

Corporate Hypocrisy: Overcoming the Threat of Inconsistent Corporate Social Responsibility Perceptions

Reports of firms' behaviors with regard to corporate social responsibility (CSR) are often contrary to their stated standards of social responsibility. This research examines the effects of communication strategies a firm can use to mitigate the impact of these inconsistencies on consumer perceptions of corporate hypocrisy and subsequent beliefs about the firm's social responsibility and attitudes toward the firm. Study 1 indicates that a proactive communication strategy (when the firm's CSR statements precede conflicting observed behavior) leads to higher levels of perceived hypocrisy than a reactive strategy (when the firm's CSR statements follow observed behavior). The inconsistent information in both scenarios increases perceptions of hypocrisy, such that CSR statements can actually be counterproductive. Study 1 also reveals how perceived hypocrisy damages consumers' attitudes toward firms by negatively affecting CSR beliefs and provides evidence for the mediating role of hypocrisy during information processing. Study 2 finds that varying CSR policy statement abstractness acts to reduce the hidden risk of proactive communication strategies and can improve the effectiveness of a reactive strategy. Study 3 reveals that an inoculation communication strategy reduces perceived hypocrisy and minimizes its negative consequences, regardless of whether the CSR strategy is proactive or reactive.

Keywords: corporate hypocrisy, corporate social responsibility, corporate communications, retailing, business ethics

We will not be measured by our aspirations. We will be measured by our actions.

—Lee Scott, Chief Executive Officer, Wal-Mart
(Gunther 2006, p. 43)

When making purchase decisions, consumers, particularly those in developed countries, are placing more importance on the social responsibility of firms. Social responsibility perceptions affect the image of brands and firms, the propensity of consumers to buy brands and patronize retailers, and the financial performance of firms (Luo and Bhattacharya 2006). In part, this elevated importance of corporate social responsibility (CSR) is driven by the dramatic increase in public information about the CSR activities of firms. Growing mass-media coverage, aggressive consumer advocacy groups, rising numbers of anticorporate Web sites (e.g., www.homedepot.sucks.com, www.companyethics.com), and popular movie documentaries (e.g., *Super Size Me*, *Enron: The Smartest Guys in the Room*) have all revealed more and more company practices that appear socially irresponsible.

In response to this surge of reported negative firm behaviors as well as the increased levels of sensitivity of customers, employees, and other stakeholders to social and environmental issues, more companies are making CSR an important strategic objective (Bielak, Bonini, and Oppenheimer 2007). For example, more than 4700 corporations across 130 different countries adopted the Global Compact strategic policy, committing to align their operations with a set of standards of socially responsible behaviors (www.unglobalcompact.org). The new Business Ethics Leadership Alliance, consisting of leading U.S. and global enterprises, such as PepsiCo, Dell, and Accenture, made a public commitment to adhere to certain guiding principles of social responsibility (Guerrera and Birchall 2008). The importance for firms to communicate their social responsibility not only has risen substantially over the last few years but also continues to increase dramatically as a result of current worldwide economic conditions and the resultant skepticism of how corporate practices affect the well-being of societies.

Although firms are developing and communicating more socially responsible policies and procedures, reported incidents of irresponsible behaviors are bound to increase as firms globalize. For example, the coffee-house chain Starbucks (2005) has long and distinctively presented itself as an avid adopter of fair-trading practices. However, the company recently has been criticized for trying to inhibit Ethiopian farmers from securing trademark protection for their coffee and being able to obtain a better price for themselves (Adamy and Thurow 2007). Global sourcing also

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increases the length and complexity of firms' supply chains, making it more difficult for them to monitor the processes used to make the products they buy and to assess their quality (see Roth et al. 2008). For example, Mattel's brand image and profitability were eroded when toys sourced from China were recalled because lead paint was used in the production process. In addition, firms with operations in different countries have significant challenges in enforcing corporate policies across diverse cultures and business practices. For example, McDonald's has committed to reducing unhealthy artificial trans fats, but the extent of such fats in its products varies greatly across different countries (Stender, Dyerberg, and Astrup 2006). Thus, consumers are likely to be exposed to inconsistent information about firms' stated CSR policies on the one hand and their actual practices on the other hand.

The deviations between public CSR statements and business practices disclosed by other sources can have dramatic effects on firms' image and sales. Thus, research is needed to understand the impact of these inconsistencies on consumers as well as the actions firms can take to mitigate negative perceptions. The three studies in this research examine the effects of varying configurations of inconsistent CSR information on consumers and, thus, the effectiveness of three communication approaches that firms can deploy. To examine these issues, we introduce the concept of perceived corporate hypocrisy and investigate its dynamics as a key psychological mechanism through which inconsistent CSR information affects consumers.

We organize the remainder of this article as follows: We begin by briefly reviewing prior research pertaining to the impact of CSR information on consumers. We then present our framework involving the concept of corporate hypocrisy, its antecedents and consequences, and the direct and moderating roles of communications strategies. Next, we describe the method and the results for three studies that examine the effects of the following communication strate-

gies: (1) proactive versus reactive presentation of CSR policies, (2) abstract versus concrete descriptions of CSR policies, and (3) the use of an inoculation strategy. Both the abstractness of the CSR statement and the use of an inoculation message are found to shape the effects of reactive and proactive CSR strategies. We conclude with reflections on the implications and limitations of this research.

Background and Conceptual Framework

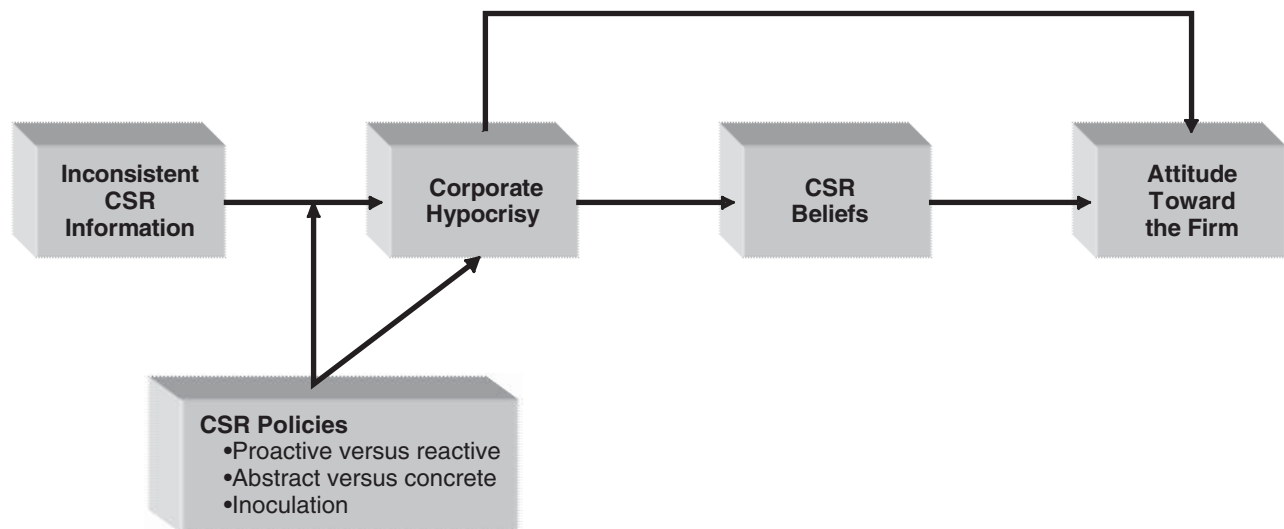
Research on CSR Perceptions

Corporate social responsibility is defined as a company's obligation to exert a positive impact and minimize its negative impact on society (Pride and Ferrell 2006). Many studies demonstrate how information about CSR affects consumers, such as their attitudes toward firms (e.g., Brown and Dacin 1997), brands (e.g., Klein and Dawar 2004), and retail stores (e.g., Lichtenstein, Drumwright, and Braig 2004); purchase behaviors (e.g., Mohr and Webb 2005); identification with companies (e.g., Sen and Bhattacharya 2001); and causal attributions (e.g., Sen, Bhattacharya, and Korschun 2006). Research has also examined the impact of both positively and negatively valenced CSR information and found that negative CSR information has a stronger effect than positive information (e.g., Sen and Bhattacharya 2001). Although the extant research has investigated the impact of information that is either positive or negative, no research exists that investigates how consumers react to inconsistent CSR information and what firms can do to mitigate the effects of these inconsistencies.

Conceptual Framework

Figure 1 introduces the conceptual framework for this research, outlining how firm communication strategies affect consumer perceptions of corporate hypocrisy, CSR

FIGURE 1
Conceptual Model



beliefs, and attitudes toward firms when consumers are confronted with inconsistent information. The inconsistencies affect consumers' perceptions of corporate hypocrisy and attitudes toward the firm both directly and indirectly by negatively affecting CSR beliefs. Because both CSR beliefs and attitudes toward the firm have been demonstrated to affect consumers' actual purchase patterns in the marketplace (Lichtenstein, Drumwright, and Braig 2004; Pan and Zinkhan 2006), the framework exhibits behavioral relevance. Three communication strategies that can affect the perceptions of these inconsistencies are (1) the use of a proactive versus reactive strategy, (2) the abstractness of the firm's CSR statements, and (3) the use of an inoculation strategy. As we discuss in greater depth subsequently, the presentation order of CSR statements and contrary behaviors, corresponding to proactive and reactive communication approaches, can directly reduce the perceived information incongruence due to attributions of change (Barden, Rucker, and Petty 2005). The abstractness of CSR statements moderates the impact of this order effect by altering the degree of commensurability between incongruent messages (Pham and Muthukrishnan 2002). Inoculation treatments can reduce experienced information incongruence by arousing people's motivation to process additional information and providing such cues (Compton and Pfau 2005).

Corporate Hypocrisy

Definition. We define corporate hypocrisy as the belief that a firm claims to be something that it is not. In general, perceptions of a person's hypocrisy occur when there appears to be a "distance between assertions and performance" (Shklar 1984, p. 62). Although prior hypocrisy research has focused on individuals, social psychological research suggests that it is appropriate to examine perceptions of organizations and coherent groups for dispositional qualities or characteristics that are commonly associated with perceptions of individuals (for a review, see Hamilton and Sherman 1996). For example, the research stream on brand personality in the marketing literature views brands, including both specific products and firms as a whole (e.g., retail chains), in terms of distinct "human characteristics" (Aaker 1997, p. 347). Such a perspective has also been accepted by and proved to be useful for contemporary marketing management (e.g., Ogilvy 1983). Thus, organizations, like people, may be perceived as demonstrating hypocrisy when inconsistent information about their own statements and observed behaviors emerges (however, note that we do not claim that hypocrisy perceptions of firms are identical to those of individuals).

General consequences. A consumer's CSR beliefs are his or her overall assessment of the extent to which a company is socially responsible (Du, Bhattacharya, and Sen 2007). Consumers' exposure to CSR information determines their CSR beliefs (e.g., Sen, Bhattacharya, and Korschun 2006) and their general attitudes toward the firm (Brown and Dacin 1997). Consumers build on their perceptions of distinct characteristics exhibited by a person (or an organization), such as hypocrisy, to form evaluations on a more global level (Anderson 1971). Because hypocrisy judgments are a direct reaction to certain CSR information

exposure, we expect that corporate hypocrisy is a key psychological mechanism that affects both consumers' overall CSR beliefs and their attitudes toward the firm and serves as a mediator of CSR information on these two interrelated dependent constructs. Thus, we propose the following:

- H₁: Perceived corporate hypocrisy affects consumers' attitudes toward a firm negatively both (a) directly and (b) indirectly through negatively affected CSR beliefs.
- H₂: Perceived corporate hypocrisy mediates the influence of inconsistent CSR information on both attitudes toward the firm and CSR beliefs.

The following sections examine the effects of three communication strategies for conveying information about a firm's CSR policies. These communication strategies mitigate the effects of inconsistent CSR information on perceived corporate hypocrisy. Each section begins with the theoretical rationale in support of the hypothesized effect of the communication strategy, followed by a discussion of the research design and hypotheses tests.

Study 1: Proactive Versus Reactive Communication Strategy

To some extent, firms can control the order in which consumers receive inconsistent CSR information.¹ For example, some firms pursue a proactive strategy, positioning themselves as actively engaging in and supporting CSR activities (Du, Bhattacharya, and Sen 2007). A proactive communication strategy represents a firm's efforts to disseminate specific information to create an image of social responsibility before any potentially negative behavioral CSR information is received (Shimp 1997). Starbucks and The Body Shop are examples of firms that engage in proactive strategies, undertaking major communication programs to promote their CSR activities.

In contrast, companies engage in a reactive strategy when they make statements about their social responsibility to protect their image after some socially irresponsible actions have been reported (Murray and Vogel 1997). In general, reactive communication strategies have a problem-driven character and represent a response to unanticipated marketplace developments—in particular, widespread media attention, which would entail negative consequences to firms (Shimp 1997; see also Mick, Bateman, and Lutz 2009). For example, Wal-Mart's top management engaged in a reactive or defensive strategy when it developed and promoted its CSR policies in response to numerous mass-media reports depicting several of the retailer's business practices as socially irresponsible (Gunther 2006).

Primacy and recency effects are often used to explain the information-processing impact of the order in which information is presented. Primacy effects suggest that initially received information is more influential than informa-

¹Consumers receive a continuous flow of both positive and negative CSR information about a firm. Thus, it is difficult for firms to control the order of information reception. However, they can undertake major communication campaigns before any significant negative actions are reported (proactive) or respond to significant negative publicity with a major CSR campaign (reactive).

tion received subsequently. Recency effects arise when subsequent information has a stronger impact than initially presented information (Highhouse and Gallo 1997). In the context of our study, a primacy effect from receiving inconsistent CSR information suggests that a proactive CSR communication strategy would diminish the undesired effects of reports of socially irresponsible business practices. Conversely, a recency effect would imply that a reactive strategy would be more effective.

There is a rich research tradition on order effects in the persuasion literature (e.g., Haugtvedt and Wegener 1994). This research focuses on the presentation of positive and negative arguments (i.e., pros and cons) pertaining to a certain issue rather than the presentation order of inconsistent information. However, Barden, Rucker, and Petty (2005) examine order effects involving the presentation of inconsistent information and find that perceived hypocrisy of individuals was greater when statements were followed by behaviors rather than vice versa. This effect appears to be due to attributions of a dispositional change when statements are made after initially observed behaviors. In other words, people are inclined to believe that the inconsistent individual changed his or her position from the position suggested by his or her earlier behaviors. Thus, we propose the following:

H₃: The presentation order of company statements of their social responsibility and corresponding reports of directly inconsistent corporate behaviors affects consumers' perceptions of corporate hypocrisy. Specifically, perceptions of hypocrisy are higher when the behavior follows the statement (i.e., a proactive strategy) than when the statement follows the behavior (i.e., a reactive strategy).

Because of the mediating nature of consumers' perceptions of corporate hypocrisy in their processing of inconsistent CSR information, we likewise expect that hypocrisy mediates the impact of the presentation order of inconsistent CSR information on attitude toward the firm and CSR beliefs.

Research Design

Procedure and Participants. To test our propositions, we employed a 2 (valence of statement and behavior: positive statement/negative behavior versus negative statement/positive behavior) \times 2 (presentation order: statement followed by behavior ["proactive"] versus behavior followed by statement ["reactive"]) \times 3 (replicates) between-subjects full-factorial design of inconsistent CSR information.² In addition, we added two behavior-only, information-consistent control groups (valence of behavior: positive versus negative), which were likewise replicated across three conditions. The three replicates represented CSR contexts that are commonly used in prior research: (1) natural environ-

²Strictly speaking, a negative statement/positive behavior sequence would not be "proactive" as the term is typically understood. Negative statements seem unlikely in real-world corporate communications, and we included them in the initial study to provide a conceptual replication of the fully crossed design used by Barden, Rucker, and Petty (2005), which highlights the robustness of the presentation order effect across varying information valence.

ment—reducing excess packaging material; (2) employee treatment—offering health care benefits; and (3) support of national economy—not outsourcing domestic jobs to foreign countries (e.g., Handelman and Arnold 1999).

Study participants were 537 undergraduate students enrolled in marketing classes at a large public university in the United States who volunteered to participate in return for extra credit. In a computer behavioral laboratory facility, participants were randomly assigned to 1 of the 18 experimental conditions. Participants were first provided with some background information about a hypothetical retail company, Power-Mart, that sold electronic goods and then were exposed to a scenario involving a corporate statement about its CSR policy and a description of a report in a newspaper about an action the company had taken that was inconsistent with its CSR policy. Participants were told that two weeks transpired between receiving the two pieces of contradictory information (see Barden, Rucker, and Petty 2005). The background information and manipulations appear in the Web Appendix (see Table WA1; <http://www.marketingpower.com/jmnov09>). After reading the scenario, participants indicated their beliefs about the firm's hypocrisy and CSR practices, attitudes, and manipulation checks using various scales. The context of the study is particularly relevant for college students because they are significant patrons of consumer electronics retailers and tend to be concerned about CSR issues.

To test H₁ and H₂, we measured the dependent variables (i.e., corporate hypocrisy, CSR beliefs, and attitude toward the firm) in our framework. We assessed the relationships among these constructs and the adequacy of their measures using structural equation modeling (SEM). We captured the latent variables using reflective multi-item measures and seven-point rating scales. Items for the constructs were based on the extant literature when applicable and were modified to fit the purpose of the current research. The complete scales and the psychometric properties of these measures appear in the Appendix.

Pretest. We conducted a pretest of the manipulations with 226 undergraduate students enrolled in marketing classes at a large public university in the United States who volunteered to participate in return for extra credit. We conducted a 2 (valence of statement) \times 2 (presentation order) \times 3 (replicates) analysis of variance (ANOVA) to assess the effectiveness of the statement-valence manipulation with statement valence, presentation order, the replication factor, and all interactions among these variables as independent factors and a composite statement-valence manipulation check score as the dependent variable. The appropriate main effect of the statement-valence treatment on the manipulation check was significant. That is, participants in the negative-valence condition exhibited significantly higher perceptions of social irresponsibility conveyed by corporate statements than those in the positive-valence condition ($F(1, 214) = 99.72, p < .01$). Other main effects were insignificant, and all interactions were insignificant except for the valence \times replication interaction; this finding is in line with similar research efforts (e.g., Barone, Manning, and Miniard 2004). A second ANOVA also supported the effectiveness of the behavior-valence manipulation, indicat-

ing that participants in the negative-behavior-valence condition demonstrated higher perceptions of social irresponsibility demonstrated by corporate behaviors ($F(1, 214) = 59.68, p < .01$).

Results

Impact of inconsistent information on perceived corporate hypocrisy. As a preliminary analysis, we assessed the overall impact of CSR information consistency on perceived hypocrisy using a 2 (consistency of CSR information: inconsistent information = experimental cells containing both negative and positive CSR information through reported behaviors and oppositely valenced statements; consistent information = experimental cells containing either negative or positive CSR information through reported behaviors) \times 2 (valence of behavior) \times 3 (replicates) ANOVA. The factor presentation order is absent from this analysis because it represents a nested condition only in scenarios of inconsistent information. The CSR information consistency, the valence of behavior, the replication factor, and all interactions among these variables were the independent factors, and the measure of perceived corporate hypocrisy was the dependent variable. As we anticipated, participants who were exposed to inconsistent CSR information exhibited significantly higher perceptions of corporate hypocrisy than participants who received consistent information ($F(1, 525) = 425.32, p < .01$; $M_{IC} = 5.30$ versus $M_C = 3.12$). Planned contrasts and mean comparisons showed that this effect occurred in each of the replicate conditions ($F_s \geq 120.39, p_s < .01$). An overall main effect of behavioral valence on hypocrisy perceptions also emerged ($F(1, 525) = 25.04, p < .01$). There was a significant behavior valence \times information inconsistency interaction ($F(1, 525) = 18.73, p < .01$), and contrasts revealed that perceptions of hypocrisy were higher for negative than for positive corporate behaviors for scenarios with consistent CSR information ($F(1, 525) = 34.12, p < .01$; $M_{NEG_Bh} = 3.62$ versus $M_{POS_Bh} = 2.63$). Notably, in cases of inconsistent CSR information, behavioral valence did not significantly affect hypocrisy ($F(1, 525) = .32, p > .05$), which means that even positive corporate behaviors lead to perceptions of hypocrisy when the behaviors are contrary to a firm's statements, thus underscoring the potency of CSR information inconsistency to negatively affect consumers' evaluations. No other interactions emerged ($F_s \leq 1.75, p_s > .05$). Finally, perceived hypocrisy varied across replicates ($F(2, 525) = 4.75, p < .01$). Hypocrisy perceptions were slightly more pronounced in the environment context ($F(1, 525) = 8.43, p < .05$; $M_{ENV} = 4.72$) than in the employees and outsourcing contexts, which did not differ significantly from each other ($F(1, 525) = 1.08, p > .05$).

Consequences of perceived corporate hypocrisy. We tested the consequences and the mediating characteristics of corporate hypocrisy proposed in H_1 and H_2 using an SEM approach to analyze experimental data (Wagner, Hennig-Thurau, and Rudolph 2009). A confirmatory factor analysis conducted with Mplus 5.1 assessed the measurement properties of our scales and indicated a good overall fit of the model (Browne and Cudeck 1993) as well as solid psychometric properties of our measures. All standardized factor

loadings exhibited statistical significance at $p < .01$, which indicated convergent validity. Factor magnitudes range from .74 to .94 and demonstrate positive signs. Evidence of internal consistency stems from the composite reliability (values ranging from .88 to .94) and average variance extracted scores (ranging from .72 to .79). We also achieved discriminant validity, according to the criterion Fornell and Larcker (1981) suggest, because the average variance extracted was greater than the squared correlation for each pair of factors. An overview of the construct reliabilities of our latent variables appears in the Appendix.

Next, we estimated a structural model of the proposed consequences of hypocrisy. The overall fit measures indicated that the hypothesized structural model is a good representation of the structures underlying the observed data. Providing full support for H_1 , the results of the estimation procedure showed that consumers' perceived corporate hypocrisy had a significant, negative impact on their attitudes toward the firm both directly ($\gamma = -.20, t = -3.96$) and indirectly through a negative effect on CSR beliefs ($\gamma = -.61, t = -13.98$), which also predicted the ultimate dependent variable ($\beta = .40, t = 7.24$).

Mediating role of corporate hypocrisy. We also used SEM to test for the existence of mediating effects of corporate hypocrisy. An SEM approach to mediation analysis builds on Baron and Kenny's (1986) original recommendation and has been demonstrated to be superior to tests using a general linear model (Iacobucci, Saldanha, and Deng 2007). Specifically, we assessed whether hypocrisy mediates the influence of (1) the inconsistency of CSR information and (2) the presentation order of inconsistent CSR information on both attitude toward the firm and CSR beliefs. Using James, Mulaik, and Brett's (2006) procedure, we compared the direct and indirect effects simultaneously within one structural model. Because information presentation order was nested within the condition of inconsistent CSR information, we estimated two separate models, one using the overall sample of responses (pertaining to inconsistency as the independent variable) and the other related only to cases of inconsistent information, omitting responses to the consistent behavior-only control groups (with presentation order as the independent variable).

For each model, we dummy-coded the two levels of the independent variable (i.e., inconsistency of information or presentation order) as 1 or 2. Hypocrisy, attitude toward the firm, and overall CSR evaluations were the dependent variables. We computed total indirect effects because the independent factors affect the ultimate dependent variable (i.e., attitude toward the firm) through more than one mediating construct (see Bollen 1987). Table 1 shows the results of the mediation tests.

When direct and indirect effects in a structural model are compared to test for mediation, evidence for full mediation occurs when the indirect path from the independent to the ultimate dependent variable is significant and the direct path between those two constructs exhibits nonsignificance. Evidence for partial mediation emerges if both respective indirect and direct paths are significant. No evidence for mediation occurs if the indirect path is nonsignificant and the direct path is significant (e.g., Shrout and Bolger 2002).

TABLE 1
Mediation Analysis (Study 1)

	Total Indirect Effect		Direct Effect		Evidence of Mediation
	Estimate	t-Value	Estimate	t-Value	
Model A^a					
Information inconsistency → attitude toward the firm	.27**	6.22	.01	.09	Full mediation
Information inconsistency → CSR beliefs	.48**	10.54	-.13*	-2.56	Partial mediation
Information inconsistency → corporate hypocrisy			-.67**	-19.40	
Corporate hypocrisy → attitude toward the firm			-.20**	-2.91	
Corporate hypocrisy → CSR beliefs			-.70**	-12.07	
CSR beliefs → attitude toward the firm			.40**	7.12	
Model B^b					
Order of inconsistent information → attitude toward the firm	.19**	5.19	-.03	-.70	Full mediation
Order of inconsistent information → CSR beliefs	.20**	5.52	.08	1.51	Full mediation
Order of inconsistent information → corporate hypocrisy			-.39**	-7.44	
Corporate hypocrisy → attitude toward the firm			-.19**	-2.78	
Corporate hypocrisy → CSR beliefs			-.51**	-7.83	
CSR beliefs → attitude toward the firm			.39**	5.43	

* $p < .05$ (two-tailed).

** $p < .01$ (two-tailed).

^aModel estimation based on total sample ($n = 537$).

^bModel estimation based on nested sample of responses to inconsistent information ($n = 343$).

As Table 1 outlines, the impact of information inconsistency on attitude toward the firm was fully mediated by hypocrisy, and the effect of inconsistency on CSR beliefs was characterized by partial mediation, providing at least partial support for H₂. As for the order of inconsistent information, hypocrisy fully mediated the impact on both outcome variables, as we anticipated.

Effects of proactive versus reactive communication strategies. To test H₃—the impact of the presentation order of inconsistent CSR information on hypocrisy—we conducted a 2 (presentation order) × 2 (valence of behavior) × 3 (replicates) ANOVA. The independent variables were presentation order, valence of behavior, the replicate factor, and all interactions among these variables. Perceived corporate hypocrisy was the dependent variable. Table 2 provides an overview of the key ANOVAs of this study, and Table 3 reports the cell means of perceived hypocrisy.

In support of H₃, participants who were exposed to statements followed by behaviors (i.e., proactive strategy) exhibited higher perceptions of corporate hypocrisy than participants who were presented behaviors followed by statements (i.e., reactive strategy) ($F(1, 331) = 55.51, p < .01$; $M_{St_first} = 5.79$ versus $M_{Bh_first} = 4.84$). Planned contrasts show that this effect was evident in all replicate conditions ($F_s \geq 13.23, p_s < .01$) and in both constellations of inconsistent information ($F_s \geq 23.47, p_s < .01$), showing independence of normative standards, such as expectations of society regarding the social responsibility of firms.

Although the evidence for the presentation order effect depicted reactive strategies as leading to less negative consumer perceptions of hypocrisy than proactive strategies, the magnitude of this effect did not fully compensate for the overall destructive impact of information inconsistency. This is indicated by contrasting hypocrisy impressions of consumers exposed to reactive strategies with the hypocrisy perceptions of the negative behaviors-only control groups,

TABLE 2
ANOVA Overview (Study 1)

Dependent Variable: Corporate Hypocrisy		
	F-Value	p-Value
Model	6.10	<.01
Independent Variables		
Order	55.51	<.01
Valence of behavior	.44	>.05
Replicates	1.16	>.05
Order × valence	.21	>.05
Order × replicates	.35	>.05
Valence × replicates	3.24	<.05
Order × valence × replicates	.14	>.05
Dependent Variable: CSR Beliefs		
Model	5.09	<.01
Independent Variables		
Order	29.00	<.01
Valence of behavior	1.28	>.05
Replicates	4.61	<.05
Order × valence	.17	>.05
Order × replicates	.91	>.05
Valence × replicates	4.03	<.05
Order × valence × replicates	2.52	>.05
Dependent Variable: Attitude Toward the Firm		
Model	2.07	<.05
Independent Variables		
Order	7.56	<.01
Valence of behavior	.79	>.05
Replicates	1.07	>.05
Order × valence	1.00	>.05
Order × replicates	2.12	>.05
Valence × replicates	3.46	<.05
Order × valence × replicates	.28	>.05

which were significantly less pronounced ($M_{Neg_contr} = 3.62$; $F(1, 519) = 39.11, p < .01$). This effect was evident in each replicate condition ($F_s \geq 13.29, p_s < .01$). Finally, we conducted supplementary identical ANOVAs with CSR beliefs and attitude toward the firm as dependent constructs (see Table 2), showing that presentation order likewise exerts direct effects on these variables in the expected direction. The corresponding means of these analyses appear in Tables 4 and 5.

Discussion

The results of Study 1 support our conceptual framework. Inconsistent CSR information about firms has a substantial impact on consumers, eliciting perceptions of corporate hypocrisy and thus adversely affecting their CSR beliefs about and attitudes toward firms. Evidence of mediation supports the role of perceived corporate hypocrisy as a key psychological mechanism in the processing of such information. With respect to the mitigating effects of communication strategies, hypocrisy perceptions are significantly higher for proactive strategies (i.e., statement followed by behavior) than for reactive strategies (i.e., behavior followed by statement). However, the magnitude of this effect does not fully compensate for the destructive overall impact of CSR information inconsistency on hypocrisy, suggesting that positive firm statements tend to exert a negative impact on consumers' evaluations both when following and especially when preceding exposure to information about contradictory corporate actions. Accordingly, even reactive CSR measures, which firms frequently deploy to combat the consequences of revealed socially irresponsible behaviors, have a negative impact on consumers through elevated hypocrisy perceptions, thus contradicting firms' intended impact.

Given these findings, the question emerges of how companies can reduce the risk of potentially inconsistent CSR perceptions by using more sophisticated communication strategies. The next two studies explore the effects of two other communication strategies that may shape the effects

of proactive and reactive CSR strategies—namely, the use of abstract versus concrete CSR policy statements and inoculation messages.

Study 2: Abstract Versus Concrete Communication Strategy

In general, CSR information has a diagnostic function in consumer judgments (Biehal and Sheinin 2007). Thus, altering the diagnosticity of inconsistent information may reduce its negative effects. Pham and Muthukrishnan (2002) investigate the diagnosticity of sequentially presented inconsistent information on consumer (brand) judgments. They find that the degree of commensurability of information abstractness shapes information processing. For example, a consumer judgment based on abstract initial information undergoes less judgment revision in the face of subsequently presented inconsistent concrete information because of the incommensurability of the initial and subsequent information. This effect occurs because when both elements of information exhibit a similar degree of abstraction, the information presented initially becomes more mentally accessible (Ziamou and Ratneshwar 2003), creating the realization that the same validation criterion applies (Albarracín, Wallace, and Glasman 2004). This perceived compatibility then increases the likelihood of attitude change; that is, the contrary information presented last is more influential (Johar, Sengupta, and Aaker 2005).

It is reasonable to assume that, most commonly, reported negative CSR behaviors tend to be specific (i.e., concrete) in nature because media coverage is likely to report distinct socially irresponsible actions of firms rather than more abstract speculations. Consequently, concrete CSR statements would exhibit a similar degree of abstraction to reported behaviors. This would enhance perceived commensurability and amplify the impact of the information presented last, thus reinforcing the presentation order effect of proactive and reactive strategies. However, if CSR statements are presented in a more abstract manner, com-

TABLE 3
Perceived Hypocrisy Means for Proactive/Reactive Communication Strategy (Study 1)

A: Factorial Design								
	Proactive Strategy (Statement First, Behavior Second)			Reactive Strategy (Behavior First, Statement Second)			Within Valence	
+ Statement/ – behavior	Environment	6.14 (.71)	5.86 (.85)	Environment	5.13 (1.28)	4.85 (1.20)	5.33 (1.15)	
	Employees	5.62 (.79)		Employees	4.42 (1.16)			
	Outsourcing	5.82 (.96)		Outsourcing	5.02 (1.04)			
– Statement/ + behavior	Environment	5.69 (1.36)	5.72 (1.22)	Environment	4.75 (1.35)	4.84 (1.36)	5.27 (1.36)	
	Employees	5.82 (1.11)		Employees	4.91 (1.41)			
	Outsourcing	5.65 (1.19)		Outsourcing	4.82 (1.34)			
Within order		5.79 (1.05)			4.84 (1.27)			
B: Control Groups								
	Negative Behavior			Positive Behavior				
	Environment	4.02 (1.00)	3.62 (1.09)	Environment	2.80 (.90)	2.63 (.95)		
	Employees	3.38 (1.06)		Employees	2.48 (.85)			
	Outsourcing	3.45 (1.13)		Outsourcing	2.62 (1.06)			

TABLE 4
CSR Beliefs Means for Proactive/Reactive Communication Strategy (Study 1)

A: Factorial Design							
	Proactive Strategy (Statement First, Behavior Second)			Reactive Strategy (Behavior First, Statement Second)			Within Valence
+ Statement/ – behavior	Environment	2.26 (1.04)	2.65 (1.00)	Environment	2.94 (1.50)	3.39 (1.33)	3.04 (1.24)
	Employees	2.77 (.77)		Employees	3.71 (1.18)		
	Outsourcing	2.95 (1.08)		Outsourcing	3.51 (1.21)		
– Statement/ + behavior	Environment	2.27 (1.07)	2.56 (1.26)	Environment	3.42 (1.12)	3.13 (1.09)	2.85 (1.12)
	Employees	2.58 (1.30)		Employees	2.67 (.86)		
	Outsourcing	2.85 (1.39)		Outsourcing	3.48 (1.16)		
Within order		2.61 (1.13)			3.27 (1.23)		

B: Control Groups							
	Negative Behavior			Positive Behavior			
	Environment	2.02 (1.31)	2.62 (1.26)	Environment	5.38 (.96)	5.27 (.97)	
	Employees	2.78 (1.13)		Employees	5.35 (.86)		
	Outsourcing	3.03 (1.13)		Outsourcing	5.08 (1.09)		

TABLE 5
Attitude Toward the Firm Means for Proactive/Reactive Communication Strategy (Study 1)

A: Factorial Design							
	Proactive Strategy (Statement First, Behavior Second)			Reactive Strategy (Behavior First, Statement Second)			Within Valence
+ Statement/ – behavior	Environment	2.67 (1.28)	3.07 (1.30)	Environment	3.40 (1.70)	3.63 (1.39)	3.36 (1.37)
	Employees	3.53 (1.25)		Employees	3.76 (1.11)		
	Outsourcing	3.00 (1.27)		Outsourcing	3.70 (1.33)		
– Statement/ + behavior	Environment	3.58 (1.62)	3.35 (1.53)	Environment	3.87 (1.19)	3.57 (1.24)	3.46 (1.39)
	Employees	3.58 (1.41)		Employees	3.35 (1.36)		
	Outsourcing	2.88 (1.50)		Outsourcing	3.60 (1.11)		
Within order		3.20 (1.42)			3.60 (1.32)		

B: Control Groups							
	Negative Behavior			Positive Behavior			
	Environment	3.13 (1.11)	3.65 (1.30)	Environment	5.11 (1.48)	4.90 (1.80)	
	Employees	3.98 (1.43)		Employees	4.86 (2.00)		
	Outsourcing	3.86 (1.21)		Outsourcing	4.75 (1.88)		

measurability between CSR statements and behaviors would be reduced, as would the information presentation order effect. Overall, CSR statement abstractness would exhibit an attenuation interaction effect with regard to the presentation order of inconsistent CSR information. From a managerial perspective, correspondingly, more abstract company statements would be expected to decrease perceptions of corporate hypocrisy in cases of positive CSR statements followed by concrete reported negative behaviors and to increase perceived hypocrisy when the positive statement follows the report of the negative behavior.

H₄: The abstractness of CSR statements interacts with the order of presented inconsistent CSR information on perceptions of corporate hypocrisy. Specifically, when the firm's concrete, positive CSR statement precedes revelations of a concrete socially irresponsible behavior, perceptions of corporate hypocrisy are higher than when the firm's socially irresponsible behavior precedes the firm's

positive, concrete CSR statement. However, when the firm's positive CSR statement is abstract and the negative behavior is concrete, the order of presentation has no effect on perceptions of hypocrisy.

Research Design

Procedure and participants. The typical, and most notably managerially, inconsistent CSR situation involves positive statements and negative reported behaviors. Thus, Studies 2 and 3 focus on this condition. To test H₄, we designed a 2 (presentation order: statement followed by behavior versus behavior followed by statement) × 2 (abstractness: abstract statement versus concrete statement) × 3 (replicates) between-subjects, full-factorial experiment related to positive CSR statements and negative CSR behaviors plus two behavior-only control groups (valence of behavior: positive versus negative) for each of

the three replication contexts. Undergraduate marketing students at a large public university in the United States who had not participated in any of the previous studies volunteered to participate for extra credit. In total, 611 participants read and answered questions regarding 1 of the 18 scenarios in a laboratory setting. The procedure, background information, treatment conditions, replicates, and measures used in this study were the same as those used in Study 1, in addition to the statement abstractness manipulation that differentiated between concrete CSR statements similar to Study 1 and more abstract statements (see the Web Appendix, Table WA2; <http://www.marketingpower.com/jmnov09>). The construct reliabilities of the latent variables hypocrisy, CSR beliefs, and attitude toward the firm appear in the Appendix.

Pretest. We conducted a pretest of the manipulations in a laboratory facility with 294 undergraduate students enrolled in marketing classes at a large public university in the United States who volunteered to participate in return for extra credit and did not participate in any of the other studies. We conducted a 2 (statement abstractness) \times 2 (presentation order) \times 3 (replicates) ANOVA to assess the effectiveness of the statement abstractness manipulation, with abstractness, presentation order, the replication factor, and all interactions among these variables as independent factors and the composite manipulation check score as the dependent variable. Participants in the abstract-statement condition exhibited significantly lower perceptions of statement concreteness than those in the concrete-statement scenarios ($F(1, 282) = 14.92, p < .01$), and no other main or interaction effects were significant. The pretest supports the effectiveness of the abstractness manipulation. Next, we present the findings of the main study.

Results

Moderating effect of CSR policy statement abstractness. H_4 proposes that statement abstractness moderates the impact of the order of inconsistent CSR information on perceptions of corporate hypocrisy. Related to the cells of inconsistent information only (and omitting the behavior-only control groups), we conducted a 2 (presentation order: positive statement followed by negative behavior versus negative behavior followed by positive statement) \times 2 (abstractness: abstract statement versus concrete statement) \times 3 (replicates) ANOVA. The independent variables were presentation order, statement abstractness, the replicate factor, and all interactions among these variables. Perceived hypocrisy was the dependent variable. The findings of this analysis appear in Table 6, and the respective cell means appear in Table 7.

The results revalidated the main effect of presentation order ($F(1, 435) = 38.69, p < .01$; $M_{St_first} = 5.61, M_{Bh_first} = 4.88$). More important, abstractness significantly interacted with presentation order as theorized ($F(1, 435) = 34.21, p < .01$).³ This order \times abstractness interaction (see Figure 2)

³Supplementary ANOVAs akin to Study 1 indicate that the order–abstractness interaction also directly affects CSR beliefs as expected and that abstractness increases attitude toward the firm directly in cases of proactive strategies.

TABLE 6
Hypocrisy ANOVA (Study 2)

Dependent Variable: Corporate Hypocrisy	F-Value	p-Value
Model	9.30	<.01
Independent Variables		
Order	38.69	<.01
Statement abstractness	.19	>.05
Replicates	1.63	>.05
Order \times abstractness	34.21	<.01
Order \times replicates	1.54	>.05
Abstractness \times replicates	4.17	<.05
Order \times abstractness \times replicates	1.79	>.05

was not affected by the replicate factor ($F(2, 435) = 1.79, p > .05$), and the collapsed means were as follows: for positive statements presented first, followed by demonstrated negative behaviors, $M_{abstract} = 5.33$ and $M_{concrete} = 5.90$; for the behavior-statement sequences, $M_{abstract} = 5.26$ and $M_{concrete} = 4.60$.

In support of the attenuation interaction proposed in H_4 , presentation order demonstrated an effect for concrete statements ($F(1, 435) = 76.98, p < .01$) but not for abstract ones ($F(1, 435) = .07, p > .05$). A series of planned contrasts indicated that these effects also emerged separately for each of the replicate conditions (for concrete statements, $F_s \geq 11.39, p_s < .01$; for abstract statements, $F_s \leq .30, p_s > .05$). Moreover, the interaction fully crossed over with regard to two opposing effects of statement abstraction. That is, concrete statements increased corporate hypocrisy perceptions when positive statements were made before perceived negative behaviors ($F(1, 435) = 14.10, p < .01$) and reduced hypocrisy in cases of negative behaviors followed by positive firm statements ($F(1, 435) = 20.55, p < .01$). Contrasts per replicate condition indicated that the extent of concreteness in initially presented positive statements followed by negative actions increased hypocrisy perceptions for the conditions related to the natural environment ($F(1, 435) = 4.83, p < .05$; $M_{abstract} = 5.39, M_{concrete} = 5.97$) and outsourcing ($F(1, 435) = 7.56, p < .01$; $M_{abstract} = 5.19, M_{concrete} = 5.89$) but was insignificant in the employee context ($F(1, 435) = 2.57, p > .05$). The concreteness of positive statements that were received after the initial exposure to negative corporate behaviors decreased perceived hypocrisy in the environment ($F(1, 435) = 9.30, p < .01$; $M_{abstract} = 5.52, M_{concrete} = 4.70$) and employee conditions ($F(1, 435) = 21.85, p < .01$; $M_{abstract} = 5.30, M_{concrete} = 4.10$) but not in the outsourcing context ($F(1, 435) = .00, p > .05$).

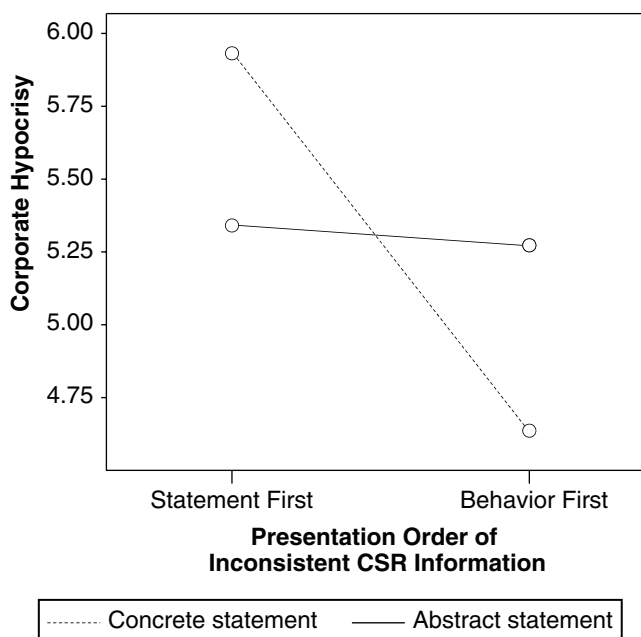
The observed interaction effect suggested that proactive abstract communication strategies are potentially less harmful than concrete ones and that concrete reactive communication strategies are more effective than abstract ones. However, the reduced perceptions of corporate hypocrisy facilitated by the deployment of the superior strategies were unable to fully compensate for the overall negative effect of CSR information inconsistency: Hypocrisy impressions based on scenarios in which initial negative behaviors were followed by concrete, positive CSR statements were signifi-

TABLE 7
Perceived Hypocrisy Means for Abstract/Concrete Communication Strategy (Study 2)

A: Factorial Design							
	Proactive Strategy (Statement First, Behavior Second)			Reactive Strategy (Behavior First, Statement Second)			Within Abstractness
Abstract statement	Environment	5.39 (1.04)	5.33 (1.19)	Environment	5.52 (.92)	5.26 (1.04)	5.29 (1.22)
	Employees	5.40 (1.38)		Employees	5.30 (1.01)		
	Outsourcing	5.19 (1.17)		Outsourcing	5.05 (1.11)		
Concrete statement	Environment	5.97 (.96)	5.90 (.88)	Environment	4.70 (1.22)	4.60 (1.29)	5.17 (1.30)
	Employees	5.84 (.87)		Employees	4.10 (1.39)		
	Outsourcing	5.89 (.82)		Outsourcing	5.05 (1.05)		
Within order		5.61 (1.09)			4.88 (1.23)		

B: Control Groups							
	Negative Behavior			Positive Behavior			
	Environment	3.48 (1.35)	3.31 (1.18)	Environment	2.59 (.96)	2.77 (1.08)	
	Employees	3.49 (1.03)		Employees	2.89 (1.29)		
	Outsourcing	2.90 (1.04)		Outsourcing	2.83 (.99)		

FIGURE 2
Interaction Effect of Statement Abstractness and Order (Study 2)



cantly higher than the impressions of the negative behavior-only control groups ($M_{Neg_contr} = 3.31$; $F(1, 593) = 70.85$, $p < .01$; this effect occurs for each replicate condition, $F_s \geq 6.41$, $p_s < .05$).

Consequences of corporate hypocrisy. In addition to the revalidated order effect discussed previously, we replicated the findings from Study 1 regarding the proposed consequences of perceived hypocrisy using SEM. We used the same constructs (i.e., corporate hypocrisy, CSR beliefs, and attitude toward the firm) and measures as in Study 1. An initial confirmatory factor analysis exhibited a good model

fit and again supported the convergent validity, internal consistency, and discriminant validity of the measurement scales. The corresponding construct reliabilities appear in the Appendix. The estimation results of the structural model demonstrated a satisfactory model fit and, as in Study 1, supported H_1 . Specifically, corporate hypocrisy had a significant, negative effect on attitude toward the firm both directly ($\gamma = -.19$, $t = -3.92$) and indirectly by reducing CSR beliefs ($\gamma = -.66$, $t = -15.57$), which predicted attitude as well ($\beta = .50$, $t = 9.85$).

Discussion

Study 2 replicates the results of Study 1 regarding the effect of the presentation order of inconsistent information and the attitudinal consequences of perceived corporate hypocrisy. In addition, Study 2 provides evidence for a proposed moderating effect of statement abstractness. This result suggests that companies can reduce the risk of proactive strategies and improve the effectiveness of reactive strategies by varying the abstractness of CSR policy statements. However, the abstractness effect does not completely mitigate the negative impact of information inconsistency.

Conversely, the use of abstract CSR policy statements enables companies to improve their proactive strategies to better “protect” themselves in advance against the possibility of reported socially irresponsible business practices. Moreover, it seems unrealistic to expect firms to refrain from making positive CSR statements, which may reflect new laws (e.g., the ban of trans fats in food products in New York) or other stakeholder or strategic requirements. Consequently, the question emerges regarding additional strategies with the potential to further reduce hypocrisy perceptions and their negative consequences. In particular, it is important to consider how companies can respond to cases in which negative behaviors have already occurred and how future public reports can be anticipated because these will be common scenarios in today’s business environment. An avenue that may enable companies to shape their CSR strategies in such cases resides in inoculation theory

(McGuire 1964), which relates to influencing perceived information inconsistency. We examine this in Study 3.

Study 3: Inoculation Communication Strategy

Inoculation treatments, consisting of both a moderate degree of negative information and a corresponding refutational defense or justification (Compton and Pfau 2005), can reduce the perceived inconsistency in information about an object and thus reduce negative attitude changes toward it (Tannenbaum, Macauley, and Norris 1966). In general, inoculation theory maintains that when people perceive counterarguments to an existing belief, they will be more resistant to persuasion if they were “inoculated,” or previously exposed to a weaker form of the counterarguments, which are refuted in the same message (Compton and Pfau 2005; Papageorgis and McGuire 1961). This effect is due to the experienced threat that an existing belief is under attack, triggered by the negative information in the inoculation treatment, which arouses the motivation to seek out new support for the initial position, provided by the refutational defense statement also included in the inoculation message (McGuire 1964). Inoculation theory has been adopted to examine contemporary marketing issues, such as brand alternatives (Bechwati and Siegal 2005) and marketing communications akin to those in the current study (Crowley and Hoyer 1994).

Translating inoculation into the context of a proactive CSR communication strategy, the positive CSR statement creates an initial positive belief about the firm’s CSR activity. Subsequently, the firm releases another CSR-related statement that alludes to the prospect of a socially irresponsible action, accompanied by a refutation. Issuing such a statement reduces the negative impact of subsequently reported negative behavior. In this view, it can be anticipated that the inoculation communication strategy increases consumers’ resistance to the subsequent report of negative behavior, thus reducing the perceived information inconsistency and impressions of corporate hypocrisy.

Next, the question emerges regarding the role of such inoculation communication strategies for scenarios of reactive CSR strategies, characterized by initial reports of negative CSR behaviors followed by positive firm statements. Wood (2007) suggests that people who are “initially opposed” to an issue, such as being exposed to negative CSR behaviors in the first place, are likewise positively affected by inoculation information that is negatively valenced and refuted because the refutation element poses a challenge to the initial negative impression. Wood finds evidence that such treatments cause opposed participants to reevaluate their initial position and to positively adjust their final attitude toward the relevant issue. Accordingly, the inoculation treatment would be expected to exert a positive impact in this scenario as well, thus reducing perceptions of corporate hypocrisy. Therefore, we expect that the insertion of an inoculation message between the inconsistent CSR statement and the reported behavior will reduce hypocrisy perceptions for both proactive and reactive communication strategies.

H₅: Inoculation treatments reduce perceptions of corporate hypocrisy in cases of inconsistent CSR information.

Research Design

Procedure and participants. To test H₅—the impact of inoculation treatments in scenarios of inconsistent CSR information—we used a 2 (presentation order: positive statement followed by negative behavior versus negative behavior followed by positive statement) × 2 (inoculation treatment: inclusion versus absence) × 3 (replicates) between-subjects, full-factorial design. Participants were not involved in any of the previous studies and represented undergraduate students enrolled in marketing classes at a large public university in the United States who received extra credit for their voluntary participation. In total, 336 students participated in the laboratory study. The background information, scenario descriptions, and general procedures used in this study were identical to the two previous studies; however, only perceived hypocrisy was measured as the dependent variable. Positive CSR statements were identical to the ones employed in Study 1. To provide additional robustness of the presentation order effect, we used a modified procedure. We administered two additional unrelated filler tasks in this study, after the first information was presented (i.e., CSR policy statement or reported behavior) and before the information presented last (Lee 2002). Thus, the sequence of tasks for each participant was (1) CSR statement (report of CSR behavior), (2) filler task, (3) inoculation treatment, (4) filler task, and (5) report of CSR behavior (CSR statement).

The inoculation treatments for each replicate condition were company statements with two components—a reduced version of the negative information (compared with the reported negative behaviors used in the previous studies) and a refutational defense of the respective action (Compton and Pfau 2005). These inoculation treatments were similar in structure to those used by Wood (2007) (for details, see the Web Appendix, Table WA3; <http://www.marketingpower.com/jmnov09>). After participants were exposed to all background, scenario, and filler information, scales measuring perceived corporate hypocrisy were presented.

Pretest. An initial pretest examining the effectiveness of the inoculation treatments built on four cells (randomized, between groups): one for each of the three replicate conditions, including the respective inoculation statement, and one overall control group, lacking any of such information. The background information about the fictitious company and the experimental procedures were identical to the previous studies. One-hundred fifty-one undergraduate marketing students at a large public university in the United States who had not taken part in the previous studies participated in the study for extra credit in a laboratory setting.

We included two manipulation check items, one capturing perceived exposure to a mild amount of negative information about the firm and the other related to the presentation of a refutational defense of this information. We conducted two corresponding ANOVAs, the results of which supported the effectiveness of exposing participants

to moderate negative information ($F(3, 147) = 60.97, p < .01$) and refuted counterarguments ($F(3, 147) = 24.28, p < .01$).

Results

To test for the proposed effects of inoculation treatments, we conducted a 2 (presentation order: positive statement followed by negative behavior versus negative behavior followed by positive statement) \times 2 (inoculation: treatment versus no treatment) \times 3 (replicates) ANOVA with presentation order, inoculation, the replicate factor, and all respective interactions as independent factors and hypocrisy as the dependent variable. The findings of this analysis appear in Table 8, and the cell means for hypocrisy appear in Table 9.

The analysis demonstrates that, in general, inoculation treatments reduced perceptions of corporate hypocrisy ($F(1, 324) = 22.08, p < .01; M_{\text{inoc}} = 4.70, M_{\text{no_inoc}} = 5.24$). Moreover, planned comparisons showed that this significant effect was evident in each replicate condition ($F_s \geq 6.27, p_s < .05$) and for both presentation orders of inconsistent information ($F_s \geq 7.20, p_s < .01$), acknowledging that, in general, inoculation statements appeared to be effective in reducing perceptions of corporate hypocrisy for inconsistent CSR information and providing full support for H_5 .

The main effect of presentation order was as we anticipated ($F(1, 324) = 38.15, p < .01; M_{\text{St_first}} = 5.29, M_{\text{Bh_first}} = 4.62$), and responses to hypocrisy differed among replicate conditions ($F(2, 324) = 12.82, p < .01$), such that perceptions were more pronounced in the environ-

ment and outsourcing conditions ($F(1, 324) = .35, p > .05; M_{\text{env}} = 5.23, M_{\text{out}} = 5.13$) than in the employees context ($F(1, 324) = 24.87, p < .01; M_{\text{emp}} = 4.57$). All interactions among the independent variables were insignificant ($F_s \leq 2.85, p_s > .05$).

General Discussion

Although prior research has studied the impact of differently valenced product information on consumers, it remains unclear how consumers perceive and react to distinctively inconsistent CSR information and how firms can use communication strategies to mitigate these effects. Taking first steps toward closing this gap, we examined the impact of varying configurations of inconsistent CSR information on consumers with three experimental studies, using three replicate contexts and analyzed by means of ANOVA and SEM. Transferring the social psychological research of Barden, Rucker, and Petty (2005) to the context of our research, we introduced the concept of perceived corporate hypocrisy as a consequence of inconsistent CSR information and suggested the existence of an order effect, such that hypocrisy perceptions are higher when the firm's statements are presented first followed by reported corporate actions (i.e., a proactive CSR strategy gone wrong) than in the case of behaviors succeeded by statements (i.e., a reactive CSR strategy). In line with extant CSR-related research, we also theorized that corporate hypocrisy has a negative impact on consumers' attitudes toward firms both directly and indirectly through negatively affected CSR beliefs. Moreover, we suggested that hypocrisy functions as a key psychological mechanism in consumers' processing of inconsistent CSR information, exerting a mediating role in the impact of such information on the dependent variables of CSR beliefs and attitude toward the firm.

Following the supportive findings of Study 1, we introduced additional measures that companies can deploy to influence the processing of inconsistent CSR information, thus avoiding perceptions of corporate hypocrisy and its negative consequences. Specifically, we hypothesized an interaction effect involving the abstractness of firm statements and the impact of information presentation order on hypocrisy. Study 2 suggests that statement abstractness indeed tends to decrease perceptions of corporate hypocrisy in cases of statements followed by contrary behaviors and actually increases hypocrisy when behaviors precede firm

TABLE 8
Hypocrisy ANOVA (Study 3)

Dependent Variable: Corporate Hypocrisy	F-Value	p-Value
Model	8.93	<.01
Independent Variables		
Order	38.15	<.01
Inoculation	22.08	<.01
Replicates	12.82	<.01
Order \times inoculation	1.03	>.05
Order \times replicates	.99	>.05
Inoculation \times replicates	.04	>.05
Order \times inoculation \times replicates	2.85	>.05

TABLE 9
Perceived Hypocrisy Means for Inoculation Communication Strategy (Study 3)

		Proactive Strategy (Statement First, Behavior Second)		Reactive Strategy (Behavior First, Statement Second)		Within Inoculation	
Inoculation	Environment	5.45 (.78)	5.07 (1.11)	Environment	4.42 (.84)	4.27 (.89)	4.70 (1.08)
	Employees	4.50 (1.08)		Employees	4.06 (.80)		
	Outsourcing	5.30 (1.22)		Outsourcing	4.38 (1.03)		
No inoculation	Environment	5.79 (.87)	5.51 (1.06)	Environment	5.05 (1.04)	4.95 (1.08)	5.24 (1.10)
	Employees	5.29 (1.08)		Employees	4.40 (.81)		
	Outsourcing	5.39 (1.23)		Outsourcing	5.31 (1.16)		
Within order		5.29 (1.11)			4.62 (1.05)		

statements. Moreover, Study 2 replicates the key findings of the first study.

Adopting an inoculation theoretical perspective, Study 3 tested the impact of inoculation treatments as an additional countermeasure that companies can deploy when reports of negative corporate actions have already occurred or can be anticipated. The experimental findings supported this proposition.

Managerial Implications

This research has implications for contemporary marketing management. First, the findings suggest the existence of a destructive effect of inconsistent CSR information, which can trigger consumers' perceptions of corporate hypocrisy and thus jeopardize their positive CSR beliefs and attitudes toward the firm. Specifically, proactive CSR strategies may bear a hidden risk if they convey a firm's standards of social responsibility, which may be followed by the revelation of actions violating such principles. Notably, reactive CSR strategies, which are frequently employed in the corporate world to combat the negative consequences of initially reported negative CSR behaviors, can create a scenario of information inconsistency, which leads to perceptions of corporate hypocrisy and a negative influence on firm evaluations. Thus, positive CSR information, when accompanied by reports of inconsistent firm behavior, can be counterproductive to its desired effect, potentially leading to substantial negative consumer reactions. This finding is especially noteworthy because extant research suggests that even uniformly positive CSR information tends to be limited in its ability to create the desired positive impact on consumers' firm evaluations (Mohr and Webb 2005; Sen and Bhattacharya 2001; see also Handelman and Arnold 1999). Factoring in these insights from prior research with the results of the current study may cause companies to reflect further on releasing such CSR statements, which not only may introduce additional risk but also are limited in their potential to elicit the desired positive consequences.

Second, this research suggests how companies can dampen hypocrisy perceptions and their negative consequences in scenarios of potentially inconsistent CSR information. Proactive strategies could be improved, or made less potentially harmful, if the initially presented CSR statement is relatively abstract in nature. Such communications should refrain from listing specific behavioral standards if a failure to comply cannot entirely be ruled out and, in addition, should promote relevant core ethical guiding principles of the organization on a more general level. The effectiveness of reactive CSR strategies, if employed, could be improved by framing CSR statements as distinctively specific in nature. For example, such specific statements should use "real-life" testimonials to showcase various concrete examples of how the firm is positively affecting society and its members.

Finally, this research suggests that for both proactive and reactive CSR strategies, hypocrisy perceptions can be effectively reduced through additional inoculation treatments—that is, when firms release statements with moderately negative CSR information that has already been reported or is anticipated to emerge and provide refuting

counterarguments to this information. The independence of this inoculation effect from information presentation order renders such treatments attractive because, in actuality, it may be difficult for firms to be aware of which individual customers have already been exposed to reports of negative behaviors or will be in the future.

Limitations and Further Research

The limitations of this study provide some guidance for further research. Although the underlying experimental approach provides crucial first insights into the causal impact of inconsistent CSR information, the external validity of the suggested dynamics of corporate hypocrisy perceptions needs to be strengthened by follow-up field research. This research also considers a limited set of experimental treatments, such as inoculation messages and certain sequences of corporate statements and behaviors, and we used the same three replication contexts throughout all studies. The two basic information order scenarios investigated here do not provide an exhaustive representation of all existing communication patterns that can be encountered in the marketplace. Rather, they are limited to a proactive CSR strategy, which assumes generally negligible consumer awareness of negative CSR information about a firm at the time positive information is disseminated, and a reactive strategy, which assumes existing negative perceptions before positive CSR information is released (e.g., current negative media reports). If extended sequences of statements and behaviors violate the assumptions of these strategies, their categorization as proactive and reactive and their demonstrated impact may be called into question. Future endeavors should investigate the impact of such alternative information sequences from a longitudinal perspective, using nonstudent samples, and should also include objective behavioral outcomes.

This research is also limited in that it considers one context, retailing, and consumers living in the United States. Thus, future studies on the perceptions and consequences of corporate hypocrisy across various industries and from an intercultural perspective would be highly relevant. Moreover, an array of potentially influential consumer personality traits and sociodemographic characteristics remains to be studied. Particularly when using field data from customers and employing a correlational perspective, it would be worthwhile to investigate how such criteria shape perceptions of inconsistent CSR information and its outcomes.

It should be acknowledged that the current framework is limited in that it assumes a recursive, or unidirectional, nature of selected interrelationships among the variables of interest; potential nonrecursive effects and additional dependencies still need to be examined. Furthermore, the theoretical framework may be expanded to include additional variables, such as company credibility, product quality, and the perceived fit between the core business of a firm and its CSR activities, and additional process variables that explain other aspects of consumers' psychological mechanisms in cases of inconsistent CSR information, such as perceived skepticism or reduced trust. Although this research provides important initial insights into the impact of inconsistent CSR information on perceived hypocrisy

APPENDIX
Measures and Properties

Latent Variables	Items	Relia- bilities	Based on	Latent Variables	Items	Relia- bilities	Based on
Corporate hypocrisy	In my opinion ... ^a <ul style="list-style-type: none"> •Power-Mart acts hypocritically. •What Power-Mart says and does are two different things. •Power-Mart pretends to be something that it is not. •Power-Mart does exactly what it says.^b •Power-Mart keeps its promises.^b •Power-Mart puts its words into action.^b 	.94 ^I .94 ^{II} .90 ^{III}	Own items	CSR beliefs	In my opinion ... ^a <ul style="list-style-type: none"> •Power-Mart is a socially responsible company. •Power-Mart is concerned to improve the well-being of society. •Power-Mart follows high ethical standards. 	.88 ^I .90 ^{II}	Maignan (2001); Salmones, Crespo, and Bosque (2005)
				Attitude toward the firm	In general, my feelings toward Power-Mart are ... ^c <ul style="list-style-type: none"> •unfavorable/favorable •bad/good •unpleasant/pleasant •positive/negative^b 	.94 ^I .94 ^{II}	Homer (1995)

^aWe obtained responses using seven-point Likert-type scales, anchored by 1 = “disagree completely” and 7 = “agree completely.”

^bItem responses were reverse coded.

^cWe obtained responses using seven-point bipolar scales, anchored by 1 for the statement mentioned first and 7 for the statement mentioned second.

^{I, II, III}Construct reliability obtained from Studies 1, 2, and 3, respectively.

assessed as an overall unidimensional construct, further research could delve deeper into and elaborate on potentially different facets of corporate hypocrisy.

Finally, this research identifies perceived corporate hypocrisy as a powerful determinant of consumers’ firm evaluations. We speculate that corporate hypocrisy represents a relevant psychological mechanism not only in the

processing of CSR information but also for other firm-related communications, which might extend beyond consumer-related domains to industrial marketing settings as well. We hope that our findings will stimulate future research endeavors on the dynamics of perceived corporate hypocrisy in alternative conceptual frameworks and business domains.

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