Effect of Environmental CSR Initiatives on Public Perceptions of Non-Environmentally Friendly Sporting Events

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As global environmental problems mount, there is increased stakeholder pressure on companies to take action on environmental issues (Hahn et al., 2014; Kasinis & Vafeas, 2006). Companies that previously ignored or exacerbated these problems are now faced with the challenges of developing the skills and capabilities to remain competitive in a new, green environment. This push for a more socially responsible corporation has spawned whole new aspects of companies over the last 25 years. Recently, more attention has been paid to the role of CSR in sport organizations. Due to the ubiquity of sport in society and an increased recognition of the ability for sport to address social and environmental issues, there is a close integration between CSR and sport (Kellison & Kim, 2014). There continues to be a growing need for sport organizations and athletes to be more significantly engaged in social causes. Roy and Graeff (2003) found that consumers have very high expectations for professional athletes and teams to be involved with their communities.

Although most professional sport organizations in the United States participate in some form of philanthropic activity, little research has examined how sport organizations can effectively communicate their CSR behaviors. NASCAR’s recent environmental initiative, NASCAR Green, can offer a unique and insightful opportunity to learn about effective communication of CSR in sustainability. Although NASCAR operates the most theoretically unsustainable sport, since car racing burns burning gasoline, oil and rubber, the association has adopted a series of initiatives devoted to sustainability efforts to make their collective image more “green.” This includes activities such as using ethanol fuel, planting trees, and implementing recycling programs. Interestingly, the promotion of NASCAR Green has been communicated in two distinctly different ways: nationalistic and environmental.

Therefore, the purpose of this research was to: (a) investigate how potential stakeholders perceive the ways in which sport organizations communicate their CRM for different stakeholder concerns (either nationalistic or environmental) and (b) examine whether environmental or nationalistic communications are more effective for sport organization’s cause-related marketing with potential stakeholders.

The design for this research was an experimental study using a convenience sample of 135 undergraduate students. Two different CSR approaches (Environmental and Nationalistic) by NASCAR were exposed to potential stakeholders to examine the changes in the perception (Attitude, Reputation, Identification, and Perceived CSR) of the organization. It focused on the predictors (communication of CRM initiatives) and outcomes (attitude, fan identification, corporate reputation, and perceived CSR performance) in two cause-related marketing initiatives promoted by NASCAR. To measure the constructs of our study, we modified previously developed scales for our context. The resulting 15-item questionnaire consisted of five main components: (1) perceived CSR of NASCAR (Kim et al., 2010), (2) attitudes toward NASCAR (Madden, Allen, & Twible, 1988), (3) fan identification (Wann, 2006), (4) corporate reputation of NASCAR (Caruana, 1997), (5) perceived social performance (Parguel, 2011). Finally, perceived social performance was measured by items adapted from the RDAP scale (Clarkson, 1995).

We conducted a confirmatory factor analysis (CFA) to assess the construct validity of measures using Mplus 7.3. Results show that the model fit the data well ($S-B \chi^2/df = 92.18/48 = 1.92$, $CFI = .94$, $SRMR = .06$, $RMSEA = .08$, $90\% CI_{RMSEA} [.06, .11]$, $WRMR = .98$).

We used the MIMIC model to compare the means on the latent constructs of Attitude towards NASCAR, Corporate Reputation, Identification, and Perceived CSR before and after the stimulus presentation. The MIMIC model specified two types of measured variables: (1) indicators of three latent emotion factors and (2) dummy-coded variables that differentiate among the three message groups. The number of dummy coded variable necessary
for MIMIC analysis equaled the number of groups, minus one. Therefore, we included one dummy-coded variable for each test. We coded dummy variables so that the group in question was compared with all others. For example, we coded 1 for all individuals in the Environmental (or Nationalistic) message group and 0 for all individuals in the other group. The model specified the dummy-coded variable had direct effects on the four latent factors. Results show that the environmental model fit the data well (S-B $\chi^2$/df = 122.02/56 = 2.18, CFI = .93, SRMR = .05, RMSEA = .09, 90% CIRMSEA [.07, .11], WRMR = .94).

The direct paths from the dummy-coded variable to Attitude toward NASCAR ($\gamma = .22; 95\% CI = .06, .38$), Corporate Reputation ($\gamma = .17; 95\% CI = 01, .32$), Identification ($\gamma = .22; 95\% CI = .05, .39$), and Perceived CSR ($\gamma = .61; 95\% CI = .50, .73$) were statistically significant in the expected direction. The nationalistic model fit the data well (S-B $\chi^2$/df = 101.86/56 = 1.81, CFI = .93, SRMR = .07, RMSEA = .09, 90% CIRMSEA [.06, .11], WRMR = .96). None of direct paths from the dummy-coded variable to the latent factors were statistically significant (Attitude toward NASCAR: $\gamma = -.01, 95\% CI = -.16, .16$; Corporate Reputation: $\gamma = -.08, 95\% CI = -.29, .14$; Identification: $\gamma = .05, 95\% CI = -.14, .25$; Perceived CSR: $\gamma = .32, 95\% CI = -.03, .67$).

We examined the shift of attitudes and behaviors in potential stakeholders after exposure to NASCAR’s recent CSR efforts that were communicated as “nationalistic” or “environmental.” Results demonstrate that corporate social responsibility and strategic cause-related marketing practices can be powerful sources of organizational reputation building. Findings suggest that CSR provides an opportunity for organizations such as NASCAR to send a positive, non-product message to potential stakeholders, depending on how they communicate these programs.

Our findings on CSR appear to be meaningful for managers. Due to today’s accessibility of information, many consumers believe that corporations should profit from causing harm to society or the environment. To perform more effective CSR activities, organizations should carefully choose their messages. Our most important finding may be that corporations need CSR programs to demonstrate to the outside world that they are a positive force in society. By putting sincere effort into their CSR programs, they will maintain their existing customer base and possibly cultivate new clientele.