

The CSR Imperative

How CSR Influences Word-of-Mouth Considering the Roles of Authenticity and Alternative Attractiveness

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Title

The CSR Imperative: How CSR Influences Word-of-mouth Considering the Roles of Authenticity and Alternative Attractiveness

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The CSR Imperative: How CSR Influences Word-of-mouth Considering the Roles of Authenticity and Alternative Attractiveness

Abstract

Customers are increasingly talking positively about brands that are socially responsible and authentic. However, little empirical research has related CSR to brand authenticity, and brand authenticity to customer positive word-of-mouth. Moreover, although highly attractive alternative brands are increasingly appearing in the marketplace, there is a lack of research examining the role of alternative attractiveness in the relationship between CSR and brand authenticity. We address these shortcomings in the literature drawing on data from 1101 customers of insurance services brands, analyzed using structural equation modeling. The findings show that CSR is positively related to customer positive word-of-mouth, both directly and indirectly through brand authenticity. Moreover, alternative attractiveness positively moderates the effect of CSR on brand authenticity. This implies that CSR can act as a differentiation mechanism to further enhance the focal brand's authenticity, when an alternative brand is perceived as highly attractive.

Keywords

Alternative attractiveness; brand authenticity; corporate social responsibility; structural equation modeling; word-of-mouth

The current hyper-connected business environment places corporate action under intense scrutiny (García-Sánchez, Hussain, Khan, & Martínez-Ferrero, 2021; Lopatta, Buchholz, & Kaspereit, 2016). With social media and technology shaping a more transparent world, customers are raising pressure on brands to behave in a socially responsible manner (Schoeneborn, Morsing, & Crane, 2020). At the same time, scholars have shown that by behaving in a socially responsible manner, brands can achieve significant organizational advantages, including greater customer trust, customer affective commitment, and customer positive word-of-mouth (Hillenbrand, Money, & Ghobadian, 2013; Kang & Hustvedt, 2014; Markovic, Iglesias, Singh, & Sierra, 2018). This has led managers to start including CSR as a key priority in corporate agendas (Balmer, Powell, Hildebrand, Sen, & Bhattacharya, 2011; Vilanova, Lozano, & Arenas, 2009).

However, customers are increasingly skeptical of brands' CSR initiatives (Barnett, 2019; Iglesias, Markovic, Bagherzadeh, & Singh, 2020b), which can hinder their willingness to engage in positive word-of-mouth recommendations regarding the brand, and can even foster negative word-of-mouth (Skarmeas & Leonidou, 2013). This is dangerous because positive word-of-mouth is especially important for services brands given the intangibility and heterogeneity of their offerings (Silverman, 1997; Sweeney, Soutar, & Mazzarol, 2008), and the subsequent difficulty to standardize service quality, which increases customer perceived purchase risk (Eiglier & Langeard, 1977; Sundbo, 2002). This has led scholars to consistently emphasize the importance of building positive word-of-mouth in services contexts (Markovic et al., 2018; Harrison-Walker, 2001).

The importance of building positive word-of-mouth is especially prominent in the insurance services industry (which is the context of this study), because customers have largely

engaged in negative word-of-mouth regarding insurance services brands due to bad past practices (Hsu, 2012; Lock & Seele, 2015). Consequently, insurance services brands have recently started to invest heavily in CSR to regain their reputation (Iglesias et al., 2020b). However, as customers often currently associate CSR with greenwashing and insincere brand behaviors (Nyilasy, Gangadharbatla, & Paladino, 2014), they may engage in negative word-of-mouth regarding some brands that embrace CSR. Thus, it becomes relevant to understand how brands can ensure that their CSR initiatives generate positive word-of-mouth, especially in the insurance services industry. However, there remains limited research empirically examining the factor through which CSR can trigger positive word-of-mouth.

In this regard, some scholars have argued that brand authenticity is an important driver of positive word-of-mouth (Morhart, Malär, Guèvremont, Girardin, & Grohmann, 2015; Oh, Prado, Korelo, & Frizzo, 2019; Tran & Keng, 2018). Authentic brands are those brands that are sincere and true to their core values and principles, have a long-term commitment to high-quality standards, and exude a sense of tradition (Fritz, Schoenmueller, & Bruhn, 2017; Napoli, Dickinson, Beverland, & Farrelly, 2014). Authentic brands are currently growing in popularity (Cinelli & LeBoeuf, 2020; Vredenburg, Kapitan, Spry, & Kemper, 2020) because, in highly competitive service environments (which is the case of the insurance services industry), customers tend to perceive many service offerings as undifferentiated from a functional perspective (Beverland & Farrelly, 2010; Taylor, 2001), and therefore brand authenticity often serves as a key differentiation element (Beverland, 2005; Fritz et al., 2017). This is because when a plethora of brands offer the same or similar services, customers largely consider other factors when making purchase decisions; sincerity, heritage and the commitment to quality (i.e., dimensions of brand authenticity) being amongst those most important (Grayson & Martinec, 2004). To form their perceptions of a brand's authenticity, customers rely on multiple cues, among which CSR endeavors are a key cue (Tarabashkina, Quester, & Tarabashkina, 2020).

However, although there is an emerging research stream studying the authenticity of CSR endeavors (Alhouti, Johnson, & Holloway, 2016; Mazutis & Slawinski, 2015; Joo, Miller, & Fink, 2019), there remains scant research examining how CSR endeavors influence the brand's authenticity. Addressing this scarcity of research is relevant because it can shed light on whether investing in CSR can help brands to respond to the currently rising customer demands for brand authenticity (Fritz et al, 2017). Moreover, when customers perceive a brand as authentic, especially in an environment full of largely undifferentiated offerings, they are likely to speak positively about the brand and recommend it to their friends and families (Oh et al., 2019). However, only a few empirical studies have analyzed the relationship between brand authenticity and customer positive word-of-mouth (De Matos & Rossi, 2008; Morhart et al., 2015; Oh et al., 2019).

Adding to the above-presented scarcity of previous research, there is also limited investigation examining how the presence of highly attractive alternative brands in the marketplace influences the relationship between CSR and brand authenticity. Examining this is especially relevant in the current business environment, rich in highly attractive alternative brands, where customer satisfaction with or positive perceptions of a given brand do not necessarily imply loyalty (Wu, 2011; Yim, Chan, & Hung, 2007), and customers may easily switch their current service provider even if they perceive the provider to be authentic as a consequence of embracing CSR initiatives.

This article aims to address the aforementioned shortcomings in the literature by empirically examining the effect of CSR on customer positive word-of-mouth, considering the mediating role of brand authenticity in such relationship, and the moderating role of alternative attractiveness in the relationship between CSR and brand authenticity. The research setting is the insurance services industry, following its above-discussed relevance to the variables that we focus on and the calls from Thistlethwaite and Wood (2018) and Walsh et al. (2009) to

conduct CSR-related research in this context due to its poor reputation. The data were collected in Spain in 2017 from 1101 customers of insurance services brands. The hypothesized relationships were tested using structural equation modeling (SEM) with the maximum likelihood method. The results show that CSR is directly and positively related to customer positive word-of-mouth. We also found that this relationship is positively mediated by brand authenticity. Finally, we found that the effect of CSR on brand authenticity is positively moderated by alternative attractiveness. This implies that CSR can act as a differentiation mechanism to further enhance the level of the focal brand's authenticity, when an alternative brand is perceived as highly attractive.

The remainder of this article is structured in the following way. First, the conceptual background and the hypotheses development are presented. The methodology, data analysis and results are then described. The article ends by discussing theoretical contributions, managerial implications, limitations, and future research opportunities.

Conceptual Background

Since its origins, CSR has changed from being seen as a tool to only maximize economic benefits to being perceived as a mechanism for socio-economic welfare enhancement (Epstein, 1987; McWilliams & Siegel, 2001). In this line, Frederick (1986, p.4) suggests that businesses embracing CSR have “an obligation to work for social betterment.” More precisely, Carroll (1991) suggests that CSR entails four types of responsibility: economic, legal, ethical, and philanthropic. First, economic responsibility calls for brands to make profits, and to maintain a high operating efficiency and strong competitive position. Carroll (1991) argues that economic responsibility represents the foundation for the other three types of responsibility because brands first need to ensure their correct functioning and survival. Second, legal responsibility requires brands to comply with laws, rules, and regulations when doing business, and to provide

products and/or services that at least meet the minimum legal requirements. Third, ethical responsibility encourages brands to behave in a fair, just and moral way toward diverse external stakeholders. Such behaviors are not necessarily specified by legal frameworks, but are expected by societal members. Finally, philanthropic responsibility calls for brands to engage in activities oriented toward giving back to society (e.g., charity, assistance to educational institutions). Philanthropic responsibility differs from ethical responsibility in that it is not expected by societal members, but can still improve their perceptions of brands and make them more satisfied. Overall, in Carroll's (1991) framework, while the economic and legal responsibilities are socially required, ethical responsibility is socially expected, and philanthropic responsibility is socially desired (Carroll, 1991; Jamali & Mirshak, 2007; Windsor, 2001).

Based on earlier frameworks of CSR, Wood (1991) proposes three facets of corporate social performance (CSP): (1) principles of CSR; (2) processes of corporate social responsiveness; and (3) outcomes of corporate behavior. First, she divides the principles of CSR into three levels: institutional, organizational, and individual. On the institutional level, brands engage in CSR to develop and maintain the credibility and legitimacy of their societal obligations (Davis, 1973). On the organizational level, brands embrace CSR to fulfil their public responsibility, which encompasses solving the issues related to their business operations (Preston & Post, 1981). On the individual level, brands engage in CSR as a voluntary social initiative, driven by the choices of managers and their responsibility inclinations (Carroll, 1979). Second, she argues that the processes of corporate social responsiveness entail the brand's assessment of the environment and management of stakeholders and social issues. Third, she suggests that the outcomes of corporate behavior concern the brand's social impact, programs, and policies.

Several scholars have argued that Wood's (1991) framework is complementary to that of Carroll (1991) because, together, they can provide a comprehensive understanding of CSR by looking at three facets of CSP (i.e., principles of CSR, processes of corporate social responsiveness, and outcomes of corporate behavior) across four types of responsibility (i.e., economic, legal, ethical, and philanthropic) (Jamali, 2008; Jamali & Mirshak, 2007). In other words, Wood's (1991) framework can be seen as an extension to that of Carroll (1991), because Carroll's (1991) four types of responsibility actually represent domains within which the CSP facets can be achieved (Jamali, 2008; Jamali & Mirshak, 2007). Thus, combining Carroll's (1991) and Wood's (1991) frameworks can enable a systematic assessment of CSR to be conducted by firstly identifying the domains of responsibility, and then assessing the configuration of principles, processes, and outcomes (i.e., CSP facets) within each domain.

Conducting a systematic and careful assessment of CSR is important because, in the current business environment, customers are largely skeptical about brands' CSR initiatives (Iglesias, Markovic, Singh, & Sierra, 2019b) and often associate them with greenwashing (Nyilasy et al., 2014). This is because several brands have embraced CSR communications to hide their bad practices (Yoon, Gürhan-Canli, & Schwarz, 2006) and/or as a tool to boost sales without being truly committed to contributing positively to society (Nyilasy et al., 2014). As customers have become increasingly aware of this non-genuine use of CSR by certain brands, they have started to actively criticize such brands in different online (e.g., virtual brand communities, social media) and offline contexts (e.g., workplace, social circles) (Markovic et al., 2018). Negative word-of-mouth is especially dangerous for brands because unfavorable brand-related information can rapidly reach a plethora of stakeholders around the world, due to the great advances in information technologies, and especially social media (Balaji, Khong, & Chong, 2016). Moreover, negative word-of-mouth generally spreads more quickly than positive word-

of-mouth (Chang & Wu, 2014), and thus can more promptly influence the brand's sales and reputation (Balaji et al., 2016).

Given the danger of CSR resulting in negative word-of-mouth, which is especially prominent in the current hyper-connected business environment (Markovic et al., 2018), it becomes relevant to understand how brands can ensure that their CSR initiatives generate positive word-of-mouth. Understanding this is especially relevant in the insurance services industry, because insurance services brands have been strongly penalized by customers due to bad past practices (Hsu, 2012; Lock & Seele, 2015) and have started to invest heavily in CSR to regain their reputation (Iglesias et al., 2020b). However, there remains limited empirical research examining the factor through which CSR can trigger positive word-of-mouth in the insurance services industry. According to the scant previous literature on the topic, brand authenticity is an important driver of positive word-of-mouth (Oh et al., 2019; Tran & Keng, 2018). This means that when customers perceive that a brand is sincere, committed to quality and true to its heritage (i.e., authentic), they are likely to speak positively about it (Morhart et al., 2015). So, could brand authenticity be the factor through which CSR can trigger positive word-of-mouth? This study aims to address this question.

In addition, in an ever more saturated marketplace, there are a plethora of brands offering similar and largely interchangeable services (Markovic et al., 2020), which may motivate customers to terminate their relationship with the current service provider and shift to a more attractive service brand (Sharma & Patterson, 2000; Yim et al., 2007). In this regard, previous research has suggested that customers' evaluation of a focal service brand is not only based on their satisfaction with the brand, but is largely affected by the attractiveness of alternative brands (Wu, 2011; Yim et al., 2007), even if the focal service brand supports good causes and shows commitment to society (Iglesias et al., 2020b). Thus, the level of alternative brand attractiveness may influence customers' evaluation of the focal brand's authenticity derived

from the focal brand embracing CSR. Accordingly, in this study, we also aim to gain empirical insights into the moderating role of alternative brand attractiveness in the relationship between the focal brand's CSR and its authenticity.

Figure 1 shows our conceptual framework, capturing the relationship between CSR and customer positive word-of-mouth via brand authenticity, and the role of alternative attractiveness in the relationship between CSR and brand authenticity. With the help of this framework, we intend to address the above-presented research objectives.

----- INSERT FIGURE 1 ABOUT HERE -----

Hypotheses Development

CSR and Customer Positive Word-of-mouth

Scholars have argued that brands should ideally embrace all four types of responsibility from Carroll's (1991) CSR framework: economic; legal; ethical; and philanthropic (Schwartz & Carroll, 2003; Windsor, 2006). Even though the ethical and philanthropic responsibilities are not socially *required*, but *expected* and *desired* respectively (Jamali & Mirshak, 2007; Windsor, 2001), also embracing them is likely to prevent brands from becoming subject to public disfavor (Jamali, 2008). In this line, scholars have also argued that brands should embrace all three levels of CSR principles (i.e., institutional, organizational, and individual) (Wood, 1991) if they want to ensure positive customer attitudes (Pérez & Del Bosque, 2015).

According to the theory of planned behavior (Ajzen, 1991), if people have positive attitudes, they are likely to engage in positive behaviors. Thus, if customers have a positive attitude toward the brand's CSR initiatives (i.e., if customers evaluate the brand's CSR in a positive way), then they are likely to engage in positive behaviors regarding the brand by talking favorably about it and/or its products or services and by recommending them to other people through both online (e.g., online forums, TripAdvisor) and offline (e.g., meetings) platforms

(Brown, Barry, Dacin, & Gunst, 2005; Markovic et al., 2018). The rapid advances of information technologies, and especially social media, have made online platforms more prevalent, allowing customers to freely express their brand-related impressions (Balaji et al., 2016; García de los Salmones, Herrero, & Martínez, 2021), and enabling such impressions to spread around the whole world faster than ever before (Chu, Chen, & Gan, 2020; Kozinets, De Valck, Wojnicki, & Wilner, 2010). In such an environment, positive CSR initiatives are likely to become known broadly and quickly around the world (Kang & Hustvedt, 2014; Su, Swanson, & Chen, 2015).

Accordingly, in the hospitality industry, Su et al. (2015) found that CSR has a positive impact on customer positive word-of-mouth. Plewa et al. (2015) came to the same finding in the telecommunications sector. Similarly, in the footwear industry, Kang and Hustvedt (2014) showed that a brand's social responsibility boosts customer positive word-of-mouth about the brand. Studying the airline sector, Vo et al. (2019) found that a firm's CSR engagement positively impacts positive word-of-mouth regarding the firm. In a similar vein, in the energy supply sector, Walsh et al. (2009) found that customer-based corporate reputation (of which a key dimension is related to social responsibility) has a positive influence on customer positive word-of-mouth. Thus, we hypothesize that:

H1: CSR will have a positive effect on customer positive word-of-mouth.

CSR and Brand Authenticity

Apart from demanding brands to be socially responsible, in the current highly competitive business environment, customers are also increasingly pressuring brands to be authentic (Grayson & Martinec, 2004). The reason is that, over the last two decades, many brands have suffered from corporate crises and scandals, due to bad business practices (Iglesias et al., 2019b),

which has undermined the trust customers had in them. As a result, nowadays, customers require authenticity in brands as proof of their sincerity, heritage and quality (Fritz et al., 2017; Napoli et al., 2014). In this line, brand authenticity can be defined as the customers' subjective view of a brand's genuineness in terms of sincerity, heritage and commitment to quality (Liedtka, 2008; Napoli et al., 2014). Accordingly, Napoli et al. (2014) identify three dimensions of brand authenticity: sincerity, heritage, and quality commitment. First, sincerity has to do with behaving in conformity with the brand's core values and principles and remaining true to them (Napoli et al., 2014; Trilling, 2009). Second, heritage refers to exuding a sense of the brand's tradition and longevity (Iglesias, Ind, & Schultz, 2020a; Napoli et al., 2014; Rose, Merchant, Orth, & Horstmann, 2016; Urde, Greyser, & Balmer, 2007). Third, quality commitment entails the pursuit to retain the brand's long-held quality standards and to offer high-quality products and/or services (Beverland, 2006; Demirbag, Sahadev, Kaynak, & Akgul, 2012; Napoli et al., 2014).

Previous research has mainly related CSR to the dimensions of brand authenticity separately (i.e., not to all three at the same time) (Blombäck & Scandeliuss, 2013; Ragas & Roberts, 2009). For example, in the hotel industry, Liu et al. (2014) showed that CSR enables customers to see brand quality in a more positive light. Similarly, in multiple services industries, Markovic et al. (2018) found that customer perceived ethicality, which contains several items related to CSR, positively affects customer perceived quality. In a setting of conglomerate companies, Hur et al. (2014) showed that CSR is positively linked to corporate brand credibility, which refers to corporate sincerity (Erdem, Swait, & Louviere, 2002). In a similar vein, in the hospitality industry, Ragas and Roberts (2009) found that the brand's CSR communication has a positive impact on brand sincerity. In the banking industry, Amjad (2019) showed that CSR has a positive influence on corporate heritage traits. Likewise, in the sportswear context, Blombäck & Scandeliuss (2013) found that a brand's social and environmental responsibility

are positively related to the brand's heritage. However, despite the above evidence, there remains a dearth of research empirically relating CSR to brand authenticity as an aggregate construct containing all three dimensions (i.e., sincerity, heritage, quality). To gain insights into this, we postulate that:

H2: CSR will have a positive effect on brand authenticity.

Brand Authenticity and Customer Positive Word-of-mouth

In addition to seeking brand authenticity, in the current business environment where corporate communications tend to be perceived as even more insincere and manipulative than in the past (Cambier & Poncin, 2020; Iglesias et al., 2019b), customers increasingly rely on word-of-mouth when making purchase decisions (Markovic et al., 2018; Wangenheim & Bayón, 2007). Word-of-mouth captures customers' informal communications regarding the brand and/or its products or services (Dall'Olmo Riley & de Chernatony, 2000; Silverman, 1997), and is especially important in the services sector due to the intangibility and heterogeneity of service offerings (Silverman, 1997; Sweeney et al., 2008). It has been widely examined as an outcome of key variables in business and marketing, such as customer purchase intention (Leonidou & Skarmeas, 2017), customer loyalty (Markovic et al., 2018), customer satisfaction (Wangenheim & Bayón, 2007), customer trust (Kang & Hustvedt, 2014), and customer perceived service quality (De Matos & Rossi, 2008).

However, there remains a scarcity of research examining customer positive word-of-mouth as a consequence of brand authenticity. This is surprising because, in line with the theory of planned behavior (Ajzen, 1991), when customers have favorable attitudes toward a brand due to its authentic attributes, they are likely to engage in positive behaviors to support the brand, by spreading good word about it. Moreover, in today's highly competitive marketplace,

customers are willing to reward brands that offer genuine, differentiated, and high-quality products and/or services, by speaking positively about them (Morhart et al., 2015; Oh et al., 2019). Further, customers tend to reward brands that are sincere and true to their heritage by recommending them to others (Sweeney, Soutar, & Mazzarol, 2012). It is, therefore, little wonder that scholars have examined customer positive word-of-mouth as a consequence of the dimensions of brand authenticity (Brown et al., 2005), namely quality, sincerity, and heritage (Napoli et al., 2014).

For example, in various services industries, Markovic et al. (2018) found that perceived service quality is positively related to customer positive word-of-mouth. In the context of restaurants, Kim, Magnini and Singal (2011) showed that brand personality, of which a key dimension is brand sincerity, increases positive word-of-mouth behavior. In the sportswear industry, Akbari, Salehi and Samadi (2015) found that brand heritage is strongly and positively associated with word-of-mouth. Therefore, considering all three dimensions of brand authenticity simultaneously, we posit that:

H3: Brand authenticity will have a positive effect on customer positive word-of-mouth.

The Moderating Role of Alternative Attractiveness

While customers' favorable perception of a brand's CSR initiatives may make them perceive a brand as authentic, what happens with this relationship when an alternative brand becomes highly attractive? Alternative (brand) attractiveness captures "the extent to which viable competing alternatives are available in the marketplace" (Jones, Mothersbaugh, & Beatty, 2000, p. 263). Alternative attractiveness has been widely studied as a key motivator of customer switching behavior (Sharma & Patterson, 2000; Yim et al., 2007). In this regard, previous studies have shown that the presence of attractive alternativeness is likely to weaken the

customer relationship with the focal brand, and make customers assess the focal brand in a less favorable fashion (Bendapudi & Berry, 1997; Jones et al., 2000; Ping, 1993).

Accordingly, in the services sector, Jones et al. (2000) and Yim et al. (2007) found that when an alternative brand is perceived as highly attractive, customers are likely to see the focal brand in a more negative way. This is aligned with regret theory, which argues that people feel regret when they evaluate that an alternative choice is more attractive than the one they have made (Bell, 1982; Diecidue & Somasundaram, 2017; Tsiros & Mittal, 2000), and subsequently develop more negative perceptions toward their choice (i.e., the focal brand) (Bourgeois-Gironde, 2010; Camille et al., 2004). This implies that, when an alternative brand (that does not necessarily embrace CSR) is perceived as highly attractive, customers are likely to perceive the focal brand as of lower quality (Markovic et al., 2018; Sierra, Iglesias, Markovic, & Singh, 2017) and associate it with less genuine core values and principles (Assiouras, Liapati, Kouletsis, & Koniordos, 2015; Iglesias, Markovic, & Rialp, 2019a; Iglesias & Ind, 2016) (i.e., see the focal brand as less authentic), even if the focal brand embraces CSR initiatives (Sierra et al., 2017). However, this does not mean that embracing CSR initiatives is irrelevant for the focal brand when an alternative brand (which does not necessarily engage in CSR) is perceived as highly attractive (Kim & Park, 2011; Lin-Hi & Müller, 2013). Instead, the focal brand's CSR initiatives are still likely to improve the focal brand's authenticity, but to a lower extent than when an alternative brand is perceived as having low attraction or being unattractive (Yim et al., 2007). Despite the above reasoning, there remains a lack of studies examining alternative attractiveness as a moderator in the relationship between CSR and brand authenticity. Therefore, to gain empirical insights into this relationship, and based on the logic above, we posit that:

H4: Alternative attractiveness will negatively moderate the relationship between CSR and brand authenticity.

Methodology

Measures

The constructs were operationalized by adapting items from previous literature (see Table 1). Participants recorded all their responses on a seven-point Likert scale, ranging from “completely disagree” to “completely agree.” The questionnaire items were translated into Spanish using a double-blind back-translation process.

----- INSERT TABLE 1 ABOUT HERE -----

The questionnaire was pretested in two ways. First, to reduce the possibility of potential respondent misinterpretation, the questionnaire was reviewed by 3 scholars (one being a co-author) and 3 practitioners from the brand management and business ethics areas, who assessed the conceptual adequacy and the formulation of the questions. Second, 10 potential respondents went through the questions to assess their clarity and ease of comprehension.

Data Collection and Sample

Data were collected in Spain from 14th November 2017 to 13th December 2017 through an online survey by a company specializing in conducting market studies – Eurus e-i. The company found respondents through two online customer panels (i.e., Cint and Encuestón). 19935 respondents were invited by email to participate, and were informed about the aims of the survey and that they would receive 1.50 euros as a compensation for their participation. Several filtering questions were applied to ensure the respondents were, in fact, customers of

health insurance brands. This left a sample of 1101 customers, aged between 18 and 65 (median age 39; average age 39.9). Women comprised 52.32% of the respondents.

Data Analysis and Results

Construct Analysis

To evaluate our measurement model's goodness of fit, a confirmatory factor analysis (CFA) was conducted with AMOS 25.0, using the maximum likelihood method. The results indicated that our four-factor measurement model had an acceptable fit with our data ($\chi^2 = 220.45$ with $df = 59$ ($\chi^2/df = 3.74$); GFI = 0.97; CFI = 0.98; RMSEA = 0.05; 90 % CI for RMSEA = (0.04 – 0.06); SRMR = 0.03) (Hu & Bentler, 1999). Moreover, we tested some more parsimonious measurement models, by setting the items of two constructs to load on the same factor (i.e., three-factor models): CSR and BA ($\Delta\chi^2 = 145.38$, $\Delta df = 3$, p-value < 0.001); CSR and CPWOM ($\Delta\chi^2 = 720.11$, $\Delta df = 3$, p-value < 0.001); CSR and AA ($\Delta\chi^2 = 712.32$, $\Delta df = 3$, p-value < 0.001); CPWOM and AA ($\Delta\chi^2 = 695.04$, $\Delta df = 3$, p-value < 0.001); BA and AA ($\Delta\chi^2 = 703.74$, $\Delta df = 3$, p-value < 0.001); CPWOM and BA ($\Delta\chi^2 = 793.47$, $\Delta df = 3$, p-value < 0.001). This allowed us to check whether our four-factor measurement model generated a significantly better chi-square and fit indices than the three-factor models. The results showed that our four-factor measurement model provided a significant chi-square improvement and better fit indices over the three-factor models, which supported our four-factor measurement model.

All standardized factor loadings of the items (see Table 2) were significant and higher than the suggested cut-off value of 0.50 (Fornell & Larcker, 1981). In addition, we found acceptable average variance extracted (AVE) values for all the constructs, which were higher or equal than the cut-off value of 0.5 (see Table 2) (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). This supported the convergent validity of all four constructs. Furthermore, the Cronbach alpha

coefficients and composite reliability (CR) values (see Table 2) were higher than or equal to 0.73, supporting the reliability of all constructs (Nunnally & Bernstein, 1994). Comparison of the square root of the AVE of each construct with its correlation with the remaining constructs supported discriminant validity (see Table 3) (Bagozzi & Yi, 1988; Fornell & Larcker, 1981).

----- INSERT TABLES 2 AND 3 ABOUT HERE -----

Common Method Variance

Common method variance (CMV) is a potential issue in this research, because the data for all constructs were collected from a single respondent. We included ex-ante remedies in the questionnaire to reduce CMV (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). First, we positioned the dependent, mediating, moderating, and independent variables at different points in the questionnaire, reducing the possibility that the responses to one set of questions would influence the responses to the other questions. Second, the theoretical model linked the constructs both directly and indirectly, making the model specification relatively complex, and thereby reducing the likelihood of respondents predicting these links when answering the questions.

In addition to applying these ex-ante remedies in the questionnaire, we tested for CMV by performing the CFA-based Harman single-factor test (Podsakoff et al., 2003; Podsakoff & Organ, 1986). The single-factor model did not fit the data well ($\chi^2 = 1895.73$; with $df = 65$ ($\chi^2/df = 29.17$); GFI = 0.76; CFI = 0.82; RMSEA = 0.16; 90 % CI for RMSEA = (0.15 – 0.17); SRMR = 0.1). The four-factor measurement model provided a significant chi-square improvement ($\Delta\chi^2 = 1675.28$, $\Delta df = 6$, p-value < 0.001) and better fit indices than this single-factor model. Moreover, we adopted the marker variable technique proposed by Lindell and Whitney (2001). Psychological risk was used as the marker variable (Keh & Pang, 2010). The marker variable was correlated with CSR ($r = 0.01$); BA ($r = -0.08$); CPWOM ($r = -0.05$), and AA ($r = 0.54$). Therefore, the CMV estimate (r_s) was 0.01 (i.e., the lowest correlation),

indicating a minor variance shared between the four constructs. All the correlations among constructs were adjusted using $r_s = 0.01$ to control for CMV. The results showed that all the correlation coefficients which were significant remained so after adjusting for CMV. Thus, CMV was not large enough to bias our study's results.

Hypothesized Structural Model Analysis

All three direct effects (H1, H2, and H3) were initially supported by the correlations between the constructs (Table 3). To test the hypothesized relationships, including the moderating effect of alternative attractiveness, we used structural equation modeling (SEM) with the maximum likelihood method. We found an acceptable fit for the hypothesized structural model ($\chi^2 = 270.29$ with $df = 70$ ($\chi^2/df = 3.86$); GFI = 0.96; CFI = 0.98; RMSEA = 0.05; 90 % CI for RMSEA = (0.05 – 0.06); SRMR = 0.03).

Three out of four hypothesized relationships in our structural model are empirically supported (see Table 4). CSR has a significant, positive impact on customer positive word-of-mouth ($\beta = 0.37$, $p < 0.001$) and brand authenticity ($\beta = 0.92$, $p < 0.001$), supporting H1 and H2, respectively. Furthermore, brand authenticity has a significant, positive impact on customer positive word-of-mouth ($\beta = 0.48$, $p < 0.001$), supporting H3. Finally, at the 10% significance level, we found a positive moderation effect of alternative attractiveness on the relationship between CSR and brand authenticity ($\beta = 0.04$, $p = 0.08$). Thus, H4 is not empirically supported, as the hypothesized effect was negative.

----- INSERT TABLE 4 ABOUT HERE -----

The above significant direct impacts indicate a potential partial mediation of brand authenticity in the relationship between CSR and customer positive word-of-mouth. We used the bootstrapping procedure based on 5000 bootstrap samples to test the significance of this potential partial mediation effect. We found that the indirect effect (0.44) was significant (99%

CI bias corrected: [0.16 – 0.73]). This suggests that the relationship between CSR and customer positive word-of-mouth is partially mediated by brand authenticity. In fact, some 54% of the total impact of CSR on customer positive word-of-mouth (standardized total effect = 0.81) occurs indirectly via brand authenticity (standardized indirect effect = 0.44).

Discussion and Conclusion

Theoretical Contributions

In an ever more competitive business environment, customers are increasingly demanding brands to be authentic (Cinelli & LeBoeuf, 2020; Grayson & Martinec, 2004). Accordingly, previous research has examined some drivers of authenticity, such as brand experience (Jimenez-Barreto, Rubio, & Campo, 2020), brand clarity (Fritz et al., 2017) and brand individuality (Schallehn, Burmann, & Riley, 2014). Interestingly, most of these drivers do not capture the brand's responsibility toward society and the environment, which is at the heart of the business strategies of manifold organizations (Siltaloppi, Rajala, & Hietala, 2020). This raises the important question of whether CSR can be a driver of brand authenticity, and how this is contingent on the presence of attractive alternative brands in the marketplace. To the best of our knowledge, previous research has not examined this issue, despite the fact that markets are, every day, more saturated with alternative brand options, which may motivate customers to terminate their relationship with a focal brand (Sharma & Patterson, 2000; Yim et al., 2007).

In this regard, our research mainly contributes to the CSR and marketing literatures by examining how the attractiveness of alternative brands affects the link between the focal brand's CSR and its authenticity. Contra to our initial prediction, we found that alternative attractiveness positively moderates the relationship between CSR and brand authenticity. This implies that when an alternative brand is perceived as highly attractive, the positive influence of the focal brand's CSR initiatives on its authenticity is even stronger. A potential reason for this unexpected finding might be found in the fact that, when an alternative brand is perceived

as highly attractive, existing customers of the focal brand may experience confirmation bias. This means that they might feel the need to see themselves in a positive light, and thus confirm their previously made choice (Yin, Mitra, & Zhang, 2016), even if there is new information against such a choice and/or favoring another choice (Jonas, Schulz-Hardt, Frey, & Thelen, 2001). Consequently, when they perceive an alternative brand as highly attractive (i.e., another choice as highly favorable), the existing customers of the focal brand may develop even more positive perceptions of the focal brand's authenticity derived from its CSR initiatives. In addition, this confirmation bias is likely to become stronger when there are high switching costs (Chen & Wang, 2009), because customers may face issues in searching and interpreting new brand-related information, which is likely to hinder their willingness to process such information and accentuate their need to self-justify their previous brand choice (Kunda, 1999). Moreover, and especially in the context of the insurance industry, customers may justify to themselves the choice to stay with the focal brand based on convenience reasons, such as close connection with employees, familiarity with the current policy, or bundle discounts (Burnham, Frels, & Mahajan, 2003; Chen & Wang, 2009). Overall, these internal customer justifications, potentially driven by confirmation bias, switching costs, and convenience reasons, are likely to make customers perceive the focal brand as more authentic due to its engagement in CSR, when an alternative brand is perceived as highly attractive.

However, despite this potential benefit of engaging in CSR, nowadays customers often associate CSR with greenwashing and insincere brand behaviors (Nyilasy et al., 2014), and consequently become 'brand antagonists' who spread negative information about the brand on diverse online and offline platforms (Leonidou & Skarmeas, 2017; Markovic et al., 2018). Thus, it is currently relevant to understand how brands can ensure that their CSR initiatives generate positive word-of-mouth. Surprisingly, however, there remains limited research

empirically examining the factor through which CSR can trigger positive word-of-mouth. Could brand authenticity be such a factor?

In this regard, our findings show that the impact of CSR on customer positive word-of-mouth is positively and partially mediated by brand authenticity. This means that customers are likely to speak positively about those brands that embrace CSR initiatives in part because such initiatives make them perceive such brands as more authentic. This highlights the importance for brands to effectively portray their CSR initiatives during their interactions with customers, and ideally during the whole customer journey. The importance of portraying CSR initiatives is especially prominent in services industries because, compared to goods contexts, services generally entail more brand-customer touchpoints (Grönroos, 2006), and thus more instances for customers to form and shape their perceptions of such CSR initiatives, and subsequently their perceptions of the brand's authenticity.

Managerial Implications

This study has some important managerial implications. First, in highly competitive service environments (e.g., insurance industry), when there are highly attractive alternative brands, brands should use CSR as a differentiation mechanism to further boost their authenticity. This is because, by being responsible and contributing to society in positive ways, brands can further improve customer perceptions of their sincerity, quality, and heritage, when there are highly attractive alternative brands with which customers would be equally or more satisfied. Notably, as the dimensions of brand authenticity are highly interrelated, brands should not prioritize between them but focus on boosting all three at the same time by embracing CSR. One effective way to portray the brand's responsibility and contribution to society could be by using social media. This is because customers increasingly prefer to interact with brands via social media

(Sashi, 2012), and enjoy sharing brand-generated content (Chu et al., 2020). Moreover, customers are increasingly becoming credible producers of brand-related information (Balaji et al., 2016; García de los Salmones et al., 2021), and therefore brands should encourage them to share their brand-related CSR experiences on diverse online platforms and brand communities. To enhance the visibility of such CSR experiences, brands could pay special attention to engaging with customers who are social media influencers.

Second, managers should be aware that if customers perceive their brand's CSR initiatives positively, they will not only perceive their brand as authentic, but also engage in positive word-of-mouth recommendations. Thus, managers need to ensure that these CSR initiatives have the potential to be appreciated and valued by customers throughout the customer journey, ideally at every single brand-customer touchpoint. This requires that brand employees, and especially front-line employees, understand and embody the brand's CSR strategy, as they can shape customer perceptions as they interact with them. To ensure that employees understand and embody the brand's CSR strategy properly, managers should implement a set of human resources policies and practices that foster employees behaving in a socially responsible way and in accordance with brand values, quality standards, and traditions (Ditlev-Simonsen, 2015; Morgeson, Aguinis, & Waldman, 2013).

Finally, when communicating CSR initiatives, brands must avoid the all-too-common strategy of selective disclosure because, if customers become aware of it, their perceptions of the brand's authenticity may be hindered, which can generate negative word-of-mouth. Thus, instead of disproportionately disclosing their favorable CSR performance (i.e., selective disclosure), brands should engage in transparent and honest communications (Albu & Flyverbom, 2019), accurately reflecting the degree of achievement of their CSR objectives (Iglesias et al., 2019b). Additionally, brands should clearly align their CSR-related communications with their corporate identity, employee behavior, and concrete CSR activities

(Iglesias & Ind, 2020), in order to avoid customers associating such CSR-related communications with any type of CSR-washing, such as greenwashing or pinkwashing (Pope and Wæraas, 2016), as this could generate negative word-of-mouth.

Limitations and Future Research

Despite its theoretical contributions and managerial implications, this study also has some limitations. First, the partial mediating effect of brand authenticity that we found in this research suggests that there are also other variables through which CSR influences customer positive word-of-mouth. Thus, future research could investigate what these other variables are and test them as mediators. Potential candidates could be customer trust and customer loyalty, as they have often been studied as consequences of CSR (Martinez & Del Bosque, 2013; Park, Lee, & Kim, 2014) or as antecedents of customer positive word-of-mouth (Choi & Choi, 2014; Kim, Kim, & Kim, 2009), but their mediating effect in the relationship between CSR and customer positive word-of-mouth remains scarcely researched.

Second, our study does not consider the degree of authenticity of CSR initiatives. Thus, future research could examine how authentic CSR (Alhouti et al., 2016) impacts brand authenticity. This is a relevant future research opportunity, as it could uncover whether organizations should really invest in authentic CSR or could embrace or continue with their CSR initiatives without worrying about the authentic aspects of such initiatives. A similar, positive effect size would indicate that organizations do not really need to allocate their resources in making their CSR initiatives be perceived as authentic, whilst a significantly greater effect size of authentic CSR on brand authenticity would show that organizations should do so (*ceteris paribus*).

Third, in our study, customers were not asked to choose between brands, but just to express their perceptions in relation to a single brand. Thus, they were likely to be less influenced by

alternative (brand) attractiveness and might have engaged in another process, such as the internal confirmation bias, to self-justify their current brand choice. This might be the reason why we found that alternative attractiveness positively moderates the relationship between CSR and brand authenticity. Thus, it would be interesting for future research to explicitly test this reason for why the moderating effect of alternative attractiveness on the relationship between CSR and brand authenticity went in the opposite direction to the one predicted. In addition, it would be relevant to examine whether and how the moderating effect of alternative attractiveness would change if another dependent variable that implies that customers have to choose or discriminate between brands (e.g., brand preference) is used.

Fourth, as the data only represent the Spanish population, the generalizability of the results is an issue. Customers from different cultures tend to evaluate services brands differently (Guesalaga, Pierce, & Scaraboto, 2016; Imrie, 2005). While customers from Western cultures tend to take tangible cues more into consideration when evaluating services brands, those from Eastern cultures generally pay more attention to the intangible cues (Mattila, 1999; Markovic et al., 2018). Thus, scholars should test our hypothesized model across countries with relevant cultural differences to see whether and how the results vary.

Fifth, since our study is confined to the insurance services industry, the external validity of the results is a concern. Thus, our study should be replicated in a broader set of services industries to see whether our findings hold true in them, too. Furthermore, it would be interesting to replicate our study in goods contexts, and compare the findings with those in services settings. This might shed light on key disparities between product and services brands, and how each should be managed to turn CSR into enhanced customer positive word-of-mouth more effectively.

Sixth, given that data collection in this study was only conducted through questionnaires, mono-method bias is an issue. Thus, scholars should triangulate these questionnaires to gain

deeper insights into our model. For example, future research could conduct a randomized lab experiment. Given the cross-sectional nature of our data, and despite the fact that our independent variable (CSR) is perceptual, and our dependent variable (customer positive word-of-mouth) is behavioral, pointing to a plausible causal relationship, experimental work could help to more robustly test the causality of our hypothesized relationships. Moreover, future research could collect qualitative data on the relationship between CSR and customer positive word-of-mouth, through semi-structured interviews, focus groups or direct observations, for instance. This could help understand the reasons why customers are likely to speak positively about brands that embrace CSR, which is especially interesting to figure out in the current business environment where customers are increasingly skeptical about the brand's CSR initiatives (Barnett, 2019; Pope & Wæraas, 2016) and often associate them with greenwashing (Leonidou & Skarmeas, 2017).

Apart from addressing the limitations of the current study, future research could also investigate how brands can build authenticity across different industries. Identifying the key antecedents of brand authenticity, and examining whether they vary across industries, would help managers build authentic brands. Moreover, future research could also investigate customers' perceptions of the sincerity of corporate statements denouncing social issues such as police brutality, and/or supporting social movements such as #BlackLivesMatter, to understand how they affect brand authenticity. Additionally, future research could also explore the requirements for corporate statements denouncing social issues and supporting social movements to be perceived as authentic.

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Figures and Tables

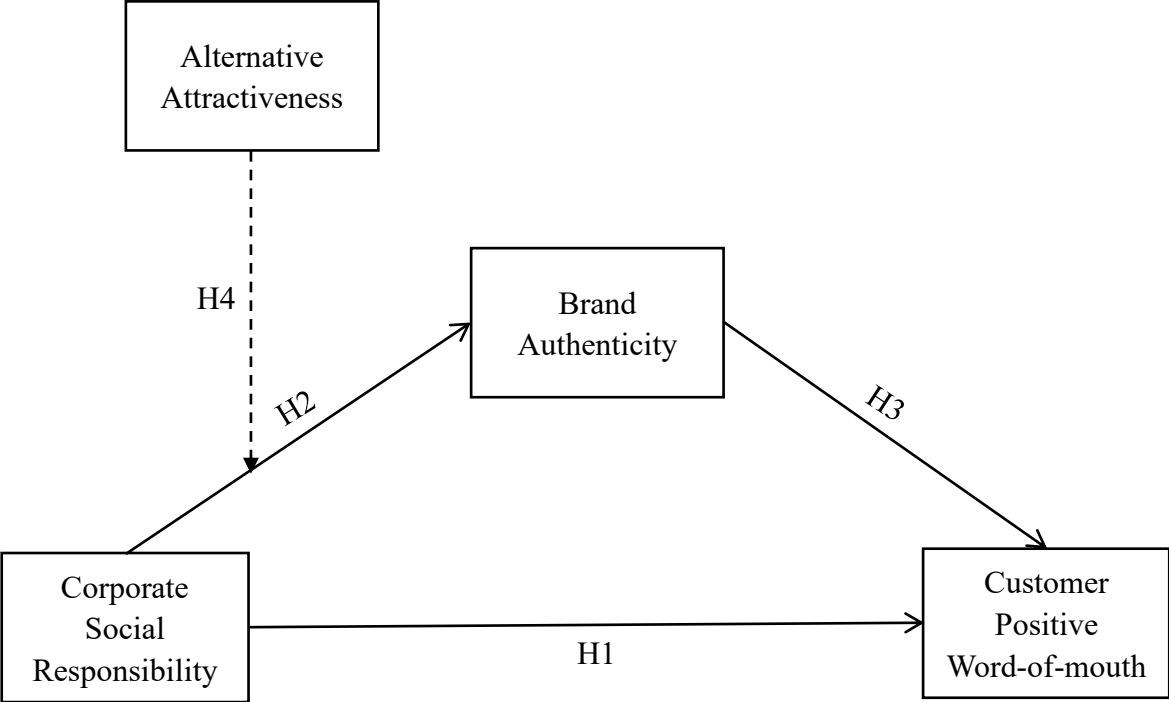


Figure 1 Hypothesized Model

Table 1 Constructs and Items Used in the Questionnaire

Constructs	Items	Reference
Corporate Social Responsibility (CSR)	<p>The brand is a socially responsible brand.</p> <p>The brand is more beneficial to society's welfare than other brands.</p> <p>The brand contributes to society in positive ways.</p>	Eisingerich et al. (2011)
Brand Authenticity (BA)	<p>Quality is central to the brand.</p> <p>The brand is committed to retaining long-held quality standards.</p> <p>The brand exudes a sense of tradition.</p> <p>The brand has stuck to its principles.</p>	Napoli et al. (2014)
Customer Positive Word-of-mouth (CPWOM)	<p>I say positive things about the brand to other people.</p> <p>I recommend the brand to someone who seeks my advice.</p> <p>I encourage friends and relatives to do business with the brand.</p>	Ng et al. (2011)
Alternative Attractiveness (AA)	<p>If I need to change this brand, there are some good brands to choose from.</p> <p>Compared to this brand, there are other brands with which I would probably be equally or more satisfied.</p> <p>Other brands would benefit me more than this brand.</p>	Wu (2011)

Table 2 Item Descriptive and Measurement Model Assessment

Construct	Items	Mean	SD	Skewness	Kurtosis	Loadings	Cronbach alphas	CR	AVE
CSR							0.89	0.89	0.73
	CSR1	5.25	1.28	-0.60	0.28	0.88			
	CSR2	4.94	1.35	-0.47	0.07	0.81			
	CSR3	5.12	1.28	-0.46	0.12	0.87			
BA							0.89	0.89	0.67
	BA1	5.35	1.27	-0.81	0.85	0.85			
	BA2	5.31	1.28	-0.64	0.34	0.88			
	BA3	5.45	1.32	-0.83	0.70	0.70			
	BA4	5.25	1.27	-0.68	0.66	0.84			
CPWOM							0.93	0.93	0.82
	CPWOM1	5.27	1.35	-0.82	0.64	0.91			
	CPWOM2	5.26	1.39	-0.84	0.56	0.91			
	CPWOM3	5.07	1.48	-0.75	0.19	0.90			
AA							0.73	0.74	0.49
	AA1	4.72	1.46	-0.55	-0.05	0.63			
	AA2	4.27	1.58	-0.29	-0.50	0.78			
	AA3	3.71	1.74	0.02	-0.90	0.67			

Note: Standardized factor loadings are reported. All factor loadings are significant at 0.1% level (two-tailed).

Table 3 Construct Descriptive and Discriminant Validity

	Mean	SD	1	2	3	4
1- CSR	5.11	1.18	0.85			
2- BA	5.34	1.11	0.82***	0.82		
3- CPWOM	5.20	1.32	0.75***	0.74***	0.91	
4- AA	4.23	1.29	-0.03	-0.06*	-0.10**	0.70

Note: Square roots of AVE are on the diagonal and in bold.

Two-tailed test: *p < 0.1, **p < 0.01, ***p < 0.001

Table 4 Direct and Moderating Effects Results

	Standardized coefficient	Standard error	p-value	Result
Direct effects				
H1: CSR → CPWOM (+)	0.37	0.09	<0.001	Supported
H2: CSR → BA (+)	0.92	0.03	<0.001	Supported
H3: BA → CPWOM (+)	0.48	0.09	<0.001	Supported
Moderating effect				
H4: CSRxAA → BA (-)	0.04	0.02	0.08	Not supported

Note: + hypothesized positive effect; - hypothesized negative effect