The Role of CSR in Predicting Donor Behavior: The Mediating Effects of Trust and Commitment

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In the business community, corporate social responsibility (CSR) has emerged as a significant theme underpinning moral, financial, and ethical judgments of corporate activity (Lockett, Moon, & Visser, 2006; Windsor, 2006). CSR is believed to provide a significant impact on the long-term success of sport business. In response to expectation from the society and community, many sport organizations (including college athletic programs) have implemented CSR activities (e.g., charitable foundations) over the past decade (Babiak & Wolfe, 2009). CSR programs done by sport organizations have greater potential impact than those of other business segments, because of various advantages such as an increased media exposure of events, leagues, teams, and celebrity athletes (Headlee, 2006).

Research findings provided empirical support for the benefits of CSR initiatives, particularly in terms of enhanced consumer perceptions of the company (Brown & Dacin 1997; Drumwright, 1996; Sen & Bhattacharya, 2001) and brand image perceptions and purchase behavior (Becker-Olsen, Cudmore, & Hill, 2006; Greer & Ross, 1997; Luo & Bhattacharya, 2006). In the field of sport management, several studies also reported positive benefits associated with implementing CSR programs. For example, Babiak and Wolfe (2006) found that CSR activities helped reduce the criticism of unethical activity related with the event and increased the NFL’s reputation along with enhancing the league’s image. Similarly, Walker and Kent (2009) found that CSR in sport has positively influence consumers’ organizational evaluations and patronage intentions.

On the other hand, Brown and Dacin (1997) argued that CSR initiatives positively influenced consumers' purchase intentions only indirectly, by creating a corporate context for such purchase intentions. Similarly, Schuler and Cording (2006) indicated that CSR performance does not directly influence financial performance. Instead, some other contingencies are likely to intervene in the relationship between CSR and financial performance (Waddock & Graves, 1997). However, limited scholarly attention was given to this important issue in the field of sport management. In particular, current examination of CSR effects has not posited theoretical explanation of how CSR works in the mind of the consumer. Therefore, further empirical study is warranted for theoretical understanding of CSR and consumer behavior.

The purposes of the current study were to advance our understanding of the role of CSR in the consumer decision making procedure by (a) identifying key consequences of CSR, (b) examining theoretical relationships between the research variables, and (c) examining the mediating roles of trust and commitment. For the purposes of the current study, the researchers developed and tested a research model that hypothesized whether customer’s perceptions of organization’s CSR positively influence their behavioral intention. The mediating roles of consumer trust and commitment in the relationship between CSR and donor behavior were examined.

The target population of this study was donors to college athletics in a NCAA Division I-A university. An email invitation to an online survey was sent to all donors of the university’s athletic department. A total of 816 donors responded and 644 usable surveys were included in data analyses. The average age of the participants was 56 years old ($M = 56.19, SD = 12.15$) ranging from 19 to 89 years old. Seventy-eight percent of the respondents were male and 22% were female. Most of the participants were White (75%), followed by Hispanic (22%), Asian (5%), African-American (3%).

Measures for Trust were selected from Crosby, Evans, and Cowles’ (1990) scale and Palmatier, Dant, and Grewal’s (2007) scale. Commitment was measured by selected items from Mahoney, Madrigal, and Howard’s (2000) Psychological Commitment to Team scale. Measures for CSR were adapted from Walsh and Beaty’s (2007) study and Brammer, Millington, and Rayton’s (2007) study. Behavioral (giving) intention was measured with three semantic differential scale (likely to unlikely) items as consistent with existing advertising research (Petrova & Cialdini, 2005). The response format for all of the items except items for Attitude and Behavioral Intention was a 7-point Likert-type scale anchored by 1 = strongly disagree to 7 = strongly agree.

The authors conducted a two (2) step analyses. First, a confirmatory factor analysis (CFA) was conducted to assess the measurement properties of the selected measures using the Mplus 5.2 software (Muthén and Muthén, 2008). The final measurement model included 12 items: CRS (3 items), Trust (3 items), Commitment (3 items), and donation intention (3 items). As indicated by $X^2/df = 233.33/48 = 4.86$, RMSEA = .08, CFI = .97, SRMR = .04, the measurement model achieved good fit to the data. All factor loadings were greater than .80, ranging from .80 to .99. AVE values ranged from .71 for Commitment to London, ON June 1 – 4, 2011 Page 191
.92 for Donation Intention. Reliability coefficients ranged from .88 for Commitment to .97 for Donation Intention. Correlations among research variables ranged from .38 to .81, which indicates discriminant validity of measure (Kline, 2005). Additionally, AVE values for all constructs were greater than the corresponding squared inter-factor correlations (Fornell & Larker, 1981). Taken all together, the results render strong support for the convergent and discriminant validity of the measurement scales (Hair et al., 2005).

Second, the researchers empirically evaluated the hypothesized model and tested mediating effects of trust using the Mplus 5.2 software (Muthén and Muthén, 2008). The simultaneous equation model achieved good fit for the data (S-B $\chi^2/df = 233.33/48 = 4.86$, RMSEA = .08, CFI = .97, and SRMR = .04). The direct path from CSR to Trust was significant (standardized $\gamma = .81$). The direct path from Trust to Commitment was also significant (standardized $\beta = .56$). The indirect path from CSR through Trust to Commitment was significant (standardized $\gamma = .45$) as well. This result indicates that the strength of the indirect path from CSR through Trust to Commitment was significantly greater than the direct path from CSR to Commitment. These results indicate that Trust is a significant mediator in the relationship between CSR and Commitment. In addition, the direct path from CSR to Commitment was still significant (standardized $\gamma = .22$) when statistically controlling for Trust; this indicates partial mediation. The direct path from Commitment to Donation Intention was also significant (standardized $\beta = .76$). The indirect path from Trust through Commitment to Donation was significant (standardized $\gamma = .42$) as well. This result indicates that the strength of the indirect path from Trust through Commitment to Donation was significantly greater than the direct path from Trust to Donation. These results indicate that Commitment is a significant mediator in the relationship between Trust and Donation. The direct path from Trust to Donation was not significant (standardized $\beta = -.04$) when statistically controlling for Commitment; this indicates full mediation.

We believe that this proposed conceptual model will contribute to the body of knowledge of CSR and donor behavior. As of yet, the mediator role of trust has not been investigated in the context of donor behavior. Consequently, theoretical understanding of CSR and donor behavior will make both scientific and practical contributions. In this presentation, we will discuss research and practical implications.