Conceptualizing a Model of Status Consumption Theory: An Exploration of the Antecedents and Consequences of the Motivation to Consume for Status
Jacqueline K. Eastman and Kevin L. Eastman

When Perception Isn't Reality: An Examination of Consumer Perceptions of Innovation
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Creepy Marketing: Three Dimensions of Perceived Excessive Online Privacy Violation
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FROM THE EDITORS

Marketing Management Journal, first published in Fall 1991, is dedicated as a forum for the exchange of ideas and insights into the marketing management discipline. Its purpose was and continues to be the establishment of a platform through which academicians and practitioners in marketing management can reach those publics that exhibit interests in theoretical growth and innovative thinking concerning issues relevant to marketing management.

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INTRODUCTION

Despite recent economic downturns, there has been growth in the global luxury market (Amatuilli & Guido, 2012) with the luxury market estimated to become a trillion dollar market within the next five years (Bain, 2012). Identifying luxury consumers is difficult and confusion exists as to how to best market luxury products (Vickers & Renand, 2003; Vigneron & Johnson, 2004; Heine, 2010). Bain (2012) suggests that the luxury market is shifting and past strategies will no longer be effective as there is an increased emphasis on uniqueness, entertainment, and the experiential aspects of status products. Research though has been somewhat scarce on the topics of luxury, prestige, and status (Truong, Simmons, McColl, & Kitchen, 2008) with the construct of status consumption, in particular, neglected in consumer research (Lertwannawit & Mandhachitara, 2012). The motivation to consume status products goes beyond just income (Mason, 1992), and it is becoming more critical for managers of status brands to determine the factors that motivate status consumption and when consumers would most desire status products (Rucker & Galinsky, 2008). A better understanding of these motives is significant strategically because brands with the “right status image” can generate high value for both firms and consumers (Shukla, 2008; 2010, p. 112). Thus, it is critical to further conceptualize the construct of status consumption and suggest propositions for specific ideas to research to aid in better understanding of status consumption.

The literature suggests that the motives for status consumption can be external (Shukla, 2012), internal (Wiedmann, Hennigs, & Siebels, 2009), or both (Dubois & Laurent, 1996; Vigneron & Johnson, 2004; Tsai, 2005; Truong et al., 2008; Kapferer & Bastien, 2009; Amatulli & Guido, 2012). External motives are interpersonal (social) and extrinsic; such as, to signal wealth (Vigneron & Johnson, 2004; Truong et al., 2008), to demonstrate success to others (Richins, 1994b) or to be seen as elite (Vigneron & Johnson, 1999; Mason, 2001; Truong et al., 2008; Han, Nunes, & Dreze, 2010), or to fit in (Leibenstein, 1950). These motives have been described, respectively, as conspicuous consumption (Veblen effect), snob appeal, and the bandwagon effect (Leibenstein, 1950). In contrast, internal motives are personal (individual) or intrinsic; such as, to reward oneself (Truong et al., 2008), to derive...
pleasure (Hudders, 2012; Vigneron & Johnson, 1999), or to ensure quality (Vigneron & Johnson, 1999). We present these motives as hedonism, perfectionism, and self-reward. The purpose of this paper is to synthesize the literature discussing the possible motives for status consumption to aid managers trying to effectively segment the luxury market.

The external-internal dichotomy in the motivation to consume for status has not been addressed sufficiently in the marketing literature (Amatulli & Guido, 2012). This paper builds on the existing literature by proposing a model that describes how people may be motivated by different reasons to consume for status with consequence of consuming status products differently and what this means for managers. Specifically, we propose that externally-motivated status consumption relates to the classic idea of conspicuous consumption and/or the related ideas of snob appeal or the bandwagon effect. Externally-motivated status consumption may result in more public consumption of status products and/or more conspicuous-style consumption. Internally-motivated status consumption, however, relates more to the concepts of hedonic consumption, perfectionism, and the idea of rewarding oneself (even if these products are never seen by others) with luxury items. Internally-motivated status consumption may result in more private consumption and/or more subtle consumption of status products. For managers trying to market status products, we suggest that the marketing strategy to reach status consumers would differ significantly depending on the consumer’s motivation leading to status consumption. While the need for status consumption would then result in the consequence of purchasing status products, how those consequences manifest themselves would depend on if the consumer was motivated internally and/or externally to consume for status. Finally, we discuss the research implications for this conceptual model.

RELEVANT LITERATURE AND MODEL DEVELOPMENT

The literature notes the difficulty in precisely defining luxury as perceptions of what is luxury may vary by consumer (Kapferer, 1998; Vigeron & Johnson, 2004; Weidmann, et al., 2009). Luxury has been described in the literature as the idea of sensuality, splendor, pleasure, and extravagance (Dubois, Czellar, & Laurent, 2005; Christodoulides, Michaelidou, & Ching Hsing, 2009; Kapferer & Bastien, 2009; Park, Reisinger, & Noh, 2010; Shukla, 2011) along with being associated with premium quality, craftsmanship and/or aesthetically appealing design (Dubois & Laurent, 1994; Kapferer & Bastien, 2009; Heine, 2010; Hudders, 2012), rarity, extraordinariness, and symbolic meaning (Dubois & Paternault, 1995; Kapferer & Bastien, 2009; Heine, 2010; Kastanakis & Balabanis, 2012). We offer that luxury consumption is how consumers aim to enhance their prestige or level of status.

Clark, Zboja, & Goldsmith (2007) and Goldsmith & Clark (2012) describe status consumption as an individual difference variable that addresses a person’s motivation to consume for status. In fact, while various definitions of status consumption exist in the literature, they are similar in that they tend to focus on the underlying motivations for such consumption. Some of these motivations are external, such as to signal wealth through public display (O’Cass & McEwen, 2004), to improve social standing (Eastman, Goldsmith, & Flynn, 1999), to gain social prestige (O’Cass and Frost, 2002), and to obtain the approval and envy of others (Truong, et al., 2008). Other motivations, however, are internal, such as self-esteem and self-respect (Truong, et al., 2008) or self-reward without public display of the products (O’Cass & McEwen, 2004). Thus, the literature demonstrates that the construct of status consumption is somewhat different from that of conspicuous consumption (i.e., status consumption can occur that is not conspicuous), and both need to be considered when modeling status consumption.

The definition of status consumption used in our model updates the definition developed by Eastman, et al. (1999) to take into account this distinction between status and conspicuous consumption. Originally, status consumption was defined as “the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize
status both for the individual and surrounding significant others” (Eastman, et al., 1999, p. 41). We update this definition to recognize that: (1) consumers are trying to improve their standing for socially (for external reasons) and / or personally (for internal reasons); (2) it is this external and/or internal motivation that leads one to become interested in consuming for status and (3) status consumption may or may not be conspicuous. It is important to note though that the consumer products need to be seen as representing status both for the individual and others (Nelissen & Meijers, 2011). The new definition is as follows:

Status Consumption is the interest a consumer has to improve one’s social and/or self-standing through consumption of consumer products that may be conspicuous and that confer and symbolize status for the individual and surrounding significant others.

CONCEPTUAL MODEL DEVELOPMENT

Status consumption has been shown to be a stable one factor structure as defined and measured by Eastman et al. (1999) and as utilized in the literature (Han et al., 2010; Goldsmith, Flynn, & Kim, 2010; Phau & Cheong, 2009; Kastanakis & Balabanis, 2012). However, questions remain about the antecedents of status consumption. Overall, the literature suggests that: (1) there are multiple antecedents (including individual, social, socio-psychological, brand, and situational) that can lead one to be motivated to consume for status; and (2) not all antecedents will impact all consumers equally (Vigernon & Johnson, 1999; Christodoulides, et al., 2009; Eng & Bogaert, 2010; Shukla, 2010). We adopt this construct and offer a conceptual model (see Figure One) in which a consumer can be motivated to consume for status for a multitude of reasons. Some of these reasons are internal, such as a desire for quality, hedonic/sensory/aesthetic needs, and addressing one’s self-concept by rewarding oneself. Others are external (interpersonal) effects, including the possibly contradictory needs to fit in and conform (the bandwagon Effect) and to stand apart (the Veblen and snob Effects) (Leibenstein, 1950).

This model categorizes the antecedents of status consumption into two broad groups, internal and external, with additional classifications within these two groups. In looking at these antecedents, we recognize that self can be relevant to both internal (from the perspective of self-reward) and external (from the perspective of self enhancement for the purpose of looking better to others). We propose in this conceptual model that one or more of these antecedents may motivate status consumption, an interest in status. Our discussion illustrates the positive relationship between each antecedent and status consumption. Finally, we propose that status consumption (an interest in status), may demonstrate itself in consumption of different types of status products, such as private or public consumption and subtle or conspicuous status symbols, depending on the antecedents that motivated one’s interest in status.

Internal Antecedents

Internal motivations to consume for status focus on expressing inner values and tastes rather than the concerns of the group (O’Cass & Frost, 2002; Tsai, 2005). There are three categories of internal antecedents in our model: (1) hedonic; (2) perfectionist (quality); and (3) self-reward.

Hedonic. Status products can provide substantial intangible, emotional benefits to consumers (Dubois & Laurent, 1994; Wong & Ahuvia, 1998; Vigneron & Johnson, 1999; O’Cass & Frost, 2002; Ivanic & Nunes, 2009). Thus, the consumption of status products can be motivated by a desire to obtain these emotional benefits or to fulfill emotional needs (Eng & Bogaert, 2010). These desires, in turn, can be triggered by lifestyle, emotions and culture (Amatulli & Guido, 2012).

The motivation to consume for status as a means of achieving emotional benefits is described as the “hedonic” motive or “hedonism” (Hudders, 2012; Vigneron & Johnson, 1999). It relates to the multi-sensory, fantasy, and emotive aspects of one’s experience with products (Holbrook & Hirschman, 1982), the satisfaction of intrinsic needs (Tsai, 2005; Christodoulides, et al., 2009), and the aesthetic beauty and emotional excitement that luxury products brings to
FIGURE 1:
Conceptual Model of Status Consumption

Internal Antecedents

- Hedonism (Experiential)
- Self-Concept (Reward)
- Perfectionism (Quality)

External Antecedents

- Veblen (Conspicuousness)
- Snob (Exclusivity)
- Bandwagon (Social)

Status Consumption (Need for Status)

- Private Consumption
- Subtle Consumption
- Public Consumption
- Conspicuous Consumption

consumers (Weidmann et al., 2009). In this context, people buy luxury brands not for their functional features, but rather for their subjective emotional benefits, intrinsically pleasing aspects, and sensory gratification and pleasure (Holbrook & Hirschman, 1982; Vigneron & Johnson, 1999 and 2004; Vickers & Renand, 2003; Kapferer & Bastien, 2009; Eng & Bogaert, 2010). Such consumers are also often willing to pay a premium price for products that offer unique emotional experiences (Amatulli & Guido, 2012). Thus, we propose the following:

**P1**: A consumer with a stronger motivation for hedonic experiences with products will have a stronger interest in status consumption.

**Perfectionist/High Quality.** Another internal motivation for status consumption is a desire for quality. Luxury brands are assumed to have a higher level of quality and performance compared with non-luxury brands in the same product category (Vigneron & Johnson, 2004; Tsai, 2005). Dimensions of quality include: consistent craftsmanship (Nueno & Quelch,
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1998; Fionda & Moore, 2009); superior functionality and utility (Mason, 1992; Wong & Ahuvia, 1998; Vickers & Renand, 2003; Tsai, 2005; Fionda & Moore, 2009); enhanced features and durability (Hudders, 2012); and, in some cases, an element of innovation and/or uniqueness (Nueno & Quelch, 1998; Fionda & Moore, 2009). Vigernon and Johnson (1999) defined quality in terms of superior product characteristics and performance, and referred to the motivation to consume luxury products as an assurance of quality as “perfectionism.” For those internally motivated by quality, counterfeit products will not meet their status consumption needs due to quality concerns (Tsai, 2005).

Amatulli and Guido (2012) offer that those who buy luxury items for individual lifestyle, rather than as an external display of status, pay more attention to the quality of the products. One possible explanation is that those with internal motivations to consume for status may be more concerned with quality, while those with external motivations may be more concerned with status brands and images and what they mean in their social circle. While there are consumers who attribute their social motivations for status to be quality concerns, there are also consumers motivated for status not because of the external (social) implications of their purchase, but rather because they want the very best for themselves and do not care if others are aware of their purchases. Thus, we propose the following:

P2: Consumers with a stronger motivation for perfectionism/high quality will have a stronger interest in status consumption.

Self-Concept Leading To Self-Reward. A third internal motivation for status consumption is to reinforce personal self-image through self-reward (Tsai, 2005; Trigg, 2001). The assertion here is that consumers purchase luxury products as an expression of themselves and their identity, and ultimately as a means of rewarding themselves for their hard work and effort (Vigneron & Johnson, 2004).

Sirgy (1982) asserts that self-concept relates to all of an individual’s thoughts and feelings about himself/herself as an object and that there are differing views of self that lead to different self-concept motives: (1) self-esteem motivation; and (2) self-consistency motivation. According to Sirgy (1982), people purchase products they feel represent, define, and/or enhance who they are, and the consumption and use of these products can be utilized to communicate one’s self-concept to others. A similar view is expressed by Solomon (1983, p. 323), who asserts that a person’s self-concept is “a result of appraisals, both real and imagined by the self and others, of how one appears to others.” Likewise, Richins (1994a, p. 507) states that possessions “have value for their role in expressing or reinforcing the sense of self.”

Consumers can express themselves and their identity through luxury brands (Vigneron & Johnson, 2004) as they select status products with images that are congruent with their own self-image (Tsai, 2005; Fionda & Moore, 2009). “Individuals have a perceived self-image relating to their self-concept and attempt to preserve, enhance, alter, or extend this image by purchasing and using products that they consider relevant” (Kastanakis & Balabanis, 2012, p. 1401). Those with a more independent self-concept demonstrate a personal orientation in the way they consume luxuries, while those with a more interdependent self-concept care more about the social function of luxury consumption (Kastanakis & Balabanis, 2012).

Hudders (2012) suggests that the impressive (i.e., internal) motivation for luxury includes both the fit with one’s self-image and personal reward. Tsai (2005) discusses the idea of self-gifting based on affective consumption theory and mood-regulation theory – that is, people will reward themselves with status products as a means to enhance their self-concept. This idea differs from Veblen’s original idea of conspicuous consumption in that here the individual is using status as evidence of, or as a reward for, their hard work and effort, rather than to show that they did not have to earn it.

It is important to recognize that aspects of self can be expressed both internally (through developing one’s self concept as well as reward) and externally (through symbolizing the image one wants to send out to others). Those consumers more motivated to consume for status for internal reasons may be those who have a more independent self-concept or self-
product congruity and use products to enhance their self-concept or reward themselves. Thus, we propose the following:

**P<sub>3</sub>: Consumers with a stronger motivation to reward themselves with status products will have a stronger interest in status consumption.**

**External Antecedents**

External motivations to consume for status focus on the social effects of owning luxury products rather than emotional benefits or inner values. With external dimensions of luxury, interpersonal influences play a significant role (Shukla, 2011; Amatulli & Guido, 2012). Products can be purchased for their symbolic and social value rather than their functional utility (Mason, 1992), and also as a signal to others of wealth and success, exclusivity and/or personal identity (Berger & Ward, 2010, Hudders, 2012). Thus, the research suggests three key external impacts on status consumption: (1) conspicuous consumption (the Veblen effect); (2) exclusivity (the snob effect); and (3) fitting in socially (the bandwagon effect). In each of these external antecedents, the symbolic aspect of consumption comes into play. Accordingly, we begin with a discussion of the impact of symbolism, and then move into a more detailed explanation of each external antecedent.

*The Impact of Symbolism.* There has been significant discussion in the literature regarding how people make inferences about others and their level of success based on their possessions (Solomon, 1983; Dittmar, 1994; Richins 1994a; O’Cass & McEwen, 2004). Solomon (1983) suggests that others evaluate individuals based on the products they consume, and this symbolism is used to create one’s own social identity. Consumption allows consumers to “integrate self and object, thereby allowing themselves access to the object’s symbolic properties” and these properties can serve to classify consumers to build affiliations and/or enhance distinctions (Holt, 1995, p. 2; Christodoulides et al., 2009; Goldsmith & Clark, 2012). Nelissen and Meijers (2011) in a series of field and lab experiments found that luxury clothing labels work as a costly signaling trait that enhances one’s status and provides status consumers with favorable treatment in a social setting. Wang and Griskevicius (2014) suggest that luxury products can be used as signals for males to attract mates and women to deter female rivals. Rucker and Galinsky (2008) suggest consumers purchase high-status products to demonstrate status and restore power.

Status products can serve symbolic purposes in two ways: (1) by expressing social standing, wealth, and status as part of signaling group membership; and (2) as self-expressive symbols to represent one’s unique qualities and to signify interpersonal relationships (Dittmar, 1994). Individuals use the symbolic properties of brands to convey meaning on the broad cultural level, the group level, and the individual level (O’Cass & Frost, 2002). This is particularly true for luxury status products, for which the symbolic value (i.e., what they mean) may exceed the functional value of the product (Dubois & Paternault, 1995; Kastanakis & Balabanis, 2012).

Product meaning can be derived from other people’s estimation of the extent to which the product expresses the status of its owner (Eastman, et al., 1999). Thus, status consumers are more likely to be impacted by the symbolic characteristics of a brand (O’Cass & Frost, 2002). Ownership of luxury products conveys a certain identity by matching the symbolic meanings of luxury with consumption. This identity relates to the values of wealth, status, and socio-economic success (Eng & Bogaert, 2010), as well as to self-enhancement to look better to others and a desire for membership in a superior group (Vickers & Renand, 2003). Mason (1992, p. 91) stresses that for consumers to buy for interpersonal (Veblen, snob or bandwagon) effects, the product must have social visibility and be “seen as having the appropriate status-conferring values.” Likewise, O’Cass and Frost (2002, p. 67) assert that the “status-conscious market is more likely to be affected by the symbolic characteristics of a brand.”

*The Veblen Effect (Conspicuous Consumption).* Conspicuous consumption is the ostentatious, public display of wealth to indicate status (O’Cass & McEwen, 2004; Truong et al, 2008). It is pursued to enhance one’s position in society, as displays of wealth become important
social symbols to enhance the likelihood of ascending the social status hierarchy (O’Cass & Frost, 2002; Shukla, 2008). Due to the mobility of society, the display of wealth through consumption becomes even more critical than the display of wealth through leisure (Veblen, 1899; Trigg, 2001). Nelissen and Meijers (2011, p. 344) suggest that status consumption serves as an evolutionary adaptive function as “conspicuous consumption increases the signalers’ social capital through the formation of alliances that yield protection, care, cooperation, and even mating opportunities.” Wang and Griskevicius (2014) suggest that women use conspicuous consumption to signal to other women that their romantic partners are devoted to them and deter other women from poaching their mate.

The social status of a brand is critical in conspicuous consumption (Vigneron & Johnson, 2004). Dubois and Duquesne (1993, p. 43) state that conspicuous consumption is “motivated by a desire to impress others with the ability to pay particularly high prices” and is “primarily concerned with the ostentatious display of wealth.” Podeshen and Andrzejewski (2012, p. 322) see conspicuous consumption as an effort for one to be seen more favorably in terms of the social hierarchy since “conspicuous purchases can be seen as compensatory – making up for societal or situational marginalization.”

Vigneron and Johnson (1999) suggested two external motivations related to conspicuous consumption: Veblenian and snob. In both cases, price is used as a cue to indicate status. In the Veblenian motivation, price is an indicator of prestige because a higher price can impress others as a show of ostentation. However, in the snob motivation, price is an indicator of exclusivity and non-conformity because snob consumers avoid using popular brands (Mason, 1992; Vigneron and Johnson, 1999).

According to Bagwell and Bernheim (1996, p. 349), the Veblen effect “arises from a desire to achieve social status by signaling wealth through conspicuous consumption.” They continue: “Members of higher classes voluntarily incur costs to differentiate themselves from members of lower classes (invidious comparison), knowing that these costs must be large enough to discourage imitation (pecuniary emulation)” (Bagwell & Bernheim, 1996, p. 350). A decrease in price would cause status products to be seen as less exclusive and less desirable (Amatulli & Guido, 2012). Thus, we propose that conspicuous consumption can be a key antecedent to status consumption because, before consumers would be interested to consume for status, they may feel the need to impress others through consumption. This suggests the following proposition:

**P4:** Consumers with a stronger motivation to conspicuously consume will have a stronger interest in status consumption.

**The Snob Effect (Exclusivity).** Some consumers are motivated to purchase status products because of their rarity and uniqueness; that is, as a sign of exclusivity. With the snob effect, market demand decreases if others are purchasing the product (Liebenstein, 1950); conversely, the desire for distinction encourages purchases of products with aesthetic quality and scarcity value (Mason, 1992). Consumers seek uniqueness in order to enhance self and social image, either by breaking the rules or avoiding similar consumption, and the desirability of the brand is enhanced when it is also seen as expensive (Vigneron & Johnson, 2004). Part of what makes something rare is its price, so higher-priced products may be perceived as socially positive, and signal status to others, for reasons other than quality perceptions (Bao & Mandrik, 2004). In fact, a high price may add “snob appeal” to an otherwise pedestrian product (Eastman et al., 1999; O’Cass & Frost, 2002; Han et al., 2010).

Price has been used as an indicator of prestige and luxury with brand positioning (Truong et al., 2008), as luxury brands have a significantly higher price relative to other products with similar tangible features (Vigneron & Johnson, 2004). Bagwell and Bernheim (1996) offer that for some consumers, price is a surrogate indicator of power and status as it is utilized to impress others. Thus, we propose the following:

**P5:** Consumers with a stronger motivation to consume for the snob effect will
have a stronger interest in status consumption.

The Bandwagon Effect (Social). Anthropologists have recognized the importance of goods in forming and symbolizing relationships (Richins, 1994a, p. 507). Social influences are important in terms of status consumption (Tsai, 2005; Weidmann, et al., 2009). Consumers are motivated to create a positive social image (Shukla, 2010; 2011), and interpersonal influences (both normative and informational) may play a significant role in consumption (O’Cass & Frost, 2004; Shukla, 2011).

Eastman et al. (1999) describe how an important motivation in consumer behavior is the desire to gain social prestige from the acquisition and consumption of status goods. Prestige value in social networks relates to the idea of luxury products being utilized as a symbol of membership to relevant others (Weidmann et al., 2009). Ownership of luxury brands allows consumers to be associated with certain prestige groups while, at the same time, disassociating with non-prestige reference groups (Christodoulides, et al., 2009, p. 398). “People who are concerned with social acceptance and conformity with affluent reference groups may value possessions that are more socially visible and expensive” (Vigneron & Johnson, 1999, p. 490). Wilcox, Kim, and Sen (2009) suggest that these social needs to fit in may even be met by counterfeit status products. Conversely, status consumption has been negatively related to consumer independence; i.e., those consumers who are less concerned about how they are seen by others are less interested in consuming for status (Goldsmith & Clark, 2012).

Clark et al. (2007) found those more motivated to consume for status are more likely to conform to group norms. This desire for social distinction can lead buyers to ignore a product’s economic utility and to purchase solely for the social recognition (Mason, 1992). This social impact is not only top-down, as trickle-up emulation can also occur (Trigg, 2001). Thus, status products can increase a consumer’s perceived status level by others (O’Cass & Frost, 2002; Lertwannawit & Mandhachitara, 2012) and is a strong measure of social success (O’Cass & Frost, 2002).

Vigneron & Johnson (1999) describe the external antecedent related to the social aspect of consumption as the bandwagon effect. Bandwagon consumers are concerned less about price and more with group affiliation, conforming, and fitting in (Mason, 1992; Vigneron & Johnson, 1999; Hudders, 2012). They buy luxury products merely because many other people have already bought them, and they follow their reference group in buying the same thing (Amatulli & Guido, 2012, p. 193; Leibenstein, 1950). So, the bandwagon effect exists where consumers’ valuation and demand for a good increases when they see others consuming the same good; that is, when people’s individual preferences depend on aggregate behavior (Leibenstein, 1950; Hudders, 2012).

As described by Kastanakis and Balabanis (2012, p. 1401), bandwagon-type products “gain additional utility (i.e., attractiveness), because others are buying and using them.” This type of luxury consumption comes in sharp contrast to Leibenstein’s (1950) snob effects, where consumers only value a luxury product when very few own it. It also differs from Veblen effects, where consumers increase consumption when a luxury price is increased. Bandwagon effects are aggregate consumption behaviors having both social origin and social valence. While Kastanakis and Balabanis (2012) suggest that an interest in status motivates one to consume bandwagon-type products, we propose that the social need exemplified in the bandwagon effect propels someone to be motivated to consume for status. Thus, we propose the following:

P6: Consumers with a stronger motivation to consume for the bandwagon effect will have a stronger interest in status consumption.

Consequences Of Status Consumption

The key consequence of status consumption is the actual purchase of status products. What status products are purchased though can vary tremendously from traditional luxury products to new-luxury products (Park, et al., 2010), to even counterfeit products. Reeves (2005) suggest that services will play an increasing
role as status products as consumers will define wealth in terms of the services busy consumers buy. Kapferer and Bastien (2009) stress that exclusive services are a key component of luxury brands. The luxury category is constantly expanding with new products, services, and offerings developed to meet the growing desire of the luxury market (Park, et al., 2010). Nelissen and Meijers (2011) stress the need for research to examine status consumption behavioral benefits in social interactions. Thus, we hope to start to answer this call by proposing that there may be differences in what status products are purchased based on whether the motivation to consume for status is driven internally or externally.

For internally motivated consumers, two of Silverstein and Fiske (2003, p. 54) “emotional pools” could relate to how consumers behave in terms of new-luxury goods: (1) Taking Care of Me where consumers reward themselves for their hard work, (2) Questing in which consumers look for experiences that challenge and define them both in terms of their own eyes and how others see them. Gardyn (2002) suggests that luxury consumers can be segmented into three groups: (1) those who see luxury as functional and are looking for quality and enduring value; (2) those who see luxury as a reward and demonstrative of their success to others in a “smart” manner that does not leave them open to criticism; and (3) those who see luxury as an indulgence and are focused on the unique emotional qualities of the luxury product.

Han, et al. (2010) addresses brand prominence (the conspicuousness of a brand’s mark or logo on a product) and status-signaling using brand prominence. They classified consumers into one of four groups based on their level of wealth and need for status: (1) patricians, or wealthy consumers who are low in need for status and want quiet, inconspicuous goods, that signal wealth only to those in their group; (2) parvenus, or wealthy consumers high in need for status who want loud luxury goods to signal to the less affluent that they are not one of them; (3) poseurs, who have low wealth but high status needs and use loud counterfeit status goods to emulate the wealthy; and (4) proletarians, who have both low wealth and low need for status and thus do not engage in signaling (Han et al., 2010). Han et al. (2010) also note that across different categories of luxury products that quieter, luxury products tend to charge even more than those status brands with louder brand markings; such as Mercedes places larger emblems on its lower priced models. The idea is that there are those who are willing to pay a higher premium to have luxury products that display the brand name less conspicuously (Patricians) and that these Patricians are able to read subtle brand signals that quietly convey status horizontally to other Patricians (Han et al., 2010).

We offer for those more internally motivated to consume for status may be more likely to buy subtle status symbols to meet their need for hedonic value, for quality, and /or self concept and willingness to self-reward with quieter status symbols in private. This fits with Han et al. (2010) who suggested that products without logos are less apt to serve social functions. Thus, we propose the following:

\[ P_{7a}: \text{Consumers with a stronger internal motivation for status (whether it is driven by hedonism, quality, and/or self-reward) will be more likely to meet their need for status through private consumption of status products than those consumers more externally motivated.} \]

\[ P_{7b}: \text{Consumers with a stronger internal motivation for status (whether it is driven by hedonism, quality, and/or self-reward) will be more likely to meet their need for status through more subtle status consumption of status products than those consumers more externally motivated.} \]

For externally motivated consumers, status-enhancing brands may be used as a means to an end, such as making a desired impression on others via their symbolism. Per Eng and Bogaert (2010) this may be shown through purchases of status symbols, expensive gifts, and global luxury brands. Two of Silverstein and Fiske’s (2003, p. 54) “emotional pools” could relate to externally driven status consumers: (1) Connecting which involves the social aspect of consumption (such as attracting mates, spending times with friends, and nurturing family), and (2) Style in which
consumers use their product choice to demonstrate their success, individuality, and personal values.

For those who cannot afford luxury products, but still want to display status, such as through counterfeit goods, they want their status brand markings to be loud and prominent (Han et al., 2010). Per Phau and Teah (2009), one’s level of status consumption is the most significant factor for who is most likely to purchase counterfeit luxury brands (i.e., status consumers may be willing to buy counterfeits to meet their status needs). Finally, Wilcox et al. (2009) suggest that consumers whose luxury brand attitudes serve a social-adjustive (i.e., external) function are more likely to prefer counterfeit status products rather than a real status brand, while those consumers whose luxury brand attitudes serve a value-expressive (i.e., internal) function are more likely to prefer real status brands to counterfeits.

We offer for those more externally motivated to consume for status, they would be more likely to conspicuously consume as they need the product to symbolize status to significant others to show that they can afford it and/or to fit in and thus would want to consume louder status symbols publicly. Thus, we propose the following:

\[ P_{8a}: \text{Consumers with a stronger external motivation for status (whether is driven by a Veblen, snob, and/or bandwagon effect) will be more likely to meet their need for status through public consumption of status products than those consumers more internally motivated.} \]

\[ P_{8b}: \text{Consumers with a stronger external motivation for status (whether is driven by a Veblen, snob, and/or bandwagon effect) will be more likely to meet their need for status through more conspicuous consumption of status products than those consumers more internally motivated.} \]

Finally, it is important to note the relationship between the internal and external motivations for status consumption, and status purchase behaviors may be moderated by one’s socio-economic situation. For example, the literature also suggests that ultra-rich or old-money consumers prefer status goods that are not flashy and are noticeable only to others in their group, such as with the use of smaller logos (Husic & Cicic, 2009; Han, et al., 2010).

**MANAGERIAL IMPLICATIONS**

An important benefit of a stronger conceptualizing of status consumption and its antecedents and consequences is that this may provide better guidance for marketers trying to better reach and serve the status market. Based on our model, we suggest that marketers would target status consumers differently based on whether they are internally or externally motivated to consume for status as discussed below. Future research is needed though to test these ideas to determine their ability to aid managers in better serving the status market.

**Internal Motivations**

Marketing managers trying to reach those consumers motivated for status for hedonic reasons need to stress the sensory and experiential aspects of their products and the status buying process. This need for hedonic, experiential luxury purchasing may be even stronger for younger consumers (Bain, 2012). For marketers trying to reach the quality motivated status consumer, they need to stress the quality and craftsmanship of the product. This segment will demand higher quality, which may involve higher product costs and a strong focus on maintaining excellence. To reach this segment, marketers will want to stress the enduring, long-lasting quality in promoting these status products; for example, watchmakers that stress the heirloom nature of their watches (Kirkland, 2012). Finally, for marketers, trying to reach those utilizing status products to express oneself and/or as a reward this suggests the need to promote their status products not as an ostentatious display for others, but instead as an intrinsic reward to boost the self. So marketers need to convey a message that the consumer worked hard and earned the right to buy this product. With internal motivations to consume for status, consumers may not need conspicuous symbols of status.
External Motivations

For managers, publicly consumed (Bearden & Etzel, 1982) status products may be more appropriate for targeting externally motivated status consumers (Richins, 1994a). Care must be taken to ensure that the symbolic signal sent by the product matches the level of subtlety needed by the segment. Per Han et al. (2010), higher income consumers may prefer more subtle signals of status that is noticeable only within their social group, compared to lower income consumers who may prefer more conspicuous signals of status. For those motivated more by the Veblen effect, i.e., the traditional “keeping up with the Joneses” or status seekers segment (Packard, 1959), this suggests the need for louder or more conspicuous status symbols. In reaching externally motivated consumers, marketers must take care when adjusting pricing for status products. While there is an increasing market for discount status products (Eastman & Eastman, 2011; Bain, 2012), for those motivated by the Veblen or snob effect, a lower or discount price (or discount outlet) may devalue the status products (Amatulli & Guido, 2012). Additionally, marketers targeting the Veblen or snob effect segment must be vigilant about shutting down counterfeit versions of their products as that will devalue the product to those segments for whom a higher price is important to either publicly demonstrate wealth (Veblen effect) or to demonstrate rarity (snob effect).

Finally, for consumers motivated by the bandwagon effect, marketers may be able to sell status products through discounting or in discount outlets, especially during economic downturns (Eastman & Eastman, 2011). Consumers motivated by the bandwagon effect however, may also be more open to the purchase of counterfeit versions of status products to try to fit in at lower prices. Additionally, these consumers may want to ensure that their status markers are visible to significant others, suggesting the need to make status symbols more conspicuous. Thus, marketers aiming for the bandwagon segment need to recognize that this segment is price sensitive, need to demonstrate their fitting in and are possibly open to counterfeit options in their attempt to fit in their peer group. Thus, research is needed to test this model to better determine the managerial implications of status consumption.

FUTURE RESEARCH IMPLICATIONS

Future research is needed to test the proposed model in this paper. Survey research could initially be utilized to test the fit of the model. Many of the measures needed could be adapted from past research. For example, the five-item status consumption scale from Eastman et al. (1999) can be used to measure the need for status. To test the antecedents, items can be adapted from several scales that exist in the literature. However, psychometric analysis would be needed to determine the reliability, validity, and dimensionality of the measures before testing the model. A final proposition to be tested is whether there is a positive relationship between the internal and external antecedents. While the literature suggests that people can have both internal and external motivations to consume for status, it has not addressed whether there is any association between these two categories of motivations. Thus, research is needed to determine if there are relationships among antecedents. We propose there will be positive significant correlations between the internal and external motivations impacting the need for status consumption. For marketers, research is needed to determine the size of the segments of the status market based on these antecedents.

To measure the internal antecedents, several items from Tsai (2005), Weidmann et al. (2009), and Hudders (2012) can be utilized. Perfectionism (quality) can be measured with some of Tsai’s (2005) quality assurance items and Hudders’ (2012) impressive purchase motivations. Hedonism (experiential) can be measured with Tsai’s (2005) self-directed pleasure items and Weidmann et al.’s (2009) measures dealing with self-identity. Self-concept and self-reward can be measured with some of Tsai’s (2005) items dealing with self-gift giving and congruity with internal self, Weidmann et al.’s (2009) hedonic items, and Hudders’ (2012) impressive purchase motivations. To measure the external antecedents, items could be adapted from O’Cass and Frost (2004) and Truong et al. (2008), Weidmann et al. (2009), and Hudders
The Veblen (conspicuous consumption) effect could be measured by revising three conspicuous consumption items (O’Cass and Frost, 2004; Truong et al., 2008) to measure how important it is for a brand to be a symbol of prestige, attract attention, and impress other people, along with some of Hudders’ (2012) expressive purchase motivation items. The snob (exclusivity) effect could be measured with some of Hudders’ expressive purchase motivation items. And, the bandwagon (social) effect could be measured with some of Weidmann et al.’s (2009) social items and some of Hudders’ (2012) expressive purchase motivation items.

While this model broadly addresses the internal and external antecedents for status consumption and suggests possible consequences based on these antecedents, more research is needed to determine if there are other antecedents not included in this model that have a significant impact on status consumption. Additionally, research is needed to determine if there is a difference in consequences, based on which antecedent impacts status consumption, in the types of status products, that are purchased (public versus private or subtle versus conspicuous). Research is also needed to see what mediates the relationships between the model’s constructs, for example, emotion may play a role and impact how someone meets their need for status. Finally, research is needed to examine the impact of culture on our model of status consumption and to determine if this model holds in different cultures and countries. Thus, this paper hopes by conceptualizing the antecedents and consequences of status consumption to encourage future discussion and research of the construct of status consumption.

REFERENCES


INTRODUCTION

Innovation research in the marketing literature has received increasing attention as organizations strive to offer innovative, and thus more valuable, products in an attempt to differentiate themselves from the competition and reap the associated financial rewards (Narver & Slater, 1990; Slater & Narver, 1995). As such, firms are increasing the amount of money spent on research and development in an attempt to create innovative products (Kent, 2013). Interestingly, the popular press is replete with firm rankings on innovation, determined by industry insiders (Forbes, 2014), yet, these rankings do not incorporate the consumer's perspective of firm innovativeness. For example, the Boston Consulting Group (BCG) annually ranks the “World’s Most Innovative Companies.” Executive opinions comprise the majority of the weight for the rankings, while financial measures including revenue, margin growth, and stock returns represent a small portion. Interestingly, consumer perceptions are not taken directly into account when calculating innovation rankings, yet consumer perceptions are a key element in predicting firm performance (Rust, Lemon, & Zeithaml, 2004). While past research has focused on innovation from the organization’s perspective (see Flight & Palmer, 2012; Montoya-Weiss & Calantone, 1994; Yadav, Prabhu & Chandy, 2007), the impact of consumer perceptions of firm innovativeness on behavioral intentions has yet to be examined. Consider that for years U.S. automobile manufacturers failed to invest in designing smaller, fuel-efficient vehicles. Conversely, foreign automakers made large investments in innovative designs, resulting in vehicles that were, and still are, in high demand given the current environmental concerns and fluctuating fuel prices. However, in recent years the difference between foreign and domestic automobile innovation, efficiencies, and features are quite minute. Global innovation rankings from BCG suggest a narrowing of foreign and domestic innovation equality as Ford ranks 8th, Honda ranks 18th and BMW ranks 9th (Wagner, Foo, Zablit, & Taylor, 2013), yet public perception is much more favorable toward foreign automobile manufacturers in terms of innovative design and functionality (Lutz, 2012). This begs the question of how consumer perceptions of innovation, regardless of congruency with industry standards and rankings, impact behavior.

It has been suggested that firms know far too little about how innovation impacts customers’ perceptions of value (Flint, 2006). While firms innovate in an attempt to create goods and
services not currently available in the market in an effort to meet consumer needs, (van Riel, 2003) surprisingly, consumers are not the focal point of innovation research. However, utilizing customer data to understand perceptions of value and satisfaction are thought to be key to the success for most organizations (Garver & Williams, 2009). Given that consumers will ultimately decide the success or failure of an innovation, one would expect the focus to be on consumers. Current innovation measures assess industry or employee perceptions, yet fail to account for consumer perceptions of firm innovativeness. Understanding consumer perceptions of innovation and how those perceptions influence behavior is essential.

Thus, the objective of this research is to investigate the role of perceived innovation from the consumers’ perspective. Additionally, the quality, satisfaction and purchase intention relationship, while it has been examined previously is alternative settings, is able to be examined within this unique context. To accomplish this objective a conceptual framework is laid out, followed by a study aimed at understanding consumer perceptions of innovation on purchase intentions (see Figure 1). A discussion of the results and implications, as well as the limitations and future research opportunities, is also presented.

CONCEPTUAL DEVELOPMENT

Previous research suggests that innovative firms offering meaningful and creative products, will meet the ever changing needs of consumers, and provide the firm with a competitive advantage, due to its ability to differentiate its product from the competition (Deshpande, Farley & Webster, 1993). Highly innovative firms effectively utilize new market knowledge through organizational learning, and attempt to satisfy consumer demand for new products, and innovate through new processes, services, or physical goods (Marinova, 2004; Flint, 2006). Given the well-established relationship between product quality and value, as firms innovate and increase value, consumers may perceive products from highly innovative firms to be higher quality due to the importance of innovation in forming consumer perceptions.

Additionally, it is suggested that a positive relationship between the firm and consumer positively impact the consumer’s level of satisfaction (Garbarino & Johnson, 1999). Consumers respond favorably to firms’ efforts to invest resources into customer relationships (Wulf, Schroder, & Iacobucci, 2001). As such, product innovations can be viewed as a tangible cue of an investment on behalf of the firm to benefit the consumer. Product innovations have been found to enhance the relationship quality between the firm and consumer and further illustrates its commitment to a market orientation (Hurly & Hult, 1998; Tsai & Ghosal, 1998). Furthermore, customer-oriented firms seek to enhance the relationship with customers by consistently meeting their needs and wants with new product offerings (Zhou, Yim, & Tse, 2005). Consequently, a focus on creating innovative products and processes represents a strategy to strengthen the aforementioned relationship between consumers and the firm. Consumers of highly innovative firms may have a higher level of anticipated satisfaction due to interpreting innovation activities as a relationship investment on the part of the firm.

Past research has hypothesized a direct relationship between firm innovativeness and performance (Deshpande & Farley, 2004). Innovativeness is often examined at the firm level by considering time to market, technological competencies within the firm, or the orientation of the firm without considering the impact those factors have on consumers (Capon, Farley, Hulbert, & Lehmann, 1992; Hult, Hurley, & Knight, 2004). Currently, the belief is that innovation directly impacts firm performance, however there could be a number of factors that mediate the relationship. However, the impact of innovativeness on firm performance, while still failing to examine consumer perceptions, has shown to be more impactful than having a market orientation in some instances (Deshpande & Farley, 2004).

While the impact of innovation on firm performance has been examined from a variety of angles, research has yet to focus on those that ultimately drive firm performance – the customer. Following Bagozzi’s (1992) cognitive appraisal-emotional response-behavioral intentions framework, consumers
will have an emotional or cognitive response to their perception of firm innovativeness and this response precedes their behavioral intentions. Given that consumers make purchase decisions on evaluations of quality and anticipated satisfaction, it is reasonable to assume the relationship between perceived innovation will not directly lead to purchase intentions, but rather perceived quality and anticipated satisfaction will need to be considered as well. Therefore, we hypothesize:

\[ H_1: \text{Perceived innovativeness positively affects a) perceived product quality and b) anticipated satisfaction.} \]

Perceived quality, anticipated satisfaction, and purchase intentions

Technical innovations refer to the adoption of new technological advancements in producing products (i.e., goods or services) (Damanpour, 1987). For physical goods, the focus of most innovation is on upgrading the technical quality of the product, while innovation in a service context is concerned with enhancing the consumers overall experience (Berry, Shankar, Parish, Cadwallader, & Dotzel, 2006). To this end, organizational innovativeness has been found to influence consumer perceptions of product quality as well as loyalty intentions (Kirca, Jayachandran & Bearden, 2005). The goal of experience-focused innovations is to appeal to the consumer’s emotional or physical comfort by upgrading or enhancing the environment in which the service occurs (Berry et al., 2006).

Firms are constantly examining methods by which they can enhance the perceived quality of their products due to the positive impact for both the firm and the consumer. Perceived quality is referred to as the consumer’s evaluation of the performance of a particular good or service (Cronin & Taylor, 1992). Consumer perceptions of product quality have been found to impact satisfaction and purchase intentions toward a firm’s offerings (Zeithaml, Berry, & Parasuraman, 1996; Cronin, Brady, & Hult, 2000). Furthermore, perceived quality is considered the chief component of value creation for the consumer on behalf of the firm (Hallowell, 1996).

Several researchers have debated whether customer satisfaction and perceived quality are distinct constructs (Dabholkar, 1993; Iacobucci, Grayson, & Ostrom, 1994; Dabholkar, Shepherd, & Thorpe, 2000). Although highly correlated, quality perceptions and satisfaction are distinct constructs since perceived quality represents cognitive evaluations of a product while satisfaction has been conceptualized as an affective response (Parasuraman, Zeithaml, & Berry, 1988; Bitner, 1990; Cronin & Taylor, 1992; 1994). A satisfied consumer benefits from positive feelings associated with the use of a specific good or service (Oliver, 1996). Thus, perceptions of quality have been found to precede feelings of satisfaction towards a product (Oliver, 1993; Dabholkar et al., 2000). As such, satisfied customers have been shown to be more likely to remain loyal, repurchase products, and recommend the product to others (Cronin et al., 2000).

Perceived quality is defined as “the consumers’ judgment about a product’s overall excellence or superiority” (Zeithaml, 1988, p. 3). These perceptions do not require the consumer to have experience with the service provider (Taylor & Baker, 1994). Previous research suggests there is a strong link between service quality perceptions and the positive impact on purchase intentions (Zeithaml et al., 1996; Sirohi, McLaughlin, & Wittink, 1998). Similarly, the relationship between satisfaction and purchase intentions has been established, as anticipated levels of satisfaction impact purchase intentions (Homburg, Koschate, & Hoyer, 2005).

In addition, service quality has been shown to be an antecedent to satisfaction (Spreng & Mackoy, 1996). Perceptions of service quality have been shown to predict the consumer’s satisfaction with the experience (Otto & Ritchie, 1995). Consumers expecting quality from an innovative provider are likely to have related levels of anticipated satisfaction or have a difficult time distinguishing between the two (Taylor & Cronin, 1994). This model herein depicts the theorized relationship between perceived quality and anticipated satisfaction. We propose the following hypotheses:

\[ H_2: \text{Perceived product quality positively affects a) anticipated satisfaction, b) purchase intentions, and} \]
c) anticipated satisfaction positively affects purchase intentions.

**METHODODE**

**Sample & Data Collection**

Data were collected from 342 subjects who completed an online survey. To ensure the independence of the observations the survey was designed to allow for one response per internet protocol (IP) address. Respondents ranged in age from 19 to 74, with a mean age of approximately 39 years, and the sample was comprised of 44 percent male and 56 percent female respondents. Preliminary data analysis resulted in a reduced sample. In total, seven questionnaires were removed from the study. In total, seven questionnaires were removed from the study for failing to properly answer a quality check question (n=5) and due to incomplete data (n=2), leaving 335 participants. The survey items for each construct were randomized for each respondent to help eliminate order effects.

Subjects were asked to read a scenario about a fictitious movie theater with innovative offerings, such as temperature controlled, reclining chairs that adjust based on the occupants size. The offerings in the scenario were judged to be innovative by graduate students. Subjects answered questions pertaining to the firm’s innovativeness, perceptions of quality, anticipated satisfaction and purchase intentions. Perceived innovativeness was measured using an adapted scale from Moorman (1995) and Fang’s (2008) new product innovation scales. Our primary dependent variable, purchase intentions, was measured using a four-item scale from Oliver and Swan (1989). Taylor and Bearden’s (2002) measure of perceived quality and Oliver’s (1980) scale of anticipated satisfaction were used. The items were scored on a seven-point scale (see Appendix A).

**Results**

**Measurement Model.** The psychometric properties of the items were evaluated through a comprehensive confirmatory factor analysis. All items were simultaneously tested in one model and were restricted to load on their assigned factors. The results of the confirmatory factor analysis are presented in Table 1 along with descriptive and diagnostic statistics. Due to the sensitivity of chi-square to sample size, the model fit was evaluated using the root mean square error of approximation (RMSEA), comparative fit index (CFI), and the
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Tucker-Lewis index (TLI) fit indices due to their reported stability and insensitivity to sample size (Hu & Bentler, 1999; Gerbing & Anderson, 1992). The measurement model fit the data well ($\chi^2 = 230.17$, $df = 84$, $n = 334$, RMSEA = .072, CFI = .98, TLI = .97). Construct reliability estimates were assessed according to Fornell and Larcker (1981). All scales were reliable with construct reliability estimates ranging from .91 to .98, as reported in Table 1. Convergent validity was evaluated through an examination of the average variances extracted. All of the average variances extracted were greater than .50, indicating convergent validity (Fornell & Larcker, 1981). Discriminant validity was tested in accordance with Fornell and Larcker’s (1981) criteria, whereby the average variance extracted for the construct is compared with the shared variance between the construct and other variables in the model. The results indicate discriminant validity for each of the squared correlations, since the average variance extracted by each of the scales was greater than the shared variance between the constructs.

**Structural Model.** A structural model was estimated to assess model parameters. The hypothesized structural model yielded a good fit ($\chi^2 = 230.34$, $df = 85$, RMSEA = .072, CFI = .98, TLI = .97). As illustrated in Table 2, all five of the predicted paths were significant ($p < .01$). The paths from perceived innovation to perceived quality and anticipated satisfaction were both significant, thus providing evidence of support for $H_{2b}$ and $H_{2c}$. Mediation Effects. To examine the mediating effects of perceived quality and anticipated satisfaction on perceived innovation to purchase intentions, we estimated models consistent with Baron and Kenny (1986) and Holmbeck’s (1997) guidelines. Four conditions for mediation were examined. The first condition is satisfied if the independent variable (perceived innovation) affects the mediators (perceived quality and anticipated satisfaction). The second condition is satisfied if the mediators affect the dependent variable (purchase intentions). Both of these conditions were met by the paths estimated in the hypothesized model (see Table 2). That is, $H_{1a}$, $H_{1b}$, $H_{2b}$ and $H_{2c}$ were all supported in the model. The third condition is satisfied if the independent variable (perceived innovation) affects the dependent variable (purchase intentions). Therefore, we estimated a model with only direct paths from perceived innovation to purchase intentions- a direct model ($\chi^2 = 67.73$, $df = 19$, CFI = .98, TLI = .98, and RMSEA = .088). The direct path was significant ($p < .001$) with a standardized coefficient of .51, thus satisfying the third mediating condition.

Lastly, the fourth condition is satisfied if the direct path from the independent variable (perceived innovation) to the dependent variable (purchase intention) is either non-significant, indicating full mediation, or reduced, indicating partial mediation when the paths from the independent variable to the mediator are included in the model. The fit of

<table>
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<tr>
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<td>.51</td>
<td>.71</td>
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Notes: $n = 334$; $\chi^2 = 230.17/84$ degrees of freedom; RMSEA = .07; CFI = .98; TLI = .97; Correlations are shown below the diagonal; shared variances are depicted above the diagonal; the AVE is depicted in **boldface** on the diagonal.
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The full model ($\chi^2 = 170.84$, df = 51, CFI = .98, TLI = .96, and RMSEA = .084) was slightly better than the hypothesized model ($\chi^2$ diff = 1.67, df = 1), with the direct path becoming insignificant, indicating that the perceived quality construct fully mediates the effect of perceived innovation on purchase intentions. In addition, the mediation effects of anticipated satisfaction via the full model were examined ($\chi^2 = 107.62$, df = .41, CFI = .98, TLI = .98, and RMSEA = .070) and the full model fit was slightly better than the hypothesized model ($\chi^2$ diff = .99, df = 1), again the direct path became insignificant, indicating that the anticipated satisfaction construct fully mediates the effect of perceived innovation on purchase intentions. These analyses collectively indicate perceived quality and anticipated satisfaction fully mediate the relationship between perceived innovation and purchase intentions.

CONCLUSIONS & MANAGERIAL IMPLICATIONS

Overall, the hypotheses presented are supported by the results obtained in the study. As predicted, consumer perceptions of innovation lead to perceptions of quality. Firms that spend millions of dollars a year without regard for how consumers’ perceive, or recognize, their innovation efforts may not be maximizing their return on investment. Our findings support the notion that if consumers perceive a firm to be innovative, they also perceive a higher quality product, and are more likely to embrace the efforts of the firm and purchase the innovative offerings. Every fall Apple unveils its latest innovations, while the changes are not often considered to be radical innovations (Chandy & Tellis, 1998), consumers gravitate to the innovations presumably because they are perceived to be more innovative compared to previous versions. Thus, Apple’s strategy appears to be successful in conveying the firm’s innovativeness. Recently, Samsung’s unveiling of new products has mimicked Apple, presumably to create a buzz in an effort to convey their offerings, highlighting innovativeness over the competition or previous versions of the product.

We also hypothesize that perceived innovation would have a positive influence on anticipated satisfaction ($H_{1b}$). This path is also significant, however it does not appear as strong as the path to perceived quality. This is not surprising, as

### TABLE 2: Structural Model Results

<table>
<thead>
<tr>
<th>Fit/Paths</th>
<th>Research Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$/ df</td>
<td>230.34/85</td>
</tr>
<tr>
<td>CFI</td>
<td>.98</td>
</tr>
<tr>
<td>TLI</td>
<td>.97</td>
</tr>
<tr>
<td>RMSEA</td>
<td>.07</td>
</tr>
<tr>
<td>$H_{1a}$: Perceived Innovation $\rightarrow$ Perceived Quality</td>
<td>.65***</td>
</tr>
<tr>
<td>$H_{1b}$: Perceived Innovation $\rightarrow$ Anticipated Satisfaction</td>
<td>.15**</td>
</tr>
<tr>
<td>$H_{2a}$: Perceived Quality $\rightarrow$ Anticipated Satisfaction</td>
<td>.68***</td>
</tr>
<tr>
<td>$H_{2b}$: Perceived Quality $\rightarrow$ Purchase Intentions</td>
<td>.23***</td>
</tr>
<tr>
<td>$H_{2c}$: Anticipated Satisfaction $\rightarrow$ Purchase Intentions</td>
<td>.62***</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mediators</th>
<th>Mediated Paths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Quality</td>
<td>.506*** $\rightarrow$ .075</td>
</tr>
<tr>
<td>Anticipated Satisfaction</td>
<td>.506*** $\rightarrow$ .048</td>
</tr>
</tbody>
</table>

The standardized path coefficients are provided and the significance is reflected by ** $p < .01$, *** $p < .001$. 

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consumers’ are not necessarily going to perceive a product as innovative and automatically anticipate satisfaction. There are many factors that could come into play, one of which is their feelings toward the organization or product. For example auto manufacturers now equip most vehicles with built-in GPS units that allow for turn-by-turn navigation. While consumers may perceive this as an innovative product offering, it does not necessarily mean that they will be satisfied with it in their cars. They may not have any use for a GPS unit since they rarely travel unknown roads, already have it on their phone, or feel that it is too complex and not within their realm of understanding. However, customers that perceive an offering as innovative are likely to view it as creating a certain level of satisfaction even if the product isn’t ideal for him or her. The relationship between perceived innovation and perceptions of quality, and the subsequent impact on anticipated satisfaction, helps to bridge the gap. This path has the largest standardized loading in the model. As consumers’ perceive a firm to be innovative, their perceptions of product quality will likely increase, which in turn has an impact on anticipated satisfaction. Firms must recognize that generally consumers’ believe innovation leads to greater product quality and are likely to expect it to lead to greater satisfaction. As shown in previous studies, perceived quality leads to satisfaction, and this model is no different (e.g., Otto & Ritchie, 1995; Spreng & Mackoy, 1996). Consider the shopping experience offered by Amazon.com. If an individual is aware of the innovative service provided by Amazon, s/he is likely to perceive Amazon to be a high quality retailer. Being aware of innovations from Amazon will likely stimulate perceptions of quality, which in turn will lead an individual to believe that the shopping experience will be better because of it. Similarly, that perception of quality is likely going to create an anticipated level of satisfaction.

The mediation effects of perceived quality and anticipated satisfaction demonstrate the importance of both when evaluating consumer perceptions of innovation. While past research, and current popular press articles, examine innovation from a myriad of angles – employee perceptions, top management rankings, stock valuations, etc., understanding how consumers perceive the innovation efforts of a firm should not be overlooked. Thus, organizations must consider how investments in innovation impact consumer perceptions of firm innovativeness in order to maximize their return.

Samsung has appeared to note this with its latest efforts surrounding cell phone offerings. As previously mentioned, recent product unveilings are beginning to look similar to Apple’s in terms of magnitude and circumstance. As such, due in large part to improved perceptions of the phones, Samsung’s Galaxy line of cell phones recently out sold the iPhone for the first time (Zeman, 2013). It isn’t that Samsung has gone to a new level in terms of innovation, but rather they are seemingly aware of the hype and buzz needed to create the image of innovativeness that leads to perceptions of quality and creates anticipated satisfaction. It takes more than merely being an innovative company to garner the attention of consumers, firms need to recognize that building a buzz or hype around the company’s innovativeness is critical to building consumer awareness of the efforts of the firm.

Building upon the previous hypotheses, the path from perceived quality to purchase intentions (H_{2b}) is significant, yet the standardized regression weight is not as great as that from anticipated satisfaction to purchase intentions (H_{2c}). As mentioned earlier, although consumers may perceive an innovation to be high quality, that alone may not lead them to purchase the product. Consumers interested in purchasing a new car likely perceive the innovative GPS system to be of high quality, but as they have little use for it they are likely to opt for a less expensive GPS-free version. On the other hand, as consumers perceive vehicles with GPS units to be of higher quality, and it leads to greater levels of anticipated satisfaction, that will likely influence their purchase decision. Without that increased level of anticipated satisfaction, consumers would have less motivation to purchase the innovative product, thus minimizing any impact it may have on their future intentions. Thus, it is critical that firms understand what consumers deem as innovative and high quality, while simultaneously understanding that the quality added must create satisfaction. Organizations
must understand what consumers expect from a product and provide an adequate level of quality to meet or exceed those expectations.

Retail and service firms are now frequently listed as some of the most innovative companies. For example, Amazon.com, Marriot International, and Chipotle Mexican Grill are listed amongst the top 20 most innovative companies (Forbes, 2014). Again, innovativeness rankings are established by a group of investors and based largely on financial metrics (Forbes, 2014), without consumer input. Consider Chipotle, the quick casual restaurant chain that has expanded rapidly in the past few years. Chipotle’s menu has changed very little, if at all, in recent years, yet it finds its way onto Forbes’ list of most innovative companies. Is Chipotle that much more innovative than Taco Bell, which doesn’t appear anywhere in the top 100, yet has revamped its menu offerings, marketing campaigns and mobile presence in recent years? According to Forbes it is, however if you ask the average consumer the response may be different. The present research suggests that while expert opinion is not without merit, consumer perceptions of innovativeness are extremely important and should be considered when assessing a firm’s level of innovativeness, or when a firm’s strategy dictates the need to be viewed as innovative.

LIMITATIONS AND FUTURE RESEARCH

As with all research, our study is not without limitations. The data were gathered from single sources and only purchase intentions, not actual purchase, was measured. This decision was made due to the nature of the study in order to maintain control over the information participants viewed. The use of a single data source increases the possibility there could be common method variance (CMV) induced in the results. Care was taken to minimize the potential for CMV via the arrangement of the survey items, ensuring anonymity, and spatially separating independent and dependent variables (Lindell & Whitney, 2001; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The results of the Harman one-factor, and Lindell and Whitney (2001), tests to check for the effects of CMV suggest it was not an issue.

Another potential limitation stems from the use of a single industry with which participants were provided innovation insights. Future research should seek to extend the current study by examining other industries, or examining the impact of innovation of physical goods. In addition, future research may examine additional moderating variables such as type of good or service, or the uniqueness of an innovation. Different types of innovations, and consumers’ perceptions of the degree of innovation may provide a unique insight. Researchers may wish to evaluate domestic versus international firms to establish how a firm’s nationality impacts perceptions of innovation. Future research may also explore additional communication strategies and tactics that firms utilize in order to promote innovative offerings. While this study attempts to examine the impact of innovation on consumer intentions, there are many avenues of research that should be explored to further the knowledge of academics and practitioners.

REFERENCES


**APPENDIX A:**

**Perceived Innovativeness** – Moorman 1995, Fang 2008
This movie theater is challenging existing ideas compared to other theaters.
This movie theater offers new ideas to the marketplace.
This movie theater is creative.
This movie theater is interesting.

**Anticipated Satisfaction** - Oliver 1980
I would be happy about my decision to visit this movie theater.
I would believe I did the right thing if I decided to visit this theater.
Overall, I would be satisfied with my decision to visit this theater.

**Perceived Quality** – Taylor & Bearden 2002
I believe that this movie theater will be.
(low quality – high quality)
(bad – good)
(inferior – superior)
(worse than most – better than most)

**Purchase Intentions Items** – Oliver & Swan 1989
What is the likelihood you would choose this movie theater?
(unlikely – likely)
(very improbable – very probable)
(impossible – possible)
(no chance – certain)

*Measured using a seven-point semantic differential
All other scales measured using a seven-point Likert scale with “Strongly Disagree” and “Strongly Agree” as the anchors.
QUALITY OR RESPONSIBILITY? THE IMPACT OF TWO CATEGORIES OF CORPORATE SOCIAL RESPONSIBILITY ON THE CONSUMER-BRAND RELATIONSHIP

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Given the increased interest and empirical research in corporate social responsibility (CSR) and irresponsibility, the present study identifies two categories of corporate information – corporate operational performance (COP) and corporate social performance (CSP) – to test and predict their respective impact on consumer brand advocacy and brand trust. Through an empirical study, the results from three-way interactions suggest that product valence of CSR and the product involvement has moderating effects on brand advocacy. However, such moderating effects on brand trust are only found in high involvement products. Managerial implications and future research are also included in terms of applying these results for buzz marketing and cause-related marketing strategy development.

INTRODUCTION

Corporate social responsibility (CSR) initiatives have become increasingly popular among corporations. However, the nature of CSR has been debated for decades. Brown and Dacin (1997) present CSR as two components: (1) the corporate ability relative to a company’s expertise in producing and delivering its products/services; and (2) a company’s image or reputation relative to its value system (Homburg, Stierl, & Bornemann, 2013), soul, or character (Sen & Bhattacharya, 2001). The purpose of this paper is to examine a fundamental yet unexplored question: Do consumers respond differently to these two specific types of CSR information? In answering this question, this paper first defines two major dimensions of CSR, namely, corporate operational performance (COP) and corporate social performance (CSP). The former captures a company’s publicly released information regarding product quality and innovativeness capability (Gatignon & Xuereb, 1997; Rust, Moorman, & Dickson, 2002); the latter includes a company’s activities and status related to its perceived societal or stakeholder obligations (Korschun, Bhattacharya, & Swain, 2014). The particular interest of this paper is given to the impacts of COP and CSP on the consumer-brand relationship. An assumption is that successful relationship marketing requires trust as the cornerstone (Morgan & Hunt, 1994; Delgado-Ballester & Munuera-Alemán, 2001) and relies on advocacy to flourish (Beren, van Riel, & van Bruggen, 2005). This study aims to reveal the relationship between COP/CSP and brand advocacy and brand trust. In this consumer-brand continuum, customers evaluate brand trustworthiness by two scopes: (1) the product or service the firm offers (i.e., product brand) that is usually associated with COP; and (2) the firm which provides the products and services (i.e., corporate brand) that is connected with CSP. In addition, consumer response to brand trust and brand advocacy will be moderated by product involvement. The objective of this study is to add to the body of empirical research in CSR by demonstrating that COP and CSP information can be applied to a consumer–brand relationship context.

The rest of this paper is organized as follows. Following a literature review of related constructs is the development of the theoretical framework. A laboratory experiment to test the hypotheses then follows. After presenting the results, this paper posits a discussion of the findings in terms of academic contributions and managerial implications. Finally, this paper concludes with several future research areas in this domain.
THEORETICAL BACKGROUND AND RESEARCH HYPOTHESES

Corporate Social Responsibility (CSR)

In the past two decades, corporate social responsibility (CSR) has been an important area of research in brand equity. Consumers may associate CSR with a positive product and its evaluations, brand recommendations, and brand choice (e.g., Olsen, Slotegraaf, & Chandukala, 2014). On the other hand, negative CSR, or corporate social irresponsibility (CSI), can impair brand equity by weakening consumers’ brand evaluations and purchase intentions (Dawar & Pillutla, 2000; Armstrong, 1977). In general, the makeup of CSR or CSI comes from two categories of activities: (1) its operating performance-related activity (Krasnikov & Jayachandran, 2008); and (2) its symbolic- or value-related activity (Pullig, Netemeyer & Biswas, 2006).

Consumers usually employ a company’s operating performance ability to assess its expertise and manufacturing capability (Brown & Dacin, 1997) or the quality of its products and services (Escrig-Tena & Bou-Llusar, 2005), cost efficiency, flexibility, logistics, business process capability and production competence (Homburg et al., 2013). Along with the growing complexity of products and services, product-harm crises have become more and more frequent, whereas consumers have tremendously increased the needs of rigid product-safety legislation (Dwar & Pillutla, 2000). If a company fails to meet such laws and leads to large-scale damages, consumers will view this firm as socially irresponsible. Such examples include BP’s oil spill in the Gulf of Mexico, Toyota’s brake flaw, Tylenol’s terrorist capsule poisoning, MapleLeaf’s contaminated meat products, etc. Accordingly, this paper labels product-related CSR and CSI information as Corporate Operating Performance (COP), CSR-COP and CSI-COP, respectively.

Another dimension of CSR or CSI is social in nature and non-product related (Homburg et al., 2013; Sen & Bhattacharya, 2001). It (1) delivers wider societal value, including the support of health and human rights improvements (e.g., discrimination, labor abuses), and environmental protection; (2) contributes to regional development and global partnerships for sustainable development; and (3) addresses in a balanced way key stakeholder concerns. This type of CSI may do harm to a brand’s symbolic benefits (Pullig et al., 2006). For instance, Nike was criticized for physically and mentally abusing its workers in the contracted manufacturers in Third World (e.g., Indonesia). Another similar example is McDonald’s being accused of animal cruelty and employee exploitation. Indeed, word-of-mouth research has examined both product and non-product CSI information (Mahajan, Muller, & Kerin, 1984). Accordingly, this paper labels social or ethical value-related CSR and CSI information as Corporate Social Performance (CSP), CSR-CSP and CSI-CSP, respectively.

Brand Advocacy

Brand advocacy is a generalized tendency to share brand information or knowledge within a product class in order to benefit others in their purchases and consumption (Herr, Kardes, & Kim, 1991). Brand advocacy, closely linked to the altruistic tendencies of individuals, is similar to the concepts of opinion leadership (Childers, 1986), marketplace helping behavior, and market mavenism (Feick & Price, 1987; Huang, 2010), in that it is an individual difference variable grounded in the consumer information exchange about marketplace activities to promote positive marketplace experiences. Consumers who play the role as brand advocator may indeed enjoy sharing shopping information with others and are actively involved in helping others to navigate the marketplace (Feick & Price, 1987; Huang, 2010). From the perspective of a marketer, brand advocacy aims to build deeper customer relationships by earning high levels of trust and commitment (Leisen & Hyman, 2004; Morgan & Hunt, 1994).

It is widely accepted that consumer advocacy intention will be stronger if a brand provides superior benefits (Brown, Barry, Dacin, & Gunst, 2005). Based on the descriptions of Corporate Operating Performance (COP) and Corporate Social Performance (CSP) in the previous section, a company’s CSR is a collective assessment of its ability to provide valued outcomes to a representative group or stakeholders. It is a key source of

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distinctiveness that produces support for the company and that differentiates it from rivals. Thus, consumers may be willing to advocate a brand because they perceive some unique values and benefits resulting from its CSR presence that no alternative brand can provide. Such satisfied brands, as a result, should be purchased or be intended to purchase more often. Furthermore, consumers who are pleased with the CSR brand are likely to be a source of word-of-mouth (WOM) advocates (Brown et al., 2005; Barlas & Huang, 2009).

Although the construct of brand advocacy and its antecedents have been assessed in marketing and consumer behavior literature (Duhan, Johnson, Wilcox, & Harrell, 1997), empirical evidence on the nature and extent of the impact of COP and CSP information as predictors in a single framework of consumer-brand relationship is scarce. This paper collectively investigates two dimensions of brand advocacy – purchase and WOM intentions – to predict subsequent advocate behaviors. Since some empirical studies have revealed that brand advocacy varies by products, industries, and situations (e.g., Cronin, Brady, & Hult, 2000), this study will examine consumer brand advocacy by using high versus low involvement product classes.

Brand Trust

Brand trust is important as it transforms a positive transactional orientation toward a brand into an enduring and close personal – even committed – relationship with a brand. Morgan and Hunt (1994) suggest that brand trust is one of the “key variables” to maintaining a valued consumer-brand relationship, to avoid seeking new relational exchanges with alternative brands, and to reduce the perceived risks in the environment. As demonstrated by Dwyer, Schurr, and Oh (1987), trust influences subsequent customer behavior (e.g., repeated purchase) and attitudes (e.g., psychological or emotional attachment), which is specifically pertinent to uncertainty where there exists image incongruity, information asymmetry, or in brands with traditional negative images (Doney & Cannon, 1997). Consumers trust brands that are good and honorable, empathetic, and hold positive brand images and personalities (Chaudhuri & Holbrook, 2001). Brand trust thus can be viewed as the keystone and one of the most desired traits in a consumer-brand relationship, which is seen as a substitute for human contact between the company and its customers (Bhattacharya & Sen, 2003).

Chaudhuri and Holbrook (2001) suggest that brand affect and brand trust are separate constructs but combined to influence brand loyalty. They define brand trust as “the willingness of the average consumer to rely on the ability of the brand to perform its stated function (p. 82).” Similarly, Dawar and Pillutla (2000) describe brand trust as reliability and dependability based on the consumer’s belief that a brand has certain qualities that make it consistent, competent, honest, and responsible. Since customers are more likely to choose brands they believe to be trustworthy and reliable, brand trust is thus the most important attribute any brand can have (Doney & Cannon, 1997), and can influence the strength of consumer-brand relationship (Batra, Ahuvia, & Bagozzi, 2012). In relational exchanges, trust was defined as the expectations held by the consumer that the service provider is dependable and can be relied on to deliver on its promises (Sirdeshmukh, Singh, & Sabol, 2002).

Commonly found in marketing literature, brand trust is reported as a two-dimensional idea (Doney & Cannon, 1997; Ganesan, 1994; Morgan & Hunt, 1994). The first dimension of brand trust is technical, or of competence-based nature, involving the ability and willingness to keep promises and satisfy consumer needs. The second dimension comprises the attribution of good intentions to the brand in relation to the consumers’ and well-beings’ interests as well as welfare. A trustworthy brand relies more on understanding real consumer needs and fulfilling them than does the particular service or product. It is not merely responsive, but responsible. This two-dimensional brand trust framework is consistent with the categories of COP and CSP information. This paper proposes that the core component of trust, differentiating it from future expected performance, is perceived motivation of the brand that derives from altruism, integrity, or a combination of the two (Moorman, Deshpande, & Zaltman, 1993;
Morgan & Hunt, 1994; Hess, Ganeson, & Klein, 2003). Positive corporate operating performance information (i.e., CSR-COP) may contribute to increasing consumer brand trust, whereas negative cooperate operating performance information (i.e., CSI-COP) can lead to increasing the uncertainty and risk associated with a brand and thus decrease brand trust.

**Corporate Social Responsibility as Diagnostic Information**

A large amount of previous corporate social responsibility research has focused on the impact of information accessibility on brand evaluation. For instance, Dawar and Pillutla (2000) indicate that the positive pro-attitude of familiar brands decreases the impact of CSI-COP on brand evaluations (Study 3). When facing the CSI-COP information of a familiar brand, consumers’ previous brand experience permits them to easily retrieve the pro-attitudinal information and thus diminishes the impact of such information on brand evaluation. When facing the CSI-COP information of an unfamiliar brand, consumers’ former attitude toward the brand may not be easily retrieved. Consequently, consumers evaluate the brand unfavorably on the basis of using CSI as the prime information. Indeed, the accessibility-diagnosticity theory can be used to explain the diagnostic role of COP information in brand evaluations.

According to the accessibility-diagnosticity theory (Feldman & Lynch, 1988; Lynch, Marmorstein, & Weigold, 1988), information is more likely to be used for specific evaluations when it is easily recalled and when the information is perceived as useful for the evaluation (Herr et al., 1991). More recently, Dawar and Lei (2009) have examined the moderating role of brand knowledge between CSI-COP and its relevancy. Their studies suggest that when consumers are not familiar with a brand, they have limited knowledge about the brand, which makes it difficult for them to judge the relevance of the crisis for the brand. As a result, the CSI-COP leads to unfavorable brand evaluation regardless of its relevance to the brand. When consumers are familiar with a brand, their brand knowledge helps them judge the seriousness of the CSI-COP information, depending on the relevance of the product crisis, and thus influences the result of brand evaluation.

This moderating role of brand knowledge may be explained by the level of product involvement (Laurent & Kapferer, 1985). When facing an unfamiliar compared to familiar brand or product, consumers usually experience a higher level of uncertainty or perceive risk in the decision-making process (Zaichkowsky, 1985). Consumers with a high degree of involvement have high perceived risk and consumers with a low degree of involvement have low perceived risk. Therefore, consumers with a high degree of product involvement actively look for information related to the product and evaluate all the alternatives, whereas consumers with a low degree of product involvement do not (Cox, Cox, & Zimet, 2006).

Consumer involvement is a multidimensional construct consisting of an individual’s subjective sense of the concern, care, importance, personal relevance, and significance attached to an attitude of a product, a product class, or a specific product category (Olsen, 2007; Coulter, Price, & Feick, 2003). Previous marketing research has empirically suggested a moderation effect of involvement on the attitude–behavioral relationships (Beatty, Kahle, & Homer, 1988). For high involvement products or brands, consumers rely on elaborate information processing and product-related thoughts to make inferences and judgment in terms of the brand’s qualities and traits (Delgado-Ballester & Munuera-Alemán, 2001), such as corporate operating performance information.

Compared with CSP, for instance, COP information on qualities and traits about high involvement products may elicit stronger brand affects. Berens et al. (2005) have partly supported this postulation. They observe that COP information (i.e., product and service quality, the expertise of employees and management) has a significant, positive effect on brand evaluations, whereas CSP does not. In line with the accessibility-diagnosticity framework, their results have empirically supported that COP is more diagnostic in brand evaluations than CSP.
According to the nature of COP information, it is not surprising that the value of COP as a strong effect on consumer’s judgment. Research on categorization suggested that individuals categorized information in a manner of cognitive efficiency (Cohen & Nakamoto, 1987; Rosch, 1975). As the negative COP (CSI-COP) has stronger negative input on brand evaluation than negative CSP (CSI-CSP), especially for high-compared to low-involvement product. This paper argues that the valence of CSR information has a directionally consistent effect on brand evaluation (Herr et al. 1991; Grewal, Cline, & Davies 2003). For instance, positive COP (CSR-COP) is more diagnostic than CSR-CSP for high-involvement product whereas an opposite pattern can be the situation for low-involvement product.

As an unobservable state of motivation, arousal, or interest toward consumption (activity) of a product or object (Olsen, 2007), the moderation role of product involvement on the relationship between CSR and brand affect has not been widely tested. This paper thus aims to provide some empirical evidence that the exposure of CSR-COP may strengthen consumer brand advocacy, such as purchase intention, evaluation of the corporation, and WOM communications, etc., especially when the brand is in the high involvement product categories. On the other hand, when consumers look at low involvement products, CSR-CSP becomes more diagnostic than COP information for brand evaluation and advocacy. In sum, the hypotheses are:

_H1_: CSP has a stronger effect on brand advocacy than COP for low-involvement products.

_H1a_: CSR-CSP information has a stronger positive effect on brand advocacy than CSR-COP information for low involvement products.

_H1b_: CSI-CSP information has a stronger negative effect on brand advocacy than CSI-COP information for low involvement products.

_H2_: COP has a stronger effect on brand advocacy than CSP for high-involvement products.

_H2a_: CSR-COP information has a stronger positive effect on brand advocacy than CSR-CSP information for high involvement products.

_H2b_: CSI-COP information has a stronger negative effect on brand advocacy than CSI-CSP information for high involvement products.

_H3_: CSP has a stronger effect on brand trust than COP for low-involvement products.

_H3a_: CSR-CSP information has a stronger positive effect on brand trust than CSR-COP information for low involvement products.

_H3b_: CSI-CSP information has a stronger negative effect on brand trust than CSI-COP information for low involvement products.

_H4_: COP has a stronger effect on brand trust than CSP for high-involvement products.

_H4a_: CSR-COP information has a positive effect on brand trust than CSR-CSP information for high involvement products.

_H4b_: CSI-COP information has a stronger negative effect on brand trust than CSI-CSP information for high involvement products.

**METHOD**

**Design**

The study was a 2 (COP: CSR-COP vs. CSI-COP) × 2 (CSP: CSR-CSP vs. CSI-CSP) × 2 (Involvement: high vs. low) between-subject design. A total of 326 commerce major undergraduate students from a major North American university were recruited for the current study and another 55 students from the same program were recruited for pretests. Each student received a half course credit for the participation.

**Stimuli**

A fictitious company producing juices [Company XYZ] was used as the low involvement product category and another fictitious company manufacturing TV sets was used as the high involvement product category. Results from a pretest (n=27) indicated that the involvement in the TV set product category was significantly higher than that of the juice product category on a three-item measurement (Olsen, 2007): important/unimportant in my daily life; motivated/unmotivated to search...
product information before making purchasing decision; concerned/unconcerned about making the purchase decision (Cronbach $\alpha = .93$, $M_{TV} = 5.15$ vs. $M_{juice} = 2.98$, $p < .001$; $1$=disagree, $7$=agree) among participants. Juices and TV sets were selected as the target product categories, because students in the subject pool (third and fourth year undergraduate students) were familiar with these product categories. Different from other consumer-brand relationship studies, the nature of this research is related to the impact of CSR and CSI information on individuals’ attitude and behavioral intentions rather than on the attitude change in a customer-brand relationship. Thus, fictitious brand names can eliminate contaminations resulting from the subjects’ existing attitudes and beliefs toward a known brand.

Manipulation Check

The type of corporate social responsibility information was manipulated into COP and CSP categories. Subjects expressed their agreement with the statements on a seven-point Likert scale anchored by disagree/agree. For COP, two specific corporate ability performances were considered: product/service quality (including logistics) and innovativeness capability (Gatignon & Xuereb, 1997; Rust et al., 2002). The quality of existing products/services is essential for keeping a firm’s current customers happy, whereas innovation is essential for reaching new customer bases and gratifying ever-changing customer needs (Luo & Bhattacharya, 2006). Prior studies have confirmed that a company’s ability to provide a superior product/service quality is critical to its long-term survival and success (e.g., Mittal, Sayarak, Tadikamalla, & Anderson, 2005; Rust et al., 2002). In a similar fashion, two items from Berens et al. (2005) were adapted to measure COP: Do you think [company name] offers high-quality products? Do you think that [company name] develops innovative products/services? (Cronbach $\alpha = .96$).

For CSP, Fombrum, Gardberg, and Sever’s (2000) reputation quotient scale captures several aspects of corporate reputation, including social and environmental responsibilities. Two items from Berens et al. (2005) were adopted to measure CSP: Do you think [company name] supports good causes? Do you think that [company name] behaves responsibly regarding the environment? (Cronbach $\alpha = .94$).

Positive and negative target messages of Company XYZ were developed through a series of pretests. In the final pretest, 28 subjects were exposed to one of the four versions of messages: CSR-COP, CSR-CSP, CSI-COP, and CSI-CSP. Subjects were asked to rate “How favorable or unfavorable was the presented message towards the target brand?” on a seven-point scale. The messages were rated as significantly different in their valences but not in their extremity. They were also rated as equivalent in their believability ($p > .78$) (see Appendix).

The dependent variables were (1) brand advocacy: Generally speaking, [company name] is satisfying; if a friend were looking for a product of this type, would you advise him or her to purchase this product? Would you purchase this product? (Cronbach $\alpha = .97$); (2) brand trust (Chaudhuri and Holbrook, 2001): I trust this brand; this is an honest brand; this brand is safe (Cronbach $\alpha = .91$).

Procedure

All recruited subjects were invited to a large classroom and were told that this study was interested in their opinions about a company producing juices or a company manufacturing TV sets. They were then randomly assigned to eight experimental conditions and exposed to the related company’s CSR or CSI information. Next, all subjects were asked to finish a paper-and-pencil questionnaire including COP and CSP ratings. After that, subjects were then told that this company had recently introduced a new juice drink/a new model of TV set, with the product descriptions, and asked to provide a purchase intention rating with the assumption that they were interested in buying a juice for their breakfast/buying a TV set for their apartment. Finally, subjects were explicitly debriefed about the study. Subjects were quizzed on whether they had guessed the purpose of the experiment. None of the subjects had.
Analysis

The hypotheses implied a three-way interaction among the treatment condition manipulations: the types of corporate social responsibility information, the valence of the information, and product involvement. A regression model was used to analyze the data:

\[ Y_k = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_1 X_2 + \beta_5 X_1 X_3 + \beta_6 X_2 X_3 + \beta_7 X_1 X_2 X_3 \]

where

- \( Y_k \): \( k = 1 \) brand advocacy; \( k = 2 \) brand trust (dependent variable)
- \( X_1 \): the types of information (0 = CSP; 1 = COP) (independent variable)
- \( X_2 \): the valence of information (0 = CSR; 1 = CSI) (moderator)
- \( X_3 \): the product involvement (0 = low; 1 = high) (moderator)

The results of the regressions on brand advocacy and brand trust are presented in Table 1.

As the independent variable \( X_1 \) is coded as: 0 = CSP and 1 = COP, thus the simple slope coefficient, \( \gamma_{1i} \), in equation (2) shows the relationship between CSP (and the moderators) and the dependent variables. To examine the relationship between COP and the dependent variables, \( X_1 \) is recoded as \( X'_1 \) (0 = COP, 1 = CSP) and the simple slope coefficient is \( \gamma'_{i1} \) in equation (3).

\[ Y_k = \gamma'_{i0}(\beta_0 + \beta_2 X_2 + \beta_3 X_3 + \beta_6 X_2 X_3) + \gamma'_{i1}(\beta_1 + \beta_4 X_2 + \beta_5 X_3 + \beta_7 X_2 X_3) X'_1 \]

The moderator \( X_2 \) is defined as \( X_{20} \) (CSR, i.e., \( X_2 = 0 \)) and \( X_{21} \) (CSI, i.e., \( X_2 = 1 \)). The moderator \( X_3 \) is defined as: \( X_{30} \) (low involvement, i.e., \( X_3 = 0 \)) and \( X_{31} \) (high involvement, i.e., \( X_3 = 1 \)). Thus altogether there are four manipulated combined conditions: (i) \( X_2 \) and \( X_3 \), are both equal to 0: \( X_{20}X_{30} \), (ii) \( X_2 \) equals to 0 and \( X_3 \) equals to 1: \( X_{20}X_{31} \), (iii) \( X_2 \) equals to 1 and \( X_3 \) equals to 0: \( X_{21}X_{30} \), and (iv) \( X_2 \) and \( X_3 \), are both equal to 1: \( X_{21}X_{31} \).

In total, there are eight experimental conditions for each dependent variable: when CSP = 0 and COP = 1 (i.e., \( X_i \)), four simple slopes are generated as \( \gamma_{1i}, \gamma_{12}, \gamma_{13}, \text{ and } \gamma_{14} \) respectively; when COP = 0 and CSP = 1 (i.e., \( X'_i \)), another four simple slopes are generated as \( \gamma'_{1i}, \gamma'_{12}, \gamma'_{13}, \text{ and } \gamma'_{14} \), respectively. For instance, the equations (4) and (5) generates the coefficients of simple slope and intercept for condition (i) when CSP = 0 and COP = 1 (i.e., \( X_i \)):

\[ \gamma_{10}(b_0 + b_2 X_2 + b_3 X_3 + b_6 X_2 X_3) + \gamma_{11}(b_1 + b_4 X_2 + b_5 X_3 + b_7 X_2 X_3) \]

\[ \gamma'_{10}(b_0 + b_2 X_2 + b_3 X_3) + \gamma'_{11}(b_1 + b_4 X_2 + b_5 X_3) \]

### TABLE 1: Results of the Regression Analysis

<table>
<thead>
<tr>
<th>Predictor</th>
<th>( Y_1 = ) Brand Advocacy</th>
<th>( Y_2 = ) Brand Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b</td>
<td>t</td>
</tr>
<tr>
<td>Constant</td>
<td>2.23</td>
<td>3.13</td>
</tr>
<tr>
<td>( X_1 )</td>
<td>0.32</td>
<td>2.11</td>
</tr>
<tr>
<td>( X_2 )</td>
<td>-0.47</td>
<td>-3.80</td>
</tr>
<tr>
<td>( X_3 )</td>
<td>0.84</td>
<td>9.68</td>
</tr>
<tr>
<td>( X_1 \times X_2 )</td>
<td>0.25</td>
<td>2.36</td>
</tr>
<tr>
<td>( X_1 \times X_3 )</td>
<td>0.34</td>
<td>2.43</td>
</tr>
<tr>
<td>( X_2 \times X_3 )</td>
<td>-0.15</td>
<td>-1.17</td>
</tr>
<tr>
<td>( X_1 \times X_2 \times X_3 )</td>
<td>0.30</td>
<td>2.97</td>
</tr>
</tbody>
</table>

\( F(7, 318) = 31.55 \) \( p < .001 \)  
\( R^2_{\text{adj}} = .49 \)

\( F(7, 318) = 12.98 \) \( p < .001 \)  
\( R^2_{\text{adj}} = .37 \)
Quality or Responsibility: The Impact of Two Categories. . . .

Huang

Table 2a: Results of the Simple Slope Analysis (Y = Brand Advocacy)

<table>
<thead>
<tr>
<th>Conditions</th>
<th>γ</th>
<th>t</th>
<th>Sig.</th>
<th>Conditions</th>
<th>γ'</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>γ11: X2Ox3o</td>
<td>0.64</td>
<td>3.91</td>
<td>0.00</td>
<td>γ11: X2Ox3o</td>
<td>0.47</td>
<td>2.58</td>
<td>0.02</td>
</tr>
<tr>
<td>γ12: X2Ox3l</td>
<td>0.44</td>
<td>2.52</td>
<td>0.01</td>
<td>γ12: X2Ox3l</td>
<td>0.59</td>
<td>3.73</td>
<td>0.00</td>
</tr>
<tr>
<td>γ13: X2Ox3o</td>
<td>-0.58</td>
<td>-3.68</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>γ14: X2Ox3l</td>
<td>-0.45</td>
<td>-2.56</td>
<td>0.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2b: Results of the Simple Slope Analysis (Y = Brand Trust)

<table>
<thead>
<tr>
<th>Conditions</th>
<th>γ</th>
<th>t</th>
<th>Sig.</th>
<th>Conditions</th>
<th>γ'</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>γ11: X2Ox3o</td>
<td>0.18</td>
<td>1.55</td>
<td>0.32</td>
<td>γ11: X2Ox3o</td>
<td>0.27</td>
<td>2.43</td>
<td>0.03</td>
</tr>
<tr>
<td>γ12: X2Ox3l</td>
<td>0.39</td>
<td>3.80</td>
<td>0.00</td>
<td>γ12: X2Ox3l</td>
<td>0.20</td>
<td>1.94</td>
<td>0.17</td>
</tr>
<tr>
<td>γ13: X2Ox3o</td>
<td>-0.34</td>
<td>3.28</td>
<td>0.00</td>
<td>γ13: X2Ox3o</td>
<td>-0.36</td>
<td>3.37</td>
<td>0.00</td>
</tr>
<tr>
<td>γ14: X2Ox3l</td>
<td>-0.35</td>
<td>-3.43</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Intercept γ01 = b0 + b2X20 + b3X30 + b5X20X30
Simple slope γ11 = b1 + b4X20 + b5X30 + b7X20X30

Table 2a and 2b summarize the eight coefficients of the simple slope analysis for each dependent variable.

Results

Brand Advocacy and the Moderating Effect of Product Involvement. Results from Table 1 suggest a significant three-way interaction among the type of information (COP vs. CSP), the valence of information (CSR vs. CSI) and product involvement (low vs. high) (b = 0.30, p = .01). The results of two-way interactions between the independent variable and moderators are also significant.

Further simple slope analyses were carried out and the results suggested that in the low product involvement circumstance, positive corporate social performance information (CSR-CSP) has a stronger effect on brand advocacy than corporate operating performance information (CSR-COP) (γ11 = 0.64 vs. γ’11 = 0.47, p < .01). Table 2a also indicates that the CSI-CSP has a stronger negative impact (refer to the negative signs of the simple slope coefficients) on brand advocacy than CSI-COP for low involvement products (γ’13 = -0.58 vs. γ13 = -0.41, p < .01). H1a and b are thus supported.

For high involvement products, positive COP and CSP presented opposite patterns to the situations of low involvement products. That is, CSR-COP has a stronger effect on brand advocacy than CSR-COP (γ’12 = 0.59 vs. γ12 = 0.44, p < .05). Table 2a also indicates that theCSI-COP has a stronger negative impact (refer to the negative signs of the simple slope coefficients) on brand advocacy than CSI-CSP for high involvement products (γ’14 = -0.63 vs. γ14 = -0.45, p < .01). H2a and b are thus supported.

Brand Trust and the Moderating Effect of Product Involvement. Although Table 1 indicates the three-way interaction for the brand advocacy is significant (b = 0.23, p = .03), the results from simple slope analyses in Table 2b only present the conditional two-way interactions in the high, but not low product involvement situation (refer to γ11 and γ13 for X1 and γ’11, respectively). H3 is not supported. For high involvement products, CSR-COP has
a stronger effect on brand trust than CSR-COP ($\gamma_{12} = 0.39$ vs. $\gamma'_{12} = 0.20, p < .01$). Table 2a also indicates that the CSI-COP has a stronger negative impact (refer to the negative signs of the simple slope coefficients) on brand trust than CSI-CSP for high involvement products ($\gamma'_{14} = -0.57$ vs. $\gamma_{14} = -0.35, p < .01$). Thus, the results support $H_{4a}$ and $b$.

Discussion

As the different roles of CSP and COP in the diagnosticity and judgment, such type of positive information consistently influence brand advocacy in the same direction. However, as the level of uncertainty and perceived risks are different between low and high involvement products, the nature of CSP and COP information seems to be a better predictor of brand trust for high than low involvement products. These findings are consistent with the conclusions from trust research literature in that trust is usually related to a combination of brand and product or service attributes, quality and reliability (Hess et al., 2003; Moorman et al., 1993; Morgan & Hunt, 1994; Garbarino & Johnson, 1999). Compared with low involvement products consumers probably weigh quality and reliability of products or services more important than other dimensions for high involvement products. Combining these judgments into a summary construct, brand trust, consumers use it as an indication of expected future performance.

Furthermore, the moderating effect of involvement on corporate social responsibility and customer-brand relationship found in this study is consistent with social judgment theory (Sherif & Hovland, 1961), which suggests that individual current attitude serves as the reference framework to categorize received information based on this framework. According to the social judgment theory, involvement moderates the effects on consumer attitude (Wang & Lee, 2005). In the current study, individuals were more likely to employ COP information for high involvement product while CSP had a strong interference effect on brand advocacy for low involvement product.

CONCLUSIONS

General Discussion

Corporate social responsibility (CSR) as a topic continues to receive increased attention from scholars and practitioners. Although much research has centered on building the construct of CSR, the argument on what CSR includes has never stopped. Building up prior research, this paper proposes two general classes of positive CSR as well as negative CSR, or corporate social irresponsibility (CSI) (Armstrong, 1977) that may affect customer-brand relationship: COP, the product or service performance-related corporate information; and CSP, the corporate social- and ethical-related information. Although marketing literature has focused primarily on CSI-COP, that is, the corporate publicity resulting from product failures or crisis (e.g., Dawar & Pillutla, 2000), WOM research has also contributed to the dimension of CSI-CSP (Mahajan et al., 1984). Together with purchase intention, brand advocacy is used as one of the dependent variables to examine the impacts of COP and CSP on word-of-mouth (WOM) and purchase intention in this study. The findings suggest that the COP-CSP and brand advocacy paradigm is moderated by the level of product involvement. Individuals have different WOM preferences in positive/negative CSP and COP information for low/high involvement products. These findings can further contribute to the everlasting WOM information valence research as well as the effectiveness of cause-related marketing in terms of the selection on non-profit organizational partners (Andrews, Luo, Fang, & Aspara, 2014) as well as the design of sponsorship activities (Robinson, Irmak, & Jayachandran, 2012).

Moreover, by extending the expectancy value theory that posits overall brand attitude through the formation of brand associations held in consumer’s memories (Ajzen & Fishbein, 1980), these results add that for low involvement products (e.g., juice), consumers associate a company’s CSP information as more diagnostic information compared with COP in brand evaluation and consequent advocacy behavior intentions because CSP is more valuable in terms of information than is COP. For high involvement products, conversely, COP is viewed more diagnostic and
valuable for brand association and thus leads to brand advocacy. These findings can also contribute to clarifying how consumers perceive and react to distinctive corporate social responsibility information and how firms can design communication strategies to utilize these effects.

Following the supportive findings from brand advocacy, the current study introduced an additional variable that companies can deploy to be influenced by processing COP and CSP information, brand trust. Trust is one of the factors that differentiate relationships from transactions (Delgado-Ballester & Munuera-Alemán, 2001; Garbarino & Johnson, 1999; Morgan & Hunt, 1994; Sirdeshmukh et al., 2002). Any personal relationship, whether interpersonal or between a person and a brand, is built on trust. However, the lack of empirical research on brand trust in corporate social responsibility could be explained by the fact that applying interpersonal relationship theories such as trust is not well-understood because the brand is an inanimate object. In a marketing context it is impossible to completely detach trust from the nature of its object. The empirical results for the current study shed some light on the moderating effect of product involvement in this CSR-trust consumer and brand relationship. Similar to brand advocacy, for high involvement products (e.g., TV sets), positive COP and negative CSP have stronger effects than their opponents on brand trust.

**Managerial Implications**

This research has several implications for contemporary marketing management. First, this paper provides information about which product categories would be more appropriate for utilizing different categories of corporate social responsibility practices from the consumer viewpoint. For instance, companies in low involvement product categories may focus on promoting CSP information among early adopters, while firms in high involvement product categories can focus on disseminating positive COP information. Thus, buzz marketing would be a good option for the company marketing a publicly visible product. Complementing previous research on the effects of “fit” under various marketing contexts (e.g., brand extension, event sponsorship), this research shows how “fit” can also be relevant for COP/CSR and product categories.

Second, results from this study are from the adoption of a fictitious brand name. This design may lend new firms the ideas of developing appropriate cause-related marketing strategies. Consumers are highly responsive to companies that support causes they view as worthy. According to these research outcomes, companies in different product categories should make cause-related marketing a powerful tool to break through advertising clutter, generate publicity, and foster consumer preference for both the promoted brand and associated brands (Brown & Dacin, 1997; Andrews et al., 2014). With the knowledge of COP/CSP and brand advocacy introduced in this paper, companies can make cause-related marketing to improve consumer’s perceptions of sponsoring organizations, create a point of difference from competing brand, and subsequently increase purchase intentions (Andrews et al., 2014).

Finally, building customer advocacy is now one response to the vulnerabilities of brands and branding in the face of rising consumer empowerment. According to the brand advocacy results from this study, advocates for a company’s cause-related marketing efforts can be interwoven through interpersonal connections. Corporate social responsibility creates new opportunities for brand-customer dialogue, knowledge creation, and, critically, provides a new context in which the interests of a corporation and those of its customers can be more closely aligned. Although most customers may now possess greater knowledge about products, some are more interested, motivated, and prepared to engage in corporate social responsibility related to brands and their social value of the products than others. Especially given the competitive situation in the business world, the powerful electronic WOM in the online community would be an effective means of communicating such corporate support of social issues with the public.

**Limitation and Future Research**

The limitations of this study provide some guidance for further research. First, the present
study explored the intention toward target brand, not the actual purchase behavior of CSR-tied products. Although there is a relationship between attitude and behavior, individuals do not always live up to their attitudes. Therefore, it would be worthwhile to examine the predictive impact of psychographics on purchase behavior in the future.

A second limitation of this study is the relatively small sample size. This is a concern both in terms of external validity and statistical power. It is difficult to generalize results from an experiment employing a small student sample to a larger, more representative population. Thus, the robustness of the results from this study needs to be tested in future studies conducted with a larger, more representative sample. A related issue is in the present study where COP and CSP directly and via product involvement and the valence of information indirectly explained 49 percent of the variance in brand advocacy and 37 percent of the variance in brand trust. Thus, there are other determinants between corporate social responsibility and customer-brand relationship that could be included in more comprehensive models with possibly higher explanatory power. For instance, other customer characteristics, such as customer experience, may influence brand trust (and brand advocacy) (Bennett, Härtel, & McColl-Kennedy, 2005). Beyond that, brand characteristics such as brand reputation and social drivers such as social group influence and peers’ recommendation have been identified to different types of brand advocacy and brand trust (Gounaris & Stathakopoulos, 2004). Chaudhuri and Holbrook (2001) found that hedonic value and utilitarian value as different product-category characteristics influence brand trust and brand advocacy differently. The assumption that trust might be more important when products are characterized primarily by experience (e.g., hedonic products or services) should be explored in future research.

Third, this experiment used a fictitious brand that was purported to strengthen the internal validity of the experimental design, but nonetheless poses threats to external validity (Sen & Bhattacharya, 2001). An alternative experimental design could address this limitation by using existing brands and/or corporate social responsibility. Research participants’ prior knowledge about the brands and/or social causes could then be statistically controlled. It is important to note, however, that this alternative design is not without limitations; it somehow sacrifices internal validity for the sake of achieving external validity. A more thorough consideration of including consumer experience, brand characteristics, product category in the experimental design may also add more insights of the valence effects that present in the current study.

Finally, corporate investments and cause-related marketing in recent years have been considerable and are still on the rise (e.g., Andrews et al., 2014; Robinson et al., 2012). The increasing popularity of cause-related marketing calls for systematic research that could potentially provide managerial guidance for corporate decision makers as well as non-profit organization leaders. On the other hand, the phenomenon of cause-related marketing offers new marketing concepts and poses thought-provoking research questions; in and of itself, it is a fascinating topic.

REFERENCES


**APPENDIX:**

**Study Stimuli: low involvement product category**

*CSR-COP, CSR- CSP*
[Company ABC] is a company producing fruit juices. It is good at technological innovativeness, and thus able to provide a wide range of juice products to meet customers’ dynamic needs and tastes. Moreover, [Company ABC] often encourages its employees to participate in volunteer activities in local schools, hospitals, and parks. [Company ABC] has also tried to help regional governments in improving the quality of the natural environment.

*CSI-COP, CSI- CSP*
[Company ABC] is a company producing fruit juices. Some retailers complained about not receiving [Company ABC]’s products on time thus impacting their business. Moreover, there have been a few reports of food poisoning from drinking their products. Recently [Company ABC] has been accused of neither paying taxes on time nor paying much attention to protecting the quality of the natural environment during the farming process in some regions.

**Study Stimuli: high involvement product category**

*CSR-COP, CSR- CSP*
[Company ABC] is a company manufacturing TV sets. It is good at technological innovativeness, and thus able to provide a wide range of TV sets to meet customers’ dynamic needs and tastes. Moreover, [Company ABC] often encourages its employees to participate in volunteer activities in local schools, hospitals, and parks. [Company ABC] has also tried to help regional governments in improving the quality of the natural environment.

*CSI-COP, CSI- CSP*
[Company ABC] is a company manufacturing TV sets. Some retailers recently complained about not receiving [Company ABC]’s products on time thus impacting their business. Moreover, there have been a few reports of screen explosion accidents when using their products. Recently [Company ABC] has been accused of neither paying taxes on time nor paying much attention to protecting the quality of the natural environment during the process of production in some regions.
CSI-COP, CSR-CSP

[Company ABC] is a company manufacturing TV sets. Some retailers recently complained about not receiving [Company ABC]'s products on time thus impacting their business. Moreover, there have been a few reports of screen explosion accidents when using their products. However, [Company ABC] often encourages its employees to participate in volunteer activities in local schools, hospitals, and parks. It has also tried to help regional governments in improving the quality of the natural environment.

CSR-COP, CSI-CSP

[Company ABC] is a company manufacturing TV sets. It is good at technological innovativeness, and thus able to provide a wide range of TV sets to meet customers' dynamic needs and tastes. However, [Company ABC] has recently been accused of neither paying taxes on time nor paying much attention to protecting the quality of the natural environment during the process of production in some regions.
INTRODUCTION

For more than fifty years, social scientists have studied the concept of personal space in the corporeal world. Studies on violations of this personal space include both public and private settings. These settings vary widely from 1) public settings where one would assume reduced personal space such as crowded subway cars (Evans & Wener, 2007) to 2) public spaces where one expects no violation of personal space such as men’s urinals (Middelmist, Knowles, & Matter, 1978) and 3) private spaces where one assumes additional personal space such as an ATM (Kaya and Erkip, 1999).

Personal space, an area that individuals maintain around themselves (Hayduk, 1978), consists of a culturally accepted normative distance and a known predictable behavior (Evans and Wener, 2007; Burgoon, 1978). Both the distance property and known predictability of that property help to regulate privacy (Evans & Wener, 2007). The violation of expected behavior (Burgoon, 1978) or an involuntary invasion of personal space elevates physiological stress (Middlemist, Knowles, & Matter, 1976) and generates discomfort (Hayduk, 1978). If an invasion of personal space takes place, retreat and establishment of a new personal space (Felipe & Sommer, 1966) occurs. As a strategy, retreat reestablishes privacy for individuals.

The social sciences provide much explanation of violations of personal space in the corporeal world however a paucity of research on violations of virtual space exists. The purpose of this study is to investigate the concept of virtual space, which is the space individuals consider to be their own virtual environment. Our study begins with a discussion of more familiar corporeal or non-virtual invasion of personal space. Next, we discuss online personalized marketing, the impact of this type of marketing on consumers and then conduct a qualitative study to identify types of marketing that pierces this veil of online virtual space based on perceptions of what Internet users consider creepy marketing (hereafter CM). The results of this study are then discussed in a broader sense offering a multi-dimensional interpretation of CM. We conclude with suggestions for future research as well as implications for firms.

PERSONAL SPACE VERSUS VIRTUAL SPACE

To illustrate the relative differences in personal versus virtual space violation, consider the following situation. It’s a weekend afternoon and you decide to go shopping for a new jacket. You enter a store and casually browse a few items before selecting a jacket and try it on.
You then return it to the rack and leave the store. You move on to a few other stores but aren’t satisfied with the options and return home. The next day as you enter your favorite bagel shop you notice someone just inside the door; he calls out your name. You turn and notice he is holding a jacket, pinned to it is a partially completed order slip with your name. In his other hand, circled on a map, is your current location. It is the same jacket you had tried on the day before. How did he know you looked at that jacket? How did he know it was you? Why does he have your location circled? For most, this situation would at a minimum be annoying and more likely, result in a rather unsettling feeling. However, online tools allow marketers to virtually engage in the behavior described above.

The situation described above might even feel like stalking which is “conduct directed at individuals that involves repeated physical proximity, unwanted communication, threats, fear, or a combination of these events” (Tjaden, 1997; p. 1). One of the conditions of stalking requires the communication to be non-consensual (Tjaden & Thoennes, 1998) where “more than one overt act of unwanted pursuit of the ‘victim’ is perceived as being harassing” (Meloy & Gothard, 1995; p. 259).

To warrant classification as stalking, invasion of space and privacy need not be overtly threatening. Pathe and Mullen (1997) describe stalking as behaviors inflicted on others in the form of unwanted intrusions and communications. In fact, they need not be corporeal in nature but do violate an individual’s sense of social norms. Social norms exist in both the corporeal and virtual worlds. Further, social norms regulating real world behavior seem to parallel those in virtual environments including expectations of personal virtual space (Preece, 2004; McLaughlin & Vitak, 2012). In an online environment such as Facebook, personal space extends to users’ news feeds and walls with norm violations including unacceptable posting habits on said feeds and walls (McLaughlin & Vitak, 2012).

Burgoon (1978) introduced Expectancy Violation Theory (EVT) to explain why individuals react to negative violations of personal space that are based on the expected distance of the violator as well as the personal relationship. A key finding of EVT is that the perceived valence of the violation will drive subsequent reaction. McLaughlin and Vitak (2012) extend EVT to the virtual world and find negative violations from friends result in confrontation while such violations from non-friends results in posts being ignored, in a best-case scenario. However, in every case, violations of etiquette, such as stalking like behavior and unwelcome communication are always negative valance. This has potentially damaging implications for marketers employing personal information laden advertising.

As illustrated in our earlier scenario, the use of GPS technology as well as advances in behavioral tracking software entices marketers who can more easily identify, track and intercept our activities as we consume digital information and interact in our online lives. Though much of behavioral marketing seems benign, there are instances in which marketing can create an unsettling feeling. For example, consider the following as reported in Hill (2011); a woman in California receives an email from an English soccer hooligan, purporting to be an acquaintance. He notes he is on the run from the law and he was on the way to see her. She had no idea either who he was nor how he knew facts about her. Over the course of his trek across the US, she receives updates on his antics-including an email from a hotel manager with a bill for damages he had caused. She was terrified. On the 5th day she received notice it was a prank, initiated when she agreed to a personality test that had been sent to her by a friend, aka the prankster. It turns out to be an elaborate ad campaign for the Toyota Matrix, the automobile the soccer hooligan used to cross the country.

Consider the coping mechanism used when personal space is violated. Online consumers cannot retreat when faced with personalized unsolicited advertising, potentially leading to a sense of helplessness and stress. Individuals may simply elect to cease interaction with the website; an option that for some would be difficult when the offense occurs on social media sites such as Facebook or Twitter. Online marketing practices employ tools and
techniques that would be somewhat impossible in the non-virtual world.

PERSONALIZED MARKETING

Personalization in marketing is not a new concept. With its origins in segmentation, marketers have long used information such as demographics, psychographics, and geographic locations to develop and offer products to satisfy customer needs (i.e., Smith, 1956). Increases in technology accompanied by decreases in costs have enabled firms to reduce broad segments to markets of one (i.e., Perkowitz & Oren, 2000). These efforts can range from broad personalization offerings such as a firm promoting makeup using ethnic cues (Forehand & Deshpande, 2001) to very narrow one to one communications such as personalized custom web site landing pages to prospective college students.

In terms of online personalization, recent studies have indicated that this medium offers a unique opportunity for organizations to implement high degrees of near instantaneous personalization (Ho & Tam, 2005; Zhang & Wedel, 2009). Unlike offline personalized marketing which can introduce delays in delivery (e.g., direct mail), interruption characteristics (e.g., telemarketing), or lack of customer knowledge (e.g., retail staff), online personalized marketing uses real time information and behavior to reach the consumer at the time in which they are engaged in need satisfying activities. Personalization in this context refers to the ability to change online content as the user is experiencing it.

Information for personalization, needed from consumers, can be either voluntarily or involuntarily provided. Individuals voluntarily provide information (i.e., name and address) through order processing and creating user accounts. The willingness of customers to provide information is related to the trust an individual has with the firm (Schoenbachler & Gordon, 2002), the perceived benefit (Akçura & Srinivasan, 2005) and perceived control over further dissemination (Phelps, Nowak, & Ferrell, 2000).

It is commonly believed that over time consumers will benefit from personalization due to the increased ability of a firm to know their preferences and to make recommendations uniquely suitable to them (Kramer, Spolter-Weisfeld, & Thakker, 2007). However others believe it represents a paradox for individuals as their privacy is potentially invaded and they lose control over the use of their information (Christiansen, 2011; Milne, Rohm, & Bahl, 2009).

The paradox becomes apparent due to an organizations obtaining, or using, information involuntarily (from the consumer’s perspective). A firm can utilize tools such as cookies and web bugs to track behavior and then use that information to change their offerings based on behavior. Consumers can identify those companies tracking their online surfing behavior using a browser add-on called Collusion. After visiting just two websites (Fox News and The Weather Channel) Collusion generated more than thirty-five 3rd party sites that were notified of our surfing destinations with several sharing information between each other and other firms to which we had not even visited. More sophisticated software allows the combination of not just online behavior but multiple data sources online and offline to make product recommendations as illustrated in the below comment.

"I was looking at home warranty companies on the Internet, but did not fill in any forms with my information. Two days later, in the regular, US snail mail, I get an ad mailed to me from a home warranty company. Coincidence?" Michele (theweek.com)

This form of personalization, based on behavior profiling, occurs in real time as individuals surf the Internet. The end game is the movement of site visitors through the purchase cycle. However there is also the belief that as this personalization becomes perceived as excessive, consumers will cope through avoidance and negative attitudes (Baek & Morimoto, 2012; Wei, Fischer, & Main, 2008). We believe that this second form of information acquisition and use is more likely to lead to instances in which individuals feel that CM has occurred.
QUALITATIVE STUDY

A student sample was utilized to discover thoughts and feelings regarding both creepy and annoying marketing tactics. College students are appropriate for this type of study as they represent a homogenous population and they frequently interact with sites in which they provide personal information that may be used for marketing communications (i.e., Facebook.com). Students in an introductory marketing course in a large public university located in the southern United States were offered an opportunity to earn course credit by responding to questions regarding annoying and creepy marketing. Of the 276 students, 273 agreed to participate in the study. Subjects were asked six open-ended questions; three for creepy marketing, three for annoying marketing. Respondents were asked to separately define; provide examples and note how annoying marketing and creepy marketing make them feel.

The number of usable responses varied by question and ranged from 153 (for examples of creepy marketing) to 266 (for how annoying marketing might make one feel). The responses provided show that while the two types of marketing may overlap in the minds of some consumers, there are distinct differences between the two in terms of definitions, examples, and feelings. Of the six questions we focus on the definitions that were provided by respondents and use the examples and feelings as ancillary support for the development of dimensions of creepy marketing. Our focus on the definitions allows us to understand what subjects believe these constructs represent.

Two judges sorted the responses regarding the definitions of annoying and creepy marketing to uncover major themes. In a process similar to one used by Bitner, Booms, and Tetreault (1990), responses were read, reread, and then grouped into categories. First, one judge used open coding to create categories of responses by grouping similar responses. These categories were then combined, when appropriate, with other categories sharing similar characteristics. These categories were then provided to the

<table>
<thead>
<tr>
<th>TABLE 1:</th>
<th>Categorization of Verbatim Responses</th>
</tr>
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<tbody>
<tr>
<td>Q1a: Annoying Marketing Def. (n=287*)</td>
<td>Included Subcategories</td>
</tr>
<tr>
<td>Aggressive tactics</td>
<td>“Marketing that keeps trying to influence a customer to buy a certain product even when they already turned the product down”</td>
</tr>
<tr>
<td>Repetition</td>
<td>“When companies use the same commercials over and over”</td>
</tr>
<tr>
<td>Obnoxious Tactics</td>
<td>“Any marketing that is loud, persistent, or vulgar, or things that are spelled incorrectly”</td>
</tr>
<tr>
<td>Garish/loud ads</td>
<td>“Marketing that is irritating to any of the 5 senses of a target customer”</td>
</tr>
<tr>
<td>Irritating</td>
<td>“Ads before youtube videos, Pandora, etc. Any ad that keeps you from doing what you are trying to do”</td>
</tr>
<tr>
<td>Distracting</td>
<td>“Marketing that does not meet today’s standards”</td>
</tr>
<tr>
<td>Low quality ads</td>
<td>“When you get excessive commercials/ phone calls about a product or service that you are not interested in”</td>
</tr>
<tr>
<td>Unsolicited</td>
<td>“Ads that seem to have no plan”</td>
</tr>
<tr>
<td>Irrelevant Content</td>
<td>“Marketing that tells nothing about the product. It just tries to be funny or flashy to sell me something”</td>
</tr>
<tr>
<td>Nonsensical</td>
<td>“Only concentrating on selling the product, not caring about the customer”</td>
</tr>
<tr>
<td>Uninformative</td>
<td>“Bugging a customer to the point that they want nothing to do with your product”</td>
</tr>
<tr>
<td>Product Focused</td>
<td>“Marketing that keeps trying to influence a customer to buy a certain product even when they already turned the product down”</td>
</tr>
<tr>
<td>Cause Avoidance</td>
<td>“When companies use the same commercials over and over”</td>
</tr>
<tr>
<td>* Some respondents provided complex definitions which were broken into distinct elements.</td>
<td></td>
</tr>
</tbody>
</table>
TABLE 1: (Continued)

<table>
<thead>
<tr>
<th>Q1b: Creepy Marketing Def. (n=204)</th>
<th>Included Subcategories</th>
<th>Illustrative Quotes</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Invasive Tactics</td>
<td>Using/Gathering Personal Information</td>
<td>“Marketing that knows your interests or things about you that you did not provide. For example, they suggest items that you would be interested in based off of other purchases”</td>
<td>41%</td>
</tr>
<tr>
<td></td>
<td>Invasion of personal space</td>
<td>“Using methods that may be too personal or constant”</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>Tracking</td>
<td>“Cookie tracking on a computer is sometimes kind of creepy when you start getting ads for things you have been looking at”</td>
<td>5%</td>
</tr>
<tr>
<td>Consumer Discomfort</td>
<td>Consumer emotion discomfort</td>
<td>“An approach to marketing that makes the consumer feel uneasy and leaves them questioning the motives of the company advertising the product”</td>
<td>24.5%</td>
</tr>
<tr>
<td></td>
<td>Consumer emotion fear/uncertainty</td>
<td>“Marketing that doesn’t make you feel safe like someone is watching you”</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Use of fear appeals</td>
<td>“Selling products in a way that it scares the customer into not buying it or using a scare tactic to get the customer to use the product”</td>
<td>4%</td>
</tr>
<tr>
<td>Violates social norms</td>
<td>Inappropriate examples</td>
<td>“Marketing or advertising with seductive girls or guys talking about the products in a seductive way”</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Unusual Content</td>
<td>“Usually happens when advertisers are willing to touch on subjects that are socially considered out-of-bounds or off-limits”</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>Content feelings</td>
<td>“Marketing that speaks to a person’s inner life, thoughts, and feelings”</td>
<td>~1%</td>
</tr>
<tr>
<td></td>
<td>Out of the Ordinary Tactics (creates weird feeling)</td>
<td>“Marketing that uses techniques that we think are odd or unusual to get our attention”</td>
<td>13%</td>
</tr>
</tbody>
</table>

second judge, who sorted each response into one of the established categories. Minor disagreements in coding were resolved by discussion between the judges. Both the interrater reliability and Perreault and Leigh’s (1989) Index (I,) were calculated and both exceeded .80, supporting the consistency of the coding process.

**DEFINITIONS**

The respondent-provided definitions of both creepy and annoying marketing were separated into twenty-four distinct categories. These categories were then combined by common themes when possible and resulted in 11 abstract definitional categories. Four primary categories of definitions emerged for creepy marketing while six categories emerged for annoying marketing. The primary definitional categories for both annoying and creepy marketing are noted in Table 1 and are described below. Examples of both corporeal and virtual creepy and annoying tactics are discussed to show how non-virtual examples often parallel virtual marketing examples.

**ANOYING MARKETING**

**Category 1: Aggressive tactics**

A large percentage of respondents chose to define annoying marketing in terms of the level of aggression or persistence they perceived to be present in marketers’ strategies. Aggressive tactics include persistent selling measures after a consumer has refused a product or service, pressuring the customer to make a purchase, or using excessive promotions. This category also includes instances in which a consumer feels overwhelmed by marketing efforts. For example, respondents defined annoying marketing as “overkill,” “over the top,” “pushy,” and “in your face.”
Category 2: Repetition

Annoying marketing may be synonymous with repetition in the minds of some respondents. The second largest definitional category for annoying ads centered on the reappearance of the same promotional tools or repeated selling efforts by a single firm. For example, annoying marketing is defined as “when companies use the same commercials over and over,” but also as “when telemarketers constantly call from the same company,” and “getting asked to buy the same product multiple times.” Online examples include the same pop up ads or banner ads repeating from page to page.

Category 3: Obnoxious

The timing and design of marketing efforts can also contribute to perceptions of annoying marketing. Many respondents note that obnoxious marketing efforts are the definition of annoying marketing. These efforts that are annoying to respondents include garish, loud, or low quality ads “Annoying marketing is any marketing that is loud, persistent, or vulgar,” or “cheaply made advertisements“. For example, many online ads for insurance rely on gimmicks such as animated gifs of girls dancing in bikinis to gain attention; all the while annoying those who they target. This type of marketing efforts can also be included in a definition of annoying marketing. Several respondents note that annoying marketing is distracting marketing and that this can include “…ads before YouTube videos, Pandora ads, etc…anything that keeps you from what you are doing.” Ultimately, it seems that these marketing efforts can also be irritating to the consumer, as many respondents stated that the definition of annoying marketing is “marketing that is irksome,” or “marketing that is irritating to any of the five senses of a consumer.”

Category 4: Unsolicited

Another category that emerged in the definitions of annoying marketing was concerned with unsolicited promotional efforts. In the corporeal world this includes customers receiving emails, telephone calls, or even promotional items from an organization when they have not initiated contact or requested information from that organization. For example, annoying marketing may be “unsolicited emails, telephone calls, surveys, etc,” “giving customers unwanted promotional items,” or “when you get see excessive commercials or receive excessive phone calls about a product or service that you are not interested in.” In the virtual world, this includes cookies based ads that simply mine the cookies placed by companies such as double-click to expose consumers to ads for products related to search terms or other webpages visited previously. As an example, one of the current study’s authors visited the ASPCA webpage. Until cookies were cleared, ads for the ASPCA, World Wildlife Fund and Pet Rescue (an online game by Zynga) appeared, often three or more ads on the same page until cookies were cleared.

Category 5: Irrelevant Content

Another emergent category for the definition of annoying marketing involves the content of marketing communications. Some respondents noted that annoying marketing includes communications that contain irrelevant, nonsensical, or unfocused content. For example, annoying marketing is identified as having no plan or appearing to not be well thought out. This type of marketing can also be perceived as including communications that are uninformative. As one respondent notes, “Annoying marketing is marketing that tells nothing about the product. It just tries to be flashy or funny to sell the customer something.” As previously mentioned, animated gifs with scantily clad females to sell insurance or headlines promising a “weird way” to achieve some benefit.

While uninformative and irrelevant communications may be annoying, communication that includes only product related content was also perceived to be annoying marketing. For example, respondents state that annoying marketing “… is marketing that concentrates only on selling the product and doesn’t care about the customer.” So it seems that annoying marketing can also be defined as marketing efforts that either focus exclusively on the product or exclusively on entertaining the consumer.
Creepy Marketing: . . . .

**Category 6: Causes Avoidance**

The final prevalent category of reported definitions for annoying marketing includes definitions regarding the effect of marketing efforts on consumer behaviors. Respondents stated that annoying marketing can be defined as marketing that drives the consumer away, causes them to become uninterested in a product or service, or even drives the customer to desire a competitor’s product or service. “Marketing that drives away the customer” and “bugging a customer to the point that they want nothing to do with your product” are examples of definitions in this category.

**CREEPY MARKETING**

**Category 1: Invasive Tactics**

The largest emergent category of definitions for creepy marketing includes invasive tactics used by marketers, or at least tactics that are perceived by the customer to be invasive. The majority of these tactics include gathering or using personal information from the customer. Other tactics mentioned by respondents include the invasion of personal space by marketers and perceived stalking or tracking practices using by marketers.

Many respondents cite the use and gathering of personal information as being the salient trait of creepy marketing. It seems that this utilization of personal information results in marketing efforts that are perceived to be “too personal.” For example, respondents reported creepy marketing is defined as “gathering too much personal information,” “marketing that knows you so well that it is creepy” and “marketing that knows your interests or other information about yourself that you did not provide.” This type of marketing is particularly effective online, given the ability to gather and aggregate personal information from multiple online sources.

Other definitions in this category include the perceived invasion of one’s “personal space” or “comfort zone” by the marketer as well as stalking and tracking behaviors perpetrated by the marketer. For example, several respondents noted that creepy marketing could be defined as being stalked by a salesperson and who won’t leave you alone. When discussing personal space with students, it is evident that a form of violation of virtual personal space exists. For example, tracking activities can be conducted digitally as well as in person. Some respondents stated very specifically that creepy marketing could be defined as online tracking activities. Examples include “cookie tracking on a computer is creepy when you start getting ads for items that you have been looking at” and “ads that keep track of your browsing history.”

**Category 2: Causing Consumer Discomfort**

Another large category of definitions for creepy marketing include defining creepy marketing as the discomfort that consumers may feel as a result of some marketing strategies. Respondents note that creepy marketing may make the consumer feel fearful, uncertain, or uncomfortable. This includes the use of fear appeals by marketers. For example, creepy marketing is defined as “selling products in a way that it scares that customer into not buying it or using a scare tactic to get the customer to use the product” and “anything that tries to appeal to fear or distress.” Tactics such as these may cause the customer to feel uncertain or uncomfortable. Many respondents defined creepy marketing in these terms. For example, “creepy marketing is an approach to marketing that makes the consumer feel uneasy and leaves them questioning the motives of the company advertising the product.” One such example involves a firewall security firm. This firm identifies the user by IP address, and provides personal information all the while offering a firewall to stop other companies from doing the same.

**Category 3: Violates social norms**

Content of marketing communications, which violate social norms, may also contribute to the definition of creepy marketing. Respondents state that creepy marketing can be defined as marketing that uses inappropriate examples, content, or salespeople, violates social norms, or deals with content matter that may be perceived as being personal, such as depression. Unnecessary sexuality is mentioned in many instances in which respondents state that creepy marketing can be defined by the use of
Creepy Marketing: inappropriate examples, content, or salespeople. This includes such definitions as “creepy marketing is marketing or advertising with seductive men or women talking about products in a seductive manner” and “creepy marketing is using sexuality when it is unnecessary… adding sexual tension is not needed to sell a hamburger” or apparently insurance.

Respondents state that creepy marketing “usually happens when advertisers are willing to touch on subjects that are socially considered out-of-bounds or off-limits.” Creepy marketing may also occur when marketers “cross a line” or mention subjects that are “taboo.” This can include topics such as depression. One respondent states that creepy marketing is “marketing that speaks to a person’s inner life… their thoughts, or feelings.”

Category 4: Out of the Ordinary Tactics

The final category of definitions for creepy marketing includes the use of marketing tactics that respondent perceived to be abnormal. There were very few specific examples in this category. It seems that there is some indescribable quality to some marketing efforts that strikes consumers as being “weird” or “unusual.” As one respondent noted, “creepy marketing is when you can sense that something is not normal with the marketer” and gives examples of salespeople who act in an unusual manner and of promotions, both online and real world, that seem too good to be true. Several other respondents in this category attempted to explain what constitutes “weird” tactics. For example, one respondent notes that the use of unrelated salespeople can be weird, stating, “I find it creepy when companies designate a single random person to become their spokesperson and they make commercials with them in weird scenarios, like Flo in the Progressive commercials.” However, many others simply stated that creepy marketing is “marketing that is odd and weird” or “marketing that uses unordinary techniques.” One example cited as odd given its placement is one for erectile dysfunction appearing on a news feed for Fox News. The FEMALE reporting it lived alone and had never searched that term.

DISCUSSION

The perceptions of what respondents defined as annoying and creepy marketing offers some interesting results. First we will briefly discuss the annoying marketing results coupled with previous research examining these perceptions; then we will differentiate this term with creepy marketing and provide what we feel are the three dimensions of CM.

Annoying Marketing

The findings for annoying marketing predominately fall into the first three categories: aggressive tactics, repetition, and obnoxious, representing 79% of responses. Research regarding aggressive tactics is seemingly captured by hard selling techniques (e.g., Chu, Gerstner, & Hess, 1995) and bait and switch actions (e.g., Wilkie, Mela, & Gundlach, 1998). Advertising repetition has been seen to have negative consequences for both known and unknown brands (Campbell, Keller, Mick, & Hoyer, 2003). Lastly, obnoxious tactics have been examined in both traditional and digital marketing (e.g., Chang & Morimoto, 2011). Taken together, the components of annoying marketing focus on the tactics employed by the marketer and represent a long history of research in marketing.

Creepy Marketing

Based on our analysis of the definitions of CM provided by respondents, we formed the component categories outlined in Table 1. Unlike annoying marketing, in which the tactics employed by marketers was the focus of the definition, for CM it appears that the feelings associated with the tactics are more prominently included as part of identifying the concept. The categories noted in Table 1 for CM fall predominately into three dimensions representing 87% of responses: invasive actions, consumer discomfort and violates social norms. These areas are closely associated with corporeal research dimensions composed of invasion of privacy, stalking behavior and violations of social norms. It is these three dimensions that we feel compose the definition of CM.
Invasion of Privacy

Of the three dimensions, invasion of privacy represents the most extensively researched of these dimensions in marketing. For example, researchers have investigated the development of online privacy concerns (Ashworth & Free, 2006), dimensions of privacy concern (Sheehan & Hoy, 2000), as well as how privacy concerns influence the willingness to provide information (Nam, Song, Lee & Park, 2006; Phelps et al., 2000) to build relationships online (Awad & Krishnan, 2006; Franzak, Pitta, & Fritsche, 2001) and the resultant tensions between advertisers use of information and consumer concern (Aceura & Srinivasan, 2005; Rapp, Hill, Gaines, & Wilson, 2009). Our respondents reported the use of personal information and privacy invasion as part of their understanding of CM.

Stalking

First, it is not the authors’ intention to minimize the traditional conceptualization of stalking which occurs between individuals in a societal context, rather our discussion is grounded in the belief that a firm can behave in a manner that can be perceived as stalking by consumers. As such, we rely on the extant individual based literature to inform our discussion. However, in the legislative, academic, and practitioner arenas stalking has proved difficult to define due to the nature of the actions associated with it (Fox, Nobles, & Fisher, 2011). Fox et al. (2011, p.77), in their review of the stalking literature note that typical definitions of stalking include behaviors that are “…repetitive, intrusive, unwanted, and frightening, threatening or harassing.” They also suggest that stalking is likely a multidimensional construct and that it may still occur when a subset of these behaviors are present. Our respondents noted similar behaviors which were not necessarily received positively such as: making contact with them (through advertisements) after they left a web site-even after several days, receiving items in the mail that were associated with a visited website- but were not requested and utilizing information which they did not disclose.

The consequences of stalking behavior on their victims cannot be ignored. Path and Mullen (1997), in their study of more distressed and aware victims, noted the impact of stalking included increased anxiety, avoidance of locations and changes in behavior including job relocation or ceasing employment, moving home and eating disorders.

Violation of Social Norms

Social norms provide guidance as to what should or ought to be done in a given situation. In this discussion, social norms refer to the use of information as one expects it to be used. This is analogous to Burgoon (1978) and violations of personal space. Online, this has proven to be an issue with minors (e.g., Bryce & Klang, 2009) and has resulted in the FTC (2012) development and strengthening of the Child Online Privacy Protection Rule. With regard to personal information, consumers do recognize the implicit tradeoff that is necessary to complete or engage in meaningful experience (Utz & Kramer, 2009). It is when information is used in a manner that is inconsistent with expectations that issues arise. In a study of relationship marketing efforts, it was found that what marketers felt was the development of customer intimacy, consumers considered intrusion (O’Malley, Patterson, & Evans, 1997). Granted that technology has made tremendous strides in collecting and integrating information offline (e.g., Lekakos, 2009) and online (Kachhi & Link, 2009), however a growing question has become should they (Baek & Morimoto, 2012)? Marketers have begun to recognize that there are limits to this integration (Godfrey, Seiders, & Voss, 2011) and as this level of communication expectations is breached negative responses can result (Alreck & Settle, 2007; White, Zahay, Thorbjornsen, & Shavitt, 2008).

IMPLICATIONS OF CM AND FUTURE RESEARCH

Behavioral profiling has progressed to the point in which data integration from multiple stored sources combined with real time information on behavior and location allows marketers an unprecedented ability to offer highly customized and personalized products and services. However, based on anecdotal evidence, our qualitative study and theoretical support- there are limits in which marketers can effectively and comfortably use this...
information before consumers perceive the attempt to personalize their experience as going too far.

We find creepy marketing to be a perceptual construct composed of three dimensions: invasion of privacy, stalking behavior and violation of social norms. Based on our discussion future research regarding CM should be undertaken in a number of areas. First the development of a scale to assess each of the three components of CM is needed. Increases in CM are likely to be associated with greater feelings of uneasiness, anxiety and avoidance of the medium. In addition to development of the scale and associations, the potential impact of CM on focal brands may prove a worthwhile investigation. Does CM impact brands that are promoted? Does it lead to negative WOM? Alreck and Settle (2007) would suggest that it would not, however their study looked at macro knowledge, such as browsing time on specific websites and dollar totals of purchases, as opposed to an intimate single web surfing experience.

For firms, one of the biggest concerns is that CM is a moving target for each customer segment. What will seem unacceptable today may be regarded as business as usual tomorrow. However that does not eliminate the firm’s need to be sensitive to the limits in which consumers wish their information to be used. As an extreme example of the feeling that consumers may feel when visiting a site that has met the CM threshold, the authors suggest the reader visit www.takethislollipos.com (Berkowitz, 2011; Note: site does not retain data). On the other side, consumers are not powerless and can take active control of what information is being shared with whom (i.e., see www.privacyrights.org for steps). However, much of the stored information is beyond the reach and control of end consumers (Hong & Thong, 2013).

In this paper we focused on corporeal behaviors and showed how they are often analogous to online activities that contribute to the perception of a creepy marketing event. Our reasoning is based on three aspects of the Internet that allow for consumers to perceive creepy marketing. First, the Internet has grown to represent a substantial proportion of consumer activity with 28% of those online shopping for a product or service (Pew Internet, 2010) accounting for 7% of retail trade or $80 billion (US Census, 2015). Second, behavior online is easily tracked within and between websites (FTC, 2012). Lastly, the continual improvement in supercomputing capabilities as well as software program development allows for the near instantaneous creation of offerings that are tailored to individual from multiple sources based on their actual behavior in the very near past as well as over time. Creepy marketing is a construct that helps to explain how individuals feel as a result of marketing interactions gone wrong.

LIMITATIONS

A key limitation of this study lies in the sample. We used a convenience sample of college-aged individuals. A more expansive sample encompassing different age groups such as parents of young children may have provided a 3rd party perspective of what creepy marketing is to them in their protective role as parents. In addition to age groups, other demographic characteristics such as household life cycle, gender, geographic location and education may all play a role in consumer perceptions of creepiness. For our study, the richness of the respondents’ definitions of what creepy marketing is to them allays much of these potential biases and provides future opportunities for further refinement to this exploratory study. Also limiting our study is the issue of reliability, validity assessment, and generalizability; inherent in all qualitative studies. As such, future quantitative studies are recommended to examine reliability, validity and generalizability of creepy marketing.

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