Fair Communication for Fair Trade

The effect of Fair Trade communication and previous CSR reputation and the mediating role of

C-C identification on PeWOM

Nadia Huber

ANR 399923

Master's Thesis

Communication and Information Sciences

Specialization Business Communication and Digital Media

Faculty of Humanities

Tilburg University, Tilburg

Supervisor: Dr. Jos Bartels

Second Reader: Dr. Amalia Kallergi

Date: January 2018

Acknowledgements

Abstract

In recent years, companies owning a good reputation in corporate social responsibility (CSR) have become more important for consumers. Consumers value CSR efforts and hence, they may develop favourable behaviour towards such companies (Castaldo, Perrini, Misani, & Tencati, 2009; Mohan, 2009). Fair Trade is one of the dimensions of CSR and enables a company to contribute to fair business (e.g. Mohan, 2009). While only few studies focused on the combined effects of CSR reputation and Fair Trade communication on consumer behaviour, there is no evidence so far about what distinctive levels of Fair Trade communication causes in consumers. The present study investigated how previous CSR reputation and different percentages of Fair Trade on a chocolate bar (100% vs. 25% Fair Trade production) affect positive electronic word of mouth (PeWOM). Results from the experimental manipulation did not show significant differences on PeWOM between high or low previous CSR reputation as between fit or misfit of CSR reputation and Fair Trade communication. However, the analysis revealed a significant mediation effect of consumer-company identification (C-C identification) on the relationship between CSR reputation and PeWOM. Moreover, more skeptical consumers are less prone to engage in PeWOM as they show lower levels of C-C identification. The advice for marketers of chocolate brands would be to place a strong focus on CSR efforts to increase C-C identification and lower skepticism, which will eventually lead to more PeWOM.

Keywords: CSR, Fair Trade, Fair Trade communication, PeWOM, eWOM, C-C identification, skepticism

CSR REPUTATION AND FAIR TRADE COMMUNICATION AND PEWOM

Table of Contents

1. Introduction

The need for sustainability in an established economic system has risen dramatically in recent years, which not only triggered an increase in consumer's awareness about ethical corporate behaviour (Sen & Bhattacharya, 2001), but also had a positive impact on people's choices in everyday life (Andorfer & Liebe, 2012; Busch, 2016). At the same time, expectations of society towards companies have shifted from only providing high quality products to using their influential power in order to make a change. Therefore, organizations attempt an important balancing act between making profit and satisfying society's needs (Doane & Abasta-Vilaplana, 2005).

Correspondingly, when it comes to ethical attitudes and one's contribution to a more sustainable world, Fair Trade products and corporate social responsible (hereinafter CSR) behaviour of companies seem to play a vital role for the choices consumers are making (Castaldo, Perrini, Misani, & Tencati, 2009; Mohan, 2009). Yet, it has remained somewhat unclear how different levels of Fair Trade communication on a product may affect consumers in their choices and especially formation of opinions. Due to nowadays' importance and omnipresence of the Internet and social media networks, consumers tend to shape their opinion about a product or an organization with the help of consumer evaluations and comments they can access online (Doh & Hwang, 2009). This cyber world reputation of a company is generally referred to as electronic word of mouth (hereinafter eWOM) and has become a considerable value for brands (Zhang, Craciun, & Shin, 2010).

Generally, it can be said that the success of Fair Trade has skyrocketed in recent years (Krier, 2008; Moore, 2004) and studies have already shed light on the importance of ethical

consumption (Carrigan & Attalla, 2001), consumers' willingness to pay for Fair Trade (De Pelsmacker, Driesen, & Rayp, 2005), and the relevance of Fair Trade eco-labels (Loureiro & Lotade, 2005). Furthermore, it could be argued that consumers' attitudes towards a brand or product can be increased when the brand has a high previous CSR reputation. In fact, it has been revealed that in direct comparison between CSR brands and non CSR brands, the brand's self interest motives to make profit are significantly lower for CSR brands (Du, Bhattacharya, & Sen, 2007). Thus, non CSR brands might be more likely to face harmful consequences, for instance negative eWOM (hereinafter NeWOM), as they lack actions of social responsibility (Du et al., 2007).

Additionally, research also revealed that even if consumers care about ethical behaviour, it does not necessarily mean they will choose the Fair Trade over the regular product (De Pelsmacker et al., 2005). Furthermore, it is clear that eWOM can have a strong influence on people's interest in a specific product (Bickart & Schindler, 2001; Hennig-Thurau, Gwinner, & Gremler, 2004). Hence, it can be considered vital for companies to work on their CSR reputation and launch effective communication for their Fair Trade products in order to create PeWOM and as a result, increase consumers' interest in the product (Du, Bhattacharya, & Sen, 2010; Trusov, Bucklin, & Pauwels, 2009).

Various research has focused on both CSR and Fair Trade communication and its impact on consumers' attitude and buying behaviour (Carrigan & Attalla, 2001; Castaldo et al., 2009; De Pelsmacker et al., 2005; Loureiro & Lotade, 2005) but only little is known about the combination of previous CSR reputation and Fair Trade communication and to what extent distinctive levels of Fair Trade communication (meaning the percentage which is communicated as Fair Trade) may affect positive eWOM (hereinafter PeWOM) concerning the brand. To reveal

what behaviour it may cause in consumers and to understand how PeWOM may be affected by CSR reputation and Fair Trade communication, it would be relevant to investigate the effect of a campaign which promotes a product of a lower level (e.g. 25%) of Fair Trade on a product and analyse the impact on PeWOM. Additionally, the current research addresses the influencing role of consumer company identification (hereinafter C-C identification) on this relationship. Based on Sen and Bhattacharya's (2001) findings, it can be said that C-C identification plays a decisive factor in evaluation of the brand and its products. High levels of previous CSR reputation combined with Fair Trade communication are expected to increase C-C identification and positively affect PeWOM. Even if various companies already communicate different levels of Fair Trade for their products, there is no proof so far about how it is perceived by consumers. Furthermore, it has not been scientifically investigated how people respond to products which are promoted with a lower percentage of Fair Trade on the product and what processes can be explained by that.

Therefore, the present study will answer the following research questions: To what extent do previous CSR reputation and distinctive levels of Fair Trade communication of a brand affect PeWOM? Additionally, how is this relationship influenced by C-C identification?

2. Theoretical framework

2.1 Corporate social responsibility (CSR) reputation

Generally, CSR can be divided into five dimensions, namely the environmental, social, stakeholder, economic, and voluntariness one (Dahlsrud, 2008). Companies putting effort into engaging in one or multiple of those fields, and thus, engaging in CSR actions, act benevolent and contribute to society in a valuable way (Du et al., 2010). Such CSR efforts of an organization can be of utmost importance for establishing a strong and positive company reputation (Doane & Abasta-Vilaplana, 2005; Eisenegger & Schranz, 2011). A plethora of research investigated such distinctive actions organizations may engage in, to contribute to the needs of society (Carroll, 1999; Dahlsrud, 2008; Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009; Ziek, 2009). Brown and Dacin (1997) found that generally, CSR activities can have a positive impact on the reputation of the organization. Moreover, integrating CSR actions into the corporate strategy has been shown to effectively influence consumer attitudes towards an organization's marketing strategies (Kim & Lee, 2009).

These results are in line with Smith's (2003) findings, stating that a high CSR reputation of a company is positively related to consumers' choices of distinctive brands. Du, Bhattacharya, and Sen (2007) highlighted the positive impact of CSR on increasing favourable consumer attitudes. Precisely, high levels of previous CSR reputation have been shown to correlate with higher levels of consumer trust and hence, even lead to a competitive advantage over similar brands (Castaldo, et al., 2009). Thus, CSR activities in general can have a positive impact on the company, leading to high levels of favourable attitudes in consumers, as for instance sharing their experiences on social media platforms and contributing to the creation of PeWOM

concerning the company. The following paragraph will elaborate on the relationship between previous CSR reputation and PeWOM.

2.2 Previous CSR reputation and PeWOM

Social media platforms can play an important role in shaping a company's reputation (Dijkmans, Kerkhof, Buyukcan-Tetik, & Beukeboom, 2015). Numerous organizations adapted their communication channels and present their CSR attempts not only on their corporate website but also on social media (Etter & Plotkowiak, 2013). This can be evaluated as an effective approach, as a high CSR reputation has been shown to not only lead to more positive consumer evaluations (Lai, Chiu, Yang, & Pai, 2010), but also increase the stakeholders' motivation to say positive things about the company (Romani, Grappi, & Bagozzi, 2013), and social platforms are known to be a common place for consumers to exchange their experiences (Dijkmans et al., 2015).

Due to the fact that the reputation of a company is related to eWOM (Hennig-Thurau et al., 2004; Steffes & Burgee, 2009), organizations should consider PeWOM a vital element which may enhance their overall reputation significantly. Considering the fact that communicating CSR can be interpreted as a company's strategy to increase positive consumer perceptions (Vanhamme & Grobben, 2009), it is expected to eventually lead to PeWOM. This is relevant as research revealed that consumers rather prefer to turn online not only to express their own thoughts about a product or brand, but also to form an opinion if still in doubt (Doh & Hwang, 2009). Moreover, as consumers generally perceive eWOM as highly credible, it can be of paramount importance for favourable consumer attitudes (Steffes & Burgee, 2009).

Based on the aforementioned, it makes intuitive sense that PeWOM can be positively influenced if a company has a high previous CSR reputation. Moreover, due to the importance of social media as a common place to exchange opinions with other consumers (Doh & Hwang, 2009), it could be said that a good CSR reputation will lead to more positive consumer opinions and consequently, to foster more PeWOM. Grounded in this previous reasoning, the following hypothesis has been established:

> *H1: A brand with a high previous CSR reputation, will score higher in PeWOM*
> *compared to a brand with a low previous CSR reputation.*

2.3 Fair Trade communication

A vast amount of research discussed Fair Trade and CSR together and identified Fair Trade as one of the dimensions of CSR as it enables a company to contribute to fair business (e.g. Castaldo et al., 2009; Mohan, 2009; de Pelsmacker, Janssens, Sterckx, & Mielants, 2006; Tallontire, Rentsendorj, & Blowfield, 2001). Not only consumers started to buy more Fair Trade products, but also organizations have adjusted their communication strategies according to this trend and strongly promote their Fair Trade products (Wright & Heaton, 2006). Contrarily to regular products, Fair Trade products offer an opportunity to the individual to actively support cooperative trading conditions and fair working environments in disadvantaged or impoverished areas (Krier, 2001). De Pelsmacker and Janssens (2007) highlighted that buying and selling Fair Trade products is generally interpreted as ethical consumer behaviour.

Communicating Fair Trade messages has been shown to be positively connected to an organization's CSR reputation. Therefore, an increasing number of companies has started to communicate their Fair Trade products more actively (Mohan, 2009). This progress also aligns

with an exponentially increasing academic interest in the Fair Trade movement, ethical consumer behaviour and consumption (Andorfer & Liebe, 2012). Such behaviour and consumption of Fair Trade products have been identified as effective principles for making an established economy more sustainable (Ims & Jakobson, 2006).

Due to the positive connotations Fair Trade carries, organizations may be tempted to integrate it into their sales strategy (Renard, 2005). This does not come as a surprise, especially because the Fair Trade label is known to be one of the most popular and credible labels in Europe and hence, allows the company to communicate a certain publicly accepted standard (Fombrun, 2005). In other words, Fair Trade can be both a company's contribution to a more sustainable world as well as a business opportunity (Golding, 2009).

This encompassed dyadic nature of Fair Trade communication further contributes to companies' need of direct and unequivocal messages about their products. As a consequence, communicating Fair Trade is considered a sensitive topic due to the fact that the message has to be clear and simple, whereas the concept behind it is comparably complex (Low & Davenport, 2006). Plenty of research investigated the effects of Fair Trade on the consumer, especially society's willingness to pay a higher price for Fair Trade (De Pelsmacker et al., 2005) and the impact a Fair Trade label can have (Loureiro & Lotade, 2005). Although a growing focus on ethical behaviour from both consumers and organizations has been revealed (Low & Davenport, 2006), the Fair Trade label alone might not be enough to effectively convert interested people into buyers of the products in some cases (De Pelsmacker et al., 2005). As a conclusion, it is important that consumers trust the brand behind the product and believe that the organization sticks to the promise behind the Fair Trade label (Castaldo, et al., 2009). The consecutive paragraph will further elaborate on this argument and relate previous CSR communication to

communicated Fair Trade level and how this might result in a perceived fit or misfit in consumers' perceptions.

2.4 Fit/misfit of previous CSR reputation and Fair Trade communication

Both previous CSR reputation and Fair Trade communication may be vital to contribute to the success of a product. However, much of the research conducted so far has focused on these two topics independently, whereas only a limited number has investigated the effects of combining CSR companies with Fair Trade products and how it may affect people's' perceptions and brand evaluation (Castaldo, et al., 2009). Results of one study have shown that consumers' evaluation of products strongly depends on the CSR reputation of the company (Brown & Dacin, 1997). Applying this finding to Fair Trade means that if a company has a high CSR reputation and promotes a Fair Trade product, consumers could be more likely to believe in the communicated values. As a consequence, they tend to choose the Fair Trade over the regular product (Castaldo, et al., 2009).

Based on the findings of Castaldo et al. (2009), it can be concluded that there is indeed a positive relationship between Fair Trade communication and favourable consumer attitudes. Nevertheless, it is of high relevance that the communicated message and the company image result in a perceived fit, as the CSR strategies of the company will not lead to a profitable business opportunity otherwise (Seok Sohn, Han, & Lee, 2012). Previous investigations discovered that if consumers perceive the fit between the message and the organization's motivation as low, it negatively affects their attitudes, whereas high fit proactive social initiatives result in more positive external stakeholder beliefs and attitudes (Becker-Olsen, Cudmore, & Hill, 2006). Despite extensive research in the field of perceived fit of CSR messages, there is no

academic research so far on perceived fit between previous CSR reputation and current Fair Trade communication.

In addition to this identified research gap, it appears that so far, very little is known about how distinctive levels of Fair Trade communication may affect the consumer. In most cases, investigations rather focused on discrepancies between regular (0% Fair Trade) and Fair Trade (100% Fair Trade) products. However, it has remained unclear whether a low percentage of Fair Trade on a product labelling may affect consumer opinions. Despite previous research concluding that both Fair Trade and CSR reputation may positively affect the consumer, communicating a product as only partially Fair Trade could cause both, skepticism and positive thoughts, depending on how a consumer evaluates a company's previous reputation (Du et al., 2010). Therefore, it would be highly interesting to examine how consumers experience this combination and how their attitude is affected when the percentage of communicated Fair Trade is reduced. It is expected that a misfit between previous CSR reputation and level of Fair Trade communication will have a negative effect on the amount of PeWOM concerning the company, whereas a fit will cause the opposite effect. Precisely, a high previous CSR reputation is expected to result in a perceived fit in combination with high levels of Fair Trade communication. Contrarily, a low previous CSR reputation is assumed to be perceived as a misfit when combined with high levels of fair trade communication. In order to test this, the following hypothesis has been formulated:

> *H2: A high fit between previous CSR reputation and the communicated Fair Trade*
> *message leads to higher levels of PeWOM than a low fit between previous CSR*
> *reputation and communicated Fair Trade message.*

2.5 The mediating role of company - consumer identification (C-C identification)

Previous studies focusing on CSR and consumer behaviour highlighted the importance of a high level of perceived similarity between the consumer and an organization. It could be concluded that high levels can have positively affect favourable consumer attitudes (Sen & Bhattacharya, 2001). This can be explained by the overlap between the company's values and the personal beliefs of the consumer (Bhattacharya & Sen, 2003). Thus, if this overlap is perceived as meaningful and relevant, consumers will invest more effort and commitment into the relationship with the brand as it is claimed by Bhattacharya and Sen (2003) who describe this as C-C identification as a results of social identity theory. According to social identity theory, identification between consumer and company increases if the company succeeds in evoking a feeling of self-definitional needs in the consumer (Tajfel & Turner, 1979).

Moreover, it was found that low levels of CSR reputation indeed decrease the quality of the relationship between the consumer and the brand. Thus, it affects the consumer's concept of correct ethical behaviour and this decrease can lead to a lower level of C-C identification (Page & Fearn, 2005). Page and Fearn (2005) further postulate that consumer attitudes can be influenced effectively if a company is perceived to act fair towards society. Consumers who value ethical behaviour tend to develop a stronger bond with brands and their products if they believe that the brand puts effort into finding ways to act responsibly which imply fairness towards other stakeholders (Page & Fearn, 2005).

Additionally, research also attempted to evaluate the mediating impact of C-C identification on the relationship between CSR initiatives and behavioural intention. In general, higher levels of C-C identification seem to positively increase certain consumer behaviour

(Bhattacharya & Sen, 2003; Currás-Pérez, Bigné-Alcañiz, & Alvarado-Herrera, 2009). Finally, Du et al. (2007) also demonstrated that CSR activities may enhance the feeling of social identification between the consumers and the corresponding company. Hence, it can be assumed that a combination of previous CSR reputation and Fair Trade communication will positively affect C-C identification, which in turn will enhance PeWOM. Consequently, the following hypotheses can be proposed:

> *H3a: The relationship between previous CSR reputation and PeWOM is mediated by C-C identification.*

> *H3b: The relationship between fit/misfit of previous CSR reputation and communicated Fair Trade message is mediated by C-C identification.*

2.6 Conceptual model

Based on theory and previous scientific findings, the current study proposes four hypotheses. Figure 1 provides a clear visualization of the paths this empirical study will analyse.
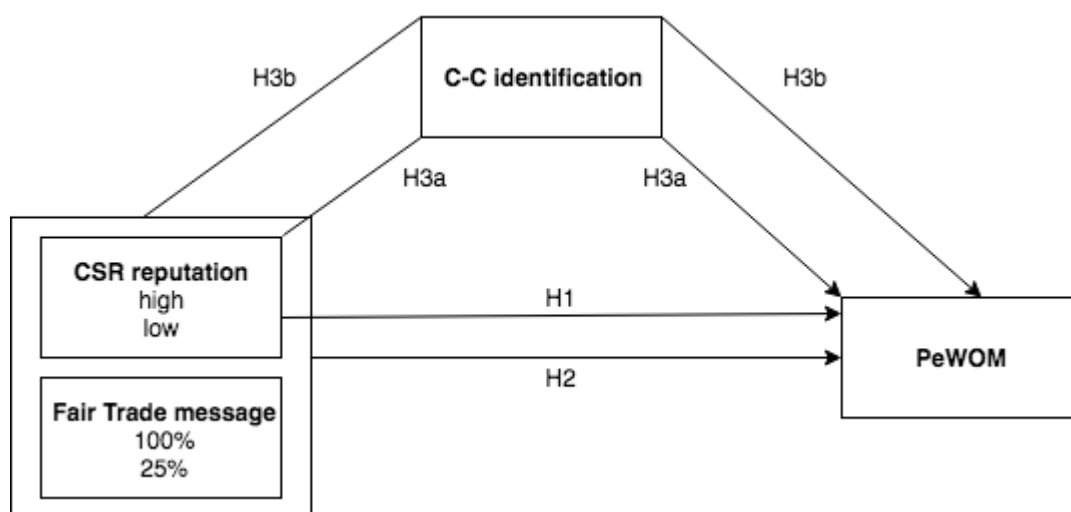
Figure 1. Conceptual model

3. Method

3.1 Research design

The experiment conducted in this study was designed to measure the effects of previous CSR reputation and type of Fair Trade communication on PeWOM. In order to test the hypotheses, the current study employed a 2 (previous CSR reputation: low, high) x 2 (Fair Trade communication: 25%, 100%) between-subject experimental design. Furthermore, this relationship was expected to be mediated by C-C identification.

3.2 Procedure and sample

The experiment was developed and designed with the online service tool, Qualtrics. To test the three hypotheses, four experimental conditions were created and examined with the results of an online experimental questionnaire. A total of 208 people participated in the experiment, divided almost equally over the following four conditions: 1) high CSR reputation and high percentage of communicated Fair Trade message, 2) high CSR reputation and low percentage of communicated Fair Trade message, 3) low CSR reputation and high communicated percentage of Fair Trade message, 4) low CSR reputation and low percentage of communicated Fair Trade message.

Participants were approached via social media networks, email and WhatsApp with a request to participate in the study. After clicking on the link, participants were introduced to the survey and guaranteed anonymity throughout the whole study. Moreover, they were informed about the option to opt out of the experiment at any given time without any consequences. Additionally, the name and occupation of the researcher were introduced, the approximate

duration to complete the survey was mentioned, and participants were asked to answer each question truthfully.

The survey consisted of nine blocks of questions to evaluate the effects of the independent variables on the dependent variable PeWOM. Subsequently, the mediating variable C-C identification was measured, as well as the control variables social media usage, source credibility, skepticism and trust in the fair trade logo. The last part of the online study asked for the demographic data (gender, age, marital status, occupation, country of origin, and level of obtained education).

3.3 Materials and manipulation

The aim of the present study was to evaluate the effect of previous CSR reputation and level of Fair Trade message on PeWOM and how this relationship is mediated by C-C identification. In order to avoid biased results, a fictitious company was used (Daily Treasure) due to a possible emotional involvement and pre-set opinions of consumers about existing brands (Park & Lessig, 1981).

Previous CSR reputation

The operationalization of the independent variable 'previous CSR reputation' was based on prior studies. Respondents were shown a Facebook post by a fictional news channel (The News) about the chocolate brand (Daily Treasure), labelling it as either high or low in CSR reputation. The information provided in the Facebook post was based on the text used in a study by Dean (2003), elaborating on CSR activities the organization engages in and hence, creating a brand image which is either high, medium or low in CSR reputation. However, as the current

study will only distinguish between high and low CSR reputation, the original three level

variable by Dean (2003) was transformed into a two level variable with the conditions high and

low previous CSR reputation. Moreover, the original wording of the content used in the study by

Dean (2003) was slightly adapted for the purpose of the current study and can be found in

Appendix A.

Fair Trade communication

Based on the results of the pretest, the second independent variable was also measured on

two levels, namely 100% Fair Trade communication and 25% Fair Trade communication. A

Facebook advertisement was created, which was shown to the respondents. The advertisement

was published by the corporate account of 'Daily Treasure' and displayed a chocolate bar with

either 25% or 100% Fair Trade production. The level of Fair Trade was clearly mentioned in the

text of the advertisement itself but also in the caption of the posting. Hence, two conditions were

expected to create a high brand-cause fit (high previous CSR reputation and high percentage of

communicated Fair Trade message; low previous CSR reputation and low percentage of

communicated Fair Trade message) and two conditions were expected to result in a low brand-

cause fit (high previous CSR reputation and low percentage of communicated Fair Trade

message; low previous CSR reputation and high percentage of communicated Fair Trade

message). Lastly, participants were asked to choose the right percentage of Fair Trade they have

been shown in the chocolate bar advertisement, in order to ensure that their answers

corresponded to the right stimuli. All stimuli can be found in Appendix A.

3.4 Pre-test of manipulation

A pretest was conducted in order to assure that the stimuli were clear to participants and could be included in the experiment.

To determine whether the manipulation of CSR reputation was successfully understood, a between-subjects design was used to randomly assign the participants to one of the two conditions. Participants $N = 41$ were exposed to the Facebook posts and they were asked to evaluate the CSR reputation of "Daily Treasure" based on the information provided in the text. An existing scale developed by Hsu (2012) was used to measure the perceived reputation. The five items comprised statements such as "*Daily Treasure has a good reputation in the field of Fair Trade*" or "*Daily Treasure is well respected in the field of Fair Trade*" and were measured on a 7-point Likert scale (1= "*Totally disagree*"; 7= "*Totally agree*"). A high score on the scale indicated a high CSR reputation. The reliability of the scale was good (Cronbach's α = .98). The results showed that participants in the high CSR reputation condition had a higher score compared to participants who were exposed to the text in the low CSR reputation condition ($M_{highCSR}$ = 5.06, SD = 1.10; M_{lowCSR} = 2.38; SD = 1.09). The one-way ANOVA showed a statistically significant difference between groups ($F(1, 38) = 59.60$, $p < .001$).

To assess whether the manipulation of the Fair Trade communication in the chocolate bar advertisement was perceived correctly, a within-subjects design was used. Four different levels of Fair Trade communication (25% Fair Trade, 50% Fair Trade, 75% Fair Trade, 100% Fair Trade) were randomly displayed to the participants $N = 41$, asking them to evaluate the advertisements on a 7-point Likert scale (1= "*Totally disagree*"; 7= "*Totally agree*") based on how realistic, how credible, and how comprehensive they perceived it. The scale proved to be of

good reliability (Cronbach's α = .86). Participants were shown one advertisement after the other in a randomized order, to identify which percentage of Fair Trade was perceived as the most and least credible one. The statistical analysis revealed that 100% of Fair Trade triggered the most positive impressions (M_{100FT} = 4.88, SD = 1.33). However, the three lower conditions did not lead to significantly different impressions (M_{75FT} = 4.60, SD = 1.43; M_{50FT} = 4.70, SD = 1.53; M_{25FT} = 4.69, SD = 1.69). Contrarily to expectations, all fair trade percentages were perceived as overall credible, realistic and comprehensive. Hence, it was decided to use the lowest (25%) and highest (100%) percentage of Fair Trade in the main study.

Lastly, in order to check whether participants perceived the displayed level of Fair Trade in the advertisements correctly, they were asked to choose the right Fair Trade percentage from a list. All items used in the pretest can be found in Appendix B.

3.5 Measures main study

3.5.1 Dependent variable: PeWOM

PeWOM was measured using an adapted version of the Eisingerich, Chun, Liu, Jia, and Bell (2015) scale. Participants had to indicate their level of agreement on a 7-point Likert scale (1= "*Very unlikely*" to 7= "*Very likely*") consisting of seven items, as for instance "*To what extent is it likely that you would like this message on Facebook?*" or "*To what extent is it likely that you would post a positive response to this message?*". The items proved to constitute a high reliability scale, Cronbach's α = .93, (M = 5.02, SD = 1.30). All items can be seen in Appendix C.

3.5.2 Mediator: C-C identification

In order to measure the mediating variable C-C identification the scale of Leach et al. (2008) was used. The scale consisted of three items which were rated by participants on a 7-point Likert scale (1= "*Totally disagree*" to 7= "*Totally agree*") and included statements like "*I feel a bond with Daily Treasure*". The scale reported a good reliability of Cronbach's α = .89 (*M* = 2.75, *SD* = 1.32). All items can be seen in Appendix C.

3.5.3 Control variables

3.5.3.1 Social media usage

As the dependent variable of the current study was PeWOM, social media usage of the respondents was required. Hence, they were presented with three items to indicate the strength of their relationship with social media. The items were taken from Dijkmans, Kerkhof and Beukeboom (2015) who based them on the original scale developed by Ellison, Steinfeld, and Lampe (2007). The scale used in the present study included items such as "*Social Media is part of my everyday life*" and the three items were measured on a 7-point Likert scale (1= "*Totally disagree*" to 7= "*Totally agree*"). The scale proofed to be of good reliability Cronbach's α = .73 (*M* = 5.03, *SD* = 1.30). The items can be found in Appendix C.

3.5.3.2 Source credibility

The second control variable assessed the credibility of the provided message about CSR reputation. Participants were asked to indicate their level of agreement on five items on a 7-point semantic differential scale. The scale is an adapted version by Meyer (1988) and was originally developed by Greer (2003). The five items were "*unfair/fair, biased/unbiased, doesn't/does tell the whole story, inaccurate/accurate, cannot/can be trusted*". The reliability analysis of the scale

showed a good reliability Cronbach's α = .82 (*M* = 4.21, *SD* = 1.07). All items can be found in Appendix C.

3.5.3.3 Trust in Fair Trade logo

The current study further controlled for participants' trust in the Fair Trade logo. A three item 7-point Likert scale by He, Li, and Harris (2012) was used to assess the effect of the logo. The scale was slightly adapted for the purpose of the study and included items like *"I trust the Fair Trade logo"*. The reliability of the scale was good with a Cronbach's α = .87 (*M* = 4.67, *SD* = 1.23). The used items can be found in Appendix C.

3.5.3.4 Skepticism

Lastly, the study also controlled for consumer skepticism of the respondents by using a scale by Obermiller and Spangeberg (1998), consisting of three items. The scale was measured on a 7-point Likert scale (1= *"Totally disagree"* to 7= *"Totally agree"*) and included items like *"I find Daily Treasure unreliable when it comes to its Fair Trade activities"*. Furthermore, the items proved to constitute a good scale of Cronbach's α = .79 (*M* = 4.24, *SD* = 1.16). All items can be found in Appendix C.

4. Results

In order to test the three proposed hypothesis of the current study, data was first collected via an experimental survey and then analysed with IBM SPSS Statistics. A total of 208 people participated in the survey with a mean age of 23.64 years (*SD* = 3.62). 59.6% of the sample (*N* = 124) was female. The majority of the participants was either Dutch (37.5% of the sample) or

Italian (22.6% of the sample). Lastly, most of the respondents indicated to have obtained a higher

level of education (74.9 % of the sample).

4.1 Manipulation check

First of all, participants of the online survey were shown the Facebook post of a news

corporation which served as the manipulation of the CSR reputation of the company. As

intended, respondents who were exposed to the high CSR condition scored higher than

respondents in the low CSR reputation ($M_{high\ CSR}$ = 5.20, SD = 1.11, 95% CI [4.99, 5.42]; $M_{low\ CSR}$

= 3.00; SD = 1.25, 95% CI [2.75, 3.26]). The one-way ANOVA revealed a statistically

significant difference between the two groups ($F(1, 207)$ = 180.82, p < .001). This means that the

manipulation of previous CSR reputation led to the intended effect and participants in the high

CSR condition perceived the company as socially responsible whereas participants in the low

CSR condition discerned the brand as socially irresponsible.

Moreover, a total of 104 participants were exposed to the low Fair Trade condition (25%

Fair Trade chocolate bar), while 104 were shown the high Fair Trade condition (100% Fair Trade

condition). The crosstabs analysis showed that overall, 92.3% correctly identified the high Fair

Trade condition, and 82.9% were able to recognize that they were shown the low Fair Trade

condition, which suggests that the manipulation for Fair Trade communication was perceived as

intended. Participants (N = 27) who perceived the level of communicated Fair Trade wrongly,

were excluded from the analysis in order to not falsify the results.

4.2 The main effect of previous CSR reputation on PeWOM

The current study hypothesized that a brand with a high previous CSR reputation leads to higher PeWOM compared to a brand with a low previous CSR reputation (H1). In order to investigate this relationship, a two-way ANCOVA was conducted. Previous CSR reputation was entered as the independent variable, PeWOM was the dependent variable, and social media usage, source credibility, trust in the Fair Trade logo, and skepticism were used as covariates. The reputation scores were not normally distributed as there was some slight kurtosis (z-score = -3.17). Because the kurtosis was not severe and the ANCOVA is fairly robust against the violation of the assumption of normality, especially if the sample size is reasonable, this should not bias the result very much. The ANCOVA did not show a significant main effect of type of previous reputation (high / low), $F(5, 175) = 0.40$, $p = .528$. Hence, Hypothesis 1 cannot be confirmed. In other words, high previous CSR reputation does not lead to higher PeWOM. Moreover, the ANCOVA revealed a significant effect for the control variables social media usage $F(5, 175) = 12.37$, $p = .001$, partial eta^2 = .066, skepticism $F(5, 175) = 19.00$, $p < .001$, partial eta^2 = .098, and source credibility $F(5, 175) = 6.42$, $p = .012$, partial eta^2 = .035. The results can be seen in Table 1.

Table 1

Analysis of Covariance (ANCOVA) summary for CSR reputation on PeWOM ($N=181$).

	df	Mean Square	*F*	*p*	Partial Eta Squared
CSR reputation	1	0.56	0.40	.528	.002
Social Media Usage	1	17.45	12.37	**.001**	.066
Trust in Fair Trade logo	1	1.18	0.84	.361	.005
Skepticism	1	26.82	19.00	**.000**	.098
Source Credibility	1	9.06	6.42	**.012**	.035

Note: significant values are in boldface

4.3 Effect of fit or misfit of previous CSR reputation and Fair Trade communication

The current study further hypothesized that a high fit between previous CSR reputation and communicated Fair Trade message will lead to higher PeWOM (H2). In order to test this relationship, a two-way ANCOVA was carried out, wherein PeWOM was the dependent variable and the fit/misfit conditions variable (two levels: fit, misfit) constituted the independent variable. Furthermore, the analysis controlled for social media usage, source credibility, skepticism and trust in the Fair Trade logo. Although higher levels of PeWOM ($M_{fit} = 2.52$, $SD = 1.49$; $M_{misfit} =$

2.37, $SD = 1.25$) could be observed in the fit conditions (high previous CSR reputation and 100% Fair Trade advertisement; low previous CSR reputation and 25% Fair Trade advertisement), the results did not reach statistical significance $F(1, 175) = 0.086, p = .770$. This means that hypothesis 2 cannot be confirmed and a high fit between previous CSR reputation and communicated Fair Trade level does not lead to higher PeWOM compared to a misfit between reputation and communicated Fair Trade level. Moreover, the ANCOVA revealed a significant effect for the control variables social media usage $F(1, 175) = 12.37, p = .001$, partial eta$^2 = .066$, skepticism $F(1, 175) = 19.00, p < .001$, partial eta$^2 = .098$, and source credibility $F(1, 175) = 6.42, p = .012$, partial eta$^2 = .035$. The results can be seen in Table 2.

Table 2

Analysis of Covariance (ANCOVA) summary for Fit/misfit Condition on PeWOM (N =181).

	df	Mean Square	F	p	Partial Eta Squared
Fit/misfit Condition	1	0.12	0.09	.770	.000
Social Media Usage	1	17.04	12.05	**.001**	.064
Trust in Fair Trade logo	1	1.31	0.93	.336	.005
Skepticism	1	30.19	21.35	**.000**	.109
Source Credibility	1	9.56	6.76	**.010**	.037

Note: significant values are in boldface

4.4 The mediating role of company - consumer identification (C-C identification)

The current thesis further hypothesized that besides the main and fit/misfit effect of CSR reputation and type of Fair Trade message, C-C identification could explain the relationship between the independent variables CSR reputation and Fair trade message and the dependent variable PeWOM (H3a and H3b). Early research on mediation studies postulates that a significant main effect has to be detected between independent and dependent variable in order to investigate a mediating variable on that relationship (Baron & Kenny, 1986). More recent research however, explains that a non-significant main effect between independent and dependent variable still allows to analyse a mediation if there is a significant effect of the independent variable on the mediator, as well as a significant effect of the mediator on the dependent variable (Hayes, 2009; Shrout & Bolger, 2012). Based on these more recent suggestions, the current study investigated whether there is a difference between previous CSR reputation and the communicated level of Fair Trade in the amount of PeWOM that can be explained by differences in C-C identification. To investigate this relationship, two mediation analyses were performed using the procedures developed by Preacher and Hayes (Hayes, 2012).

First, it was investigated whether there is a difference between previous CSR reputation in the amount of PeWOM that can be explained by differences in C-C identification (H3a). In this analysis, previous CSR reputation was entered as a predictor to PeWOM, and C-C identification was entered as a mediator. The model is displayed below (Figure 2). The analysis revealed that previous CSR reputation was indeed related to C-C identification ($b = 0.37$, $SE = 0.06$, $p < .001$), and the mediator C-C identification was significantly related to PeWOM ($b = 0.69$, $SE = 0.06$, $p < .001$). There was a significant total effect of previous CSR reputation on

PeWOM (b = 0.24, SE = 0.06, p = .001), indicating that a higher perceived reputation leads to a positive impact on PeWOM. This effect decreased when adding the mediator to the model, presenting a direct effect of b = -0.02, SE = 0.05, p = .713. The total indirect effect of previous CSR reputation on PeWOM was significant since the confidence intervals do not cross zero b = 0.25, SE = 0.04, 95% BCa CI [0.17, 0.35], so it is permitted to interpret the individual indirect effects. The completely standardized indirect effect with C-C identification as mediator was b = 0.30, SE = 0.48, 95% BCa CI [0.21, 0.40], which represents a large effect. Thus, hypothesis 3a can be confirmed.
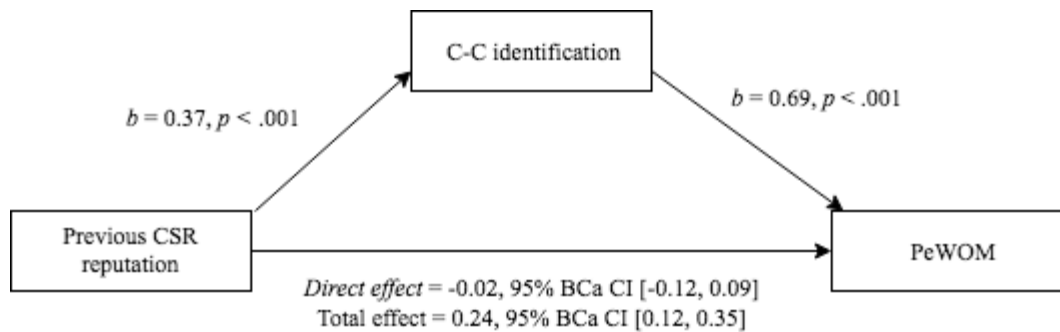
Figure 2. Relationship between previous CSR reputation and PeWOM, mediated by C-C identification

Second, to investigate whether there is a difference between fit/misfit between previous CSR reputation and communicated Fair Trade message in the amount of PeWOM that can be explained by differences in C-C identification, a mediation analysis was performed using the procedures developed by Preacher and Hayes (Hayes, 2012). In this analysis, the fit/misfit variable (two levels fit, misfit) was entered as a predictor to PeWOM, and C-C identification was entered as a mediator. The model is displayed below (Figure 3). As can be seen, the fit/misfit

condition was not related to C-C identification ($b = -0.17$, $SE = 0.20$, $p = .390$). The mediator C-C identification was significantly related to PeWOM ($b = 0.67$, $SE = 0.06$, $p < .001$). The total effect of fit/misfit on PeWOM was not significant ($b = -0.14$, $SE = 0.20$, $p = .484$). This effect increased when adding the mediator to the model, presenting a direct effect of $b = -0.03$, $SE = 0.15$, $p = .860$. The total indirect effect of fit/misfit on PeWOM was not significant since the confidence intervals cross zero $b = -0.12$, $SE = 0.14$, 95% BCa CI [-0.39, 0.14]. Hence, it can be concluded that the effect of fit/misfit between previous CSR reputation and communicated Fair Trade message on PeWOM can not be explained by C-C identification and H3b is rejected.
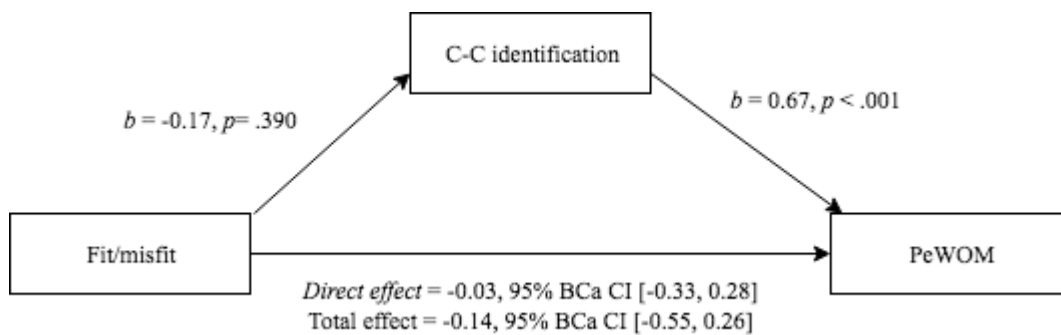
Figure 3. Relationship between fit/misfit and PeWOM, mediated by C-C Identification

4.5 Further analyses

Additional analyses have been conducted in order to identify possible patterns in the relationship between the variables.

First of all, two independent t-test were performed in order to check which condition (high previous reputation and 100% Fair Trade; high previous reputation and 25% Fair Trade; low previous reputation and 100% Fair Trade; low previous reputation and 25% Fair Trade) led to higher C-C identification. Previous CSR reputation was entered as the independent variable

and C-C identification was used as dependent variable. The results showed that a high previous CSR reputation led to higher C-C identification ($M = 3.21$, $SD = 1.38$), compared to low previous CSR reputation ($M = 2.28$, $SD = 1.13$). The test revealed that this difference was statistically significant $t(181) = 4.96$, $p < .001$, 95% CI [0.56, 1.30]. Thus, it can be concluded that a high previous CSR reputation increases the identification between consumers and companies. A second independent t-test was carried out with type of fair trade message as the independent variable and C-C identification as independent variable. On average, the 100% Fair Trade message led to higher C-C identification ($M = 3.04$, $SD = 1.45$) compared to the 25% Fair Trade message ($M = 2.48$, $SD = 1.20$). The t-test showed that this difference was significant $t(181) = 2.83$, $p = .005$, 95% CI [0.17, 0.96]. This means that higher levels of Fair trade messages increase C-C identification. Consequently, it can be said that a high previous CSR reputation in combination with high levels of Fair Trade lead to the highest C-C identification.

Furthermore, a one-way ANOVA was performed in order to investigate the relationship between previous CSR reputation and consumer skepticism. In the analysis, previous reputation was entered as independent variable and skepticism was used as the dependent variable. The overall ANOVA was significant, indicating that there are differences in how skeptical consumers are depending on the company's previous CSR reputation $F(1, 180) = 22.87$, $p < .001$. People who were exposed to the high previous CSR reputation condition were less skeptical towards Daily Treasure's Fair Trade activities compared to people who were shown the low previous CSR condition ($M_{highCSR} = 3.87$, $SD = 1.24$; $M_{lowCSR} = 4.67$, $SD = 0.99$).

A second one-way ANOVA was performed to shed light on how a fit or misfit between previous CSR reputation and communicated Fair Trade message may affect consumer skepticism In the analysis, fit/misfit was used as independent variable and skepticism was entered as

dependent variable. The ANOVA revealed a significant difference, indicating that skepticism depends on how well the Fair Trade message fits the company's previous reputation $F(1, 180) = 4.80, p = .030$. People who were exposed to the fit condition were less skeptical towards Daily Treasure's Fair Trade activities compared to people who were shown the misfit condition ($M_{fit} = 4.08, SD = 1.22$; $M_{misfit} = 4.46, SD = 1.13$).

4.6 Further analyses on the variables

Apart from the additional analyses on the effect of the experimental condition, several analyses were conducted with the control variables, the mediator and the dependent variable. A correlation analysis was performed to assess the relationships between all used variables. Table 3 shows the correlations the variables.

Table 3

Correlation among the measured variables (N =181).

	PeWOM	CSR reputation	Source Credibility	Social Media Usage	Trust in Fair Trade Logo	Skepticism	Chocolate consumption	C-C identification
PeWOM	1							
CSR reputation	.28**	1						
Source Credibility	.31**	.15*	1					
Social Media Usage	.32**	-.04	.25**	1				
Trust in Fair Trade Logo	.25**	.14	.29**	.20**	1			
Skepticism	-.39**	-.48**	-.16**	-.09	-.26**	1		
Chocolate consumption	.29**	-.00	.13	.27**	.14	-.03	1	
C-C identification	.66**	.45**	.20**	.15	.34**	-.52**	.19**	1

Note: *p < .05 sig. level, **p < .01 sig. level

The correlation analysis revealed which variables of the current study related the most to each other. The dependent variable PeWOM is related to every measure, in particular with the

mediating variable C-C identification ($r = .66$, $p < .001$). Furthermore, skepticism is negatively correlated to all variables which makes intuitive sense, as higher levels of skepticism negatively affects certain consumer behaviour. Specifically, when participants were more skeptical, they were less likely to engage in PeWOM ($r = -.39$, $p < .001$), trusted the source of the message less $r = -.16$, $p = .028$), trusted the Fair Trade logo less ($r = -.26$, $p < .001$), and had lower levels of C-C identification ($r = -.52$, $p < .001$).

Furthermore, a PROCESS mediation analysis (Hayes, 2012) was conducted with skepticism as an independent variable, PeWOM as a dependent variable, and C-C identification was entered as a mediator. The model is displayed below (Figure 4). The analysis revealed that skepticism was indeed negatively related to C-C identification ($b = -0.59$, $SE = 0.07$, $p < .001$), and the mediator C-C identification was significantly related to PeWOM ($b = 0.64$, $SE = 0.07$, $p < .001$). There was a significant total effect of skepticism on PeWOM ($b = -0.45$, $SE = 0.08$, $p = .001$), indicating that a higher level of skepticism negatively affect PeWOM. This effect decreased when adding the mediator to the model, presenting a direct effect of $b = -0.07$, $SE = 0.08$, $p = .384$. The total indirect effect of skepticism on PeWOM was significant since the confidence intervals do not cross zero $b = -0.38$, $SE = 0.58$, 95% BCa CI [-0.50, -0.28], so it is permitted to interpret the individual indirect effects. The completely standardized indirect effect with C-C identification as mediator was $b = -0.33$, $SE = 0.45$, 95% BCa CI [-0.43, -0.35], which represents a large effect. Hence it can be concluded that the relationship between skepticism and PeWOM can be explained by C-C identification.
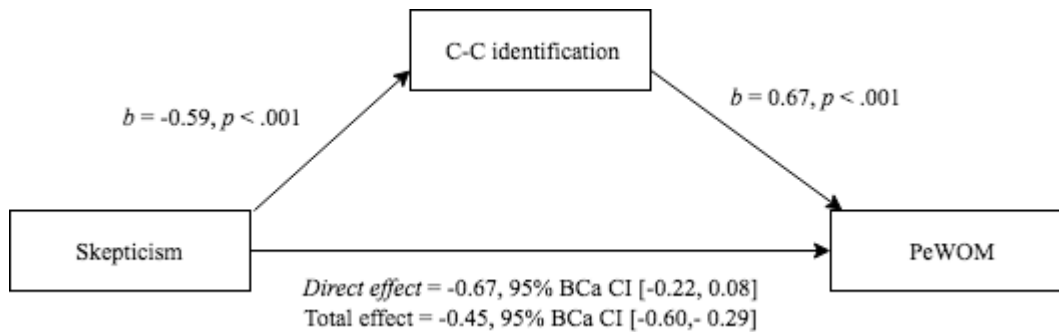
Figure 4. Relationship between skepticism and PeWOM, mediated by C-C

Identification

4.7 Structural equation modelling

Lastly, to further analyse the relationships between CSR reputation and the dependent

variable PeWOM, taking into account C-C identification as well as consumer skepticism, CFA in

AMOS SPSS 23.0 was conducted (Arbuckle, 2012). To evaluate the fit of the model, the

following statistics were used: chi-square estimate with degrees of freedom ($\chi 2$/d.f.),

comparative fit index (CFI), Tucker– Lewis index (TLI) and the root mean squared error of

approximation (RMSEA). The used model had a good fit ($\chi 2$/df = 2.18; CFI = .950; TLI = .940;

RMSEA = .081) according to the criteria proposed by researchers (Hu & Bentler, 1997; Ullman,

2001; Schumacher & Lomax, 2004). The dependent variable was divided into two constructs in

which one measured PeWOM concerning the message and one measured PeWOM concerning

the brand itself. The two constructs were correlated (r = .85, p < .001). The analysis revealed that

previous CSR reputation was positively related to C-C identification (β = 0.25, p = .002) and

negatively related to skepticism (β = -0.50, p < .001). Similar to the mediation analysis in the

main study, C-C identification mediated the relationship between reputation and PeWOM

concerning the message ($ß$ = 0.65, p < .001) as well as PeWOM concerning the brand ($ß$ = 0.71,

p < .001). Skepticism was negatively related to C-C identification ($ß$ =- 0.45, p < .001), which

means that more skeptical consumers experience lower levels of C-C identification and hence

report lower levels of PeWOM. In summary, the results of the structural equation modelling

support the results from the previous explained statistical analyses. An overview of the

relationships between the measured constructs can be seen in Figure 5 below.
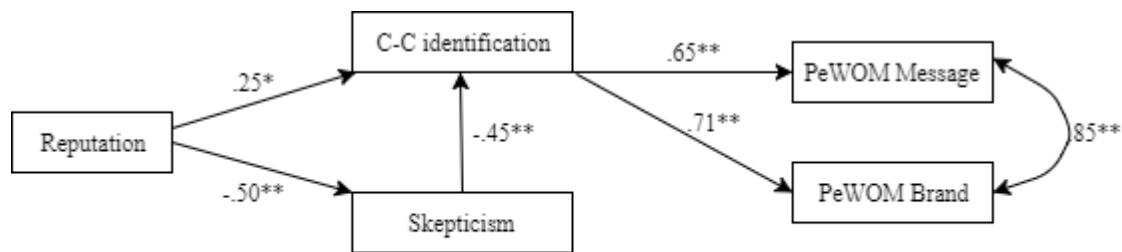
N.B. * = significant on p < .05, ** = significant on p < .01.

Figure 5. The structural model with the standardized beta values

5. Conclusion and discussion

This final section will discuss the findings of the present study in light of the statistical

analyses conducted and their outcomes. In this investigation, the aim was to contribute to an

understanding of how chocolate brands can increase positive electronic word of mouth

(hereinafter PeWOM) through their CSR reputation and Fair Trade communication. While

previous studies assessed the impact of CSR reputation (Du, et al., 2007; Castaldo, et al., 2009;

Kim & Lee, 2009) on consumer responses and behaviour, it has remained unclear how different

levels of communicated Fair Trade aligns with previous CSR reputation and what effect it causes

in consumers. Moreover, the current study aimed to add to the knowledge of the role of consumer-company identification (hereinafter C-C identification) in the relationship between the independent variables and PeWOM.

5.1 Summary of the findings

In the current study, several hypotheses have been formed. First, H1 investigated the effects of a high or low previous CSR reputation on PeWOM. Contrary to expectations, consumers did not engage more in PeWOM for brands which have a high previous CSR reputation compared to brands with a low previous CSR reputation.

Second, the results disconfirmed that a high fit between previous CSR reputation and communicated Fair Trade message led to higher PeWOM than a misfit between the two variables (H2). Even if generally higher levels of PeWOM could be observed for the high fit condition compared to the misfit condition, the results did not reach statistical significance.

Third, results showed support for H3a stating that C-C identification fully mediates the relationship between previous CSR reputation and PeWOM. Specifically, high previous CSR reputation increased C-C identification which in turn led to higher levels of PeWOM, whereas low previous CSR reputation caused lower C-C identification and thus, triggered less PeWOM. Contrarily, the results did not confirm a mediation of C-C identification between fit/misfit condition and PeWOM (H3b).

Lastly, additional analyses were performed in order to detect further possible relationships between the variables. The results showed that previous CSR reputation was negatively related to consumer skepticism, meaning that a high previous reputation led to less skeptical consumers. Interestingly, this effect held when using the fit/misfit condition as an

independent variable. Precisely, a high fit between previous CSR reputation and communicated Fair Trade message leads to lower levels of skepticism than a misfit. Moreover, analyses in structural equation modelling detected a significant mediation of C-C identification on the relationship between skepticism and PeWOM, as higher levels of skepticism led to lower C-C identification and lower PeWOM among the participants. In the following section, the theoretical implications of the current study will be elaborated.

5.2 Discussion and theoretical implications

From a theoretical perspective, the current thesis adds relevant insights to the existing research on CSR and Fair Trade and sheds light on how PeWOM can be improved by using Fair Trade communication for chocolate.

Previous research evaluated CSR initiatives of an organization as an effective approach to increase favourable consumer attitudes and positively influence consumers' trust in the brand (Smith, 2003; Du, et al., 2007; Castaldo, et al., 2009). As social media has become a popular place for consumers to form impressions not only about a specific product but especially about the brand itself, numerous brands adapted their communication strategies to this trend and started to implement their CSR strategies also on their social media platforms (Etter & Plotkowiak, 2013). Despite this prominent trend towards social, it has not yet been investigated how eWOM can be affected by CSR reputation of a brand and its Fair Trade communication. However, the current study could not detect a difference in high versus low previous CSR reputation on PeWOM. Importantly however, the relationship turned out to be significant when it was mediated by C-C identification. This is a relevant finding as it supports numerous studies that focus on the role of high levels of C-C identification and the impact it may have on how much

effort and value a consumer invests in the relationship with the brand (Bhattacharya and Sen, 2003; Currás-Pérez, et al., 2009). If a brand is perceived to act fair towards stakeholders, it may further increase C-C identification (Page & Fearn, 2005). Hence, the results of the current study support these findings as the relationship between previous CSR reputation and PeWOM was fully mediated by C-C identification. Precisely, a high reputation increased the identification levels, which in turn led to higher PeWOM.

Furthermore, in contrast to numerous studies that have investigated the positive effects of a fit between company and message (Becker-Olsen, 2006; Seok Sohn, et al.; 2012), the results of this thesis did not reveal a significant effect of a perceived fit/misfit between CSR reputation and communicated Fair Trade message on PeWOM. Moreover, a fit between CSR reputation and Fair Trade message did not increase C-C identification either. A possible explanation for these insignificant findings can be found in the social identity theory (Tajfel & Turner, 1979), which postulates that consumers experience a connection to brands or organizations which share a similar perspective on certain issues. If a brand has a high previous CSR reputation and communicates low Fair Trade levels for a product, altruistic consumers may still value the brand for its CSR initiatives and consequently, perceive low levels of Fair Trade as an altruistic effort. In fact, this tendency was also visible in the results of the pretest, which revealed that respondents perceived all levels of Fair Trade advertisements as understandable, realistic and credible no matter the displayed percentage (25%, 50%, 75%, 100 %). In other words, even the lowest level of Fair Trade triggered positive evaluations from the participants, meaning that low Fair Trade percentages are still evaluated as valuable and are therefore more favourable than no Fair Trade.

Additionally, this could also explain why there were no significant findings for the effect of misfit/fit conditions on PeWOM. Precisely, despite the reputation and message being a misfit, there was no difference in the amount of PeWOM concerning the brand. Interestingly, there was also no significant mediation through C-C identification between the two variables. While engaging in PeWOM can be evaluated as a meaningful behavioural consumer action, which is more difficult to influence than C-C identification, since it represents an attitude (Ajzen, & Fishbein, 1980). However, neither behaviour nor attitude led to significant differences in PeWOM. It can be argued that Fair Trade not only contributes to a company's perceived altruistic efforts, but may also enhance a consumer's personal status. By choosing a Fair Trade over a regular product, a consumer's appearance as a prosocial human being who cares for others is put into the spotlight, which positively affects a person's reputation and hence, influences the consumer (Griskevicius, Tybur, & Van den Bergh, 2010). In other words, even the lowest levels of Fair Trade can affect the consumer in a positive way.

Moreover, the additional analyses conducted in the study proved that consumer skepticism is an important factor that needs to be taken into account when investigating the effects of Fair Trade communication and CSR reputation on PeWOM. Precisely, consumers vary in skepticism depending on a company's previous CSR reputation. In addition, high levels of skepticism negatively influence C-C identification and PeWOM. These findings add further insights to the existing theory of consumer skepticism. Previous research revealed that consumer skepticism may be evoked by a company's stakeholder driven CSR strategies and threaten company reputation by decreasing positive consumer believes about the corporation (Skarmeas, & Leonidou, 2013). Similarly, Vanhamme and Grobben (2009) found that skepticism may trigger consumer doubts and negative product as well as company perceptions. Whereas both

studies identified consumer skepticism as a threat to positive consumer evaluations of a company (WOM), the current study focused on the impact skepticism may have on eWOM. In fact, not only does it negatively affect C-C identification but most importantly PeWOM. Consequently, it can be concluded that high levels of skepticism pose a threat for the stimulation of positive consumer behaviour on social media platforms.

5.3 Practical implications

From a practical perspective, the current study has several managerial implications. Marketers can be advised that chocolate brands should place efforts on three main aspects. First of all, they should focus on building strong relationships with their customers by focusing on C-C identification as it has been shown to be positively related to PeWOM. The study revealed that even if consumers are not familiar with the brand, they still identify with it if the brand is in possession of a history of valuable CSR initiatives. This presents a relevant implication for brands which plan to expand to a new market: a previous high CSR reputation can facilitate successful social media campaigns as high C-C identification will trigger PeWOM.

Second, chocolate brands should take consumer skepticism into account. Consumers may experience skepticism towards advertisements for distinctive reasons and it has been shown to negatively affect various attitudes in consumers (Becker-Olsen et al., 2006). In fact, the results of this study also revealed that a low previous CSR reputation leads to more skepticism than a high previous CSR reputation and may decrease C-C identification. However, by focusing on C-C identification as well as consumer skepticism, chocolate brands may effectively increase PeWOM on social media, which has been revealed to positively contribute to favourable attitudes of consumers (Steffes & Burgee, 2009). This is a highly important implication as

research proved that eWOM appears to be perceived as highly credible by consumers and is often used as a valuable source to form an impression about a product or brand (Doh & Hwang, 2009). The following section will discuss the limitations of the current study which need to be taken into consideration for the interpretation of the results.

5.4 Limitations and further research

The present study has some limitations which need to be acknowledged. First of all, the non-significant main effects of previous CSR reputation as well as fit/misfit condition on the dependent variable PeWOM could be explained by people's hesitance to engage in eWOM. Eisingerich et al. (2015) revealed that oftentimes people hesitate to spread eWOM due to the fact that there is a social risk involved. Spreading one's opinion on social media implies that others have unlimited access to it and can trace back to it. Contrarily, WOM in offline environments is oftentimes bound to a certain situation only and vanishes afterwards which is why, people might experience a considerably lower social risk. Therefore, future studies could control for participants perceived social risk when engaging in eWOM.

Moreover, the use of the fictional chocolate brand 'Daily Treasure' needs to be considered when interpreting the results. In fact, it was chosen to use a fictional brand in order to reduce the effect of intervening variables, and thus, increasing internal validity. However, this approach lowered the applicability of the experiment to reality as it is unlikely that consumers are exposed to a social advertisement of a brand completely unknown to them. In other words, consumers in real life use more factors to evaluate on a brand, their product, and the advertisement they are exposed to (Brown & Dacin, 1997). Hence, future research could replicate the study with existing brands and controlling for participants' familiarity with them.

By doing so, external validity can be increased and results are easier to generalize; yet, it needs to be acknowledged that internal validity might in turn more easily be threatened.

Furthermore, future studies could investigate the effect of CSR reputation and Fair Trade communication on negative word of mouth (hereinafter NeWOM) instead of PeWOM. As skepticism was shown to be a crucial factor to consider when investigating CSR and Fair Trade, it is likely that there might be a stronger relationship with NeWOM than with PeWOM. In fact, negative facts spread more fast and people tend to be more prone to speak about it, especially on social media (Park, Cha, Kim, & Jeong, 2012). Therefore, a lower C-C identification and higher consumer skepticism might trigger more NeWOM. Hence, future studies could reproduce the current study but also include NeWOM as a dependent variable.

Lastly, it can be argued that one advertisement alone might not affect people to a great extend and does not change their mind concerning a product. In fact, to analyse and predict consumer behaviour, it can be useful to observe changes over time. Past studies focusing on organizational effectiveness and customer attitudes conducted multiple studies or experiments to draw more meaningful conclusions (Bolton, & Drew, 1991; Koys, 2001). Consequently, further research should conduct longitudinal studies with repeated measures in order to gain a more representative result which can be applied more easily to actual brands and the relationship with their customers.

5.5 Conclusion

The current thesis attempted to provide insights into how previous CSR reputation and Fair Trade communication can affect PeWOM and what role C-C identification plays in this relationship. In conclusion, it can be said that despite the acknowledged limitations, this thesis

proved that PeWOM concerning a chocolate brand heavily depends on how strongly consumers identify with the brand. Furthermore, high CSR reputation facilitates C-C identification and also successfully lowers consumer skepticism. Nevertheless, a fit between previous CSR reputation of the chocolate brand and its communicated Fair Trade message does not increase people's willingness to spread PeWOM on social platforms. Contrarily, both high CSR reputation and high levels of Fair Trade in an advertisement lead to higher C-C identification. Hence, it is advisable for chocolate brands to focus on meaningful CSR efforts to increase C-C identification and lower skepticism, which will eventually lead to more PeWOM.

REFERENCES

Ajzen, I., & Fishbein, M. (1980). *Understanding attitudes and predicting social behaviour*. Englewood-Cliffs, NJ: Prentice-Hall, Inc.

Andorfer, V. A., & Liebe, U. (2012). Research on Fair Trade consumption—A review. *Journal of Business Ethics*, *106*(4), 415-435.

Arbuckle, J. L. (2012). *IBM SPSS AMOS* (Version 21.0) [Computer Program]. Chicago, IL*:* International Business Machines.

Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology, 51*(6), 1173-1182.

Becker-Olsen, K. L., Cudmore, B. A., & Hill, R. P. (2006). The impact of perceived corporate social responsibility on consumer behavior. *Journal of Business Research*, *59*(1), 46-53.

Bhattacharya, C. B., & Sen, S. (2003). Consumer-company identification: A framework for understanding consumers' relationships with companies. *Journal of Marketing*, *67*(2), 76-88.

Bickart, B., & Schindler, R. M. (2001). Internet forums as influential sources of consumer information. *Journal of Interactive Marketing*, *15*(3), 31-40.

Bolton, R. N., & Drew, J. H. (1991). A longitudinal analysis of the impact of service changes on customer attitudes. *The Journal of Marketing, 55*(January), 1-9.

Brown, T. J., & Dacin, P. A. (1997). The company and the product: Corporate associations and consumer product responses. *Journal of Marketing, 61*(1), 68-84.

Busch, L. (2016). Individual choice and social values: Choice in the agrifood sector. *Journal of Consumer Culture*, *16*(1), 124-143.

Carroll, A.B. (1999). Corporate social responsibility: Evolution of a definitional construct, *Business and Society, 38*(3), 268-295.

Carrigan, M., & Attalla, A. (2001). The myth of the ethical consumer–do ethics matter in purchase behaviour?. *Journal of Consumer Marketing*, *18*(7), 560-578.

Castaldo, S., Perrini, F., Misani, N., & Tencati, A. (2009). The missing link between corporate social responsibility and consumer trust: The case of Fair Trade products. *Journal of Business Ethics*, *84*(1), 1-15.

Currás-Pérez, R., Bigné-Alcañiz, E., & Alvarado-Herrera, A. (2009). The role of self-definitional principles in consumer identification with a socially responsible company. *Journal of Business Ethics*, *89*(4), 547-564.

Dahlsrud, A. (2008). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management, 15*(1), 1-13.

Dean, D. H. (2003). Consumer perception of corporate donations effects of company reputation for social responsibility and type of donation. *Journal of Advertising*, *32*(4), 91-102.

de Pelsmacker, P., Driesen, L., & Rayp, G. (2005). Do consumers care about ethics? Willingness to pay for fair-trade coffee. *Journal of Consumer Affairs*, *39*(2), 363-385.

de Pelsmacker, P., & Janssens, W. (2007). A model for Fair Trade buying behaviour: The role of perceived quantity and quality of information and of product-specific attitudes. *Journal of Business Ethics*, *75*(4), 361-380.

de Pelsmacker, P., Janssens, W., Sterckx, E., & Mielants, C. (2006). Fair-trade beliefs, attitudes and buying behaviour of Belgian consumers. *International Journal of Nonprofit and Voluntary Sector Marketing*, *11*(2), 125-138.

Dijkmans, C., Kerkhof, P., & Beukeboom, C. J. (2015). A stage to engage: Social media use and corporate reputation. *Tourism Management*, *47*, 58-67.

Dijkmans, C., Kerkhof, P., Buyukcan-Tetik, A., & Beukeboom, C. J. (2015). Online conversation and corporate reputation: A two-wave longitudinal study on the effects of exposure to the social media activities of a highly interactive company. *Journal of Computer-Mediated Communication*, *20*(6), 632-648.

Doane, D., & Abasta-Vilaplana, N. (2005). The myth of CSR. *Stanford Social Innovation Review*, *3*(3), 22-29.

Doh, S. J., & Hwang, J. S. (2009). How consumers evaluate eWOM (electronic word-of-mouth) messages. *CyberPsychology & Behavior*, *12*(2), 193-197.

Du, S., Bhattacharya, C. B., & Sen, S. (2007). Reaping relational rewards from corporate social responsibility: The role of competitive positioning. *International Journal of Research in Marketing*, *24*(3), 224-241.

Du, S., Bhattacharya, C. B., & Sen, S. (2010). Maximizing business returns to corporate social responsibility (CSR): The role of CSR communication. *International Journal of Management Reviews*, *12*(1), 8-19.

Eisenegger, M., & Schranz, M. (2011). Reputation management and corporate social responsibility. *The Handbook of Communication and Corporate Social Responsibility*, 128-146.

Eisingerich, A. B., Chun, H. H., Liu, Y., Jia, H. M., & Bell, S. J. (2015). Why recommend a brand face-to-face but not on Facebook? How word-of-mouth on online social sites differs from traditional word-of-mouth. *Journal of Consumer Psychology*, *25*(1), 120-128.

Ellison, N. B., Steinfield, C., & Lampe, C. (2007). The benefits of Facebook "friends:" Social capital and college students' use of online social network sites. *Journal of Computer-Mediated Communication*, *12*(4), 1143-1168.

Etter, M., & Plotkowiak, T. (2013). *CSR communication strategies for Twitter,* presented at The 61stAnnual Conference of the International Communication Association, Boston, New York. 1-42.

Fairtrade Foundation. (2017). *Facts and Figures about Fairtrade.* Retrieved from http://www.fairtrade.org.uk/What-is-Fairtrade/Facts-and-Figures. Accessed on Sept 23, 2017.

Fombrun, C. J. (2005). A world of reputation research, analysis and thinking—building corporate reputation through CSR initiatives: Evolving standards. *Corporate Reputation Review*, *8*(1), 7-12.

Golding, K. M. (2009). Fair trade's dual aspect: The communications challenge of Fair Trade marketing. *Journal of Macromarketing*, *29*(2), 160-171.

Griskevicius, V., Tybur, J. M., & Van den Bergh, B. (2010). Going green to be seen: Status, reputation, and conspicuous conservation. *Journal of Personality and Social Psychology, 98*(3), 392.

Hayes, A. F. (2009). Beyond Baron and Kenny: Statistical mediation analysis in the new
    millennium. *Communication Monographs, 76*(4), 408-420.

Hayes, A. F. (2012). *PROCESS*: *A versatile computational tool for observed variable mediation,
    moderation, and conditional process modeling*. [White paper]. Retrieved from http://
    www.afhayes.com/public/process2012.pdf.

Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004). Electronic
    word-of-mouth via consumer-opinion platforms: What motivates consumers to articulate
    themselves on the internet?. *Journal of Interactive Marketing*, *18*(1), 38-52.

Hira, A., & Ferrie, J. (2006). Fair trade: Three key challenges for reaching the mainstream.
    Journal of Business Ethics, *63*(2), 107-118.

Hu, L. T., & Bentler, P. M. (1997). *Selecting cutoff criteria for fit indexes for model evaluation:
    Conventional criteria versus new alternatives*. Santa Cruz, CA, Univ. of California.

Hsu, K. T. (2012). The advertising effects of corporate social responsibility on corporate
    reputation and brand equity: Evidence from the life insurance industry in Taiwan.
    Journal of Business Ethics, *109*(2), 189-201.

Ims, K. J., & Jakobsen, O. D. (2006). Cooperation and competition in the context of organic and
    mechanic worldviews–a theoretical and case based discussion. *Journal of Business
    Ethics*, *66*(1), 19-32.

Koys, D. J. (2001). The effects of employee satisfaction, organizational citizenship behavior, and
    turnover on organizational effectiveness: A unit-level, longitudinal study. *Personnel
    Psychology*, *54*(1), 101-114.

Krier, J. M. (2001). *Fair trade in Europe 2001: Facts and Figures on the Fair Trade sector in 18
    European Countries*. Maastricht: EFTA Research Report.

Krier, J. M. (2008). *Fair Trade 2007: New facts and figures from an ongoing success story. A
    report on Fair Trade in 33 consumer countries*. Culemborg: DAWS.

Leach, C. W., Van Zomeren, M., Zebel, S., Vliek, M. L., Pennekamp, S. F., Doosje, B.,
    Ouwerkerk, J. W., & Spears, R. (2008). Group-level self-definition and self-investment:
    A hierarchical (multicomponent) model of in-group identification. *Journal of Personality
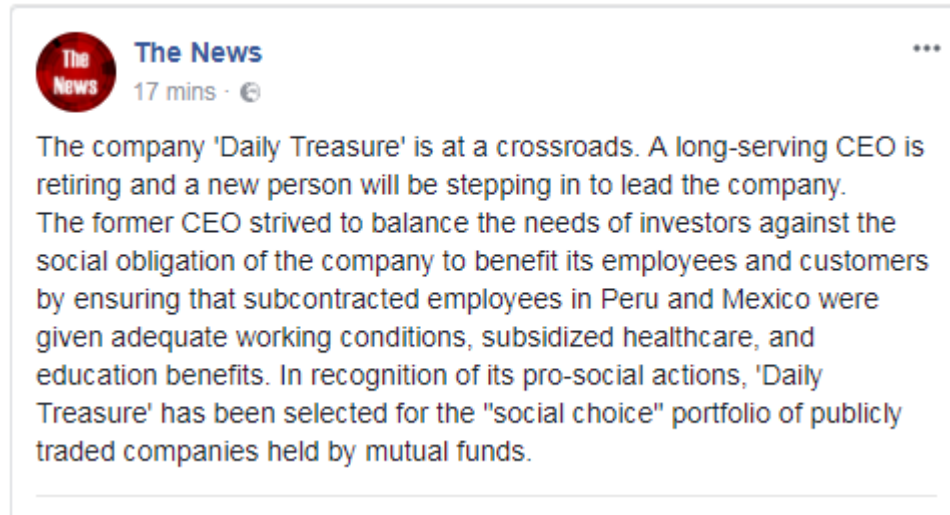   and Social Psychology*, *95*(1), 144-165.

Loureiro, M. L., & Lotade, J. (2005). Do Fair Trade and eco-labels in coffee wake up the consumer conscience?. *EcologicalEeconomics*, *53*(1), 129-138.

Low, W., & Davenport, E. (2006). Mainstreaming Fair Trade: adoption, assimilation, appropriation. *Journal of Strategic Marketing*, *14*(4), 315-327.

Mohan, S. (2009). Fair trade and corporate social responsibility. *Economic Affairs*, *29*(4), 22-28.

Moore, G. (2004). The Fair Trade movement: Parameters, issues and future research. *Journal of Business Ethics*, *53*(1), 73-86.

Obermiller, C., & Spangenberg, E. R. (1998). Development of a scale to measure consumer skepticism toward advertising. *Journal of Consumer Psychology, 7*(2), 159-186.

Page, G., & Fearn, H. (2005). Corporate reputation: What do consumers really care about?. *Journal of Advertising Research*, *45*(3), 305-313.

Park, C. W., & Lessig, V. P. (1981). Familiarity and its impact on consumer decision biases and heuristics. *Journal of Consumer Research, 8*(2), 223-230.

Park, J., Cha, M., Kim, H., & Jeong, J. (2012). Managing bad news in social media: A case study on Domino's Pizza Crisis. *Proceedings of the Sixth International AAAI Conference on Weblogs and Social Media*, 282-289.

Renard, M. C. (2005). Quality certification, regulation and power in Fair Trade. *Journal of Rural Studies*, *21*(4), 419-431.

Romani, S., Grappi, S., & Bagozzi, R. P. (2013). Explaining consumer reactions to corporate social responsibility: The role of gratitude and altruistic values. *Journal of Business Ethics*, *114*(2), 193-206.

Skarmeas, D., & Leonidou, C. N. (2013). When consumers doubt, watch out! The role of CSR skepticism. *Journal of Business Research*, *66*(10), 1831-1838.

Shrout, P. E., & Bolger, N. (2002). Mediation in experimental and nonexperimental studies: New procedures and recommendations. *Psychological Methods, 7*(4), 422.

Schumacker, R. E., & Lomax, R. G. (2004). *A beginner's guide to structural equation modeling*. Mahwah, New Jersey: Psychology Press.

Sen, S., & Bhattacharya, C. B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, *38*(2), 225-243.

Seok Sohn, Y., Han, J. K., & Lee, S. H. (2012). Communication strategies for enhancing perceived fit in the CSR sponsorship context. *International Journal of Advertising*, *31*(1), 133-146.

Smith, N. C. (2003). Corporate social responsibility: Whether or how?. *California management Review*, *45*(4), 52-76.

Steffes, E. M., & Burgee, L. E. (2009). Social ties and online word of mouth. *Internet Research*, *19*(1), 42-59.

Stokburger-Sauer, N., Ratneshwar, S., & Sen, S. (2012). Drivers of consumer–brand identification. *International Journal of Research in Marketing*, *29*(4), 406-418.

Tajfel, H. & Turner, J. C. (1979). An integrative theory of intergroup conflict. In Worchel, S. & Austin, W. G. (Eds.), *The Social Psychology of Intergroup Relations* (33-47). Monterey, CA: Brooks/Cole.

Tallontire, A., Rentsendorj, E., & Blowfield, M. (2001). Ethical consumers and ethical trade: A review of current literature (NRI Policy Series 12).

Trusov, M., Bucklin, R. E., & Pauwels, K. (2009). Effects of word-of-mouth versus traditional marketing: findings from an internet social networking site. *Journal of Marketing*, *73*(5), 90-102.

Ullman, J. B. (2001). Structural Equation modeling. In Tabachnick, B. G. & Fidell, L. S. (Eds.), *Using Multivariate Statistics* (653-771). Boston: Allyon and Bacon.

Vanhamme, J., & Grobben, B. (2009). "Too good to be true!". The effectiveness of CSR history in countering negative publicity. *Journal of Business Ethics*, *85*(2), 273-283.

Vlachos, P.A., Tsamakos, A., Vrechopoulos, A.P., & Avramidis, P.K. (2009). Corporate social responsibility: Attributions, loyalty, and the mediating role of trust. *Journal of the Academy of Marketing Science, 37*(2), 170-180.

Wright, L. T., & Heaton, S. (2006). Fair Trade Marketing: An exploration through qualitative research. *Journal of Strategic Marketing*, *14*(4), 411-426.

Zhang, J. Q., Craciun, G., & Shin, D. (2010). When does electronic word-of-mouth matter? A study of consumer product reviews. *Journal of Business Research*, *63*(12), 1336-1341.

Ziek, P. (2009). Making sense of CSR communication. *Corporate Social Responsibility and Environmental Management*, *16*(3), 137-145.
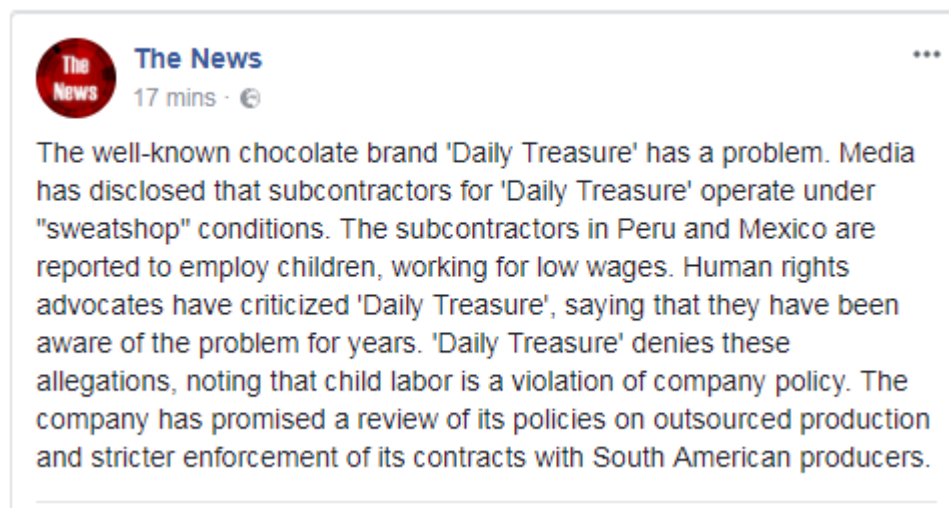
Appendix A.

Facebook posts

1) High CSR reputation condition:

> **The News**
> 17 mins · ⊕
>
> The company 'Daily Treasure' is at a crossroads. A long-serving CEO is retiring and a new person will be stepping in to lead the company.
> The former CEO strived to balance the needs of investors against the social obligation of the company to benefit its employees and customers by ensuring that subcontracted employees in Peru and Mexico were given adequate working conditions, subsidized healthcare, and education benefits. In recognition of its pro-social actions, 'Daily Treasure' has been selected for the "social choice" portfolio of publicly traded companies held by mutual funds.

2) Low CSR reputation condition:

> **The News**
> 17 mins · ⊕
>
> The well-known chocolate brand 'Daily Treasure' has a problem. Media has disclosed that subcontractors for 'Daily Treasure' operate under "sweatshop" conditions. The subcontractors in Peru and Mexico are reported to employ children, working for low wages. Human rights advocates have criticized 'Daily Treasure', saying that they have been aware of the problem for years. 'Daily Treasure' denies these allegations, noting that child labor is a violation of company policy. The company has promised a review of its policies on outsourced production and stricter enforcement of its contracts with South American producers.

Fair trade advertisements

1) 25% Fair Trade condition:

2) 100% Fair Trade condition:

Appendix B.

Manipulation check scales

1. Perceived Fair Trade reputation scale

    a. Daily Treasure has good reputation in the field of Fair Trade.

    b. Daily Treasure is well respected in the field of Fair Trade.

    c. Daily Treasure is well thought of in the field of Fair Trade.

    d. Daily Treasure has status in the field of Fair Trade.

    e. Daily Treasure is reputable in the field of Fair Trade.

2. Perceived level of Fair Trade communication scale

    a. I think this advertisement is realistic.

    b. I think this advertisement is easy to understand.

    c. I think this advertisement is credible.

3. Perceived level of Fair Trade

    I have just seen a message on:

    a) 25% Fair Trade

    b) 100% Fair Trade

Appendix C.

1. Dependent variable scale

PeWOM scale

To what extent is it likely that you will...

1. like' this message on Facebook?

2. post a positive response to this message?

3. share this message on Facebook?

4. say positive things about *Daily Treasure* on Facebook?

5. use social sites to encourage friends and relatives to buy *Daily Treasure's* products?

6. you recommend *Daily Treasure* on Facebook?

7. you would become a fan/ follower of *Daily Treasure's* brand pages on Facebook?

2. Mediating variable scale

C-C identification scale

Please indicate how strongly you agree or disagree with the following statements:

1. I feel a bond with *Daily Treasure*.

2. I feel solidarity with *Daily Treasure*.

3. I feel committed to *Daily Treasure.*

3. Control variables scales

Social media usage

    a. Social media is part of my everyday activity.

    b. I would be sorry if social media shot down.

    c. I feel out of touch when i haven't logged onto social media for a while.

Source credibility

    I consider the source of the message as

1.	unfair	O O O O O O O	fair
2.	biased	O O O O O O O	unbiased
3.	Does not tell the whole story	O O O O O O O	Does tell the whole story
4.	inaccurate	O O O O O O O	accurate
5.	Not trusted	O O O O O O O	trusted

Trust in Fair Trade logo

    a. I trust the Fair Trade logo.

    b. I rely on the Fair Trade logo.

    c. The Fair Trade logo is an honest logo.

Skepticism

    a. I find Daily Treasure reliable when it comes to its Fair Trade activities. (reverse coded)

    b. I think Daily Treasure is misleading about its Fair Trade activities.

    c. I am skeptical towards Fair Trade activities of Daily Treasure.

4. Demographic questions

- Please indicate your gender

  Male

  Female

- How old are you (e.g. 25)?

  _____

- What is your nationality (e.g. Italian)?

  _____

- What is your highest obtained level of education?

  High school

  Bachelor's degree

  Master's degree

  PhD or higher

  Other

- Please indicate your level of agreement to the below statements! (7-point Likert scale 1=

  "*Totally disagree*"; 7= "*Totally agree*")

    I like to eat chocolate.

    I buy chocolate regularly.

- What is your profession (e.g. student)?

    _____