Is Publicity Always Better than Advertising?

The Role of Brand Reputation in communicating Corporate Social Responsibility

Published in Journal of Business Ethics (2014), Vol. 124(1)

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Abstract

Previous studies on corporate social responsibility (CSR) communication suggest that firms' social initiatives should be communicated through third-party, non-corporate sources because they are perceived as unbiased and therefore reduce consumer skepticism. In this article, we extend existing research by showing that source effects in the communication of social sponsorships are contingent on the brand's pre-existing reputation. We argue that the congruence between the credibility and trustworthiness of the message source and the brand helps predict consumer responses to a social sponsorship. The results show that a non-corporate source (publicity) generates more positive brand evaluations than a corporate source (advertising) when the sponsor has a positive reputation. However, the converse effect occurs when brand reputation is low: when the sponsor has a poor reputation, a corporate source generates more positive brand evaluations than a non-corporate source. Mediation analyses show that the interaction effect between CSR information source and brand reputation can be explained by sponsorship attitude, persuasion knowledge, and perceived fit between the brand and the cause.

Key Words: corporate social responsibility; reputation; advertising; publicity; source effects

Introduction

Previous studies on corporate social responsibility (CSR) have shown that communication of companies' social initiatives can generate consumer suspicion and skepticism (Lii and Lee, 2012), which may result in backfire effects on the brand (Yoon et al., 2006). Accordingly, CSR communication has been described as a "very delicate matter" (Du et al., 2010). A key challenge in CSR communication is determining how to minimize skepticism and convey the company's intrinsic motives. CSR and sponsorship research has documented that the degree to which consumers perceive a company as sincere in its motivations for engaging in a social cause or sponsorship object has a positive effect on their responses (D'Astous and Bitz, 1995; Davis, 1994; Dean, 2002; Groza et al., 2011; Olson, 2010; Shankar et al., 2003). Researchers have therefore been concerned with factors that may enhance or dilute perceived sincerity. One such factor is the channel through which the message is conveyed. Classical communication theory suggests that consumers tend to distrust sources they perceive as biased or self-interested (Artz and Tybout, 1999; Wiener et al., 1990). Non-corporate sources are generally perceived as more credible than corporate sources because they are considered unbiased (Du and Vieira, 2012; Yoon et al., 2006). In accordance with this view, previous research has shown that companies are better off communicating their social initiatives through third-party sources, such as news editorials or CSR rankings, rather than corporate sources, such as CSR advertising or corporate websites (Simmons and Becker-Olsen, 2006; Yoon et al., 2006). However, empirical studies in the broader communication literature have demonstrated superiority effects of both corporate and non-corporate sources, and research has focused on uncovering conditions for their relative effectiveness (Eisend and Küster, 2011). Thus, existing research on CSR communication should be extended by focusing on conditions favoring different types of communication sources.

Drawing from previous research that shows that a company's reputation affects the success of its CSR strategy (Du et al., 2010; Lii and Lee, 2012; Yoon et al., 2006), this study aims to explore the moderating influence of brand reputation on the relative effectiveness of communicating social sponsorships through a corporate source (traditional advertising) versus a non-corporate source (editorial newspaper story). We argue that firms with poor reputations sponsoring social causes do not necessarily benefit from third-party sources, such as news editorials, as opposed to traditional advertising. Rather, we suggest that the reputation and trustworthiness of the source should be *congruent* with the reputation and trustworthiness of the brand. Because of the higher level of credibility of third-party editorials than advertising, we posit that a high-reputation firm is more congruent with an editorial source than with an advertising source and that a low-reputation firm is more congruent with an advertising source than with an editorial source. Through an experimental study, we test the prediction that source–brand congruence determines consumer responses to social sponsorships.

We organize the rest of the article as follows: in the theoretical background, we present social sponsorship as a special case of CSR. Then, we give an overview of studies on source effects in CSR communication, after which we provide a general discussion of the advantages and disadvantages of traditional advertising versus publicity. We conclude the theoretical presentation by discussing the moderating role of brand reputation in CSR communication. Next, we outline the conceptual model and present a set of research hypotheses tested through an experimental study. We then elaborate on the results and their implications for CSR communication management. Finally, we discuss the limitations of the study and offer recommendations for further research.

Theoretical background

Social sponsorships

Sponsorship refers to "an investment, in cash or in kind, in an activity in return for access to the exploitable commercial potential associated with that activity" (Meenaghan, 1991, p. 36). As a form of sponsorship, social sponsorship's primary intent is to demonstrate CSR (Seitanidi and Ryan, 2007). Corporate support of social causes through sponsorships has become a popular promotional vehicle (Simmons and Becker-Olsen, 2006). In 2011, North-American sponsors alone spent $1.68 billion on social causes (IEG, 2012). However, a sponsorship investment per se does not contain a meaningful communication component, thus calling for creative use of additional communication efforts that will establish a differentiating sponsorship (Cornwell et al., 2001). Research suggests that to achieve marketing objectives, sponsorships should be leveraged through more active and explicit channels, such as traditional advertising and public relations (PR) techniques (Cornwell et al., 2001; Crimmins and Horn, 1996). The wide range of leverage communication undertaken by sponsors is particularly evident in the sports sponsorship market, whereas sponsors of social causes tend to be more reluctant to communicate their sponsorships because of the risk of being perceived as cynical and commercially oriented. As sponsorships gradually become more commercially oriented through extensive leverage efforts (Seitanidi and Ryan, 2007), they are likely to signal self-serving motives to a greater extent than other forms of CSR (Pope, 2010). Therefore, companies using sponsorship as a cause marketing strategy should be attentive to the risk associated with consumers' perception of the relationship as an alibi for real commitment to social causes (Klincewicz, 1998).

Despite the significant growth of social sponsorships in the past decade (IEG 2012), little research has examined this particular area of CSR (Cornwell and Coote, 2005). Thus, in this

research, we aim to bridge the findings from the CSR and sponsorship literature streams with general communication theory to make predictions regarding consumer responses to communication of social sponsorships. In the next section, we present relevant findings from the CSR and sponsorship literature with respect to source effects.

Source effects in CSR communication

CSR communication managers are faced with the paradox of accommodating stakeholders' expectations of social responsibility and their disapproval of "loud" CSR communication (Morsing et al., 2008). Because consumers' perceptions of cynical exploitation of good causes can threaten firms' reputational benefits from CSR initiatives, precautions should be made in terms of factors that promote consumer skepticism. One factor that may influence consumer skepticism is the source through which the CSR message is transmitted. Information about a company's CSR initiatives can be disseminated through various sources, including corporate channels, such as advertising and corporate webpages, and non-corporate sources, such as newspaper editorials and independent CSR rankings (Du et al., 2010; Du and Vieira, 2012). Company-controlled advertising is one of the communication channels firms use most frequently to leverage sponsorships (IEG, 2011b). The advertising channel enables the company to apply a controlled message to its sponsorship. However, as a corporate source, advertising may also evoke widespread skepticism (Balasubramanian, 1994). In contrast, independent non-corporate sources are less susceptible to consumer skepticism and are generally perceived as more credible because of their unbiased nature. As such, CSR communicators must consider the tradeoff between the controllability and the credibility of the communication channels available. Consumers are concerned about companies' motives for engaging in sponsorships (Olson, 2010), and thus managers should be especially aware of the risk of using a medium that has credibility issues when communicating the company's social initiatives.

Building on the idea that corporate message sources are more likely to signal self-interested motives, research indicates that CSR initiatives should be communicated through non-corporate sources (Du et al., 2010). However, only a few studies have empirically tested this prediction. For example, Yoon et al. (2006) found that consumers who learned about the CSR through a neutral source rather than from the company itself evaluated the company more favorably. They tested message source effects for companies with poor reputations because they believed these companies were more likely to incur backfiring effects of CSR communication. In their study on consumer attribution of firms' CSR motivations, Groza et al. (2011) found that the source of the CSR message had a moderating impact. Their results showed that internally published CSR information (vs. externally distributed information) magnified the attributions assigned to the CSR initiative. In a social sponsorship context, Simmons and Becker-Olsen (2006) found that a non-profit message source (rather than a company message source) made respondents less critical of low-fit sponsorships. These studies support the widespread belief of PR practitioners that publicity outperforms advertising in communication effectiveness (Eisend and Küster, 2011; Hallahan, 1999). However, previous research has demonstrated inconsistent findings regarding the relative effectiveness of advertising versus publicity (Eisend and Küster, 2011). Therefore, research should focus on uncovering the conditions under which different communication sources are more effective. In the next section, we present a general discussion on the effectiveness of publicity versus advertising as an information source.

Advertising versus publicity

As paid communication with an identified message sponsor (Eisend and Küster, 2011), advertising is a direct attempt to persuade consumers to purchase or to change their attitudes. In contrast, publicity involves obtaining editorial coverage in the media and typically does not

identify a message sponsor (Eisend and Küster, 2011; Hallahan, 1999). The fundamental claim in discussions of the relative impact of publicity versus advertising is that people give greater credence to editorial content than to content with an identified message sponsor (Cameron, 1994). The lower source credibility associated with advertising, rather than editorial content, is due to the sponsors' vested interest in the message, their apparent persuasion intent, and source bias (Cameron, 1994). However, the key advantage of advertising over publicity is message control. Therefore, communication managers are faced with the classical tradeoff between message credibility and message control.

Despite the widely accepted advantage of publicity over advertising with regard to source credibility, research results are mixed in terms of their relative effectiveness. Jo (2004) found no support for the notion that news editorials were more believable than advertising. Rather, the results showed that the relative effectiveness depended on argument quality; for strong arguments, no difference emerged between the sources, whereas advertising had a stronger effect in the weak argument condition. In their meta-study, Eisend and Küster (2011) found that prior product knowledge moderated the superiority of publicity over advertising. Their findings indicated that advertising even outperformed publicity when products were known. This finding can be attributed to a credibility ceiling effect, indicating that product knowledge reduces the need for reassurance from an unbiased and credible source and that consumers prefer positive advertising content to confirm their product experiences (Eisend and Küster, 2011).

Theoretically, negative effects of publicity are due to increased message processing in general and to a higher level of negative information processing in particular (Eisend and Küster, 2011). Because consumers are more likely to question why a message is presented through publicity than through advertising, they tend to scrutinize the editorial content more critically for "fault" in the message (Eisend and Küster, 2011).

Because of the increased concern about consumers' skepticism of marketing communication, various PR strategies have become an attractive alternative to advertising for persuading customers. However, companies have recently begun questioning the advantage of PR in terms of credibility issues. According to Engeseth (2009), consumers have begun seeing through PR messages appearing in the media. Thus, consumers' questioning of the neutrality of an information source should be of particular interest in a context of communicating social initiatives.

The moderating role of brand reputation

The theoretical discussion reveals that message and brand factors can moderate the superior effect of publicity over advertising. We suggest that a company's reputation can moderate consumers' suspicion about advertising versus publicity when it is used as a source for communicating a company's social initiative. General marketing communication research shows that consumers' pre-evaluations of a brand affect communication effectiveness (Dahlén and Lange, 2005; Wang and Muehling, 2012). In a CSR context, previous research has shown that stakeholders are particularly suspicious of companies' involvement in social causes if they have a poor reputation, have a poor existing CSR record, or belong to controversial industries (Bae and Cameron, 2006; Bhattacharya and Sen, 2004; Du et al., 2010; Strahilevitz, 2003; Yoon et al., 2006). Companies with good reputations have higher source credibility and therefore are more likely to succeed with CSR communication (Du et al., 2010), whereas companies with poor reputations may experience backfire effects of their social initiatives (Yoon et al., 2006). This can be explained by the attribution of more self-serving motives when the company has a poor reputation, because consumers view the initiative as a tactic for improving the company's reputation. Also in the context of sports and art sponsorships, studies have found that consumers' pre-attitudes toward the sponsor influence their responses

to sponsorship initiatives, showing that sponsors with a favorable image before the sponsorship receive more positive responses (Grohs et al., 2004; Olson, 2010; Speed and Thompson, 2000).

Overall, previous research suggests that consumers are more likely to regard companies with bad reputations involved in CSR activities as commercially motivated as they attempt to improve their negative image. Therefore, research suggests that these companies should communicate their CSR activities through neutral third-party sources to decrease consumer suspicion (Du et al., 2010; Yoon et al., 2006). However, no study has directly tested the moderating role of brand reputation on the effect of communicating social sponsorships through corporate versus non-corporate sources. In the following sections, we outline a conceptual framework and present a set of research hypotheses regarding the interaction effects between corporate sponsor reputation and message source (publicity vs. advertising).

Conceptual framework and hypotheses

The theoretical discussion indicates that both CSR and sponsorship research support the notion that publicity is superior to advertising. However, building on empirical evidence that shows that message and brand factors can moderate this effect (Eisend and Küster, 2011; Jo, 2004), the current study examines whether past brand reputation moderates the effect of communicating social sponsorship message through advertising versus publicity. In contrast with previous research (Du et al., 2010; Yoon at al., 2006), we argue that low-reputation firms do not necessarily benefit from publicity, such as an editorial newspaper story, as opposed to advertising. Rather, we suggest that the medium should be *congruent* with the reputation and trustworthiness of the firm.

Media-context research has extensively documented the influence of media choice on consumers' responses to advertisements (Dahlén, 2005; Pelsmacker et al., 2002). An

important factor in this stream of research is the congruency between the media and the source, which is believed to facilitate processing of the ad (Dahlén et al., 2008). Studies have also shown that the level of consistency between the persuasive message and the source influences consumer responses (Artz and Tybout, 1999). When the source has an apparent self-interest in the advocacy, message–source incongruence signals manipulative intent and therefore evokes a negative response (Artz and Tybout, 1999; Wiener et al., 1990). Artz and Tybout (1999) argue that consumers have expectations about the type of messages different sources will deliver. When these expectations are violated, knowledge about the persuasion tactic will increase.

Considering the trustworthiness of third-party editorials versus advertising, we posit that a high-reputation firm is more congruent with an editorial source than an advertising source and that a low-reputation firm is more congruent with an advertising source than an editorial source. More specifically, we argue that the perceived unbiased nature of publicity is inconsistent with a low-reputation company's commercial orientation toward the sponsorship. That is, consumers will be more likely to question the independence and objectivity of the editorial content when it involves a low-reputation rather than a high-reputation brand. Because consumers are more inclined to search for "faults" in editorial messages than in advertising messages (Eisend and Küster, 2011), a low-reputation brand will suffer more from such critical scrutiny than a high-reputation brand. Furthermore, because publicity triggers more emphasis on negative information and a low-reputation brand can be considered a negative piece of information, a low-reputation sponsor presented through editorial content will increase critical thinking, resulting in negative cognitive responses.

In contrast, if the editorial message reflects a high-reputation brand, which consumers are less likely to question as a sponsor, their enhanced critical processing induced by the message format will not produce the same level of negative responses. Moreover, consumers are even

less likely to question the neutrality of the editorial message (Engeseth, 2009) because the high-reputation brand has higher credibility and is likely to be perceived as less tactical in its social initiative. Therefore, uncritical editorial content representing a high-reputation brand is less likely to evoke suspicion about the source bias than content involving a low-reputation brand. Thus, we propose the following interaction effect between message source and sponsor brand reputation before the communication:

H1: There is an interaction effect between CSR information source and brand reputation on brand evaluation, such that (a) publicity generates more positive brand evaluations than advertising for high-reputation sponsors and (b) advertising generates more positive brand evaluation than publicity for low-reputation sponsors.

Figure 1 illustrates three factors that help explain the interaction effects between message source and brand reputation postulated in H1. These include consumers' attitudes toward the sponsorship of the social cause (*sponsorship attitude*), the degree to which consumers believe that the sponsorship is a persuasion tactic (*persuasion knowledge*), and the level of perceived fit between the company and the cause (*perceived fit*).

Insert figure 1 here

Sponsorship attitude

In this study, sponsorship attitude refers to participants' overall judgments of the company's sponsorship of the social cause. Previous research has shown that sponsorship attitude is a predictor of higher-level brand responses (Simmons and Becker-Olsen, 2006). Olson (2010) reports that the sponsorship attitude construct is analogous to "attitude toward the alliance" in the co-branding literature, a concept that can predict post-attitudes toward the allied brands

(Simonin and Ruth, 1998). In the same way that a brand alliance represents a new brand association that influences post-alliance attitudes, a sponsorship is a new piece of information that is likely to influence evaluations of the sponsor. Consequently, we expect that attitude toward the sponsorship is an important attitudinal construct that can explain the interaction effect between message source and sponsor reputation on overall brand evaluations. Thus:

H2: Sponsorship attitude mediates the interaction effect postulated in H1a and H1b.

Persuasion knowledge

Friestad and Wright (1994) conceptualize consumers' use of persuasion knowledge to cope with persuasion attempts using the Persuasion Knowledge Model (PKM). This model accounts for people's beliefs about a marketer's tactic in the persuasion process. Previous research (Hibbert et al., 2007) has operationalized persuasion knowledge as ad credibility (MacKenzie and Lutz, 1989), skepticism of advertising tactics (Rossiter, 1977), and inferences about manipulative intent (Campbell, 1995). We define persuasion knowledge as perceptions of the social sponsorship as a manipulative intent to increase sales.

Although consumers tend to acknowledge both business and social goals when considering a company's CSR initiatives (Du et al., 2010), cynical consumers might also question aspects of the relationship (Dean, 2002). Previous research has documented that consumers value sincere sponsorship and CSR motivations (D'Astous and Bitz, 1995; Davis, 1994; Dean, 2002; Olson, 2010; Shankar et al., 2003). When consumers attribute commercial sponsor motivations, they rate the sponsor less favorably (D'Astous and Bitz, 1995). Yoon et al. (2006) found that a company's CSR effort can backfire when its motives are perceived as insincere. Accordingly, a company should execute communication of its social initiatives in a way that promotes

sincerity or altruistic rather than self-serving motives. Yet research has largely ignored communication factors that may promote or reduce perceived sponsor sincerity.

Thus, we expect that incongruent source–brand combinations will generate more suspicion about the persuasion intent than congruent source–brand combinations. The PKM also postulates that consumers hold beliefs about the effectiveness and appropriateness of a marketing tactic. We expect that the marketer's tactic will incur a perceived loss of effectiveness and appropriateness when a low-reputation sponsor employs a publicity strategy and when a high-reputation sponsor communicates through advertising. Moreover, consumers are already likely to question the altruistic motives in the case of low-reputation sponsors, regardless of the communication. The advertisement message source is therefore not likely to add negative attributions to the low-reputation brand, as should be the case for the high-reputation brand. Thus:

H3: Persuasion knowledge mediates the interaction effect postulated in H1a and H1b.

Perceived fit

Because consumers evaluate high-fit sponsorships more positively than low-fit sponsorships, (Gwinner and Eaton, 1999; Prendergast et al., 2010; Speed and Thompson, 2000; Weeks et al., 2008), sponsorship communication campaigns are typically designed to promote some dimension of fit between the brand and the sponsored object. Some studies have confirmed that marketing communication can positively affect perceived fit (Coppetti et al., 2009; Simmons and Becker-Olsen, 2006); however, brand and consumer factors that might influence fit evaluations have largely been ignored. As an exception, Roy and Cornwell (2004) found that brand equity had a positive effect on sponsor–event congruence, implying that a company's reputation positively influences perceived fit between a sponsor and a social cause. Because social responsibility is a central dimension of a brand's reputation (Fombrun

and Riel, 2004), consumers' brand schemas will be more congruent with a social cause when it involves a high-reputation brand rather than a low-reputation brand. However, we expect that the source of CSR information will moderate this effect. According to the PKM, perceptions of tactical motivations may disrupt both the comprehension and the elaboration of the statements in the persuasive sponsorship message. Therefore, we expect that in the incongruent source–brand conditions, consumers' attention will be drawn to the persuasion tactic rather than to the arguments promoting fit between the sponsor and the cause. For example, when the high-reputation brand communicates its sponsorship through advertising, consumers will be more likely to recognize the message as a persuasion tactic and produce counterarguments about the company's true social motivations, thus reducing fit between the brand and the social cause. We expect the same effect for the other incongruent source–brand combination—when a sponsor with a poor reputation uses publicity as a communication strategy. In contrast, in the congruent source–brand conditions, consumers will largely accept the persuasive arguments. Therefore, we propose that perceived fit explains the interaction effect between communication source and brand reputation:

H4: Perceived fit mediates the interaction effect postulated in H1a and H1b.

Method

Stimuli development

Sponsor and object selection. We paired a fictitious cereal brand, Lucky Grain (LG), with the real non-profit organization, Save the Children (STC). We used a fictitious brand to avoid threats of biased responses from the participants' past brand experiences. To increase the realism of the sponsorship, the brand was introduced as a new cereal brand recently introduced in the relevant market (Norway). We chose the cereal brand because of its non-

controversial nature and because the cereal industry already is dedicated to sponsorships (IEG, 2011a), which should increase the perceived realism of the fictitious sponsorship and the experimental setup.

Communication strategies. The sponsorship was communicated through two media formats: a print advertisement and a short editorial newspaper story. To secure perceived objectivity of the editorial message, the journalist was identified and the sponsor was referred to in third person. To avoid potential effects of level of reputation of specific editorial sources, we did not disclose the source in the stimuli. The print ad announced the sponsorship in first person, identifying the company as the sender of the message. This manipulation is in accordance with existing definitions of advertising and publicity (e.g., Balasubramanian, 1994). We held arguments and visuals constant across the two message sources to ensure that the messages were identical except for the message sponsor (the journalist vs. the company). To avoid mono-operationalization of the communication messages in the channels, two messages were created: one promoting the link between a specific product and the cause and one promoting the overlap of values between the company and the cause. Both types of messages frequently occur in sponsorship leverage practice, as sponsors attempt to create a rationale for their relationship with the sponsored object (Coppetti et al., 2009; Cornwell et al., 2006).

Pretest

A total sample of 159 business graduate students completed a between-subjects pretest conducted to identify two levels of brand reputation. Reputation was manipulated by a short introduction to the fictitious brand, which disclosed information about product quality, the founders of the company, and social responsibility. The participants were asked to evaluate the brand's reputation on a three-item 7-point Likert scale. Two items were based on Fombrun et al.'s (1999) Reputation Quotient, reflecting product quality ("Based on the introduction, I

believe that LG is a product of high quality") and leadership ("It seems like LG has a good leadership"). In addition, one item asked the participants to directly indicate whether they perceived the brand as having a good reputation ("LG probably has a good reputation"). The pretest confirmed successful manipulation of brand reputation (Ms = 3.79 and 4.87; $F(1, 157) = 80.76$, $p = .000$). As a confound check, the pretest also showed that there was no significant difference in perceived quality of the two communication channels ($F(1, 157) = .114$, $p = .736$).

Participants, design, and procedure

In total, 360 people were recruited from Norstat, the largest online consumer panel data provider in Norway. The sample consisted of 159 men (44.2%) and 201 women (55.8%), between the ages of 19 and 57 years. The sample was representative of the population in terms of demographics and background (income, occupational status, age- and geographical distribution).

We randomly assigned participants to the conditions in a 2 (message source: publicity vs. advertising) × 2 (brand reputation: high vs. low) between-subjects design. The participants were informed that the survey involved a new brand that was about to be launched in the Norwegian market. After receiving the same brand reputation manipulation as in the pretest, participants were exposed to one of the communication channels. There were no time restrictions on the exposure, and participants were asked to click "next" to answer the related questions.

Measures

As a manipulation check, we retained the brand reputation scale (Cronbach's α = .877) from the pretest in the main study. Following Simmons and Becker-Olsen (2006), we captured

attitude toward the sponsorship with three semantic differential items: "bad/good,"

unfavorable/favorable," and "negative/positive" (Cronbach's α = .949). We measured

perceived fit between the brand and the non-profit using a global fit measure, developed by

Speed and Thompson (2000). Participants were asked to indicate their level of agreement with

the following statements: (1) "LG and STC fit well together," (2) "It is logical that LG

sponsors STC," and (3) "It makes sense that LG sponsors STC" (Cronbach's α = .873). In

accordance with previous research (see Hibbert, 2007), we measured persuasion knowledge

with two items that captured participants' skepticism of advertising tactics (Rossiter, 1977)

and perceptions of manipulative intent (Campbell, 1995). Participants were asked to indicate

their level of agreement with the following statements on a 7-point Likert scale: "The

sponsorship appears as an aggressive way of marketing the new brand" and "The sponsorship

seems like pure tactics in order to be portrayed as a responsible brand" (Cronbach's α =

.661). We measured overall brand evaluation with three items. The first item was measured on

a semantic differential scale anchored at "very negative/very positive" (Muehling and

Laczniak, 1988). The second item captured respondents' willingness to engage in positive

word-of-mouth communication about the brand. Respondents were asked to indicate their

level of agreement on a 7-point Likert scale to the following statement: "If I was going to tell

a friend about LG, I would have said positive things" (Zeithaml, 1996). The third item was

developed to capture respondents' purchase intentions toward the brand. On the 7-point Likert

scare, they were asked to indicate their level of agreement with the following statement: "I

have no objections against buying LG". The three-item overall brand evaluation measure

received an acceptable Cronbach's α at .775. To avoid priming and demand effects, we

measured all mediators after the dependent measure. Finally, to control for the influence of

participants' personal involvement on the sponsorship object, we asked them to indicate their

level of agreement with the following statements on a 7-point Likert scale: "I have above-

average knowledge about STC" and "I have a strong personal relationship to STC" (Cronbach's α = .811). The measurement model received satisfactory fit indices when run in Mplus: χ^2 = 95.66, root mean square error of approximation (RMSEA) = 0.065, comparative fit index (CFI) = 0.978, Tucker Lewis index (TLI) = 0.938 .

The original questionnaire was in Norwegian. To ensure validity of translation from English to target language, we applied the committee-based approach recommended by Douglas and Craig (2007). Three translators made independent, parallel translations. In a review meeting, items mere modified until full consensus was achieved. The final version of the questionnaire was pretested for comprehension and clarity. No problems of wording were detected.

Results

Manipulation checks

An analysis of variance (ANOVA) confirmed the successful manipulation of brand reputation. Participants who read the low-reputation manipulation text rated the brand significantly lower on the three-item reputation scale than those who read the high-reputation manipulation text (F(1, 358) = 12,86, *p* = .000).

Two message versions were developed to avoid issues of mono-operationalization. Analyses showed no significant differences between the two versions on any of the relevant variables in the model, except for perceived fit. The results show that the message promoting product-based fit received a higher level of global fit than the value-based fit message. This variation does not represent any threat to the success of the manipulation as long as there is an equal distribution of each version in the experimental conditions.

Interaction effect

A two-way, between-groups ANOVA revealed no significant main effects of either brand reputation or communication channel on the mediators or the dependent variable. Consistent with our predictions, the analysis showed a significant interaction effect between communication source and brand reputation on overall brand evaluations ($F(1, 356) = 9.42$, $p = .002$). This indicates that there is a significant difference in the effect of communication source for high- versus low-reputation brands. Exploration of the mean difference score between publicity and advertising for the two levels of brand reputation confirmed the anticipated directions for the two groups as postulated in H1a and H1b: In the high-reputation condition, publicity generated more positive brand evaluations than advertising ($p = .018$), whereas advertising generated more positive brand evaluations than publicity in the low-reputation condition ($p = .048$). The results appear in Figure 2.

Insert figure 2 here

Mediated moderation effects

H2–H4 suggest that three key mediators explain the interaction effect between CSR information source and brand reputation: attitude toward the sponsorships, knowledge about the sponsor's persuasion intent, and perceptions of fit between the brand and the object. Table 1 below gives an overview of means and standard deviations of independent and mediating variables by condition.

Insert table 1 here

The two-way ANOVA showed that there was an interaction effect between source and reputation on sponsorship attitude ($F(1,356) = 5.95$, $p = .015$), persuasion knowledge

(F(1,356) = 4.35, *p* = .038), and perceived fit (F(1,356) = 6.57, *p* = .011). Interaction effects are depicted in figure 3-5.

Insert figures 3-5 here

To further test H2–H4, we employed Preacher and Hayes's (2004, 2008) INDIRECT macro for SPSS. Preacher and Hayes's non-parametric resampling procedures for testing mediated moderation hypotheses generate bootstrap confidence intervals. Bootstrapping is a preferred method for testing mediation because it does not rely on the assumption of normality of the sampling distribution of the indirect effect (Preacher and Hayes, 2004, 2008). As none of the confidence intervals produced contained zero, bootstrapping results showed that sponsorship attitude (95% CI = {−.5525, −.0597}), persuasion knowledge (95% CI = {−.1766, −.0004}), and perceived fit (95% CI = {−.3581, −.0397}) all mediated the interaction effect. Therefore, the data support H2–H4. Table 2 reports the bootstrap confidence intervals for multiple mediations. The table also shows the results from contrast analyses, indicating the *unique* abilities of each mediator to account for the interaction effect on brand evaluation (Preacher and Hayes, 2008). Contrast analyses showed that sponsorship attitude was a stronger mediator than persuasion knowledge (95% CI = {−.5114, −.0106}); the two other comparisons indicated no difference in relative strength.

Insert table 2 here

Discussion

Given that CSR initiatives may fall flat or even backfire on the company (Jo and Na, 2012), surprisingly little research has explored the specific conditions for reducing the possible negative effects of communication of social sponsorships. Existing research offers little guidance on how social sponsorships should be communicated. This study focuses on source

effects and the moderating role of the sponsor's pre-existing reputation, thereby contributing to knowledge on how companies can mitigate the potential negative connotations of CSR by choosing the right communication source. Previous studies on advertising versus publicity have shown inconsistent findings, either supporting superiority effects for both sources or showing no difference (Cameron, 1994). In addition, previous research suggests that CSR messages are more positively evaluated when they are communicated through neutral, third-party sources rather through company sources (Simmons and Becker-Olsen, 2006; Yoon et al., 2006). However, because several factors can moderate the relative effectiveness of third-party sources versus company sources, we aimed to test the moderating role of brand reputation. Our experiment shows that communication effects may be dependent on whether the sponsoring brand has a good or poor reputation. In contrast with previous research (Yoon et al., 2006), we expected that the incongruence between the neutrality of the publicity format and a low-reputation brand would evoke negative responses regarding the CSR initiative, knowledge about persuasion attempts, and negative perceptions of fit. Therefore, we anticipated that brand reputation would moderate the effect of communication source on consumers' responses to the brand. The results confirmed that the effect of CSR information source on brand evaluations significantly interacted with the brand's reputation. As predicted, the advertising medium worked better for the low-reputation brand, whereas the editorial message generated more positive responses for the high-reputation brand. Mediation analyses revealed that these effects could be explained by three mechanisms: sponsorship attitude, persuasion knowledge, and perceived fit. The results of a comparison of the relative magnitude of the three indirect effects indicated that sponsorship attitude was a significantly stronger mechanism than persuasion knowledge. The two other comparisons showed no difference in relative strength.

Our findings are contrary to those of Yoon et al. (2006) regarding channel effects for companies with poor reputations. A potential explanation may be the difference in type of social messages. Research confirms that consumers respond differently to different types of CSR strategies (Lii and Lee, 2012). In Yoon et al.'s (2006) study, the messages contained general information about the company's engagement in a social cause, which differs from the social sponsorship messages used in our study. The notion of sponsorship per se is likely to have stronger commercial undertones than more traditional CSR messages (Pope, 2010), which might have made consumers particularly skeptical and aware of the sponsor's persuasion intent. The announcement of the commercial sponsorship by an editorial source is therefore likely to have generated more suspicion, especially for the company with a poor reputation. Consumers who read about the low-reputation brand's sponsorship through the editorial content may have generated expectations about the journalist's critical arguments. As such, the neutral portrayal may have elicited counterarguments about the source credibility. According to Eisend and Küster (2012), consumers tend to question why messages are provided through publicity rather than advertising and will search for "faults" in the editorial message. In turn, this leads to critical thinking and generation of negative cognitive responses. We show that the presence of a low-reputation brand strengthened this negative elaboration effect of the publicity source. As Benn et al. (1998) argue, consumers may perceive CSR merely as a PR exercise. Our results suggest that elaboration of critical thoughts about the CSR initiative through social sponsorships was to a large degree due to the two incongruent source–brand conditions.

Limitations and further research

The credibility of PR strategies among today's consumers (Engeseth, 2009) needs to be investigated further. This article suggests that consumers will question the credibility of a third-party message source when it involves a company with a poor reputation. For such a

company, a straightforward and transparent communication form such as advertising would be more successful. However, we tested only one type of PR strategy in this study—that is, a short newspaper article written by a journalist. Future studies should extend the current research by testing other PR-related techniques that differ with respect to perceived neutrality, such as blogging, social media, and events. Findings from the experiment should also be tested across different brands and industries and for different types of social causes. Another limitation of the study was the use of unconditioned time for processing of the stimuli, which may have threatened the external validity of the results.

An important premise of the current study is that the perceived neutrality of editorial sources leads to a higher level of trustworthiness compared to advertising. However, it is important to consider the fact that there is a continuum of trustworthiness of third party editorials. For example, an editorial in the New York Times can be quite different than an editorial in the Daily Mirror or National Enquirer in terms of perceived trustworthiness. Editorial sources with poor reputations may therefore in some cases be perceived as less trustworthy than advertising messages. In the current study, we have avoided biases due to specific reputations of the editorial source by not disclosing the source. However, future studies should further test the predictions put forward by our study by accounting for variations in editorial source reputations.

Our study adds to the existing research on consumers' responses to advertising versus publicity. Some studies have documented important moderators of this relative effect (Eisend and Küster, 2011). This research should be extended to different contexts (e.g., different CSR strategies) and to other potential moderators (e.g., individual variables).

Conclusions and implications

With credibility at stake, a vital question for CSR communication managers is whether the source will strengthen or mitigate consumer skepticism. The findings reported herein help clarify how social sponsorships should be communicated. Despite previous recommendations that non-company sources should be used to communicate social initiatives, the current study shows that, depending on the sponsor's reputation, an advertising campaign may generate more positive responses than publicity, such as a neutral newspaper story. Our findings suggest that companies with poor reputations should avoid using publicity to improve or restore reputation because it might sensitize consumers to consider persuasive attempts and the poor fit between the sponsor and the cause. When implementing PR strategies that include publicity, companies should also avoid making consumers suspicious and aware of their persuasion intent, especially when company reputation is poor. The findings indicate that companies with poor reputations can use advertising campaigns effectively rather than relying on publicity, because consumers might regard the advertising medium as more congruent with the perceived motives of the sponsor. Conversely, firms with high reputations can benefit from publicity instead of advertising when leveraging social sponsoring, because editorial content is more congruent with the perceived motivation and credibility of these firms.

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