitive resources were lower, the CSR ratings in the *advocacy advertising* format conformed to the same pattern as found for *cause promotions*, with no significant difference between the congruence conditions (M (Low congruence) = 6.78 and M (High congruence) = 6.33; $p > 0.17$). These results are entirely consistent with our hypothesis

that the differences between formats were partly caused by differences in elaborative processing of the two types of messages.

Test of Processing Focus: We also hypothesized that the sponsorship format would influence whether consumers focus on the sponsor brand or on the social issue. We suggested that in *cause promotions* the focus would be more on the brand whereas in *advocacy advertising* the focus would be more on the social issue. In the latter case, consumers would focus and elaborate on the social issue only if they have sufficient cognitive resources. If cognitive resources were limited, then individuals would focus on the sponsor brand since it represented the primary context of evaluation in our study. Thus, we predict an interaction between sponsorship format and cognitive resources on the processing focus in the message.

To test this prediction, we examined the participants' choice of the two buttons (to receive more information on the social issue or the sponsor brand), after viewing the sponsorship ad. If the choices were made randomly, then the proportion of participants choosing each button would not be significantly different from 0.50. To the contrary, we found significant differences that were consistent with the prediction. In the *advocacy advertising* format, in the higher cognitive resources condition, 64 percent of the participants chose the button labeled for the social issue, but only 32 percent did so in the lower cognitive resources condition ($t(74) = 5.5$; $p < 0.01$). Also, both these proportions were significantly different from 0.50 ($p < 0.05$). In the *cause promotions* format, 58% percent of the participants chose the sponsor brand button, and this did not differ across the two cognitive resources conditions ($p > 0.6$). This choice proportion was marginally higher than the random choice of 0.50 ($t(84) = 1.49$; $p < 0.07$). A planned contrast of the mean choice in the *advocacy advertising*, high resources condition against the

average choices in the other three (format x cognitive resources) conditions revealed a significant effect ($F(1,156) = 6.27; p < 0.02$).

In summary, Study 2 provides empirical evidence that supports our hypotheses. We find evidence to suggest that consumer evaluation of the sponsor is based upon higher elaboration in *advocacy advertising* than in *cause promotions*. As a result, perceived congruence of the social issue is seen to have a higher impact on the sponsor of *advocacy advertising* messages than on the sponsor of *cause promotion* messages. Further, we find that lower congruence enhances perception of CSR for the *advocacy advertising* sponsor, but only when elaboration is not constrained. We also find that consumers focus more on the social issue in *advocacy advertising* messages when elaboration is not constrained. We had suggested that the negative impact of congruence in this format was attributable to this processing focus, and we test this further in Study 3.

STUDY 3

In Study 3, we show additional support for the hypothesis (H3) that a focus on the social issue in the message versus a focus on the sponsor affects whether congruence hurts or helps ratings of CSR. In Study 2 we showed that lower congruence might have helped the sponsor in *advocacy advertising* because the focus was more on the social issue in the message, and higher congruence might have helped the sponsor in *cause promotion* because the focus was more on the sponsor brand. Here, within one format, *advocacy advertising*, we manipulate the participants' focus through a priming manipulation. We propose that when we prime participants to focus on the social issue, lower congruence will enhance the sponsor's CSR ratings more than higher congruence. However, when participants are primed to focus on the sponsor, higher congruence will have a more positive impact than lower congruence.

Method

Study 3 was a 2 (congruence: higher and lower) x 2 (Focus: Social Issue, Sponsor brand) x 2 (Product: Breakfast Cereals, Skin Care Products) between-subject design.

Stimuli: The stimuli used for the study were similar in form and presentation as those used in Study 1, but only the *advocacy advertising* format was used. The brand sponsoring the social cause message was described as manufacturing either breakfast cereals or skin care products. Congruence was manipulated by selecting a social issue that was either more or less related to the branded products, and the selection of social issue was crossed with the product manipulation. For breakfast cereals, the higher congruent social issue was reducing the risk of heart disease through exercise and the lower congruent social issue was reducing the risk of skin cancer by avoiding sun exposure, and vice versa for skin care products. Congruence between heart disease and cereals was emphasized by mentioning that high-fiber in cereals also helped to reduce risk by lowering blood cholesterol. Congruence between skin cancer and skin care products was emphasized by mentioning that skin care products with high SPF factor also helped to reduce risk of skin cancer.

We manipulated processing focus through a priming task. Participants were asked to read an excerpt from a newspaper article about the media debate concerning the benefits of corporate sponsorships to the society and to the sponsors. In the “Focus on Message” condition, the article cited examples to conclude that corporate sponsorships helped the society in many ways. On the other hand, the article in the “Focus on Sponsor” condition presented illustrative examples to conclude that sponsor companies gained substantially from the sponsorships in terms of increased sales.

Procedure: One hundred ten undergraduate students participated in the study in a computer laboratory in return for a monetary incentive. Participants were first given the newspaper article used in the priming task and asked to give their opinions. A fifteen-minute distracter task in which they participated in an unrelated study followed. They were then directed to the main study where the sponsorship message was presented.

Results

Manipulation Checks: A pre-test using a separate pool of one hundred and one undergraduate students was conducted to test the manipulation of congruence and the selection of social issues. We found that perceived congruence was significantly affected by the congruence manipulation as predicted (M (High) = 6.67 and M (Low) = 5.56; $F(1, 99) = 31.08$; $p < 0.01$), and unaffected by other manipulations ($p > 0.4$). Analysis of the message importance rating revealed no significant difference between the two social issues ($M = 6.25$, $F(1,99) = 0.3$; $p > 0.5$).

As a manipulation check of priming of the processing focus, we asked participants in the main study to indicate their attitudes to corporate sponsorships, after they had read the newspaper article. We used the mean of four scale items measured on a 0-100 scale to capture favorable attitude to corporate sponsorships: (1) corporate sponsorships reflect a strong (weak) commitment to social responsibility; (2) they are very (not at all) acceptable activities for companies to participate in; (3) they should be a standard part of a company's activities (agree strongly to disagree strongly); and, (4) they are a good way to help solve social problems (agree strongly to disagree strongly) (Cronbach alpha = 0.7). We expected higher ratings on this variable in the "Focus on Social Issue" priming condition than in the "Focus on Sponsor" priming. As expected, the favorable attitude variable was significantly different, with a higher

mean in the “Focus on Social Issue” condition ($M = 69.8$) than in the “Focus on Sponsor” condition ($M = 58.9, p < .02$).

Impact on Corporate Social Responsibility: We proposed that higher congruence between sponsor and social issue would enhance CSR when participants focused on the sponsor and lower congruence would enhance CSR when participants focused on the social issue. As predicted, the interaction between focus and congruence was significant ($F(1,102) = 9.1; p < 0.04$) with means in the hypothesized direction. In the “Focus on the Sponsor” condition, CSR perceptions were higher for higher congruence ($M = 4.69$) than for lower congruence ($M = 3.92; p < 0.02$). However, in the “Focus on Social Issue” condition, the CSR rating for higher congruence ($M = 4.60$) was marginally lower than for lower congruence ($M = 5.18, p < 0.07$).

INSERT FIGURE 3

Within a single format, we found support for the spirit of **H1a**. We found that when participants focused on the message, lower congruence resulted in higher ratings of CSR. This was consistent with Study 2, where there was no priming of participants to direct their focus, and they were found to naturally focus more on the social issue in *advocacy advertising*. We found that when we primed participants to focus on the sponsor in *advocacy advertising*, then higher congruence resulted in higher ratings of CSR, similar to the effect hypothesized for *cause promotions*. However, in Studies 1 and 2, we did not get this hypothesized effect for *cause promotions*. We believe that this was because participants do not elaborate much in *cause promotions* (a conjecture to be specifically tested in Study 4). The significant results in Study 3 when participants are primed to focus on the sponsor, in a format that does motivate participants to elaborate (i.e., *advocacy advertising*) lend additional support to **H1a**. We further test this impact of elaboration in Study 4 within the *cause promotion* format.

STUDY 4

Study 4 was designed to further understand the impact of the *cause promotions* on sponsor evaluation. In Studies 1 and 2, we found that higher congruence level between sponsor and social issue did not have a significant impact on CSR within the *cause promotion* format contrary to **H1a**. We attributed this lack of impact of congruence on CSR to lack of elaboration. We test this here by manipulating elaboration as well as congruence level. We hypothesize that higher congruence would increase CSR for cause promotions (where the focus is on the sponsor) when elaboration about the sponsorship is encouraged, but may have only a negligible impact on CSR when elaboration was absent.

Method

Study 4 was designed as 2 (Congruence: High, Low) x 2 (Elaboration: High, Low) x 2 (Product: Breakfast Cereals, Skin Care Products) between-subject treatment. Two hundred thirty two undergraduate students participated as part of a subject pool requirement for a marketing course.

Stimuli: The stimuli were similar to those in Study 3, with the very same manipulations of congruence and products. In all sponsorship messages, the sponsor made the offer of a donation to the social cause (either American Heart Association's Research fund or the American Cancer Society's Skin Cancer Research fund) that was tied to purchases of the sponsor brand.

We manipulated Elaboration by changing the order of collecting ratings on some of the dependent measures. In the low elaboration condition, participants first rated the sponsor brand on CSR, and message perceptions before answering questions on congruence perceptions, and appropriateness of the sponsorship action (the same order that was used in previous studies). In

the high elaboration condition, we reversed the order and participants were first asked about congruence levels and appropriateness before they evaluated the sponsor brand. Just before participants were asked for ratings on CSR, they were asked to write down all thoughts that went through their mind as they went through the study.

Results

In order to ascertain that our elaboration manipulation actually worked, we examined the data on thought protocols that was collected just before measurement of CSR. The usable data from two hundred and twenty nine participants were coded by a research assistant who was blind to the study hypotheses. In particular, the number of thoughts pertaining to the sponsorship activity was counted for each participant, and subjected to an ANOVA. As expected, we found a significant main effect of elaboration level, with a higher number of thoughts related to the sponsorship activity in the high elaboration condition ($M = 1.77$) than in the low elaboration condition ($M = 1.26$; $F(1, 225) = 8.89$; $p < 0.01$). There was also a marginally significant interaction effect of congruence and elaboration ($F(1, 225) = 3.74$; $p < 0.06$). This interaction showed that when elaboration was higher, the number of thoughts related to the sponsorship activity was higher in the lower congruence condition than in the higher congruence condition ($M(\text{low}) = 2.0$ and $M(\text{high}) = 1.54$; $p < 0.06$). There was however, no difference between the two congruence conditions when elaboration was lower ($p > 0.4$).

Impact on Corporate Social Responsibility: We proposed that congruence between sponsor brand and cause would have a higher impact on CSR perceptions when individuals elaborate on motives of the sponsor, compared to when elaboration is absent. As predicted, the interaction effect between elaboration and congruence was significant ($F(1,227) = 4.33$; $p < 0.04$) with means as predicted. In the high elaboration condition, CSR perceptions were more

favorable for higher congruence ($M = 5.51$) than for lower congruence ($M = 5.10$; $p < .04$). However, in the low elaboration condition, the CSR rating in the high congruence condition ($M = 5.77$) was not different from that in the low congruence condition ($M = 5.94$; $p > 0.4$). Essentially, elaboration on sponsor motives lowered CSR perceptions when congruence was low ($p < 0.01$), but had no significant impact on a sponsor who was perceived to be congruent with the cause ($p > 0.15$).

INSERT FIGURE 4

Our ANOVA model also showed a significant main effect due to elaboration level ($F(1, 227) = 16.11$; $p < 0.01$). CSR perceptions were significantly lowered when elaboration on sponsor motives was high ($M = 5.31$) than when it was low ($M = 5.85$). There was no significant effect attributable to congruence level ($p > 0.3$) or the product manipulation ($p > 0.5$).

These findings support **H1a-b**. In Studies 1 and 2, we had observed that *cause promotions* yielded higher CSR ratings than *advocacy advertising*, and had suggested that this may be because the former elicits lower elaboration on the sponsor's motives. In Study 4, we found support for this suggestion by showing that if we encouraged elaboration on the sponsorship action for *cause promotions*, sponsor evaluations tend to be lowered. While the first two studies found no impact of congruence level for *cause promotions*, this study offers an explanation that the impact of congruence would be contingent upon elaboration about the sponsorship, as we proposed in **H1b**.

In sum, we find that higher congruence increases ratings of CSR for *cause promotions* as predicted in **H1a** but only when elaboration is encouraged. In low elaboration settings, low congruent sponsors are rated as positively as high congruent sponsors. But when consumers are

encouraged to think about the sponsorship action and potential motives of the sponsor, then low congruent sponsors are evaluated more negatively.

We also found a significant main effect of elaboration, where more elaboration lowers ratings of CSR. This result helps to explain our findings in the first two studies where we found lower CSR ratings for *advocacy advertising* than for *cause promotions*. We can reasonably infer that this may have been due to the higher elaboration for the former format.

GENERAL DISCUSSION

In recent years, corporate philanthropy has been playing an active role in the marketing arena of many businesses (The Wall Street Journal, 2000). Our research offers important insights on when and how philanthropic activities may lead to favorable perception of corporate sponsors. Specifically, we showed that the way sponsor brands promote their philanthropic activities would significantly affect consumers' perceptions of the corporate social responsibility (CSR). In particular, we found that *cause promotions* yield higher ratings of CSR than *advocacy advertising*. We find evidence that this is because consumers' elaborate more about the possible motives behind *advocacy advertising* than they do about *cause promotions*, which they view as a more usual business promotion since the promotion focuses on purchase of the product. Consistent with Friestad and Wright's (1994) framework the more consumers think about the brand's persuasion tactics, the less likely it is to result in a favorable evaluation. Supporting this, we find that if elaboration is increased for sponsorship activities, CSR ratings decline. This suggests that managers may be better off promoting brand ties to charitable causes in low elaboration settings (e.g., point-of-purchase displays, product packaging) rather than higher elaboration settings such as lengthy advertisements.

We also find that the level of congruence between the sponsor and the social issue in the message affects CSR. For *advocacy advertising*, or when the focus is on the social issue, higher ratings of CSR are obtained if there is lower congruence between the sponsor and the issue. On the other hand, for *cause promotions*, or when the focus is on the sponsor, higher ratings of CSR are obtained if there is higher congruence. When focusing on the social message, the sponsored action is perhaps perceived as more believable when the sponsor does not appear to have a vested interest. When focusing on the sponsor however, the action seems more appropriate and more plausible if the sponsor is acting in his or her own self-interest. This implies that managers who employ *cause promotions* should stress the congruence or the logical association between the selected causes and their brands, if this association is not readily apparent to consumers (e.g., Johnson & Johnson Shampoo and their contributions to the World Wildlife Fund).

In our studies, we examined the congruence construct in the range of neutral to positive. We did not examine “negative” congruence as might be perceived in Exxon’s association with the environmental protection cause, or Anheuser-Busch’s association with prevention of teenage alcohol abuse. As an area of future research, it may be interesting to investigate these types of sponsorships to determine if consumers would evaluate the sponsor negatively (e.g., whether they would assign higher blame to the sponsor) or positively (e.g., whether they would give credit to the sponsor’s efforts to make amends).

As a caveat to our findings, we note that the impact of sponsorships may vary widely depending on the nature of social issues as well as the nature of products sponsoring them. If the social issues are political or deal with centrally-held beliefs (e.g., “right-to-life”), then consumers may react to sponsors in a highly affective manner in accord with their long-standing symbolic pre-dispositions, and irrespective of factors such as perceived congruence. On the other hand, if

the social causes in the sponsorships are more concrete and proximal to the consumer's daily life (e.g., an anti-smoking campaign that addresses smokers), consumers are likely to evaluate these causes in terms of personal costs and benefits. In this case, the consumer's own self-interest may play an active role in judging the appropriateness of the sponsor's self-interest. Prior research (Strahilevitz and Myers 1998) has also demonstrated that the effectiveness of cause-related promotions may depend on whether the sponsor product is a hedonic or utilitarian good.

This research also extends the literature on the persuasion knowledge theory about how consumers respond to marketers' persuasion tactics (Friestad and Wright 1994). Previous work in this area has focused on a limited array of such tactics (see Campbell and Kirmani 2000). This research shows that the persuasion knowledge framework is generalizable to other types of persuasion tactics as well.

Figure 1: Corporate Social Responsibility in Study 1

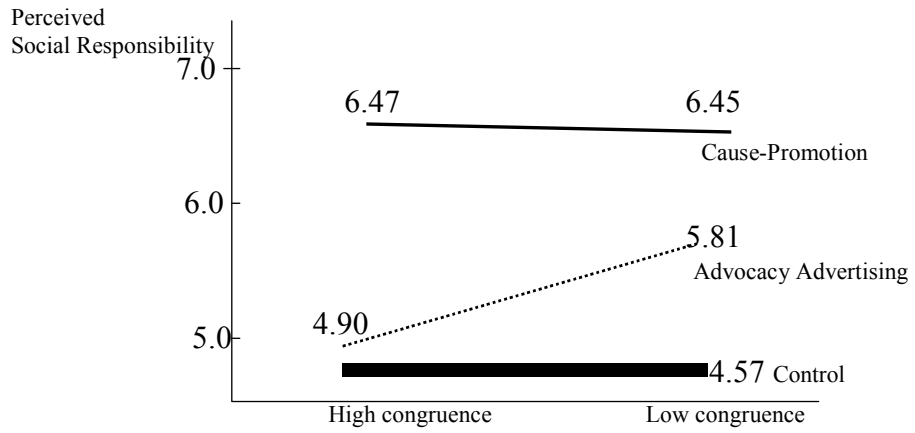
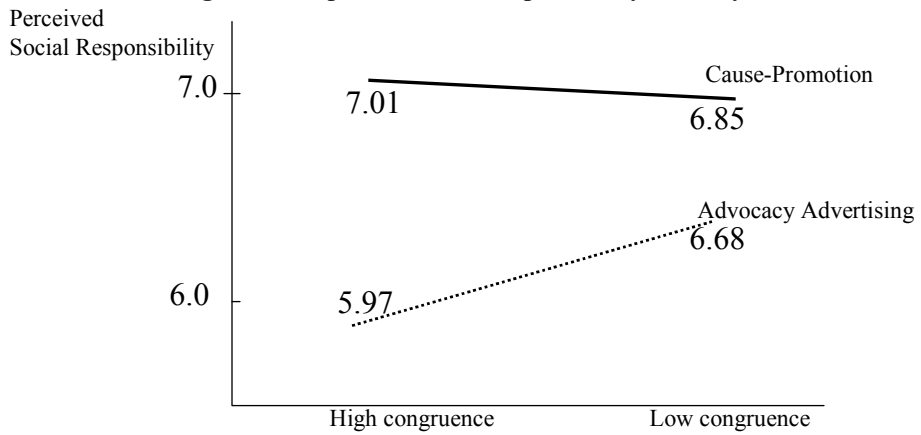
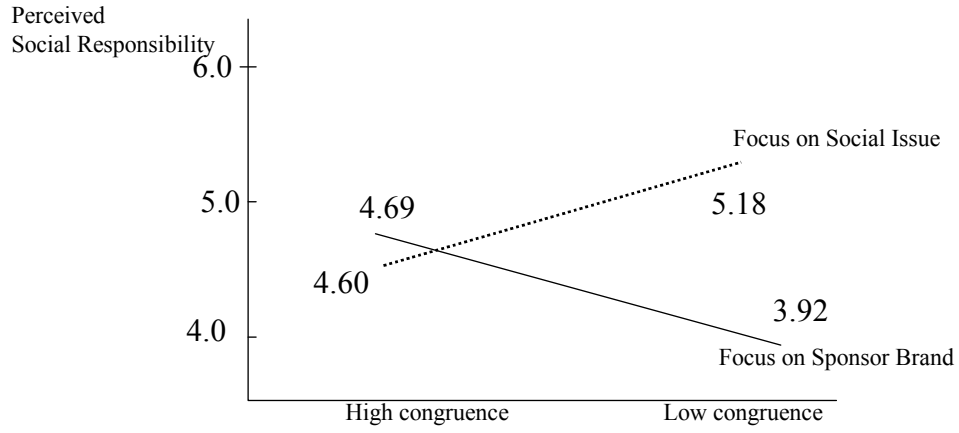


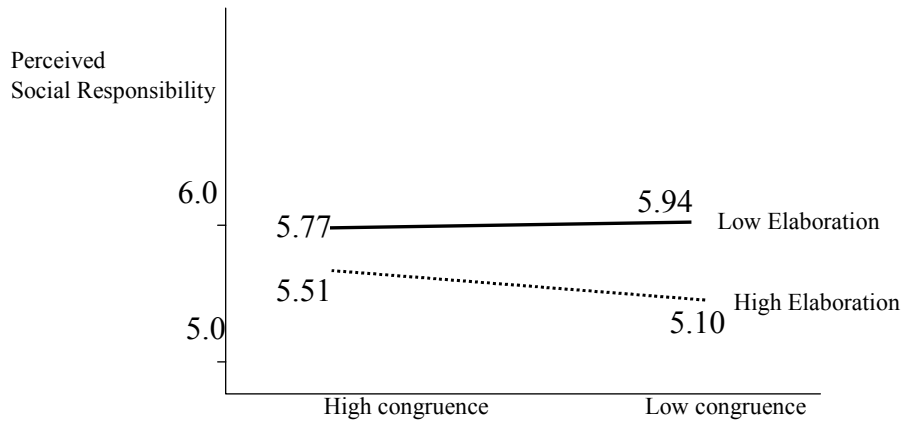
Figure 2: Corporate Social Responsibility in Study 2



**Figure 3: Corporate Social Responsibility in Study 3
(Advocacy Advertising Format)**



**Figure 4: Corporate Social Responsibility in Study 4
(Cause Promotion Format)**



APPENDIX 1

SAMPLE TEXT OF SPONSORSHIP ADS IN STUDY 2

High Congruence, Advocacy Format, Pet Foods

Headline: Adopt a Pet, Save a Life! There is an urgent need for responsible, loving owners to help and care for homeless animals. Won't you be one of them?

Body Copy: It is estimated that more than 15 million healthy, friendly dogs and cats will be euthanized this year simply because they are "unwanted." Yet these animals are capable of offering unconditional love and devotion to their owners as companion pets. Isn't it our responsibility to ensure the protection of these animals that are so dependent on us for survival?

Tagline: helping to find loving families for homeless pets (Brand logo)

High Congruence, Cause Promotion Format, Pet Foods

Headline: Helping to Feed Homeless Pets! This summer, (Brand) will donate 10% of the proceeds from every sale of our premium Pet Foods to the Pet Life Foundation for the purchase of food by their local Animal Shelters.

Body Copy: It is estimated that more than 15 million healthy, friendly dogs and cats will be euthanized this year simply because they are "unwanted." Yet these animals are capable of offering unconditional love and devotion to their owners as companion pets. Isn't it our responsibility to ensure the protection of these animals that are so dependent on us for survival?

Tagline: every sale gives hope to homeless pets (Brand logo)

Low Congruence, Advocacy Format, Pet Foods

Headline: Make A Difference, Save Our Rainforests! Buy your own Preservation Deed. For as little as \$25, you can buy a deed that places a full acre of rainforest into a perpetual trust, never to be sold or destroyed, but preserved and protected for all times.

Body Copy: Our rainforests are disappearing at a rate of 100,000 acres a day. Did you know that 50% of the earth's oxygen is generated by rainforests? 70% of all medicines believed to have cancer fighting properties are from the rainforests. Continued deforestation may destroy the cure for AIDS or cancer even before they can be discovered.

Tagline: dedicated to the preservation of our rainforests forever (Brand logo)

Low Congruence, Cause Promotion Format, Pet Foods

Headline: Make A Difference, Save Our Rainforests! This summer, (Brand) will donate 10% of the proceeds from every sale of our premium Pet Foods to the Rainforest Preservation Foundation for preserving pristine rainforest acres in the Amazon.

Body Copy: Our rainforests are disappearing at a rate of 100,000 acres a day. Did you know that 50% of the earth's oxygen is generated by rainforests? 70% of all medicines believed to have cancer fighting properties are from the rainforests. Continued deforestation may destroy the cure for AIDS or cancer even before they can be discovered.

Tagline: every sale helps to preserve our rainforests forever (Brand logo)

APPENDIX II

Multi-Item Measures Used in the Studies

Perceived Congruence (Cronbach alpha: 0.88-0.92)

(Scale anchors: Disagree strongly (1) – Agree strongly (9))

1. How logically related is this brand of (product) to this social issue?
2. How relevant is this sponsored message to users of this brand of (product)?
3. How compelling is the sponsored message for the brand of (product)?
4. How strange did you think it was to see this brand sponsoring a message like this?
(reverse-scored)
5. How congruent is the sponsored message with the product attributes of this brand?
6. Overall, how good is the match between the sponsorship message and this brand?

Importance of Cause Message (Cronbach alpha: 0.83-0.87)

1. Overall evaluation of the cause message (Very unfavorable (1) – Very Favorable (9))
2. Usefulness of cause message (Not at all useful (1) – Highly useful (9))
3. The issue addressed in this message is serious and relevant (Disagree strongly (1) – Agree strongly (9))
4. A message like this is very effective in increasing awareness about the cause ((Disagree strongly (1) – Agree strongly (9))
5. I will try to follow the recommendation in the message (Disagree strongly (1) – Agree strongly (9))
6. I feel that a message like this is a trivial and non-effective solution to a serious issue
(Disagree strongly (1) – Agree strongly (9); reverse-scored)

Corporate Social Responsibility (Cronbach alpha: 0.77 – 0.83)

(Scale anchors: Disagree strongly (1) – Agree strongly (9))

1. Genuinely concerned about consumer welfare
2. Believes in philanthropy and giving generously to worthy causes
3. Likely to follow employee-friendly rules and policies
4. Highly involved in community activities
5. Highly concerned about environmental issues

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