The impact of strategic CSR marketing communications on customer engagement

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Abstract

Purpose – The purpose of this paper is to determine the effectiveness of strategic corporate social responsibility (CSR) initiatives that seek to enhance customer engagement, through different forms of positive word of mouth.

Design/methodology/approach – A total of 258 responses were collected from customers of mobile telephone service providers, and analysed using *t*-tests, ANOVA and structural equation modelling. The survey embedded a realistic press release, purporting to originate from the respondent's service provider, communicating CSR information.

Findings – Mobile telephone users are largely indifferent to CSR communication activities but segments of the market respond differently. Customer-perceived community value of the strategic CSR initiative to the intended beneficiary of the activity was found to be an effective antecedent of customer engagement.

Research limitations/implications – Alternative modes of customer engagement have the potential to enhance customer discourse. Customer-perceived community value of the strategic initiative provides further explanatory power to the CSR–customer relationship.

Practical implications – Customer-perceived community value can be used as a planning tool for marketers to gauge the effectiveness of CSR advertising campaigns before launch. Managers can adapt their CSR communications message to better reflect customer concerns.

Social implications – NGOs that offer greater perceived community value can partner with companies more successfully.

Originality/value – A holistic CSR-centric approach to evaluate strategic CSR initiatives and determine their influence on alternative forms of customer engagement is novel.

Keywords Customer engagement, Customer-perceived community value, Positive word of mouth, Strategic CSR initiative

Paper type Research paper

Introduction

Many firms, possibly responding to increased media focus on corporate social responsibility (CSR), are now communicating their social responsibility activities to stakeholders (Luo and Bhattacharya, 2006) and seeking to persuade consumers of their CSR credentials through CSR communications (Pomering and Dolnicar, 2009). However, authors, such as Peloza and Shang (2011), argue that we still have a very limited understanding of the effects of CSR initiatives on stakeholder reactions while Jones *et al.* (2007) suggest that the level of genuine engagement with customers on CSR issues remains low. Consumer awareness of a firm's CSR activity is weak (Pomering and Dolnicar, 2009) and new forms of engagement should be considered beyond purchase behaviour (Vivek *et al.*, 2012).

Researchers have thus called for more meaningful concepts to understand the relationships between strategic CSR initiatives, marketing communications and consumer outcomes (e.g. Andriof and Waddock, 2002; Greenwood, 2007). As the level of investment in CSR activities increases, greater scrutiny is applied to the return on marketing investment, including CSR advertising and public relations activities. In response, the implementation of specific CSR initiatives evolve (Silberhorn and Warren, 2007)

to become embedded in strategic marketing communications that engage stakeholders (Abdeen *et al.*, 2016; Yudarwati and Tjiptono, 2017). In particular, Abdeen *et al.* (2016) stress the need to orient their strategic CSR communications to the target market carefully. At present, knowledge of the value of strategic CSR communications to the marketing effort appears embryonic. This paper seeks to address this situation by investigating how a service firm's CSR advertising activity is evaluated and responded to by their customers.

Literature review

CSR can be broadly viewed in terms of the relationship between business and society in which firms benefit from the goodwill of society, and in turn they also owe certain duties towards society (Bhattacharya and Sen, 2004). A large stream of studies has included various domains to depict CSR, largely following Carroll (1979) who introduced four dimensions of economic, legal, ethical and voluntaristic responsibility. We follow this approach to define CSR as reflecting a firm's discretionary concern in various areas, such as social/cultural, employees, environmental, diversity and safe products and operations (Abdeen *et al.*, 2016; Bhattacharya and Sen, 2004; Jeong *et al.*, 2013; Pomering, 2017; Yudarwati and Tjiptono, 2017). Of CSR studies adopting a marketing-related perspective, activities tend to fall into two groups: cause-related marketing (CRM) or CSR advertising. Studies within the CRM group mostly follow Varadarajan and Menon's (1988) conceptualization of CRM as a communication activity that ties a consumer's purchase of a specific product or service to a firm donation. This approach closely follows the concept of sponsorship which has been defined by Meenaghan (1991, p. 36) as "an investment, in cash or kind, in an activity, in return for access to the exploitable commercial potential associated with that activity". The shared characteristic of sponsorship and CRM studies is the explicit association of the supported activity with a commercial outcome. While CSR activities may provide altruistic, legitimacy and instrumental benefits, a CSR advertising communication as treated in this paper is independent of a consumer purchase (Nan and Heo, 2007; Pomering, 2017) and is not tied to explicit commercial outcomes.

Much interest has now turned to how firms can enhance their relationships with consumers and accordingly seek to engage more with their customer base through their CSR activities. Indeed, Perez and del Bosque (2015) pointed out that the diverse nature of consumer perception formation dictates the need for adapted CSR communication strategies. Within the CSR paradigm, stakeholder engagement has been defined as "those practices which an organization undertakes to involve stakeholders in a positive manner in organizational activities" (Greenwood, 2007, p. 317). This depiction implies that firms should create opportunities for stakeholders to be involved in a range of beneficial activities. Activities might include establishing personal contact, seeking feedback, obtaining consent, seeking participation or creating dialogues (Burchill and Cook, 2006; Greenwood, 2007; O'Riordan and Fairbrass, 2014). The purpose of such activities has been referred to as bridge building by Andriof and Waddock (2002) and described by Lindgreen and Swaen (2010, p. 2) as "CSR in action". In other words, authors tend to refer to CSR engagement as the "operationalization" of the stakeholder relationship.

In terms of stakeholder engagement, researchers (e.g. Greenwood, 2007) suggest that marketers need to venture beyond standard marketing outcomes, such as satisfaction, or purchase intentions. The concept of customer engagement can be presented in a traditional manner to reflect direct (e.g. product purchase) and indirect (e.g. word of mouth) customer contributions to the firm (Pansari and Kumar, 2017). A second approach is to define customer engagement "as a customer's voluntary resource contribution to a firm's marketing function, going beyond financial patronage" (Harmeling *et al.*, 2017, p. 316). This latter approach follows the work of scholars, such as van Doorn *et al.* (2010), who argue

for a behavioural concept that moves beyond purchase activity. This approach includes word-of-mouth activities that especially link to other customers via blogs or reviews. Similarly, Vivek *et al.* (2012, p. 127) argue that marketers "need to focus on individuals who interact with the brand, without necessarily purchasing it or planning on purchasing it, or on events and activities engaged in by the consumers that are not directly related" to purchase activities. Figure 1 depicts exemplar variables for both the standard marketing oriented and CSR-centric paths arising from CSR initiatives.

While a large stream of research has examined the link between CSR and consumer response (e.g. Abdeen *et al.*, 2016; Du *et al.*, 2010), most responses relate to purchase evaluations, such as satisfaction, perceived corporate benefits, behavioural benefits, product evaluations, purchase intentions and brand equity. More recently, a number of studies have reported results of CSR investigations using dependent measures that evoke a more emotional response than purchase-related behavioural measures (e.g. Chomvilailuk and Butcher, 2010; Poolthong and Mandhachitara, 2009; Romani *et al.*, 2013). However, such responses are derived from or remain related to product-related information. There is a paucity of non-purchase-related responses and, in particular, there is a lack of variables that are CSR centric.

This disconnect is further highlighted in a review of word-of-mouth studies that form two groups based on the conceptualization of loyalty. The first group conceptualises loyalty by including word of mouth along with purchase intentions and/or attitudinal loyalty or first preference (e.g. Bolton and Mattila, 2015; Martinez and Rodriguez del Bosque, 2013; Swimberghe and Wooldridge, 2014). A second group of studies have used word-of-mouth engagement as a standalone construct/measure within the CSR paradigm (e.g. Kang and Hustvedt, 2014; Lacey *et al.*, 2015; Plewa *et al.*, 2015). Again, the consensus is that customers indicate their willingness to say positive things about firms, and their products, if they perceive the firm to be doing better on CSR performance. However, measures used to date fall short of the calls by researchers for more effective means to evaluate the level of stakeholder engagement through proximate discourse. A key departure from the standard approach to word-of-mouth measurement was undertaken by Rim and Song (2013). They conceptualised their behavioural consumer response as a three-item construct to include two items specifically relating to CSR word-of-mouth intention. To the researchers' knowledge, this is the first time that word of mouth specifically relating to the CSR activity has been measured as part of customer engagement.

The present study
Several factors are thought to moderate a consumer's attitudes towards CSR, including word-of-mouth behaviour. For instance, Do Paco *et al.* (2013) argued that demographics may be a key factor underpinning socially responsible consumption. In this study, five customer characteristics that might affect the online behaviours of consumers are included.
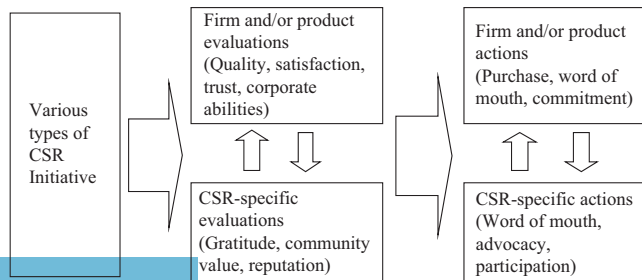
Figure 1.
Conceptual framework depicting relationships between firm, product and CSR related outcomes from strategic CSR initiatives

Age is tentatively included because a number of authors have suggested that younger generations may have different value sets to older generations (e.g. Stolz and Bautista, 2015). In addition, Arli and Lasmono (2010) suggested that differences in income levels maybe an important moderating factor, especially in the context of developing countries. Furthermore, van Doorn *et al.* (2010) argued that income should be taken into account when assessing impacts from CSR initiatives. The logic behind socio-economic ranking is twofold. Socio-economic factors may account for online penetration at a country level through purchasing power. High income suggests that customers have more capacity for online engagement. Also, persons from higher socio-economic ranks tend to display stronger interest in CSR-related matters (Stolz *et al.*, 2013). A third moderating factor often proposed is that of gender. The influence of gender has produced mixed results to date. For instance, Pedrini and Ferri (2014) found no significant difference between males and females for propensity towards responsible consumerism. On the other hand, Hur *et al.* (2016) found that female consumers hold a higher level of regard for CSR than do male consumers. Thus, a CSR action skewed towards females may trigger a gender difference. Likewise, a CSR action oriented towards married customers might elicit a more favourable response from married customers. Finally, a factor to test for differences based on the level of online usage by customers is included. It is reasonable to expect that those customers with a large online network and more frequent online usage would be more likely to respond to a firm's CSR actions. Behavioural segmentation has been a longstanding aspect of marketing whereby heavy users of a product or service can behave differently to light users of a product or service. However, the online world is segmented by various types, such as creators, conversationalists, critics, spectators and inactives (Tuten and Solomon, 2015). Hence, there is a complex network of users that is clearly not depicted adequately with a high/low online usage rating. Nevertheless, Yap and Lee (2014) found that social network user experience played a significant moderating role in their model of online community loyalty.

Next we ask, do sceptical customers believe that CSR efforts are worthwhile and deliver value to intended beneficiaries? There is substantive support for the conceptualization of community value as a driver of positive outcomes. The notion of community value especially draws from the work of Morris Holbrook (1999). Value in this paper is akin to Holbrook's other oriented value which looks beyond the self to someone or something else, for the effect it has on others rather than the consumer. He explains that "others" could comprise individuals, such as family or friends, at the micro level or groups of individuals at a more intermediate level, such as local communities. Consumption decisions flow from the perceived desire to affect others.

Second, we discuss the influence of prior CSR knowledge on customer response. It is recognised that a firm's previous communication to customers on CSR will likely have produced a formative effect. Thus, the firm's reputation on CSR as a factor is also modelled as an influence on customer outcomes. In support, several authors have found a link between CSR reputation and consumer response. For instance, Brown and Dacin (1997) found a positive link between CSR attributes, recalled by undergraduate students for a series of well-known companies, and new product evaluations for a consumer product. While firm's reputation is proposed to have a positive association with customer responses, it is expected that specific CSR word of mouth is more likely to be driven by the customer's evaluation of the worth of the specific CSR initiative rather than the broader based reputational construct.

A third independent variable is the perceived importance of CSR to the consumer. A person's beliefs about the importance of CSR or related sustainability values have been hypothesised to affect a customer's response by various authors (e.g. File and Prince, 1998; Stolz *et al.*, 2013). In most of these studies the findings are mixed. However, Stolz *et al.* (2013)

found that in the case of Spanish and German consumers a high concern for socially responsible practices was evident. All hypotheses to guide the study are stated as follows:

H1. Customers will undertake specific word-of-mouth responses to CSR initiatives but the level of response will depend upon customer characteristics, such as age, income, gender, marital status and online usage.

H2. Positive evaluations of the customer-perceived community value of the CSR initiative to its target audience will have a positive effect on specific CSR word of mouth to friends and the mobile telecommunications firm.

H3. Positive perceptions of CSR reputation will have a positive effect on specific CSR word of mouth to friends and the mobile telecommunications firm.

H4. Positive evaluations of the importance of CSR initiative will have a positive effect on specific CSR word of mouth to friends and the mobile telecommunications firm.

Method

Data were collected via a self-report questionnaire. Multi-item scales were developed for all five variables. Scale items used a seven-point Likert-type format and are shown in Table V. Scales were drawn primarily from established measures in the literature. The scale for perceived CSR reputation was adapted from Tian *et al.* (2011) and comprised four items. The three-item scale for CSR predisposition was adapted from Chomvilailuk and Butcher (2010). Similarly, the scales for positive word of mouth about the CSR initiative were drawn from the work of Romani *et al.* (2013) and Rim and Song (2013) who operationalised engagement by including advocacy-related behaviours for CSR initiatives. The scale for the customer-perceived community value of the CSR initiative was operationalised in stages. Here, we relied on the conceptual work of Sheth *et al.* (1991) to link community value to the functional value dimension. This follows the approach by Bhattacharya *et al.* (2009, p. 261) who state that "stakeholders evaluate CSR initiatives based on the degree to which initiatives are successful in improving the lives of the intended beneficiaries".

The industry context for the study was mobile telephone service consumers in a developing country—Thailand. In Thailand, the mobile telephone service industry is large and sophisticated. While most of the population has a mobile telephone, the largest market segment is consumers younger than 35 years. The sample was drawn from actual customers of the three dominant telephone service providers in Bangkok, Thailand. The three major players in the Thai market have invested heavily in CSR programs. Indeed, a large amount of their advertising collateral refers to CSR-related activities.

The survey instrument contained a short vignette containing new CSR information, using a press release from a mobile telephone service provider. The mobile telephone service provider in the vignette referred to the respondent's main personal mobile telephone service provider. Thus, past performance information reflected by respondents is based on their actual experiences. While the press release announcing a new initiative was fictitious, it was based on actual corporate practices, of mobile telephone service providers in Thailand. Contemporary CSR practices are not restricted to a firm's core responsibilities. For instance, CSR practices of major mobile telephone worldwide include foodbank for needy families; youth support; charitable donations; domestic violence programs; minority group support; SDGs, e.g. ending poverty, hunger; ensuring inclusive and quality education for all and to promote lifelong learning. To ensure that respondents perceived the study as CSR oriented, a definition of CSR was provided at the front of the survey instrument. Using stimulus materials in CSR research is common, given the reported lack of awareness of specific details about a firm's CSR activities by its stakeholders.

The questionnaire was organised to ensure that questions relating to perceived CSR reputation of the respondents' own mobile telephone service provider being presented first. This format minimised the chance of this scale being influenced by the new CSR initiative illustrated in the vignette. The researcher read a statement to all subjects that emphasised the need to read the vignette carefully and then answer questions that followed as though the press release was announced by their own mobile telephone service provider. Hence, customers completed their rating of the firm's CSR performance before being exposed to new CSR information. The narrative was pre-tested to ensure its relevance to a young telephone service provider customer. The narrative was followed by two pictures of kids enjoying themselves in a group setting. The vignette is shown as follows:

Your Company has announced a large scale CSR Program—the "Kid Camp Project".

In this project, thousands of children throughout Thailand can enjoy a Camp experience and learn how to be happy and healthy, grow up with a good mind and respect for others. In particular, children at the Camp will also learn how to make traditional handcrafts from natural materials; undertake science projects; practice artistic skills and develop strong leadership skills. It is expected that the two week long camps will enable children from different areas to meet and form friendships through play with children from a diverse range of areas.

The **Kid Camp Project** will form the **major** component of CSR activity for the company and the company will invest heavily in this Project.

A convenience sample was drawn for the study. Using a traffic intercept approach, customers in Bangkok, Thailand, were approached at a busy shopping mall site and asked to participate. A total of 258 usable questionnaires were completed for the study, comprising 55.4 per cent females. Most of the respondents were in the 18–24 age group (55.8 per cent) with 29.5 per cent aged 25–34, and a further 14.7 per cent aged over 34 years. Of them, 194 respondents were single.

Results
The first hypothesis, *H1*, proposed that word-of-mouth responses by customers would vary according to customer characteristics. Tables I–IV depict the mean scores for the level of word-of-mouth activity based on age, income, gender, marital status and online usage.

Age (years) (A)	n 258 (%)	Mean (STD)	Age (years) (B)	Mean difference (A−B)	F	p-value between groups
To friend						
18–24	144 (55.80)	4.32 (0.93)	25–34	0.04	5.41	0.01
			> 34	−0.56**		
25–34	76 (29.50)	4.28 (0.97)	18–24	−0.04		
			> 34	−0.60*		
> 34	38 (14.70)	4.88 (1.27)	18–24	0.56**		
			25–34	0.60*		
To firm						
18–24	144 (55.80)	4.54 (0.92)	25–34	−0.21	2.60	0.08
			> 34	−0.33		
25–34	76 (29.50)	4.75 (0.76)	18–24	0.21		
			> 34	−0.12		
> 34	38 (14.70)	4.87 (0.98)	18–24	0.33		
			25–34	0.12		

Notes: *$p < 0.05$; **$p < 0.01$

Table I. Word of mouth mean score differences—age

Income ($/year) (A)	n 258 (%)	Mean (STD)	Income ($/year) (B)	Mean difference (A−B)	F	p-value between groups
To friend						
≤4,000	95 (36.80)	4.20 (0.98)	4,000–12,000	−0.18	3.54	0.03
			> 12,000	−0.40*		
4,000–12,000	78 (30.20)	4.38 (0.89)	≤4,000	0.18		
			> 12,000	−0.22		
> 12,000	85 (32.90)	4.60 (1.14)	≤4,000	0.40**		
			4,000–12,000	0.22		
To firm						
≤4,000	95 (36.80)	4.41 (0.96)	4,000–12,000	−0.37*	5.96	0.00
			> 12,000	−0.40*		
4,000–12,000	78 (30.20)	4.78 (0.88)	≤4,000	0.37*		
			> 12,000	−0.03		
> 12,000	85 (32.90)	4.81 (0.76)	≤4,000	0.40*		
			4,000–12,000	0.03		

Notes: $^*p < 0.05$; $^{**}p < 0.01$

Table II.
Word of mouth mean score differences—income levels

Status	n 258 (%)	Mean (STD)	Mean difference	F	p-value between groups
To friend					
Single	194 (75.20)	4.23 (0.92)	−0.77***	14.27	0.00
Married	54 (20.90)	5.00 (1.17)			
To firm					
Single	194 (75.20)	4.98 (0.88)	−0.36*	4.17	0.02
Married	54 (20.90)	5.34 (0.87)			

Notes: $^*p < 0.05$; $^{***}p < 0.001$

Table III.
Word of mouth mean score differences—marital status

Usage	n 258 (%)	Mean (STD)	Mean difference	F	p-value between groups
To friend					
Low	148 (57.40)	3.86 (0.64)	−1.24***	148.70	0.00
High	110 (42.60)	5.10 (0.99)			
To firm					
Low	148 (57.40)	4.47 (0.84)	−0.43***	15.29	0.00
High	110 (42.60)	4.90 (0.90)			

Note: $^{***}p < 0.001$

Table IV.
Word of mouth mean score differences—online usage

The findings show that older consumers are likely to undertake more word-of-mouth activity for this type of CSR action. Word-of-mouth communication to friends was higher for the over 34 years group. While mean scores rose with each age group, differences in word-of-mouth communication to the firm online was only statistically different at the 90 per cent level. Lower income groups also reported less likelihood of communication to their friends or the firm about this CSR activity. In contrast, there was no significant

difference between males or females in the level of word-of-mouth activity. However, for marital status there was a far higher response to word of mouth to friends for married respondents. Similarly, there was a substantial significant difference between word-of-mouth activities for high vs low online users. Overall, word-of-mouth responses varied accordingly to all customer characteristics, except gender.

To test for *H2–H4,* a two-stage procedure using structural equation modelling was undertaken, following Anderson and Gerbing (1988). First, the measurement model was tested with confirmatory factor analysis using maximum likelihood estimation and AMOS 21 software. Second, a structural model was tested to examine the relationships between the five constructs. For the measurement model, the psychometric properties were evaluated using goodness-of-fit measures, internal consistency measures and convergent and discriminant validity tests following Fornell and Larcker (1981) and Hair *et al.* (2010). The measurement model displayed sound psychometric properties overall. Factor loadings for items exceeded the recommended threshold of 0.5 and Cronbach α scores ranged from 0.70 to 0.83. Average variance extracted (AVE) exceeded the recommended threshold of 0.5 and discriminant validity was established as the AVE for each factor exceeded the squared correlations with other factors (Tables V and VI).

A self-administered survey is likely to cause a biasing effect on the measurement of variables (Podsakoff *et al.*, 2003). To address issues of common method bias (CMB), a combination of procedural remedies and statistical control techniques jointly offer the most effective approach. Accordingly, procedural steps undertaken in instrument design included assurance of respondent anonymity, proximal separation of items for the measurement

Constructs	Measurement items	Factor loading
CSR reputation AVE = 0.64, $\alpha = 0.83$	The company is committed to using a substantial portion of its profits to help community groups	0.80
	The company has a long history of giving back to the communities in which it does business	0.80
	The company's reputation for socially responsible behaviour is above average for the industry	0.80
	The company is a socially responsible company	0.79
CSR predisposition AVE = 0.63, $\alpha = 0.71$	Corporate social responsibility activities that focus on child development should be supported	0.83
	Large firms should support the development of children in local communities	0.79
	It is very important that firms support local child development programs	0.77
Perceived community value AVE = 0.66, $\alpha = 0.86$	I am very happy to see this company launch the Kid Camp Project	0.80
	The Kid Camp Project will help local children considerably	0.82
	The firm is to be congratulated for providing the opportunity for children to develop	0.79
	The Kid Camp Project will be of value to the community	0.84
Word of mouth to friends AVE = 0.73, $\alpha = 0.88$	I would share this information about the Kid Camp Project with people who might benefit from this initiative	0.85
	I would share this information with people who might be interested to know about the company's Kid Camp Project	0.88
	I would share information about the Kid Camp Project with people who might care about what the company does	0.84
Word of mouth to firm AVE = 0.68, $\alpha = 0.88$	I would let the firm know what I thought about the Kid Camp Project online	0.82
	In Facebook I would click "like" for the Kid Camp Project	0.83
	I would likely say something in the "comments" box about the Kid Camp Project online	0.82

Notes: AVE, average variance extracted; $\alpha =$ Cronbach α

**Table V.**
Measurement
model results

scales and reducing difficulty of respondent accuracy. Furthermore, pre-tests and a pilot test of the instrument were undertaken. In addition to procedural treatments, a number of tests are available for statistical control. However, Hulland *et al.* (2018) strongly advise against the use of single-factor tests, such as the "Harman's test". Accordingly, an unmeasured latent variable factor test was undertaken to test for CMB. By adding the unmeasured method factor into the measurement model, factor loadings of all items were reduced by an average of 0.09. To measure the effect of CMB, the squared ratio of average factor loading reduction (0.09) to average loading without the unmeasured latent method factor included (0.66) was calculated. This reduction in factor loading equates to an average of 2 per cent of the variance of each item being accounted for by common method variance, suggesting that CMB is not a serious concern in this study.

Hypothesis tests followed confirmation of the measurement model. The fit indices for the structural model indicate a good model fit with RMSEA (0.03); NFI (0.94); CFI (0.98); χ^2 (131.7) and the ratio of χ^2 to degrees of freedom (1.3). Path coefficients indicated that some hypotheses were supported but not all (see Figure 2). The second hypothesis, *H2* examined the paths from perceived community value (PCV) to the dependent variables of word of mouth. The path from PCV to word of mouth (friends) was significant ($\beta = 0.61$, $p < 0.001$). Similarly, there was a significant path from PCV direct to word of mouth (firm) ($\beta = 0.32$, $p = 0.04$). Thus, *H2* is fully supported. For the third hypothesis, *H3*, the path from CSR reputation to word of mouth (friends) was not significant ($\beta = 0.15$, $p = 0.21$). Similarly, there was no significant path from CSR reputation direct to word of mouth (firm) ($\beta = 0.29$, $p = 0.11$). Thus, *H3* is rejected. The final hypothesis, *H4*, examined the paths from CSR

	1	2	3	4	5
1. CSR reputation	0.64				
2. CSR predisposition	0.62	0.63			
3. Perceived community value	0.59	0.61	0.66		
4. Word of mouth to friends	0.63	0.61	0.75	0.73	
5. Word of mouth to firm	0.45	0.41	0.47	0.41	0.68
Note: The AVE is reported on the diagonal					

Table VI.
Correlation matrix of variables
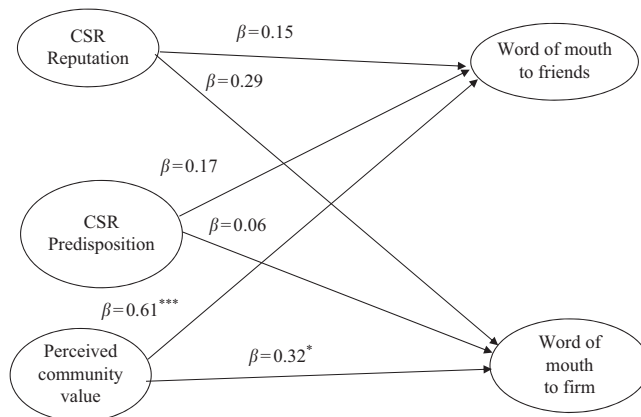
Figure 2.
Results of the structural model

Notes: *$p < 0.05$; ***$p < 0.001$

predisposition direct to the dependent variables of word of mouth. The path from CSR predisposition to word of mouth (friends) was not significant ($\beta = 0.17$, $p = 0.27$). Similarly, there was no significant path from CSR predisposition direct to word of mouth (firm) ($\beta = 0.06$, $p = 0.79$). Thus, *H4* is rejected.

Discussion

This study is the first to test CSR-centric word-of-mouth variables, together with CSR-centric perceptions and behaviours of customers. The word-of-mouth variables developed in this study meet the calls of researchers, such as Bhattacharya *et al.* (2009) and Greenwood (2007), who have argued for more salient variables to be investigated in the CSR–customer paradigm. In turn, this study has extended previous research into the effects of CSR reputational information, customers' perception of the importance of socially responsible consumption (CSR predisposition) and new CSR initiatives by combining their investigation in the same study. In addition, actual perceptions of new CSR initiatives have rarely been investigated in the CSR literature.

First, the overall mean scores for word of mouth (friends) and word of mouth (firm) were 4.39 (STD = 1.02) and 4.65 (STD = 0.89), respectively. These scores reflect a very slight positive skew towards word of mouth. This outcome is indicative of the modest interest that mobile telephone users have of their service providers CSR activities. This finding is consistent with the caution advised by Jones *et al.* (2007). Analysis from tests of differences shows that for married persons and heavy online users the scores rate significantly higher. Accordingly, this means that service providers need to match their CSR communications in a much targeted manner to be effective. Second, there is a strong positive association between new strategic CSR information embedded in the press release and CSR-related word of mouth. When customers rate the value of the new CSR initiative highly then they will engage in higher levels of positive word of mouth related to the specific CSR initiative. Accordingly, we can see that where customers value the firm's efforts and appreciate what the firm has done in the past a higher level of engagement is possible.

Hence, the findings validate the views of Andriof and Waddock (2002) and Martinez and Rodriguez del Bosque (2013) who call for more constructs that are proximate to the actual feelings and thought processes arising from the CSR communication. While the final end goal of the firm may be greater product purchase, these authors call for constructs that measure more immediate stakeholder reactions. The findings also affirm the view of Lindgreen and Swaen (2010) who urge that careful consideration of matching CSR initiatives to stakeholder beliefs and needs is warranted. Furthermore, the impact of customer-perceived community value of the CSR initiative requires careful promotion of the CSR initiative, in terms of benefits to the intended stakeholder beneficiary. There should not be any false assumption, that just because it is a CSR activity, customers will respond favourably.

The findings from this study indicate that managers can be more confident in resource allocation decisions because the right communication of product and CSR can affect good customer response. Indeed, Fraj-Andres *et al.* (2012) argue that SMEs in particular have the potential to create "positive public relations and brand image with fewer resources than extensive communication campaigns". In turn, Du *et al.* (2010) point out that low awareness of CSR activities must be addressed with care to elicit favourable customer responses rather than negative attributions. Careful segmentation may minimise the scepticism stakeholders often demonstrate while at the same time overcome the low awareness of the firm's social responsibility actions. At the same time appropriate communication channels must be open to customers who are willing to respond and engage with the company about the CSR initiatives. This channel must not only be accessible but an open forum to reduce the scepticism again that the firm might face. One suggestion would be to make greater use of

third-party channels, including those of the intended beneficiaries of the CSR initiative. Thus, keeping the firm's actions at arm's length could enhance the firm's credibility. In particular, the construct of PCV can be used as a planning tool for marketers to gauge the effectiveness of CSR advertising campaigns before launch. A pre-test of any campaign message can include questions about whether customers see any value to the intended beneficiaries of the CSR action. Consequently, managers can adapt their CSR communication message to better reflect customer concerns.

Finally, we note that the study was limited by the use of a single CSR scenario and the nature of the sample, being over-represented with younger respondents. While the respondent profile was a good fit for the mobile telephone industry future research could broaden the scope of industries and respondent profiles. In the real world, respondents are more distracted by a range of factors that could affect word-of-mouth actions. However, the use of the respondent's own mobile telephone service provider and a realistic CSR communication from that provider provides a reasonable degree of external validity. To provide stronger evidence of causal relationships, an experimental design in future research could be considered. Such a design would allow for systematic manipulation and testing of the effect of independent variables on word-of-mouth actions, under various situations. A range of scenarios, together with relevant moderating factors, should be considered. One such situational factor could be "perceived fit" between firm and CSR initiative. Likewise, further moderating factors could be related to the nature of the CSR initiative, such as family demographics for an initiative related to children. At the same time as new models are tested, steps could be undertaken to examine models for best fit. Thus, additional pathways between constructs could be proposed and tested.

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