

CONSUMER CSR ATTRIBUTIONS, GENERATIVITY AND PRODUCT TRANSCENDENCE

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ABSTRACT

There is little guidance available on how generativity, (consumer concern with the well-being of future generations) affects purchase intention. This research investigates how companies' social responsibility (CSR) and product transcendence modify the purchase intention of high generative consumers. A between-subjects experiment is made. Firstly we test how the interaction of CSR and product transcendence increases purchase intention. Secondly we check how this effect on purchase intention varies when the consumer is skeptic about CSR. Findings suggest that CSR and product transcendence do increase purchase intention for high generative consumers but do not have an interaction effect. Additionally we find that, while CSR effect is more intense than product transcendence on purchase intention, product transcendence becomes crucial when the high generative consumer is CSR skeptic.

Keywords:

Generativity / Product transcendence / Consumer Behavior / Corporate Social Responsibility / CSR Attributions

Many companies have a increasing budget for CSR activities. The return on investment is not always clear especially as different scandals have fostered CSR skeptic consumers. We propose the relationship between CSR, transcendent products and generativity which remain unexplored and could be an alternative to satisfy CSR skeptic consumers.

1 Literature Background.

1.1 *Generativity*

A widely adopted strategy for firms is to promote the benefits that their products and brands can provide the generations to come. The swatch maker Patek Phillipe slogan is “you never actually owe a Patek Phillipe, you merely look after it for the next generation”. Intel slogan is “Delivering environmental innovation through sustainable practices”. Despite these examples of consumer’s generativity focused themes found in daily marketing communication, there has been almost no research on how generativity affects consumer behavior and, more specifically, on the consequences of generativity on consumer behavior.

An important amount of research on generativity can be found on psychology literature. Erikson (1950) identified generativity as a middle-aged adult commitment. He stated that most people are likely to be concerned about the well-being of future generations and to be involved in various life projects, from parenting to political action, aimed at generating a positive legacy for future generations that will ultimately outlive the self. Kotre (1984) describes generativity as the desire to outlive the self. Kotre suggests that generativity involves extending the self beyond the end of one's own life, “generating an enduring personal legacy”. McAdams and De St. Aubin (1992) developed an integrative model and set the generativity concept as “the concern and commitment to the well-being of future generations, by the means of actions aimed at passing a positive legacy of the self to the next generations”.

According to Belk’s (1988) perspective, products should be considered as extensions of the self, as breeders of identity, leaving a possession to later generations could be seen as extending oneself beyond death. Stevenson and Kates (1999) share this opinion in their study on last gifts, and according to them “the giver may immortalize him/her-self in memory by finding the right home for its cherished possessions”. Urien (2007) proposed that generative behavior is a result of consumer’s anxiety towards death being the “end of life products”, an example of generative act aiming to cope with death anxiety. Drivers and consequences of generativity have been studied, but so far no research has approached the influence of generativity on purchase intention. There is no guidance available about the products and companies generative consumers prefer.

1.2 *Product transcendence.*

Several product classification schemas have emerged over time based on different variables, (e.g.; Enis and Roering, 1980). Gimenez et al. (2010) proposed a new taxonomy, high transcendent vs. low transcendent products. To define the concept of product transcendence, they build on marketing contributions from authors such as McCracken (1986) (“Consumer goods can have significance beyond their utilitarian and commercial value”) and Belk et al. (1989) (“products can become a vehicle of transcendent experience”). Gimenez et al. (2010) define transcendent products as those which have a meaning that goes beyond material experience. Transcendent products would be then: running a marathon, recycled paper, an electric car, or a collection watch for example. The authors found high generative consumers to have a higher purchase intention for transcendent products than low generative consumers. High generative consumers are concerned about the well-being of future generations and they prefer transcendent products, we posit that they must also be more interested in companies that care a about the future and therefore CSR can be a relevant variable for them.

1.3 *CSR and attributions.*

CSR, is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders,

communities and other stakeholders, as well as the environment (Grayson and Hodges 2004). This responsibility is seen to extend beyond the statutory obligation to comply with legislation, and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families, as well as for the local community and society at large. Corporations may benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits. These efforts are generally implemented to improve goodwill and reputation (Luo y Bhattacharya, 2006), or increase profits (Griffin y Mahon, 1997). When the CSR initiatives are being perceived as central, distinctive and long lasting the company will improve prestige and a positive evaluation from consumers (Maignan et al., 2005). Marín and Ruiz (2007) point out the importance of the congruence between the social actions and the consumer values in order to improve the identity attractiveness of the company. The scale and nature of the benefits of CSR for an organization can vary depending on the nature of the company business, and are difficult to quantify, though there is a large body of literature exhorting business to adopt measures beyond the financial ones (Orlitzky, Schmidt, and Rynes, 2003).

Garriga y Melé (2004), conclude that one of the main dimensions of the CSR actions is “to contribute to build a better society doing what is ethically correct”. We believe this societal dimension is very much related to the human trait generativity (concern with the well-being of the future generations). Giacalone et al. (2005) found that generativity is positively related to consumer sensitivity to corporate social performance. Also the positive impact of CSR on purchase intention has been well studied (Creyer y Ross, 1997; Bigne et al., 2005; Becker-Olsen et al., 2006). Corporate motives underlying CSR have been discussed, in some studies, as a major variable explaining consumer’s reaction to CSR (Godfrey 2005). Gilbert and Malone (1995) affirm that consumers care less about what firms are doing than about why they are doing it. Other authors like Drumwright (1996) propose that consumers are simplistic in their judgments about CSR initiatives, and view them as either serving economic ends or reflecting sincere social concerns. Attributions to values would be in this case a dichotomist variable. This research focuses on the consumer attribution to values. We analyze the effects on purchase intention when the consumer attributes the actions of CSR to socially responsible values compared to when the consumer is skeptic about the company values behind the CSR.

2 Hypotheses proposed.

The study compares consumers’ purchase intention for transcendent products following the presence or absence of information regarding the CSR activities performed by the company offering the product. Differences among low generative consumers and high generative consumers are also investigated.

Several studies found that consumers show a higher purchase intention for companies performing CSR actions (e.g.; Lee and Shin; 2010). If generative consumers are concerned about future generations and the companies performing CSR aim at contributing to build a better society, high generative consumers will show a higher purchase intention for products offered by social responsible companies than low generative consumers. If transcendent products are those which have a meaning that goes beyond material experience and generative people are concerned about leaving a positive legacy it seem logic to think than generative people will be more interested in these kind of products. Furthermore, we propose that there should be an interaction effect between responsible companies and transcendent products as consumers when considering purchasing intention might be analyzing information, this is company and product information, as a whole. This interaction results in an increased purchase intention for high generative consumers.

H1: Considering high generative consumers; product transcendence interacts with CSR increasing purchase intention.

Moreover, we posit that CSR is a much more salient variable than product transcendence. CSR is an instrument which serves the company goals. To meet these goals, CSR has to be evident and therefore has to be communicated to the consumer. The company tries to explain its responsible behavior to the consumer in an explicit way in order to build a company image on the consumers' mind (Lee and Shin; 2010). However, product transcendence is a product intrinsic subtle attribute, which seldom is communicated, and therefore has to be self-perceived by the consumer. We propose that CSR will have a stronger effect than product transcendence on purchase intention. CSR can be perceived by everyone and for that reason we predict it has a positive effect on purchase intention for both low generative consumers and high generative consumers. Transcendence is also perceived by everyone (Gimenez et al. 2010) but only high generative consumers value the attribute in order to increase purchase intention. Being product transcendence a secondary influence compared to CSR, we posit that the effect of product transcendence on purchase intention will be higher for generative consumers who are skeptic about the values behind CSR compared to the generative consumers who believe in the values behind CSR. Therefore we propose the following hypotheses:

H2: Considering a company that performs CSR. High Generative Consumers who do not attribute CSR to values will have a more sensitive purchase intention for transcendent products than high generative consumers who believe that values are behind CSR.

3 Methodology

This study relied on a 2x2 between-subjects experiment. An email was sent, November 2009, to a convenience sample of 2230 recipients asking them to answer a survey about consumer behavior. Convenience samples are widely used in literature if there is no purpose to generalize the results to the population (e.g. Howcroft et al. 2001). 484 participants (51% men, aged 18 to 62, and average 27) followed the link to a web page where they were exposed to an ad-hoc travel agency ad. On random basis, the questionnaire proposed whether a high transcendent product (Travel to the Way of St. James) or a low transcendent product (Travel to Canary Islands). The ad proposed the product with a paragraph starting like this; "The Way of St. James is meaningful journey that will provide life-lasting memories and experiences to be shared..." and "Canary Islands, a perfect place to rest and enjoy 365 days a year...". Price and duration were the same for both products.

Also, on random basis each trip was offered by one of two well-known travel agencies. Only one of them made statements on the advert about CSR. On the ads, neither the word transcendence nor any reference to social responsibility were ever named. The headings of the ads started with: "The company A aims at being the leader travel agency ..." and "The company B, as a travel agency, is committed to sustainable development...". The questionnaire and the ad referred two different and real travel agencies (Marsans and Barceló) in order to present a credible image according to their real present communication. The ad text introducing each company was extracted from real ads. Ten months after the survey.

Questionnaire distribution		Marsans No CSR	Barcelo Yes CSR	total
Canary Islands	LOW Transcendence	147	110	257
Way of St. James	HIGH Transcendence	115	112	227
total		262	222	484

Table 1. Questionnaires sample distribution. 2x2 Between-subject experiment.

Following the ad, a series of questions were presented to measure different concepts. The participants were asked to state their purchase intention for the product presented. The survey collected first measures related to the product: transcendence perception, attitude and purchase

intention. Concerning the company, the questionnaire measured: attitude and CSR awareness for the company. Finally, consumer generativity and CSR attributions were also measured. A liker type scaled was used to rate all items; they were anchored at 1 to 7. The statement was “degree of agreement” and the scale went from “not at all” to “totally”. The questions were placed in successive web pages so that the respondents could not go back to change answers or to check again the advert. All scales have been largely used and tested in the literature. Results for Cronbach’s alpha provide high reliability to each of the three concepts used as independent variables (generativity, product transcendence and attributions to CSR) and also for the dependent variable purchase intention.

4 Results

There was neither significant difference on attitude towards the product, Canary Islands vs Way (4.14 vs. 4.31) ($F(1,483)=2.09$, $p>0.1$), neither significant difference on attitude towards the company, Marsans vs Barcelo (4.68 vs. 4.72) ($F(1,483)=.092$, $p>0.1$). Additionally, manipulation check confirmed that product transcendence was well perceived, Canary Islands vs Way (3.04 vs. 4.49), ($F(1,483)=115.81$, $p<.001$). Consumers attributed higher transcendence to the Way of St. James as expected. CSR awareness was also confirmed, Marsans vs Barcelo (3.51 vs. 4.31) ($F(1,483)=53.89$, $p<.001$). Consumers attributed higher CSR to Barcelo as intended. We also confirmed that perceived product transcendence was not being influenced by the fact of the company doing or not CSR. (3.61 vs. 3.84), ($F(1,483)=2.51$ $p>0.1$).

Secondly and before testing the hypotheses, two final checks were done. The first one confirmed previous research stating that CSR increases purchase intention. This result was confirmed for both for low generative consumers (2.95 vs. 3.55), ($F(1,250)=16.56$ $p<.001$) and for high generative consumers (3.33 vs. 4.29), ($F(1,232)=31.01$ $p<.001$). The second check confirmed previous studies that affirm that high generative consumers prefer transcendent products (4.12 vs. 3.54), ($F(1,232)=10.43$ $p<.001$) and low generative consumers are indifferent (3.23 vs 3.18), ($F(1,250)=0.108$ $p>0.1$).

Finally the hypotheses were tested. H1 was not confirmed. Even if CSR and product transcendence were relevant on purchase intention for high generative consumers we did not find an interaction effect of CSR and product transcendence on the purchase intention for high generative consumers ($F(1,232)=0.178$ $p>0.1$).

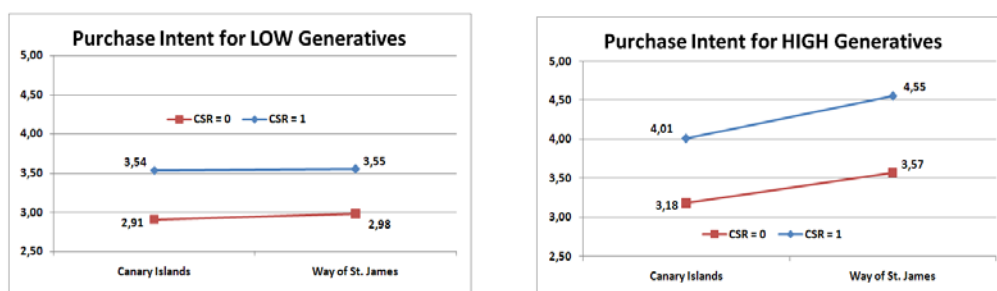


Figure1. Purchase intention increase if the company performs CSR.

In H2 was based on the fact that some consumers are believers on the values behind CSR and some others are skeptic about the values behind CSR. It seems reasonable to think that the believers have a higher purchase intention than the skeptics when exposed to CSR. This fact was confirmed for both low generative consumers (3.91 vs 3.30), ($F(1,107)=8.03$ $p<0.01$) and high generative consumers ($F(1,113)=13.83$ $p<0.001$). H2 proposed that for high generative consumers, when CSR is present, there would be an interaction effect between product transcendence and attributions to CSR. Specifically we proposed that high generative consumer’s purchase intention, exposed to CSR, would be much sensitive to product transcendence when the high generative consumers is skeptic about CSR than when he is believer

about the values behind CSR. The hypothesis of the interaction effect was confirmed ($F(1,118)=7.22$ $p<0.1$).

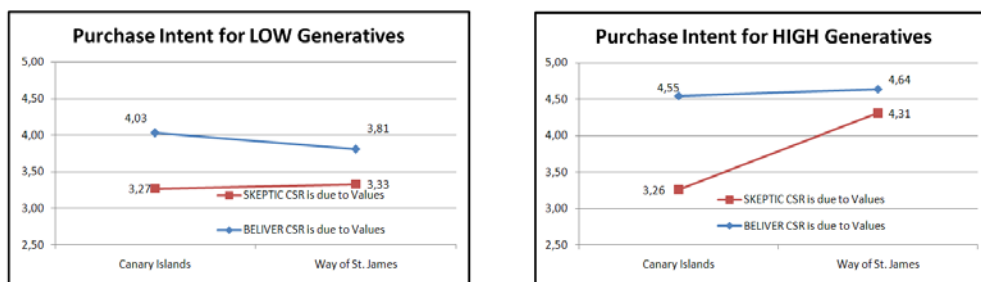


Figure 2. CSR is present. Purchase intention decrease if the Consumer is CSR skeptic.

5 Conclusions

Many consumers have a generativity need to leave a positive legacy for future generations. Marketing research must study how the companies can satisfy this consumer need. This research works on the fact that product transcendence and CSR satisfy this consumer generativity need, while the interaction effect of product transcendence and CSR on purchase intention is not confirmed, we do reconfirm that CSR increases purchase intention. We also find that the purchase intention increase is higher for high generative consumers than for low generative consumers. The study also tested an interaction effect, on purchase intention for high generative consumers, between attributions to CSR and product transcendence which is confirmed. If high generative consumers are skeptic about CSR, the only way to increase purchase intention is to work on product transcendence.

Marketers must implement the knowledge related to generativity, product transcendence and CSR. They can work in market research and market segmentation, in order to help organizations to find where the generative consumers are and how they feel. This knowledge will mean higher return on investment for their CSR efforts. Secondly, due to business scandals and other reasons, companies' credibility has fallen down and some generative consumers have become skeptic about the values behind the CSR and, as a consequence indifferent, in terms of purchase intention, to CSR. To influence these consumers, companies can focus whether on improving communication of values behind CSR or whether on increasing the product transcendence.

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