

Chapter 7

Beyond Goodwill: The Interplay of CSR Communication, Individual Beliefs, and Corporate Reputation


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ABSTRACT

This chapter investigates the interplay between consumer activism, corporate social responsibility communication (CSR), and corporate reputation. Using IKEA as a case study, the present study investigates the relationship between CSR communication, CSR-fit, CSR credibility, individual beliefs and corporate reputation using a quantitative design to quantitatively assess the role of CSR-fit and CSR credibility in mediating the role of CSR communication on corporate reputation and the influence of individual beliefs as a moderator of corporate reputation. Results confirm that a strong alignment between a company's CSR initiatives and its core activities positively enhances the credibility of its CSR engagement, consequently contributing to a favorable corporate reputation. By synthesizing academic theories and real-world insights, this research contributes to the understanding of the relationship between individual beliefs, CSR, and corporate reputation, offering valuable implications for companies navigating the complex realm of consumer activism and reputation management.

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INTRODUCTION

In a context where societal fears are on the rise, trust in government and media is declining, and institutions are failing to address existential challenges such as the pandemic and climate change, businesses are pressured to take on societal problems.

The increasing importance of Corporate Social Responsibility (CSR) in this context has led to a growing body of research exploring the relationship between CSR and corporate reputation (e.g., Brammer et al., 2007; Sen et al., 2006; Chen, 2010). However, the role of individual beliefs in shaping perceptions of CSR and its impact on corporate reputation remains underexplored.

In recent years, the landscape of corporate social responsibility (CSR) has witnessed a profound shift, where all stakeholders hold business accountable. According to the 2023 Edelman Trust Barometer, among more than 36,000 respondents in 28 countries, 58% buy or advocate for brands based on their beliefs and values, 60% choose a place to work according to their belief and values, 64% invest following their beliefs and values and 88% of institutional investors subject ESG to the same scrutiny as operational and financial considerations. These findings highlight the growing importance of understanding how individual beliefs shape perceptions of CSR and its impact on corporate reputation.

This changing panorama reflects a transformation in consumer behavior, where individuals increasingly consider a company's social and environmental practices when making purchasing decisions (Maignan & Ferrell, 2004; Du et al., 2010). Simultaneously, companies have been adapting their CSR strategies and their communication activities to align with consumer expectations and societal concerns (Brammer et al., 2007; Sen et al., 2006; Chen, 2010). Despite these efforts, the effectiveness of CSR communication in enhancing corporate reputation remains a subject of debate, particularly in the context of the evolving media landscape (Castelló et al., 2013). The evolving media landscape, characterized by the rise of digital platforms and social media, has significantly impacted the dynamics of CSR communication and consumer activism (Verk et al., 2021). Consumers are no longer passive recipients of corporate messages but active participants in shaping the narrative around CSR (Castelló et al., 2013). The ease of information sharing and the ability to mobilize support through digital channels have empowered consumers to hold companies accountable for their social and environmental impact (Glozer et al., 2019). This shift in power dynamics has intensified the need for companies to engage in authentic and transparent CSR communication, as any perceived inconsistencies can quickly lead to consumer backlash and reputational damage (Rim & Song, 2016). The proliferation of digital media and online platforms has significantly amplified consumer voices, enabling them to express their opinions, share experiences, and mobilize support for causes they care about (Glozer et al., 2019). Social media, in particular, has become a powerful tool for consumers to engage in activism and hold companies accountable for their actions (Rim & Song, 2016). The viral nature of social media allows consumer concerns and criticisms to spread rapidly, putting pressure on companies to address issues and communicate their CSR efforts effectively (Verk et al., 2021).

In this scenario, the topic of Corporate Social Responsibility (CSR) garners mixed reactions, becoming particularly polarizing in the context of the evolving media landscape (Castelló et al., 2013; Kim & Rim, 2024; Park, 2022;). According to Castelló et al., (2013) for instance, social media speed up and widen communication, inviting a range of perspectives that can intensify debates around CSR. The authors point out that CSR's narrative is becoming richer and more complex, pushing companies to adeptly manage a broader and more varied conversation with their stakeholders. This has led, for example, to a growing interest in audiences with different attitudes towards CSR communication, such

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