Understanding Stakeholder Responses to Corporate Citizenship Initiatives: Managerial Guidelines and Research Directions

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Firms are increasingly devoting attention to corporate citizenship initiatives. Despite the great interest in these initiatives, there is little academic research on their potential effects to guide managerial decisions. This article draws on theories from the consumer behavior literature to identify how socially oriented programs can foster both consumer and employee engagement, while also improving the welfare of society at-large and the financial fortunes of companies. In doing so, the authors advance a research agenda and offer prescriptive managerial advice.

Keywords: stakeholder marketing, brand, internal branding, social marketing, prescriptive advice

In today's turbulent and fragmented marketplace, in which getting consumers' attention and interest has become increasingly difficult, many companies assume that they can attract loyal customers more effectively if consumers believe that the company is a good corporate citizen and is viewed as such by social-cause organizations; government regulators; socially responsible investors; and its own employees, suppliers, and distributors (Sisodia, Wolfe, and Sheth 2007). Thus, companies are putting much more energy and resources into looking good to all these stakeholders, doing things such as pursuing and publicizing (e.g., in glossy corporate social reports) support of social-cause organizations, environmental protection initiatives, employee welfare initiatives, and fair-trade sourcing. These types of stakeholder marketing activities are advantageous because they are one of the few strategic levers that firms can use to simultaneously market themselves to multiple stakeholder groups. As such, companies are now spending substantial sums on both corporate citizenship (CC) programs themselves and communications to various stakeholders about such programs.

How can companies get the best payoffs for both themselves and society from these programs and subsequent communications (Bloom et al. 2006; Luo and Bhattacharya 2006)? To make these kinds of difficult decisions, companies need to have a better understanding of how stakeholders respond to a company's CC initiatives and communica-

tions. This article advances such an understanding, with a focus on exploring how two key constituents—consumers and employees—respond to CC initiatives and communications. Although consumers are often the strategic target, the success of CC initiatives will depend on many constituencies other than consumers. In particular, employees play a critical role. An important marketing priority for many top organizations in recent years has been internal marketing to employees. Successful companies have been able to attract, retain, and develop superior talent and create a workplace that maximizes employee productivity and satisfaction.

Many firms are recognizing the importance of CC initiatives as a key component of internal marketing efforts. Sisodia, Wolfe, and Sheth (2007) identify several leading companies, or "firms of endearment" as the authors call them, that have created "love affairs" with all their stakeholders, including employees, by having a culture of caring and serving the interests of all stakeholders. For example, Stonyfield Farm, the third-largest yogurt company in the United States, has adopted a business model that emphasizes ethics and the natural environment and, as a result, has attracted like-minded employees in the process.

The benefits to a firm of such employee support of and involvement with CC initiatives are numerous: Such support allows firms to develop more holistic relationships with employees, allows employees to satisfy their altruistic needs and desires, and allows the employees and firms to interact with customers in humanistic terms under noncommercial circumstances. With increased transparency about a company's workplace, employees' perceived job satisfaction becomes even more important. Annual surveys, such a *Fortune*'s "Best Places to Work," and online reviews from sites such as Vault.com widely publicize perceived internal working conditions. If employees respect, appreciate, and participate in CC initiatives, they should have greater job satisfaction.

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Toward a goal of creating more successful CC initiatives, we synthesize the literature to present a conceptual model (see Figure 1) of how consumers and employees respond to CC initiatives and communications. We compare and contrast how consumers and employees respond to CC initiatives. In the process, we delineate the conditions in which these activities are likely to lead to more positive responses from each group as well as the unique perspective of each. The guidelines that emerge from this discussion are grounded in previous research and theoretical thinking from several disciplines. We begin by defining and clarifying certain key concepts.

Key Concepts

We use the term "CC initiatives" to describe actions by private companies that are intended, at least in part, to create benefits for society as a whole and not just for the companies and their shareholders. This term is designed to encompass corporate social responsibility (CSR), corporate sustainability, corporate societal marketing, cause marketing, cause-related marketing, green marketing, corporate social marketing, strategic philanthropy, and similar terms used to identify what private companies are purposively doing to try to serve society at-large. In this article, we do not grapple with the similarities and differences among all these terms and labels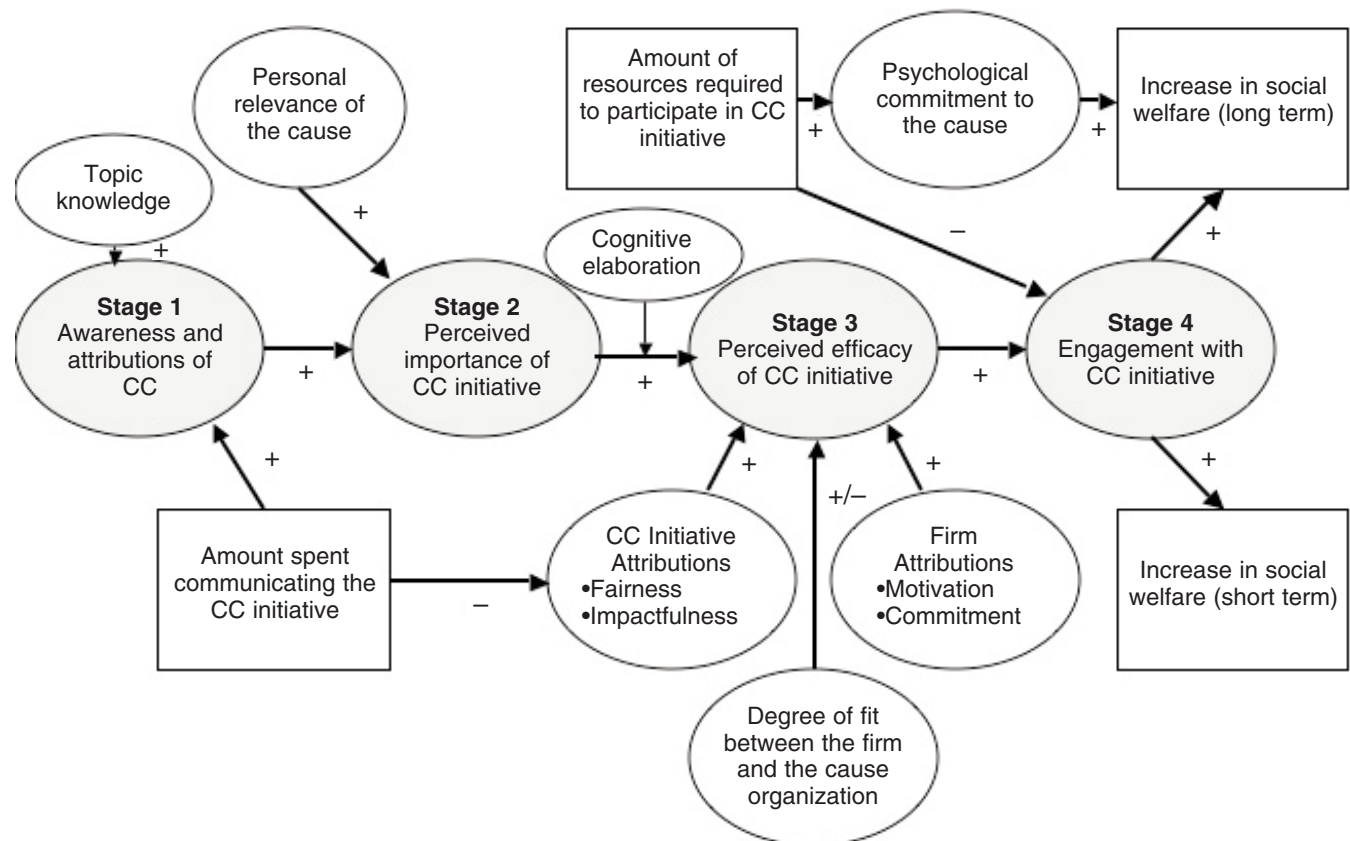. Instead, we bundle them all under the heading of CC initiatives and focus on how consumers and employees respond to those initiatives.

We use the term "CC communications" to refer to the dissemination of messages about a company's CC initiatives. It is possible that a company's CC initiative may itself be a communications campaign designed to help a social cause. For example, a company might sponsor and execute an advertising campaign that encourages recycling or conservation. In such cases, CC initiatives and CC communications coincide. Finally, we focus on guidelines and research directions for firms that are embarking on CC initiatives that do not pertain to the potential harmful effects of their own products (i.e., tobacco firms that promote smoking cessation).

Potential Effects of CC Initiatives

Before we explore how individual consumers and employees respond to CC initiatives, it is useful to examine what companies typically try to accomplish with these initiatives. In broad terms, they are designed to produce changes in beliefs, attitudes, and behaviors among employees and agents (e.g., distributors and retailers), investors, regulators, cause organizations, and (most of all) consumers. The objective is to persuade these stakeholders to think, feel, and act in more favorable ways toward the company, its brands, and its favored social causes, ultimately leading to

Figure 1.   Stakeholder Support of CC Initiatives and Effects on Social Welfare

improvements in brand sales, corporate profits, and social welfare.

For sales, profits, and welfare to eventually be affected, the CC initiative must set in motion processes in which the different stakeholders interact with one another and influence one another's beliefs, attitudes, and behaviors. Consider the following example, which illustrates the kinds of processes that could be set in motion:

> A social cause organization forms an alliance with a company, agreeing that a fixed percentage of the profits from a product or brand over a given period will be donated to the organization. Consumers become aware of this alliance and form more favorable attitudes toward the company's brand because of a strong affinity they have for the cause. Consumers also form more favorable attitudes toward the company's brand because they appreciate the attentiveness they are receiving from the company's salespeople, who have become more friendly and enthusiastic about their jobs after learning about the support of the social cause. In turn, their more favorable attitudes toward the brand eventually lead consumers to choose the brand more frequently, and social welfare is also eventually increased because the cause organization has more resources to serve its beneficiaries.

Thus, understanding how various stakeholders respond to CC initiatives is of great importance. What are the mechanisms through which consumers and employees, in particular, respond to CC initiatives? We now turn our focus to this subject, examining how the attributions of each group affect their overall success. One of the most important models in the consumer behavior literature that examines consumers' persuasion-based attributions is the persuasion knowledge model (PKM) (Friestad and Wright 1994; Kirmani and Wright 1989; Menon and Kahn 2003).

The PKM

The PKM begins from the reference point that consumers develop knowledge about a persuasion agent's goals and tactics and that they can strategically use this knowledge to cope with persuasion attempts. Specifically, when consumers become aware that a persuasive attempt is occurring, they will evoke three types of knowledge to cope with the persuasion attempt: (1) topic knowledge, or general beliefs about the topic; (2) agent knowledge, or beliefs about the traits, competencies, and goals of the persuasion agent; and (3) persuasion knowledge, or beliefs about the appropriateness (e.g., fairness, manipulativeness) of the specific types of persuasion tactics used.

For the purposes of this study, the critical components for applying this model are threefold. First, we view all CC initiatives that stakeholders become aware of as potential persuasion attempts. Second, if the target considers the agent's actions a form of persuasion attempt, a "change of meaning" could occur. Third, if a target identifies a persuasion attempt and a change of meaning occurs, the target will be more likely to evoke his or her persuasion knowledge to cope with the persuasion attempt. We demonstrate the PKM with the following vignette:

> A consumer is watching an apparent public service announcement for the Boys and Girls Clubs of America (BGCA). At first, the consumer may not consider this message a persuasion

attempt. At the end of the message, if it is announced that the advertisement was paid for by the Coca-Cola Corporation, a change of meaning could occur, whereby the viewer may evoke his or her persuasion knowledge to help understand the reason Coca-Cola is promoting its sponsorship of the BGCA, while also evoking his or her general attitude toward Coke. At this point, the viewer makes attributions about Coke's appropriateness of using BGCA to demonstrate its community support. Finally, the viewer updates his or her persuasion knowledge with an appraisal of the company's sponsorships and communications related to the nonprofit organization.

Understanding how consumers use persuasion knowledge when evaluating CC initiatives can help in estimating the effectiveness of a firm's CC efforts in delivering improved sales, profits, and social welfare. If consumers have a positive association with the supported cause (e.g., BGCA) and consider the communication of corporate support for the cause an appropriate marketing tactic, they are more likely to engage with the CC initiative (e.g., donate, patronize, volunteer), which leads to improved social welfare and enhancements to the brand's or firm's reputation. In contrast, if consumers consider the CC initiatives exploitive, opportunistic, unethical, or deceptive, they are unlikely to engage with the CC initiative, and the firm will be harmed because of its CC efforts.

Similarly, if employees at Coca-Cola perceive the BGCA support as sincere, appropriate, and a good use of corporate funds for the firm, they will be more likely to offer their support and help produce positive outcomes for the firm and society as a whole. However, if Coca-Cola employees perceive the support as insincere, inappropriate, or an improper allocation of corporate funds, they may choose to be uninvolved or, even worse, hostile and disruptive.

To understand more completely the factors that determine whether consumers and employees respond positively or negatively to a CC initiative, it is useful to examine the model in Figure 1 and the relationships it posits. The model delineates the stages that people go through when exposed to a CC initiative, as well as the factors that influence a person's mind-set at each stage. Building in part on the classic AIDA (awareness–interest–desire–action) hierarchy-of-effects model of consumer persuasion, we posit that consumers go through four stages in their response to a CC initiative: (1) awareness of the CC initiative, (2) perception of the importance of the CC initiative, (3) perception of the likely efficacy of the CC initiative, and (4) support of and engagement with the CC initiative. In the following sections, we draw on the PKM model and its proposed three types of knowledge—topic, agent, and persuasion knowledge—to understand how both consumers and employees respond to CC initiatives.

Stage 1: Awareness and Attributions of the CC Initiative

For consumers to engage with a CC intiative, they must first become aware of it and think positive thoughts about it. Maignan and Ferrell (2004) suggest mechanisms to prompt cognitive elaboration in the CSR domain, advocating three ways to communicate involvement: (1) to include CSR images in organization communications, (2) to enhance stakeholders' affiliation with the firm on the basis

of a shared concern for a specific issue, and (3) to stimulate stakeholder interactions around CSR (Scott and Lane 2000). Implicit in these recommendations is the notion that any elaboration about a firm's CSR activities leads to benefits for the firm (e.g., increased organizational identification, enhanced firm reputation). We view this assumption as conditional. Prior research has shown that in some situations, CSR programs become less effective the more consumers elaborate about them (Menon and Kahn 2003).

When a firm engages in a CC initiative, it is demonstrating support for a particular cause. Yet multiple attributions are possible as consumers and employees try to understand the rationale for supporting the cause. Prior research has identified two key potential motivations for firms supporting CC initiatives that drive consumer attributions: (1) intrinsic, which stems from a genuine concern for the importance of the cause and the desire to improve the community in which it operates (or overall society), and (2) extrinsic, or a desire to improve the fortunes of the firm (Du, Bhattacharya, and Sen 2007; Sen, Du, and Bhattacharya 2009; Yoon, Gurhan-Canli, and Schwarz 2006). Note that though these attributions have been demonstrated to be a key factor in whether the CC initiative improves the image of the firm, emerging work has demonstrated that consumers are tolerant of CC initiatives with a perceived mix of intrinsic and extrinsic motivations (Sen, Bhattacharya, and Korshun 2006).

The intrinsic interpretation would stem from the general belief that companies have a responsibility to "give back" to improve the communities to which they belong. For example, as Starbucks states on its Web site (see http://www.starbucks.com/mission/),

> Starbucks is committed to a role of environmental leadership in all facets of our business. We fulfill this mission by a commitment to: Understanding of environmental issues and sharing information with our partners; developing innovative and flexible solutions to bring about change; striving to buy, sell and use environmentally friendly products; recognizing that fiscal responsibility is essential to our environmental future; instilling environmental responsibility as a corporate value; measuring and monitoring our progress for each project; encouraging all partners to share in our mission.

An alternative attribution for a firm's support of a cause is that it is doing so with the goal of improving its profits (i.e., extrinsic). Although people who hold this view may acknowledge the expenditure of resources toward the cause, they interpret the CC initiative as an alternative form of persuasion, in which the firm is trying to improve its image or increase sales through support of the cause. If consumers evoke negative inferences from the CC initiative (e.g., if consumers believe that the firm is exploiting the cause or perceive the initiatives to be unfair), the initiative can backfire.

As consumers and employees gauge how serious a firm is about a cause it is supporting, three key factors have been found to increase their level of skepticism: (1) perceptions that the company can gain some advantage from the cause, (2) perceptions that the firm spends more communicating about its support of the cause than it spends actually supporting it, and (3) perceptions that they learned about the support of the cause from the company itself rather than from other sources (Yoon, Gurhan-Canli, and Schwarz 2006).

Thus, CC initiatives can have potential negative consequences (if they are viewed as inappropriate), particularly when they are linked to the company's core business strategy. As with any persuasion attempt, the key to understanding its efficacy is to understand the attributions of the groups that are targeted by the influence attempt.

Corporate citizenship initiatives may become less effective when attributions lead them to be perceived as persuasion attempts rather than as attempts to help society. For example, Forehand and Grier (2003) find that when firms did not acknowledge their self-serving motives in a CC communication, participants believed that the firm was deceiving them, and they had more negative views of the firm. In other words, when the firm communicated the presence of self-serving motives, consumers believed that the persuasion attempt was more appropriate and thus did not have a negative reaction. As Figure 1 suggests, greater "topic knowledge" about the communication can lead to greater awareness and positive thoughts.

While higher levels of spending on communication for a CC initiative promises greater consumer involvement (through an increase in awareness, as the positive arrow in Figure 1 coming from "Amount spent communicating the CC initiative" shows), spending too much to communicate can backfire and lead to negative attributions about the CC initiative and the firm (as the negative arrow from "Amount spent communicating the CC initiative" to "CC initiative attributions" shows). This position is supported by anecdotal evidence (e.g., companies that are criticized for spending more to promote a CC initiative than for contributing to it), as well as prior research demonstrating that the amount of money spent on advertising is a cue that consumers can use to make attributions about the firm and the firm's products (Kirmani and Wright 1989; Yoon, Gurhan-Canli, and Schwarz 2006).

A priori, communicating CC initiatives internally to employees should be rather inexpensive and straightforward. As it turns out, employees actually often know little about the specific initiatives with which their company has chosen to get involved. For example, Bhattacharya, Sen, and Korschun (2008, p. 39) find that only 37% of company employees are aware of their companies' CSR programs. Even if they have some knowledge, it might be incomplete, and they may only know about some, but not all, of the initiatives involved.

Even if employees are not directly involved with a CC initiative, awareness can be helpful. A Cone/Roper Corporate Citizenship Study reveals that 88% of employees aware of cause-related programs at their companies felt a "strong sense of loyalty" to their employers, and 53% of employees at companies with such programs chose to work at the organizations partly because of their employers' expressed commitment to various social issues (www.coneinc.com). Employees can also help create awareness among others—employees and nonemployees alike—through word of mouth and other forms of social influence.

Differences Between Consumers and Employees

Firms confront a different situation when investing in programs to build awareness internally from what they face with consumers externally. Internally, there may be more concerns with relative equity and how much the firm is and should be spending on communicating programs to benefit others rather than employees. Employees may need stronger justification about why a CC initiative is well suited for the company. Alignment of a cause with employees' interests could mitigate some of those concerns, as we describe subsequently. Thus, persuasion knowledge may influence employees' responses at potentially much earlier stages of the process than with typical consumers.

Conversely, it may be easier to develop topic knowledge for employees by describing the initiative and the associated cause in more detail through company intranets and other established internal means of communication. Similarly, firms may also be able to rely on word of mouth and other community-building efforts around the initiative as another means to build awareness and understanding with employees. Thus, although employees may sometimes view information critically, there are many different opportunities to reach employees with well-designed and well-delivered messages that help address and offset such a response (for a summary of employee and consumer responses, see Table 1).

Stage 2: Perception of the Importance of the Initiative

After consumers and employees are exposed to the cause promoted in a CC initiative, they evaluate the degree to which they consider the cause relevant and important both to society at-large and to themselves personally. Some existing topic knowledge will clearly be necessary, though not sufficient, for favorable assessments of importance to occur. Thus, the more personally relevant a cause is to a person, the more likely he or she will perceive it as important and ultimately engage with the CC initiative (Bhattacharya and Sen 2003).

The firm cannot simply attempt to maximize personal relevance for consumers and employees when it selects a cause to support, however, because it has the dual goals of (1) improving society through consumer engagement with the CC initiative and (2) enhancing the firm or brand reputation. When CC initiatives originate from the marketing department, the latter goal would be expected to feature prominently in the selection of the cause. From a firm's perspective, there are two distinct paths available when it chooses a cause to support: commonality or complementarity. In other words, the choice of a cause revolves largely around a firm's decision about whether (1) to reinforce existing firm image and equity (i.e., commonality) or (2) to augment and add on to that image and equity (i.e., complementarity).

Table 1.   Key Consumer and Employee Responses to CC Initiatives at Each Stage

	Target Audience	
Stage	**Employees**	**Consumers**
Stage 1: Awareness and inferences of the CC initiative	1. Greater concern about the relative equity regarding spending on CC initiatives. 2. May need stronger justification about why a CC initiative is well suited for company. 3. May be easier to develop topic knowledge for employees through intranets and internal communication.	1. Attributions regarding company support for the cause should play a larger role for consumers. 2. If firm is up front about self-serving motives related to support of the cause, negative inferences can be mitigated.
Stage 2: Perceived importance of CC initiative	1. Fit between the cause and the company may play a greater role for employees. 2. Employees may be motivated by relationship with the cause (and it may be the reason some work for the firm in the first place).	1. Consumers may be better able to appreciate a wider range of activities for the brand and judge the importance of the cause more on its own merits.
Stage 3: Perceived efficacy of CC initiative	1. Employees should have more agent (company) knowledge to determine whether a program is fair. 2. Employees are more likely to recognize trade-offs and other forgone opportunities. 3. Employees may have a deeper understanding of the cause and how the relationship is mutually beneficial.	1. Consumers are more likely to evoke persuasion knowledge to gauge perceived efficacy. 2. Consumer should have less knowledge with respect to how committed to the cause the firm is.
Stage 4: Engagement with CC initiative	1. High levels of engagement, such as volunteerism, can have additional benefits for employees (e.g., leadership skills). 2. Firms can support active engagement with paid time off. 3. Employees may view engagement as an extension of their work activities.	1. Consumers can build stronger bonds with employees because of interaction around helping a cause.

Commonality

A cause chosen on the basis of commonality will be more closely aligned with the corporate mission and brand values of the organization (Porter and Kramer 2002; Sen and Bhattacharya 2001; Simmons and Becker-Olsen 2006). In this way, topic and agent knowledge can be evoked and mutually strengthened. Such alignment increases the likelihood that employees attracted by the purpose and culture of the firm will consequently be more likely to embrace an associated cause. For example, ConAgra, a marketer of a diverse portfolio of food brands, such as Butterball, Chef Boyardee, Healthy Choice, and Hunt's, launched its Feeding Children Better program with America's Second Harvest in part to develop stronger ties to its employees (Cone, Feldman, and DaSilva 2003). With this program, ConAgra employees can raise money, serve meals, and so forth. Notably, close alignment between the cause and the company business may help improve overall employee motivation with respect to their existing activities. This could occur if an idea or innovation that improves business operations can also be construed as improving society.

Complementarity

If a firm wants to create a perceived differential advantage when none currently exists or shore up a perceived disadvantage that is currently unaddressed, a CC program based on complementarity may be appropriate, in which the firm attempts to augment existing consumer views of the firm by partnering with a nonprofit that has a clearly different mission from the firm. For example, BMW faced a situation in which it had a masculine image that did not resonate with potential female car buyers. BMW created the BMW Drive for the Cure event, in which money was donated to the Susan G. Komen Breast Cancer Foundation for each test mile driven. BMW believed that these events helped soften its image with women and served to complement the existing brand image. Prior research drawing on organizational identification theory has shown that the support of similar-cause organizations is negatively related to identification with the focal organization (Bhattacharya, Rao, and Glynn 1995). The important implication from a competitive standpoint is that there is a breadth of benefits that are derived from a CC initiative that achieves complementarity. Not only are positive associations transferred to the brand, but the probability that a competitor will transfer similar associations at the same time is lessened as well (Bhattacharya, Rao, and Glynn 1995).

A cause chosen on the basis of complementarity, however, lacks the inherent fit of a cause chosen on the basis of commonality. This can lead to enhanced elaboration with respect to the firm's motivations for sponsoring the CC initiative, which may lessen the effectiveness (Simmons and Becker-Olsen 2006). Thus, to ensure employee involvement and support, it becomes critical that any cause candidates without obvious connections are first researched on the basis of potential employee interest and support. There may need to be a concerted marketing effort to explain to employees the rationale and importance of the cause effort and their role within it.

Differences Between Consumers and Employees

Employee perception of the relevance and importance of the cause is critical because, unlike for consumers, who can self-select the causes and companies they choose to support across a wide range of options, such flexibility does not exist within the actual organization. As a result, fit of the cause may even play a more crucial role with employees than with consumers. A priori, it would seem that commonality-based causes are even more likely to be viewed as relevant to employees than to consumers. Employees are more likely to embrace and be immersed in the brand's promises and values. They should be even more appreciative of activities that reinforce the brand image. Furthermore, a company's prior commitment to a cause may lead some potential employees to apply to work for the firm in the first place. Conversely, consumers may be better able to appreciate a wider range of activities for the brand and judge the importance of the cause more on its own merits.

Stage 3: Perception of the Likely Efficacy of the CC Initiative

After people are exposed to a CC initiative and make an evaluation of the global and personal importance of the cause, their attributions and potential evoking of persuasion knowledge will guide their perceptions of the CC initiative and whether it has the potential to make a difference. Consistent with our prior discussions and with Figure 1, some factors that influence how consumers and employees perceive a firm's CC initiatives include (1) the perceived firm motivation for supporting the cause, (2) the perceived level of firm commitment to the cause, (3) the perceived fairness of the contribution toward the cause, and (4) the perceived degree of fit between the firm and the cause. We discuss each of these factors in turn.

Perceived Firm Motivation

The firm must decide how explicitly to describe its motivation for supporting a CC initiative. When initially describing the rationale for starting a program (and later, when promoting the results of the program), a firm can choose to put support for the cause into the proper strategic context by describing why the support for the cause makes sense for the firm. In addition, using employees in advertisements describing support for the program can lead to positive attributions regarding the firm's motivations. For example, a recent Verizon Wireless magazine advertisement for its HopeLine initiative (which distributes free cell phones and airtime to victims of domestic violence) includes a picture and a quote from a human resources manager who is a "survivor of an abusive relationship herself." This advertisement serves to inform the public about the program itself, while demonstrating that Verizon's commitment to its employees is one of the reasons the company is also committed to the cause.

Perceived Firm Commitment

Firm commitment can vary from a simple payout to a nonprofit as a result of consumers' product purchases to the complete adoption of a cause as the central focus of a firm's CC efforts (e.g., Avon's association with breast cancer

screening and research). Cause-related marketing programs, in which a firm donates a portion of the proceeds from the sale of a product to a cause, are the most common form of CC initiative, yet they have perhaps the lowest level of firm commitment. In addition, some types of CC initiatives (e.g., strategic volunteerism), which are relatively rarer, demonstrate a higher level of commitment to social causes than other programs (and may be more likely to engage consumers and employees). For example, Georgia-Pacific's Angel Soft toilet paper has initiated the Million Family Service Pledge, in which families that pledge to volunteer one hour each month are entered into a contest to win $5,000 with an equal contribution to the nonprofit charity or service organization of their choice. Thus, perceived commitment depends on the tangibility and visibility of the firm's efforts and success with a CC initiative over time. An example of a firm that publicly displays its CC initiatives is McDonald's. Ronald McDonald Houses in more than 20 countries offer more than 5000 rooms each night to families that need support while their children are in the hospital. The Ronald McDonald House initiative has provided a "home away from home" for nearly four million family members since 1974. Thus, McDonald's has demonstrated its commitment to the cause through a long-term engagement (more than 30 years of support) and a self-branded initiative with the corporate name (see also Berens, Van Riel, and Van Bruggen 2005).

Perceived Fairness

Prior research has indicated that evaluations of a CC initiative depend on the level of fairness perceived in the relationship (Dahl and Lavack 1995). Although there is no set standard for what constitutes an equitable contribution, the approach of Newman's Own and other CC initiatives that donate all profits to a cause may anchor consumers toward an expectation that much of the profit should go to the cause. In addition, if consumers and employees compare CC initiatives with traditional charities (for which all the incoming funds, less operating expenses, are used for the cause), they will be further anchored toward a higher proportion of the donations going to the cause organization.

Perceived Degree of Fit

Perceived degree of fit related to the firm's decision of whether to choose common (high-fit) or complementary (low-fit) partners for the CC initiatives will affect consumers' perceived degree of fit. From a consumer perspective, in the CC domain, if there is a high degree of fit, it may seem more appropriate for the firm to lend its expertise to the nonprofit (Barone, Miyazaki, and Taylor 2000). If the firm could lend its expertise, consumers and employees may infer that the firm will be efficient when supporting the cause and thus have higher perceptions of the perceived efficacy of the program. Whereas a close fit between the cause and the company has some benefits, it could also leave the company subject to negative consumer inferences (e.g., being exploitive). Furthermore, the support of a cause that is not related to the firm in any way poses other challenges as well. On the one hand, support of a cause that does not appear to share any common theme with the firm

can be considered altruistic (Hoeffler and Keller 2002). On the other hand, support of a nonrelated cause can encourage consumers to question the rationale behind a firm's involvement (Dean 2002; Drumwright 1996; Menon and Kahn 2003; Rifon et al. 2004).

Differences Between Consumers and Employees

Employees typically have a broader context to judge a cause and may take several different factors into consideration of which consumers may not even be aware. Again, employees should have more agent (or company) information to determine whether the program is fair. For example, many employees will have knowledge of the profit margins associated with different products. Thus, with cause-marketing programs, in which a portion of the sales price is donated to the cause, employees will be able to compare the percentage of the price that is donated with the percentage that is retained as profit. Evoking the PKM, employees may have much deeper agent knowledge and apply persuasion knowledge differently in terms of the appropriateness of persuasion tactics. There may be greater recognition of personal agendas, other forgone opportunities, and the realities of the nature and extent of the firm's involvement that might not be visible to the outside world. These considerations may result in more positive or less positive attributions depending on the employee's point of view.

On the plus side, however, employees may be better able to understand the fit of the cause and the brand and how the program can be mutually beneficial from both a company and a cause point of view. A deeper understanding of the cause program can lead to a greater appreciation of all the benefits it might produce. Finally, as we discuss next, employees may have firsthand experience with the cause and the program and thus have experienced its efficacy on a personal basis.

Stage 4: Engagement with the CC Initiative

Active engagement has been identified as a key ingredient to building long-term loyalty in relationships. Active engagement is defined in terms of a person's allocation of resources (e.g., time, energy, money) toward an activity that extends beyond normal levels. Such allocations, if deemed to be justified, create more durable and self-referenced memory traces, more favorable beliefs and attitudes, an escalation of commitment, and so on (Keller 2008). Active engagement in the context of a CC initiative may involve donations, volunteering, and reading and watching communications to learn about the CC initiative, among others.

Improvements in sales and social welfare are contingent on consumers' engagement with the CC initiative. We deem financial donations to be more short term and higher levels of consumer engagement, such as volunteering, to be more long term. As such, engagement is more likely to lead to a long-term increase in social welfare because of continued support for the cause. Yet consumer support and engagement can take financial, behavioral, and psychological forms. In addition, the short-term engagement with a CC initiative could lead to a long-term relationship between consumers and employees with the overall cause in general because of an enhanced understanding of and commitment

to the cause. As Figure 1 shows, such engagement is less likely to occur when people must dedicate large amounts of their personal resources to participate in the CC initiative.

Financially, research has shown that perceived CSR affects not only customer purchase behavior through customer–corporate identification (Auger et al. 2003) but also customer donations to corporate-supported nonprofit organizations (Lichtenstein, Drumwright, and Braig 2004). For example, consumers have been shown to donate more to a corporate-supported nonprofit when the corporation has a weaker historical record of socially responsible behavior because of a "perceived opportunity to do good" by supporting a company that is changing its ways.

Increasingly, firms are attempting to engage employees to a large degree in CC initiatives. Providing some supporting rationale, some research has reported (e.g., Corporation for National and Community Service, Deloitte surveys) that employees who volunteer are happier and healthier, resulting in fewer absences, shorter disability leaves, and fewer health claims (Dyer 2007). This research has also shown that volunteerism is a way for employees to learn and hone leadership skills.

Firms are developing a range of activities to promote or support active engagement from their employees with CC initiatives. When combined with an aligned CC initiative, some firms even give employees time off as a reward and compensation. KPMG allows its employees in Britain to spend a half-day a month of their paid-for time on work for the community. In total, 40,000 hours were allocated. Salesforce.com tries to measure the impact of its volunteer programs in which 85% of its employees participate (*The Economist* 2008). J.M. Smucker provides its employees unlimited paid time off for volunteering.

Active support and engagement with a CC initiative should be memorable and meaningful to both consumers and employees. The involving, distinctive nature of CC initiatives allows consumers and employees to break out from their day-to-day routines to create rich, vivid experiences. Active engagement involving varying degrees of interaction between consumers and employees also sends a strong signal to those consumers about the firm's level of involvement. If consumers lack agent knowledge or are likely to unfavorably evoke persuasion knowledge, such a signal of the wide commitment of the firm may be important.

Differences Between Consumers and Employees

Assuming equal relevance and importance of a cause, actual engagement with a CC initiative may be viewed as more justifiable to employees, who can view such activities, at least in part, as an extension of their work, than to consumers, who must forgo some of their own personal time and other resources. As Figure 1 suggests, the more resources required to participate in a CC initiative, the less engagement may potentially occur as a result. With some companies, employees are endowed with resources (e.g., time) that they can more easily substitute for or allocate toward the CC initiative. Of interest, however, is how this affects personal commitment and satisfaction. As Figure 1 also suggests, greater resource allocation leads to greater commitment to a cause. Therefore, it may also be important for employees to appreciate the amount and nature of the

resources provided for and involved in their participation with the CC initiative.

General Discussion

This article addresses the process by which stakeholders (i.e., consumers and employees) respond to CC initiatives. We review an individual-level model that describes the four stages that a person—either a consumer or an employee—progresses through on the path toward an enhanced opinion of the firm and improved social welfare: (1) awareness of the CC initiative, (2) perception of the importance of the CC initiative and supported cause, (3) perception of the efficacy of the CC initiative to improve social welfare, and (4) engagement with the CC initiative, which ultimately can lead to both short- and long-term improvements in social welfare.

At all four stages, we identified how the evoking of persuasion knowledge of consumers or employees influences the likelihood that the program will achieve its desired results. The PKM focuses on the application of three types of knowledge: (1) topic knowledge, (2) agent knowledge, and (3) persuasion knowledge. Although both consumers and employees move through the same four stages, differences in their knowledge in the three PKM domains suggest some different factors of importance or emphasis. We conclude our discussion by offering prescriptive managerial advice and future research directions associated with the difficult task of designing and communicating CC initiatives to both groups.

Prescriptive Advice for Managers

Develop Engaging CC Initiatives (Donating Time Versus Money)

As we mentioned previously, the most popular type of CC initiatives is a donation-based cause-marketing initiative, in which firms contribute a portion of the proceeds from each sale to a particular cause organization. However, our analysis suggests that these types of initiatives can offer lower levels of enhanced firm or brand equity and lead to minimal improvements in social welfare in the long run.

Note that perceptions of firm commitment and fairness are important determinants of whether CC initiatives are successful. A way to enhance these perceptions is to increase the actual levels of firm commitment and fairness by consistently supporting a particular cause and by sharing a greater portion of the contributions with the cause. Furthermore, in an effort to increase long-term affiliation with a cause, we urge managers to consider CC initiatives that encourage consumers and employees to act as part of the initiative (Arnett, German, and Hunt 2003) but that do not make it especially taxing on their personal resources to do so.

For example, we highlighted two CC initiatives from Georgia-Pacific. The first is primarily a donation-based initiative for Quilted Northern Ultra toilet paper, for which a contribution to the Susan G. Komen Breast Cancer Foundation is given for every Universal Product Code label received. As we mentioned previously, breast cancer research is a highly supported cause, and as such, there are

nine other national sponsors identified on the Susan G. Komen Race for the Cure Web site. Furthermore, the amount of consumer effort to participate in the initiative is moderate (mailing in the labels).

In sharp contrast to this initiative is Georgia-Pacific's Angel Soft toilet paper commitment to volunteerism. The Angel Soft Web site prominently touts the previously mentioned Million Family Service Pledge and the Angels in Action initiative, in which children between the ages of 8 and 18 are both recognized and potentially rewarded for performing community service. Note that as a goal of the initiative, the Web site touted (http://www.angelsoft.com, accessed January 2009), "Angel Soft Angels in Action is a program dedicated to inspiring and motivating kids to develop a lifelong love of and commitment to community service." With the strong personal commitment required to participate, the success of this initiative should be more likely to lead to improved short-term and long-term social welfare.

Enhance Internal Communications and Branding for Employees

Increasingly, firms are viewing CC initiatives with a strategic intent and examining the most efficacious programs with the main goal of impressing consumers. We encourage managers also to consider employees an equally important constituent, who appear to be routinely ignored by such programs. Many of the example programs are often taken from firms whose entire identity is associated with doing societal good (i.e., Patagonia, Stonyfield Farm). There is room for more mainstream firms to enhance their relationships with their employees by further including them in these programs and properly communicating the goals, objectives, and outcomes.

Research Agenda

Our primary research focus is on how consumers and employees react to CC initiatives and, ultimately, the resulting improvement in social welfare when both become engaged with a cause initiative (short term) and the overall cause issue (long term). The prescriptive managerial advice we offer is grounded on assumptions and implications based on our conceptual model. We describe research opportunities to investigate further the processes behind both consumer and employee evaluations of CC programs.

Understanding Consumers' Versus Employees' Responses to CC initiatives

Although there has been a fair amount of research on the effects of CC initiatives on consumers, relatively little research in marketing has examined the effects of CC initiatives on attracting, engaging, and retaining employees. Most of the differences cited have been anecdotal in nature. Thus, careful studies that isolate the impact of these factors are needed. We have noted several possible differences in employee response to CC initiatives. Many different research directions are possible to further the understanding in this area.

A good place to begin is examining how employees trade off more extrinsic rewards (e.g., pay, benefits, workload) with more intrinsic rewards, such as those found with CC initiatives. How important is it for employees to actually participate in the initiative? How much does it matter to employees that their company is involved in CC initiatives and communication, even if they personally are not involved? Are there certain characteristics of employees that make these more likely? For example, are high self-monitors more likely to care about the company's perceived CC? How much does personal involvement by employees "raise the stakes" and create stronger bonds? How do employees spread word of mouth?

The power of CC initiatives is that they enable firms to interact with employees in areas and ways that are much more personally relevant to them. They broaden the dialogue with employees and enable the firm to put on a much more humane face. A worthwhile direction for further research is to take a more macro, firm-level perspective to explore how different firms are better able to galvanize employees through their CC initiatives. Are certain types of firms or industries better able to implement such programs successfully? What is the range of options that are available to engage employees with CC initiatives and what are their relative effects?

The role of emotions evoked by CC initiatives needs to be delineated in terms of more inward types of emotions (e.g., self-respect) versus more outward types of emotions (e.g., social approval). With employees, social approval may involve peers from within the organization or consumers outside the organization. Finally, understanding how employees use persuasion knowledge is of paramount importance. Under what circumstances are they more likely to give the firm favorable attributions for CC initiatives? Conversely, when are they likely not to give the firm the benefit of the doubt?

Challenge of Communicating to Both Consumers and Employees

A firm's increased spending on internal and external communications about a CC initiative should increase the number of consumers and employees who are exposed to the initiative, which in turn should increase the potential of the CC initiative to improve social welfare. However, increased spending to promote an initiative also increases the probability that consumers or employees will evoke negative attributions with regard to the proportion spent on advertising the CC initiative (versus the amount of the contribution to the cause itself). We hypothesize an inverted U-shaped relationship between the amount spent on promoting a CC initiative and improvements in social welfare. Thus, an important avenue for further research would be to validate this proposed inverted U-shaped relationship and understand the factors that lead to negative attributions and how these attributions might differ for different types of consumers and employees. Employees may be more forgiving if they believe the ends (i.e., the breadth of benefits of the CC initiative) justify the means (i.e., advertising and communication expenses). Consumers who lack such perspectives may view ad expenditures more harshly.

Another worthwhile research question is associated with matching the content of the information that is to be communicated to each group. Battacharya, Sen, and Korschun

(2008) contend that employees should be exposed to more objective information, while consumers should be exposed to more "feel-good" information. In addition, employees may be more interested in metrics that demonstrate the commitment of the employees of the firm (i.e., number of hours donated, number of employees involved), while communications that emphasize the total monetary amount of the contribution may be more effective for consumers. Employees may be more sensitive—in terms of pros and cons—to the perceived personal consequences of firm investments in a CC initiative.

Efficacy of the CC Initiative

First, we hypothesize that higher levels of perceived sincerity of the firm's motivation, commitment to the cause, and fairness of the CC initiative lead to increased evaluations of the perceived efficacy or impactfulness of the initiative. Further research should concentrate on how consumers and employees make critical inferences about perceived firm commitment, sincerity, and fairness. Second, further research on the efficacy of CC initiatives will lead to a better understanding of the role of fit between the firm and the cause. We hypothesize that a higher level of fit between the firm and the cause leads to higher perceived appropriateness, with one important boundary condition. If the firm can directly profit from the CC initiative and does not openly communicate this relationship, consumers and employees may evoke their persuasion knowledge to discount their estimation of the firm's perceived appropriateness, sincerity, and fairness (Forehand and Grier 2003).

Conclusion

Firms spend considerable sums of money to promote their reputations and brands in an effort to enhance their fortunes in the marketplace. We believe that firms can improve the effectiveness of these efforts by devoting a larger portion of their budgets to CC initiatives. Shifting promotions toward CC initiatives can lead to immediate improvements in social welfare in the short run. Shifting from simple, short-term donation-based CC initiatives to ones that require more effort on the part of consumers and employees and greater firm commitment can provide even greater increases to social welfare in the long run. In developing and implementing these CC initiatives, however, firms must consider several factors and issues, many of which we identified, that will affect their ultimate success.

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