I Can Talk: Corporate Moral Responsibility, Word-of-Mouth, and Shared Values

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Available at: https://doi.org/10.1177/0887302X231159097

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To cite this article: Bhaduri, G., & Goswami, S. (2023). I can Talk: Corporate Moral Responsibility, Word-of-Mouth, and Shared Values. Clothing and Textiles Research Journal, 0(0). https://doi.org/10.1177/0887302X231159097

To access this article: https://doi.org/10.1177/0887302X231159097

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I Can Talk: Corporate Moral Responsibility, Word-of-Mouth, and Shared Values

Abstract

This study investigated how inconsistencies between corporate moral responsibility (CMR) messages and CMR actions undertaken by corporations impact consumers’ positive and negative words-of-mouth intentions using the expectancy-violation theory. It also investigated the moderation effect of different types of CMR issues and consumers’ shared values on the relation. Analyses of data collected from 1296 US consumers revealed that participants’ words-of-mouth intentions, both positive and negative, were impacted by inconsistencies between CMR initiatives and actions. When inconsistency was absent, highest PWOM intention was generated for issues related to workers and least for shareholders. Shared values significantly moderated the relation as well. When CMR message-action was consistent, PWOM intention was higher for participants with high shared value (vs low shared value). These findings add knowledge to the literature of corporate moral responsibility and guide corporate CMR-related communications.

Introduction

Research on corporate responsibility indicates that corporations’ commitment to ethics and morality can enhance their market image and performance, and garner positive consumer responses (Zhigang et al., 2020). Specifically, corporate moral responsibilities (CMR) explaining corporations’ normative core obligations towards stakeholders, which transcend legal compliances, can position corporations as attractive entities for consumers to identify with (Hess, 2013). Likewise, many fashion corporations have embarked on the CMR bandwagon to cater to consumer needs and benefit their bottom lines (Block, 2020).

However, according to recent studies, corporations often just talk the talks and do not follow through with relevant actions (Bhaduri et al., 2021). As frequentlyouted by news media, corporations often not only fail to conform to these promised obligations but also act contrary to their asserted responsibilities (National Resources Defense Council, 2019). For example, the fashion brand The North Face announcing its intentions to not be affiliated with fossil fuel providers but currently relying on fossil fuels to power their facilities (Remington, 2021), presents an example of inconsistency between corporate CMR promise and their action.

A gap between corporations’ asserted responsibilities and their irresponsible actions negatively affects consumers (Bhaduri et al., 2021). Wagner et al. (2009) cited such inconsistency as an antecedent to hypocrisy perceptions evoked in consumers. Such inconsistencies violate consumer expectations, generate skepticism in consumers (Zhigang et al., 2020), leading to negative responses including boycotts and reduced brand loyalty (Zhao & Zhou, 2017). However, research on CMR has mainly focused on the negative effects of consumers’ responses to CMR activities (Bhaduri et al., 2021). When consumers perceive corporations to act inconsistent to their CMR promises, they vocalize their concerns and spread negative messages (i.e., share negative word-of-mouth). Similarly, when corporations indeed deliver on their CMR promises and bolster their CMR expectations, consumers can be expected to spread positive word-of-mouth, commending the corporation. Therefore, it is important to understand if and how consumers’ responses vary by CMR consistency or lack thereof.

In addition, when discussing CMR,
corporations often experience competing interests between various types of stakeholders and their issues (Hunt et al., 2020). While consumers hold corporations responsible for addressing various types of CMR issues, such as those related to workplace safety, environmental wellbeing, and the like (Jung & Ha-Brookshire, 2017), each of these issues is variably ranked in their relevance to society and how corporations need to prioritize these as their CMR (Just Capital, 2019). For example, in addition to how a corporation invests in its employees (Just Capital, 2021), the environment and climate changes are also ranked to be of high priority for consumers, given the 2030 goal of the Paris Agreement (United Nations [UN], n.d.). Therefore, fashion corporations must understand how stakeholders perceive different CMR issues to best meet market expectations.

Finally, research indicates that individuals prefer corporations whose values align with their own beliefs (Allen, 2002), and these shared values impact how they perceive corporate communications related to business ethics (Lee et al., 2012). Likewise, shared values can be expected to influence how consumers react to CMR consistency or lack thereof. When consumers share the same CMR values as the corporation, it bolsters consumers’ behavioral responses. However, limited literature is available on the role of consumers’ CMR-related shared value in their behavioral responses, making it difficult for corporations to strategically communicate their CMR commitments in ways that would resonate with their audience.

Thus, this research investigated how CMR message-action inconsistencies versus consistencies impact consumers’ behaviors. Using the expectancy violations theory (Burgoon & Hale, 1988), this research specifically investigated how corporations’ expectancy violation and expectancy confirmation within the context of CMR impact consumers’ positive and negative word-of-mouth intentions. The study also incorporated different types of CMR issues and consumers’ different levels of shared values, to understand how these contingency factors might moderate the influence of CMR (in)consistencies on consumers’ word-of-mouth intentions.

**Literature Review**

**Corporate Moral Responsibility (CMR) and Inconsistency**

The topics of corporate morality and moral personhood have been debated in the literature (Ha-Brookshire, 2017). In the United States, corporations are considered legal entities which execute business transactions similar to people with rights and responsibilities (Hess, 2013). Corporations have moral responsibilities to enhance social, environmental, and other kinds of welfare, above and beyond legalities (Jung & Ha-Brookshire, 2017). Specifically, with the current political climate and growing social issues, corporations are seen as moral agents with duties toward various stakeholders (McPherson, 2019). Thus, commitment to and enactment of these CMR initiatives often get corporations a better reputation (McGrath, 2019).

Yet, it is not uncommon to see a disconnect between what corporations espouse as their CMR and how they actually conduct their businesses (MacLean et al., 2015). Often, CMR competes against economic goals, with corporations succumbing to financial profits as their ultimate focus while approaching CMR as peripheral concern (Markman & Krause, 2014). Thus, while corporations commit to CMR in their marketing messages, such are often pledged as mere window dressing only to comply with consumers’ expectations and
avoid heavy penalties (MacLean et al., 2015). In reality, corporations often act inconsistently and immorally, as seen in media reports, federal bureau reports, and documentaries such as True Cost. Such inconsistencies in corporate responsibilities make consumers question the corporations’ integrity (Jung & Ha-Brookshire, 2017), react negatively, and lead to an overall tarnished corporate reputation (Wagner et al., 2009), as can be explained by the expectancy violations theory.

Expectancy Violations Theory and CMR (in)consistency Impacts

The expectancy violations theory states that when one behaves differently from what is anticipated (in other words, “an appropriate behavior”), expectancy violation occurs which determines one’s behavioral responses (Burgoon & Hale, 1988, p. 31). When an enacted behavior is more negative than anticipated, such as a transgression, it triggers negative evaluations (Helm & Tolsdorf, 2013). On the contrary, if an enacted behavior is different from expectation in a positive direction, such as surpassing good behavioral expectations, a positive violation is caused leading to positive evaluations (Burgoon, 2015).

Applied to corporate communications, this theory thus states that stakeholders develop expectations about corporate behaviors, based on the latter’s explicit assertions (Fediuk et al., 2010). When communicated CMR standards evoke expectations but then a corporation fails to meet those expectations, the negative violation generates negative perceptions, challenging consumers’ behavioral intentions (Jordan et al., 2012). However, if a corporation communicates CMR standards and its behavior exceeds those evoked expectations, despite the failure to conform to one’s expectations, this positive violation often leads to high evaluations among the audience (Park et al., 2021). Applied to this study, a CMR inconsistency, that is, a corporation communicating CMR standards yet taking actions inconsistent with such standards, is envisioned as a negative evaluation. Since fashion corporations are often criticized by the media for their moral transgressions, a negative violation seems more common in practicality. A positive violation, with corporations exceeding stakeholders’ CMR expectations and acting above and beyond the communicated standards, is rare or unheard of in the fashion industry and lacks external validity. Thus, the CMR message-action consistency is framed as negative evaluations such that this research’s findings can be generalized to inconsistencies observed in the real world.

Additionally, according to the theory, when behaviors align with audiences’ expectations, a confirmation of expectancy occurs (Burgoon & Hale, 1988). Confirmations can be negative and positive. A negative confirmation refers to a scenario when an audience has negative expectations, and those are fulfilled by one’s negative behaviors (Burgoon, 2015). A positive confirmation occurs when one’s behaviors align well with the high expectations of the audience and lead to positive evaluations (Burgoon, 2015). Applied to this research, a negative confirmation refers to consumers developing low expectations based on corporations’ communicated low CMR standards and accordingly hoping for corporations to act negatively or immorally. Such a theoretical scenario lacks external validation. In the real world, consumers expect corporations to act morally despite corporations’ messages signaling low CMR standards. As such, the negative confirmation of this theory lacks external validity within the context of CMR message-action consistency in the real-world fashion industry and, accordingly, has not
been considered in this research. On the other hand, when corporations’ communicated messages signal high CMR standards to create expectancy in consumers and then their CMR actions are at par with those evoked expectations, then consumers can be expected to react positively towards the corporations. In this study, CMR word-action consistency is framed as a positive confirmation. Accordingly, this study used the expectancy violations theory to extend our understanding of consumers’ word-of-mouth responses to consistent/inconsistent CMR.

**Word-of-Mouth Intentions**

Word-of-mouth (WOM) refers to communication that can occur among consumers concerning their experiences and evaluations of a corporation (Skarmeas & Leonidou, 2013). It is a consumer-dominated mode of communication, which is perceived as more reliable, credible, and trustworthy, compared to corporation-generated messages (Brown et al., 2007). WOM plays an important role in determining consumer attitudes, and their long-term and short-term assessments of brands’ products and services (Lee & Workman, 2013). Specifically, when receivers are in the process of making decisions regarding a corporation, they seek WOM communication (Chung & Lee, 2019). Thus, WOM is an important consumer response that needs to be strategically managed by a corporation to protect its reputation with favorable WOM intentions (Vo et al., 2019). WOM intentions can be positive and negative.

**Positive word-of-mouth (PWOM) intentions.** PWOM intention refers to individuals’ intention to communicate with others about their engagement in business transactions with a corporation, make positive recommendations about the corporation, and/or commend the corporation’s value orientations (Brown et al., 2007). PWOM intentions occur when consumers feel satisfied with and trust the corporation, which is often associated with consumer loyalty (Ryu & Park, 2020).

Applying the expectancy violation theory in this context, consumers’ expectations are formed based on corporate CMR marketing messages. When consumers find corporate actions to align with CMR promises made in marketing messages, this CMR message-action consistency leads to positive confirmation of expectancy and is expected to trigger PWOM intentions, as a manifestation of their loyalty. Thus, it is hypothesized:

**H1:** Consumers’ PWOM intentions are higher when a company’s CMR messages and actions are consistent than when they are inconsistent.

**Negative word-of-mouth (NWOM) intentions.** NWOM intentions, a desire to speak negatively about a corporation (Skarmeas & Leonidou, 2013), are prompted when consumers are eager in expressing their dissatisfaction with a corporation (Vo et al., 2019). NWOM is considered one of the highest reputational threats in the marketing literature (Chung & Lee, 2019). NWOM intention is often associated with consumers judging the corporation as immoral, seeking revenge, and inviting others to boycott the corporation (Azemi et al., 2020). When consumers find corporations to act inconsistently with their communicated CMR, this message-action inconsistency can be expected to cause negative expectancy violation, triggering NWOM intentions in consumers. Accordingly, it is hypothesized:

**H2:** Consumers’ NWOM intentions are higher when a company’s CMR messages and actions are inconsistent than when they are
consistent.

**CMR Issues**

Even among morally conscious consumers, there are differences in their opinions as to which issues should be prioritized for CMR (Bhaduri & Ha-Brookshire, 2011; Jung & Ha-Brookshire, 2017). For example, studies show that environmental issues are always concerning for consumers in the fashion industry (Butler, 2019). In fact, it is the industry’s negative environmental impacts, such as contributing to global CO\(_2\) emissions and water waste, consuming excessive energy, and generating high volumes of landfills and waste, that are frequently cited to underline the importance of CMR towards sustainable developments (UN News, 2019). However, another study indicates worker issues to be of paramount importance in the CMR contexts (Granskog et al., 2020). Yet another study suggests additional CMR issues that consumers believe corporations must fulfill such as environmental welfare, and information transparency among others (Jung & Ha-Brookshire, 2017). According to a nationwide study by JUST Caital (2019), there were specifically five types of CMR issues that needed to be addressed by corporations, namely workers, customers, shareholders, community, and the environment, with each of these CMR issues being ranked as varying levels of duty corporations need to fulfill. In this light, one can speculate that as CMR message-action inconsistencies evoke positive or negative feedback from consumers, different types of CMR issues would variably influence how consumers react to those inconsistencies. Given the absence of adequate supporting literature, however, it is challenging to theorize how the effects of CMR message-action (in)consistencies on consumers’ PWOM or NWOM intentions would vary among different CMR issues, making it difficult to specify the direction of predictions. So, we ask a research question:

RQ1: Do the relationships between CMR message-action (in)consistency and PWOM intentions vary among different types of CMR issues?

RQ2: Do the relationships between CMR message-action (in)consistency and NWOM intentions vary among different types of CMR issues?

**Shared Values**

This research further proposes that the relationships between CMR (in)consistencies and consumers’ WOMs are moderated by consumers’ shared values. Shared value is the degree of similarity between two parties’ norms and moralities (De Roeck et al., 2016). From the consumer-corporation perspective, consumers prefer corporations that symbolize values similar to their own beliefs and vice versa (Allen, 2002). Such shared values lead to positive and negative consumer responses (Chaney & Martin, 2017), and therefore can be expected to influence consumers’ PWOM and NWOM, as explained by one’s self-enhancement and self-affirmation needs, respectively (Alexandrov et al., 2013).

Self-enhancement need refers to one’s need of projecting a good image to others, and such a need inspires one to spread positive information about a corporation they are associated with. The role of such needs in PWOM (i.e., the need to portray a positive impression of oneself through WOM to feel good about themselves) has been reported in the literature. For example, Miranda and Duarte (2022) indicated that when consumers desired a gain of enhanced self-worth and wanted to feel good about themselves, they would spread PWOM as it allowed them to give an impression of sharing insiders’ information, show connoisseurship, and gain positive evaluations from others. In this light, it can be expected that when
consumers have higher levels of shared values with a morally responsible corporation, such alignment of values affirms consumers’ own moral image. That is, by associating and sharing values with a corporation appearing moral based on its announced CMR, one can gain a self-image of being a moral person, and this good image will serve as a need to spread PWOM. Similarly, the higher the shared values with corporations, the stronger would be one’s reactions to their inconsistencies. Thus, a consumer with higher shared value (compared to low) would be more appreciative of consistent CMR and likewise, is expected to highly intend to spread PWOM. Similarly, a consumer with high (compared to low) shared value would be more critiquing of inconsistent CMR and likewise, is expected to less intend to spread PWOM.

H3: The effect of CMR message-action (in)consistency on PWOM intentions is moderated by shared values, such that this effect is stronger when shared values are high (vs. low).

According to Alexandrov et al. (2013), consumers also have a self-affirmation need of maintaining the integrity of their self-image, and to fulfill such a need, consumers spread negative information about a corporation they do not want to be associated with. Such perceived integrity needs (i.e., to protect one’s image from being threatened) play an important role in consumers’ NWOM. For example, studies indicated that consumers would spread NWOM because derogating others allowed them a coping mechanism to maintain their self-image, thus lowering rumination about negative experiences (Talwar et al., 2021). In this light, it can be argued that consumers’ higher levels of shared values with a corporation would moderate their reactions to CMR inconsistency and make consumers intend to spread NWOM to protect their self-image from being threatened with perceived immorality. That is, the higher the shared values with corporations, the stronger would be one’s reactions to their inconsistencies. Therefore, a consumer with high (compared to low) shared value would be more appreciative of consistent CMR and likewise, not likely to spread NWOM. On the other hand, a consumer with high (compared to low) shared value would critique inconsistent CMR more and likewise, is expected to highly intend to spread NWOM. Thus:

H4: The effect of CMR message-action (in)consistency on NWOM intention is moderated by shared values, such that this effect is stronger when shared values are high (vs. low).

**METHOD**

**Research Design and Stimuli Development**

The study design involved 2 (CMR message-action: inconsistent/consistent) X 5 (CMR issues: worker/environment/shareholder/customer/community) X 2 (shared value: low/high) X 2 (message replications: version 1/version 2) between-subjects experiment. CMR message-action and CMR issues were manipulated while shared value was measured. Details about message variance is discussed later.

Stimuli messages were designed as marketing messages from corporations advertising their CMR promises followed by a news media report indicating that the corporation followed through their CMR promises (consistent) or failed to act on its CMR promises (inconsistent). For instance, a case of consistent CMR message-action involved a corporate promise emphasizing
“that our workers receive living wages that cover the local costs of their basic needs,” and a corresponding news article (media message) indicating that the corporation “signed a pledge committing to equitable pay [...] that covers the cost of all their basic needs.” For inconsistent CMR message-action, the same corporate message was followed by a media message indicating “workers often do not make living wages and have to resort to use of food stamps.”

Within each CMR message-action consistent/inconsistent condition, CMR issue was experimentally induced by emphasizing either workers, environment, shareholders, customers, or the community as the major subject of interest in both corporate and media messages. For instance, worker issues focused on fair wage and safe workplace, environmental issues focused on minimizing pollution including any harmful health impacts, shareholder issues focused on generating profits and ensuring capital returns for investors, and community issues focused on local investment and job retention efforts, while customer issues focused on making quality products and offer services that are reliable, safe, and durable for customers. These five categories were identified as issues that U.S. consumers were most concerned about (Just Capital, 2019). For corporate messages, no corporation information was provided to control for a possible confounding effect of corporations.

Message replication. For each CMR issue, two message versions were developed per treatment, altering the text (keeping the amount of text constant), following Just Capital’s (2019) “most” and “least” important concerns for each type of CMR issue. For example, “most” important worker issue included paying “a fair wage based on job level, qualifications, and experience as well as living wage that covers the local costs of basic needs.” “Least” important worker issue was “creating a transparent and supportive workplace culture and ensuring fair treatment of workers.” This was done to reduce the confounding effect of text contents and overall visual appearance of messages (Thorson et al., 2012). According to Thorson et al. (2012), each stimulus message is composed of an infinite number of attributes leading to risk of the systematic effect of confounding variables. Thus, in a study involving one single message representing a treatment condition, any conclusion(s) about the effect of manipulation may need to be restricted to the particular message, rather than categories of messages (Thorson et al., 2012). Since the focus of this study was to understand consumers’ responses to a group of messages (CMR messages), multiple (two) but similar messages were created for each treatment group (that is for each CMR issue) to generalize study results to a wider population of messages.

Manipulation Check
In the next step, manipulation checks for CMR message-action and CMR issues were conducted using 103 undergraduate students recruited at two major U.S. state universities ($M_{age} = 20.34$ years; 89% female). First, participants were asked to identify the type of CMR issue each stimulus message addressed. Respondents correctly identified the CMR issue addressed in each stimulus as either workers (90.3%), customers (78.7%), shareholders/investors (95.2%), communities (91.9%), or the environment (95.1%; $\chi^2 = 9.32, p < .001$). Second, participants indicated (yes) that based on the corporation message and the media report, there were no inconsistencies between what the corporation claimed and what they actually did for all control sets ($\chi^2 = 23.04-8.03, p = .001$ to 0.04). On the contrary, they indicated that there were inconsistencies
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between what the corporation claimed and what they actually did for all treatment stimuli sets ($\chi^2 = 21.05 - 8.03, p < .001$).
Thus, manipulation checks were successful.

**Measures**

Shared value was measured using three items on a 7-point scale ($1 = strongly disagree$ to $7 = strongly agree$; Macmillan et al., 2005; Cronbach $\alpha$: 0.94). The items were: “In general, the corporation’s CMR-related opinions and values are a lot like mine,” “I like and respect the corporation’s CMR-related values,” and “The corporation and I share a similar set of CMR-related values.” PWOM intentions and NWOM intentions were measured using three items each (Alexandrov et al., 2013; Cronbach $\alpha$: 0.87 and 0.95 respectively) on a 7-point scale ($1 = very likely$ to $7 = very unlikely$). Items for PWOM intentions were: “Say positive things about this corporation,” “Recommend this corporation to others,” and “Recommend this corporation to someone else who seeks my advice.” Items for NWOM intentions were: “Warn my friends and relatives not to engage with this corporation,” “Complain to my friends and relatives about this corporation,” and “Say negative things about this corporation and to other people.”

**Sample Selection, Procedure, and Data Analyses**

Adult participants ($N = 1296$) were recruited using a national research firm, Qualtrics. After exposure to a randomly assigned stimuli set (comprising of one CMR message followed by a corresponding news article), participants indicated their shared values, followed by PWOM and NWOM intentions and demographic information. Finally, participants were debriefed that both corporate and news messages were manipulated for the study. Participants also answered one validity-check question during the study to indicate their attention (Bhaduri et al., 2017).

Data were analyzed using SPSS (version 27). Before subjecting data to hypotheses tests, an independent samples t-test was conducted to check for the effect of message replications. Results indicated no significant effect of message replications on NWOM ($t = 0.31, p = 0.75$) or PWOM ($t = 0.45, p = 0.66$). Thus, data for two stimuli versions were analyzed together. First, descriptive analyses were conducted on the demography variables to understand participant characteristics. Then, $2$ (inconsistency: present/absent) X $5$ (CMR issues: worker/ environment/ shareholder/ customer/community) X $2$ (shared value: low/high) multivariate analysis of variance (MANOVA) was conducted, followed by two 3-way analysis of variances (ANOVAs). For MANOVA, a median-split was used to categorize participants into two groups based on their shared value scores, resulting in $705$ participants with low ($M = 3.75, SD = 1.12$), and $591$ as high ($M = 6.20, SD = 0.57$) shared value ($t = -50.55, p < 0.001$; Bhaduri & Stanforth, 2017).

**Results**

**Respondent Profile**

The largest group of our respondents (50.2%) were male (50.2%) and Caucasian (55.9%); They were mostly in the ages of 21–30 (23.9%) and 31–40 (23.2%). About 46.5% of our respondents worked full time, and about 67.6% of them had a college degree. The largest number (52.3%) of our respondents had an annual household income of less than $49,999, with 20.1% participants having income between $50,000 and $99,999 and 17.6% over $100,000.

**Hypotheses Tests and Tests for Research Questions**

Box’s M test was significant, indicating violation of the homogeneity assumptions.
for variances and covariances desirable for MANOVA (Box’s $M = 271.80, p < 0.001$). However, because of large total sample size ($N = 1276$) and high observed power (1.0), further analyses for MANOVA were conducted using Pillai’s Trace (a more robust measure than Wilks’ Lambda). Results indicated that CMR message-action $[F(2, 1275) = 281.56, p < 0.001, \eta_p^2 = 0.31]$, CMR issues $[F(8, 2552) = 2.11, p = 0.032, \eta_p^2 = 0.01]$, and shared value $[F(2, 1275) = 135.60, p < 0.001, \eta_p^2 = 0.18]$ significantly impacted PWOM and NWOM$^1$. Further, the interaction of CMR message-action and shared value was significant, $F(2, 1275) = 11.85, p = 0.032, \eta_p^2 = 0.02$. Thus, shared value moderated the relation between CMR message-action and both PWOM and NWOM$^2$. All other interaction effects were non-significant ($p = 0.13$ to 0.49). To probe statistically significant multivariate effects, two three-way ANOVAs were conducted.

**PWOM intentions.** Main effect of CMR message-action on PWOM intention was significant, $F(1,1276) = 270.67, p < 0.001, \eta_p^2 = 0.18$, supporting H1. PWOM intention was higher for consistent CMR message-action ($M = 5.07, SD = 1.41$) compared to inconsistent ($M = 3.41, SD = 1.72$). Analysis to probe RQ1 revealed that CMR issues significantly moderated the relationship between CMR message-action and PWOM, $F(4, 1276) = 2.55, p = 0.04, \eta_p^2 = 0.01$. ANOVA results revealed that the mean difference between consistent and inconsistent CMR message-actions was the highest for worker related issues, and the least for shareholder related issues ($p < .001$, see Table 1 for PWOM group means across CMR issues).

Next, participants’ shared values did not moderate the relation between CMR message-action (in)consistency and PWOM, $F(1,1276) = 3.56, p = .059, \eta_p^2 = 0.003$, lacking support for H3. The PWOM mean difference between the consistent and inconsistent CMR message-actions are similar for consumers with high vs. low shared value (see Table 1 for group means). In addition, shared value had a main effect on PWOM intention, $F(1,1276) = 269.79, p < .001, \eta_p^2 = 0.18$. Irrespective of consistent or inconsistent CMR message-action, PWOM intention was higher for participants with high ($M = 5.15, SD = 1.74$) than low ($M = 3.47, SD = 1.40$) shared value.

**NWOM intentions.** There was significant main effect of CMR message-action consistency/inconsistency on NWOM, $F(1,1276) = 453.10, p < 0.001, \eta_p^2 = 0.26$, supporting H2. NWOM intention was higher for inconsistency ($M = 4.99, SD = 1.45$) than consistency ($M = 3.09, SD = 1.56$). For RQ2, CMR issues did not significantly moderate the relationship between CMR consistency/inconsistency and NWOM ($p = 0.42, \eta_p^2 = 0.003$), indicating that participants’ NWOM score difference between the consistency and inconsistency did not significantly vary based on CMR issues. However, CMR issues had a main effect on NWOM, $F(4, 1276)= 3.39, p = 0.009, \eta_p^2 = 0.01$. NWOM was highest for issues related to workers ($M = 4.26, SD = 1.77$), followed by shareholder ($M = 4.16, SD = 1.67$), environment ($M = 4.06, SD = 1.72$), customers ($M = 3.92, SD = 1.40$) shared value indicate that inconsistency had a large sized effect, CMR issues a small effect and shared value had a medium sized effect. Further the effect of inconsistency X shared was small as well.

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$^1$ Wilk’s Lambda values for MANOVA were same as those for Pillai’s Trace for all variables.

$^2$ Based on benchmark set by Cohen (1969) for effect sizes, Richardson (2011) provides corresponding values of partial eta sq as .01 for small effect, .06 for medium, and .14 for large effect. Therefore, results
1.84), and finally, community ($M = 3.86, SD = 1.90$).

Participants’ shared value, as expected, moderated the relation between CMR message-action and NWOM, $F(1,1276) = 23.51, p < .001, \eta^2_p = 0.02$, supporting H4. The NWOM mean difference between CMR message-action consistency and inconsistency were larger for consumers with high versus low shared value (see Table 1 for group means). In addition, shared value had a main effect on NWOM intention, $F(1,1276) = 38.15, p < .001$. Irrespective of consistency/inconsistency, NWOM intention was higher for participants with low ($M = 4.49, SD = 1.45$) than high ($M = 3.53, SD = 1.99$) shared value. Figure 1 presents the conceptual model along with the study findings.

[Insert Table 1 about here]
[Insert Figure 1 about here]

**Discussions**

This research investigated the impact of CMR message-action consistency/inconsistency on participants’ PWOM and NWOM intentions. The study incorporated CMR initiatives related to five different CMR issues (worker/environment/shareholder/customer/community) and investigated how participants’ responses differed based on their shared values. Results indicated that participants’ PWOM intentions were lower while NWOM was higher for CMR message-actions inconsistency (than consistency). Therefore, when corporations fail to live up to their promised CMR initiatives as indicated by news reports, participants expressed that they would not only communicate less positively about the corporation to their peers but in fact communicate more negatively about the same. The results were consistent with existing literature which indicates that any gap between what corporations promise and what they actually do may lead consumers to perceive the corporation as deceitful, eventually leading to negative opinions about the corporation (Wagner et al., 2009).

Upon investigation of the research questions, CMR issues did not significantly moderate the relationship between CMR (in)consistency and NWOM. Therefore, no matter the type of CMR issue a corporation focuses on, participants’ responses to CMR message-action inconsistency versus consistency lead to similar NWOM intentions. Such a non-significant effect stands contrary to prior literature (Jung & Ha-Brookshire, 2017) but can be explained by the fact that currently, consumers have high expectations of corporations to fulfill their moral responsibilities. Therefore, they do not necessarily prioritize one issue over the other and believe that corporations need to fulfill their duties toward all the issues.

However, the case was slightly different for PWOM. The difference in participants’ PWOM intentions between CMR message-action inconsistency and consistency was the highest for worker-related issues and the lowest for shareholders. This was again in line with existing literature (Granskog et al., 2020) suggesting that participants seemed to care the most for worker-related CMR issues. In addition, in the case of CMR message-action inconsistency, their intention to talk positively about the corporation to peers was dampened the most.

In addition, CMR issues had a main effect on NWOM intention. NWOM intention was highest for issues related to workers, followed by shareholders, environment, customers, and finally, community. This indicated that irrespective of CMR message-action inconsistency/consistency, in general, participants were more likely to communicate negatively about the
corporation if the CMR initiative was related to workers than the community. This was in line with existing research which indicates that consumers cared more about worker welfare-related issues and those related to the environment (Jung & Ha-Brookshire, 2017).

Next, the study analyzed the moderating effect of shared value on the relation between inconsistency and WOM intentions. Results indicated that shared value did not generate a significant difference in how CMR message-action (in)consistency impacted participants’ PWOM intention. While participants’ PWOM intentions were higher for message-action consistency than inconsistency (as indicated by the main effect), these were not significantly affected by participants’ levels of shared values. Therefore, irrespective of if participants had high versus low shared value with the corporations’ moral responsibility initiatives, they were equally likely to talk positively about the corporation when corporate CMR claims were inconsistent with media reports and when such claims were consistent. On the contrary, shared value moderated the effect of (in)consistency on NWOM intention. When participants with high (compared to low) shared value with the corporation saw CMR message-action inconsistency (vs. consistency), they intended to communicate more negatively about the corporation with their peers. Therefore, participants’ NWOM were higher for message-action inconsistency compared to consistency, and these NWOM differences were significantly strengthened by participants’ high levels of shared values than low levels. In addition, participants’ shared values had a main effect on both NWOM and PWOM intentions. NWOM intention was lower and PWOM intention was higher for participants with high (vs. low) shared value. Therefore, participants communicated less negatively and more positively about a corporation when they shared similar CMR values with the corporation than when they did not.

**Implications**

**Theoretical Implications**

Given the importance of CMR initiatives toward sustainable development and corporate success, this research on stakeholders’ responses to such initiatives makes important theoretical contributions. First, it revealed that CMR message-action consistency versus inconsistency impacts consumers. These findings corroborate prior research on corporate morality and attest that indeed consumers see corporations as moral agents, responsible for fulfilling their duties toward stakeholders (Ha-Brookshire, 2017). Second, to our best knowledge, this research was one of the first to investigate consumers’ range of responses (both positive and negative) to CMR initiatives. Thus, it contributes to the CMR literature by showcasing that while consumers criticize corporations due to their inconsistent CMR assertions and action, they also intended to communicate positively about the corporation when their CMR actions matched their assertions.

Third, adopting the expectancy violations theoretical framework, this research demonstrated how negative violations and positive confirmations influenced consumers. While some scholars have used the theory to address consumers’ reactions to corporate responsibilities, they mostly addressed the negative expectancy violation (Jordan et al., 2012), neglecting the positive expectancy confirmation. This study demonstrated a holistic view of how consumers respond to CMR (in)consistency and thus made a theoretical contribution by expanding the use of this theory to ideas of CMR and consumer responses in the fashion discipline.

Fourth, this research provided more
nuanced insights into consumers’ responses to various CMR issues and their message-action (in)consistencies. While consumers had similar negative responses to corporations’ consistencies or inconsistencies across different CMR issues, their positive word-of-mouth intentions in response to CMR message-action (in)consistency varied depending on CMR issues. Little supporting literature was available to theorize how the effects of CMR message-action (in)consistencies on consumers’ WOM intentions would vary across CMR issues, or which type of issue is more valuable/detrimental to a corporation. Accordingly, this research provides much-needed insight in this regard and attests to the importance of scrutinizing the moderating role of these issues specifically for PWOM intentions. Further, these findings enrich the CMR literature from consumers’ perspective, indicating that while their NWOM intentions due to (in)consistency remain unaffected by varied CMR issues, their intentions to speak well about a corporation differed substantially based on these issues.

Fifth, the current research sheds light on the moderating role of shared values. As noted earlier, the role of consumers’ shared value in their behavioral responses to message-action (in)consistencies specifically with the CMR context represented a considerable research gap. While consumers had similar positive responses to corporations’ consistencies or inconsistencies irrespective of their levels of shared values, their NWOM intentions in response to CMR message-action (in)consistency increased if they had high (vs. low) shared values. At a time when consumers have become more sincere and conscious of businesses’ ethical behaviors, these findings serve as a critical addition to the body of CMR knowledge. By providing this empirical and comparative analysis of consumers’ intentional outcomes based on their shared values with CMR, this research contributes to the ongoing fashion marketing research. Furthermore, as consumers’ PWOM and NWOM were inversely influenced by the moderating role of CMR issues and shared values, this research raises a new arena of investigation and calls for attention of scholars who focus on fashion corporations’ moral contexts.

Managerial Implications

Based on CMR (in)consistencies. The study results indicated that when corporations fail to live up to their promised CMR initiatives, consumers not only communicate less positively about the corporation to their peers but also communicate more negatively about the same. Given WOM is one of the most influencing tools in marketing, marketers need to be careful not to overpromise or underdeliver but match their CMR initiatives as asserted in their marketing messages. This is important in today’s digital age particularly to avoid negative media publicity, because finding out about corporate wrongdoings is much easier for stakeholders in this age of information transparency. Also, in the digital age, WOM, both positive and negative, has a wider reach as stakeholders share stories and reviews, comments, and questions about companies with a larger community than just immediate friends and families.

Based on CMR issues. Marketers need to be cognizant that even though CMR message-action (in)consistency is important, the power of different CMR issues to commit to can be different. Given the significant moderating role of CMR issues for the effect of (in)consistency on PWOM, managers need to rank these issues as a high and low priority to be acknowledged by
their corporations. For example, compared to other issues, worker-related issues were observed to matter most to consumers’ PWOM based on how they responded to consistent and inconsistent CMR. Likewise, marketers should understand and pay more attention to the far-reaching influence of this issue over other ones to promote a positive image of the corporation. Even in the event of a CMR misconduct, corporations should consider focusing on worker-related issues over others as a strategic approach to improve consumers’ PWOM.

This study also highlighted that for NWOM, the same moderating role of CMR issues becomes irrelevant and participants’ NWOM based on inconsistent and consistent CMR message-action stays similar. That is, when it comes to corporations failing to live up to their promised CMR initiatives (compared to when they do so), consumers are concerned irrespective of the CMR issue in focus. Thus, to specifically control the spread of NWOM in the market, corporations must maintain a behavioral record consistent with their CMR messages for all types of CMR issues and not necessarily prioritize one over the other.

In addition, given the direct effect of CMR issues on NWOM, marketers should zero in on the reputational vulnerability associated with worker-related CMR contexts. Consumers were found to be most likely to communicate negatively about the corporation if the CMR initiative was related to workers, irrespective of consistency or inconsistency. Thus, it might be more impactful for the marketing team to focus their attention on issues related to workers over shareholders, environment, customers, or community to reduce NWOM intentions.

**Based on shared values.** Corporations should also be aware of the detrimental effect of consumers’ shared values in moderating the effect of CMR (in)consistency on their NWOM. Especially when consumers hold a high level of shared values with the corporation, their negative reactions towards CMR message-action (in)consistency were strengthened. Thus, to control negative publicity, corporations should segment their market and cater their marketing messages to a specific target market with similar corporate values. It has been a common corporate practice to hire employees who share similar values with the corporation. This study highlighted that a similar approach toward their consumers might be beneficial.

However, consumers’ levels of shared values with corporations became irrelevant when it came to their PWOM, whether CMR message-action is consistent or inconsistent. Irrespective of the level of shared values between consumers and CMR initiatives, when corporations lived up to their promised CMR commitments (compared to when they failed to do so), consumers had similar intentions to talk positively about the corporation. Thus, when corporations are counting on consumers’ PWOM, their focus needs to be on maintaining a behavioral record consistent with their CMR messages and not worrying about how those CMR values align with their consumers’ values. In addition, given the direct effect of shared values on both NWOM and PWOM, this study highlighted that marketers should be cognitive of the level of similarity or overlap between consumers and those indicated in the CMR. Consumers’ higher levels of shared values added to their intentions to speak more positively and less negatively about a corporation, irrespective of CMR consistency or inconsistency. For a corporation to foster PWOM or mitigate NWOM, they must dedicate their rare marketing resources to specifically appeal to those consumers with higher levels of shared
values over others.

**Limitations and Scope for Future Research**

The study has some limitations which provide opportunities for future research. First, the study did not control for consumers’ perceived credibility of the corporate name and news-media source. Thus, future research controlling for perceived credibility of both corporate name and news-media source should be undertaken. Second, the study tested news-media as the only source reinforcing/contradicting corporate claims. In today’s digital information scenario, stakeholders receive information from multiple sources and thus it is recommended that future studies incorporate multiple media messages incorporating a variety of sources. Third, the study sample incorporated consumers from the United States. However, given that most of the manufacturing is done in developing countries, while the United States is typically a developed, consumption-driven country, consumers in developing countries might have unique expectations about CMR initiatives undertaken by global corporations. Therefore, conducting cross-cultural studies that include consumers from developing economies, might yield interesting results. Fourth, this study only investigated two out of four possible conditions of expectancy violations theory: negative expectancy violations and positive expectancy confirmations. Future research including positive expectancy violations and negative expectancy confirmations should be undertaken to achieve a deeper understanding of how different types of CMR inconsistencies influence consumers. Fifth, this study measured WOM intention without specifying any platform for communication. Given the rise of social media usage, future studies involving eWOM can be beneficial, particularly employing sentiment analysis and machine learning techniques. Sixth, manipulation check was conducted using student sample while the main experiment was conducted using a nationwide sample. To reduce any confounding effect of the nature of the sample on the relation between independent and dependent variables, an additional pre-test using a similar sample as that used in the main experiment would be beneficial. Finally, participants’ shared values were measured after they were exposed to both the corporate message and media report. Although the anchoring statement for shared value questions emphasized participants to indicate if they shared similar values with the corporation, their responses could have been influenced by the media report as well. Therefore, for future studies, measuring shared values after exposure to the corporate message but before media message might be ideal.
References


This is authors’ personal copy of the accepted version.


Table 1
ANOVA Group Means of WOM Intention for Moderation Effects of Shared Value X Inconsistency and CMR Issues X Inconsistency

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Moderator &amp; Level</th>
<th>CMR Message-Action</th>
<th>M</th>
<th>SD</th>
<th>M Difference</th>
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<tr>
<td>PWOM Intention</td>
<td>Shared Value: High</td>
<td>Inconsistent</td>
<td>4.20</td>
<td>1.98</td>
<td>-1.52*</td>
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<td></td>
<td></td>
<td>Consistent</td>
<td>5.72</td>
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<td>Inconsistent</td>
<td>3.01</td>
<td>1.40</td>
<td>-1.18*</td>
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<td></td>
<td></td>
<td>Consistent</td>
<td>4.19</td>
<td>1.06</td>
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<td>NWOM Intention</td>
<td>Shared Value: High</td>
<td>Inconsistent</td>
<td>4.93</td>
<td>1.58</td>
<td>2.25*</td>
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<td></td>
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<td>Consistent</td>
<td>2.68</td>
<td>1.71</td>
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<td></td>
<td>Shared Value: Low</td>
<td>Inconsistent</td>
<td>5.02</td>
<td>1.38</td>
<td>1.38*</td>
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<tr>
<td></td>
<td></td>
<td>Consistent</td>
<td>3.64</td>
<td>1.12</td>
<td></td>
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<tr>
<td>PWOM Intention</td>
<td>CMR Issues: Communities</td>
<td>Inconsistent</td>
<td>3.44</td>
<td>1.76</td>
<td>-1.68*</td>
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<td></td>
<td></td>
<td>Consistent</td>
<td>5.22</td>
<td>1.32</td>
<td></td>
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<td>CMR Issues: Shareholders</td>
<td>Inconsistent</td>
<td>3.43</td>
<td>1.63</td>
<td>-1.14*</td>
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<td></td>
<td></td>
<td>Consistent</td>
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<tr>
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<td>1.65</td>
<td>-1.74*</td>
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<td>Consistent</td>
<td>5.17</td>
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<td>CMR Issues: Customers</td>
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<td>3.42</td>
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<td>5.16</td>
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<td>CMR Issues: Workers</td>
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<td>1.79</td>
<td>-1.90*</td>
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<td>1.29</td>
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<tr>
<td>NWOM Intention</td>
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<td>4.95</td>
<td>1.56</td>
<td>2.25*</td>
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<td>1.31</td>
<td>1.84*</td>
</tr>
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<td></td>
<td></td>
<td>Consistent</td>
<td>3.13</td>
<td>1.58</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CMR Issues: Customers</td>
<td>Inconsistent</td>
<td>4.92</td>
<td>1.55</td>
<td>2.00*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consistent</td>
<td>2.92</td>
<td>1.54</td>
<td></td>
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<tr>
<td></td>
<td>CMR Issues: Workers</td>
<td>Inconsistent</td>
<td>5.22</td>
<td>1.38</td>
<td>1.90*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consistent</td>
<td>3.32</td>
<td>1.60</td>
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</table>

Note. N = 1296. Mean difference is measured for inconsistent–consistent for each level of moderator. ANOVA = Analysis of variance; WOM = word-of-mouth; CMR Issues = corporate moral responsibility issues. *p < .001.
Figure 1
Conceptual Model Showing Study Findings

Note. For both positive WOM and negative WOM, Issues X Shared Value was non-significant ($p > .05$).
For both positive WOM and negative WOM, Consistency X Issues X Shared Value was non-significant ($p > .05$).
CMR = Corporate moral responsibility; WOM = word-of-mouth.