Undermining Incompatibility between Luxury Brand Concept and CSR Information

Discovering New Strategies of Framing CSR Information by Appealing to Consumer Personal Values

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INTRODUCTION

Over the last several decades companies and consumers around the world have been putting an increasingly greater emphasis on Corporate Social Responsibility (CSR). 2016 PwC Global CEO survey revealed that 64% of CEOs see CSR as "core to their business rather than a stand-alone program". Furthermore, a 2015 Consumer Expectations study by Nielsen showed that 66% of 30,000 consumers from 60 countries are willing to pay more for products and services created by companies "who are committed to positive social and environmental impact" (an increase from 55% in 2014 and 50% in 2013).

However, despite the generally increased significance of corporate responsibility in business strategy and consumer decision-making, not all businesses are able to equally benefit from the trend. Specifically, companies selling luxury goods and targeting developed markets are less likely to succeed in leveraging CSR than other businesses. Previous academic studies have shown that luxury brands suffer a decline in evaluations as a result of CSR actions due to a sense of disfluency caused by motivational conflict between brand concept and CSR information (Torelli et al., 2011). Moreover, market research has reveled that consumers in Europe and North America are 23-29% less willing to pay a premium for sustainable offerings than consumers in developing countries (Nielsen 2015).

Thus, the overarching goal of this study is to discover ways of framing Corporate Social Responsibility (specifically, environmental sustainability) messages that would benefit luxury brands by improving their brand evaluation, as well as increasing consumer purchase intent and willingness to pay. By conducting the study in the context of US consumer base I am seeking to discover successful CSR communication strategies designed for more challenging developed markets.

Current research will try to find effective CSR messages for luxury brands by focusing on how customer values interact with CSR information to influence brand evaluation, purchase intent and willingness to pay. Previous research showed that customer communication is more effective when it reflects values important to the consumer (Shepherd et al., 2015; Kidwell et al., 2013). For example, when Coca-Cola utilized an ad that reflected power through its status as a symbol of American patriotism and capitalism, people who valued power (dominance over others) rated Coca-Cola more positively than those who valued universalism (tolerance, welfare of all). However, when Coca-Cola used an ad that reflected universalism through its status as a promoter of diversity and multiculturalism, the result was opposite: people who valued universalism rated Coca-Cola more positively than those who valued power (Shepherd et al., 2015). In past research, the positive effect of matching values conveyed in advertising to values held by consumers on brand evaluation was attributed to either the sense of fluency (Kidwell et al., 2013) or, in some cases, directly to the reflected values (Shepherd et al., 2015).

Building upon the aforementioned studies, this research focuses on analyzing effects of broad value categories of openness to change (stimulation, self-direction) and conservation (security, tradition, conformity), which have received less attention in literature as framing constructs for CSR communication. By going beyond the conventional tendency to appeal to universalism (the value, welfare of all, is embedded in CSR activities), the research attempts to avoid motivational conflict between luxury brands and CSR communication. The study shows that appealing to consumer personal values can lead to an increased brand evaluation, purchase intent and willingness to pay. In addition, the research demonstrates that fluency can act as a mediator of the effect of convergence between CSR framing and personal values on the dependent variables. By discovering new value-driven sustainability framing strategies, the study

also reveals that brands involved in CSR (both luxury and non-luxury) have the potential to attract new sets of consumers (those who value openness to change and/or conservation), beyond those who already seek to engage with socially responsible companies (value universalism).

THEORETICAL BACKGROUND

Luxury Brand Concept and CSR Evaluations - the Case of Disfluency

With CSR activities gaining momentum across industries and markets, why are some brands (specifically, luxury brands) less likely to succeed at CSR than others? Why is it that when Rolex is described as "committed to making the world a more just and egalitarian place", it is evaluated less favorably than when it is described as committed to helping consumers live an exciting life or is said to maintain a tradition of making excellent products? The sense of processing unease, or disfluency, is argued to cause of the problem (Torelli et al. 2011). Self-enhancement brand concept (dominance over people and resources) of a luxury brand like Rolex is in conflict with self-transcendence concept (protecting the welfare of all) of CSR activities. When the two concepts are presented in the same context a resulting mismatch leads to the feeling of disfluency and consequently causes less favorable brand evaluation.

Multiple studies have shown that the feeling of fluency/disfluency (in a variety of cases, not only CSR communication) affects how consumers evaluate brands. Specifically, people typically rate a brand more favorably when its message matches a frame or a goal with which they have been primed. This can be seen in an example of how priming with an anti-lice shampoo ad affects evaluation of an insect repellent versus a hair conditioner. Exposure to an anti-lice shampoo ad activates a prevention goal (avoiding undesirable outcomes) in a consumer. Primed with the goal, he or she then rates an insect repellent more favorably than a hair

conditioner for silky care, as the insect repellent matches the prevention goal, while the hair conditioner activates the opposite goal of promotion (achieving desired outcomes) (Lee and Labroo, 2004). Existing brand concepts (Park et al. 1991) may also act as a priming mechanism, similarly to the anti-lice shampoo ad in the example above. Exposure to a brand activates a certain concept in the mind of a consumer, so evaluation of products or corporate actions occurs in the context of this activated concept. As such, consumers react more favorably when new information matches an existing brand concept (Park et al. 1991). Importantly, consumers do not perceive the match when luxury brands (associated with self-enhancement value) engage in CSR (associated with self-transcendence value), what results in less favorable evaluations of the companies. This raises a question about how luxury brands may effectively communicate their CSR activities to consumers, such that messaging in this domain enhances (vs. reduces) consumer responses to the brand. I seek to address this question in my research.

Past work has shown that the effect of fluency/disfluency on brand evaluation extends beyond the discussed interaction between a primed concept and a brand message. For example, it is also relevant when assessing an effect of a match/mismatch between brand communication and consumer values. This relationship reveals a potential solution for luxury brands, as the sense of fluency created by a match between personal values and CSR communication could overpower the sense of disfluency caused by a mismatch between luxury brand concept and CSR communication. I discuss this possibility next.

Consumer Values and CSR Evaluations - the Case of Fluency

When it comes to CSR and other corporate communication, messages that appeal to values preferred by a target have shown to result in higher adoption of sustainable behaviors

(Kidwell et al., 2013), more favorable brand evaluations and increased product preferences (Shepherd et al., 2015).

Kidwell and others (2013) have shown that messages congruent with underlying moral foundations of liberals and conservatives increase their intentions to engage in environmental behavior, as well as actual sustainable actions. The study demonstrated that appeals consistent with individualizing moral foundations (protection of individual's rights) increase intent to recycle and actual behavior of liberals (value individual rights and welfare), but not conservatives (value loyalty, authority). Similarly, appeals consistent with binding moral foundations (adherence to social norms) increase intent to recycle and actual behavior of conservatives (value loyalty, authority), but not liberals (value individual rights and welfare). Shepherd and others (2015) observed a similar relationship between messages congruent with preference for power/universalism and brand evaluations. Their research showed that consumers who value power give more favorable evaluates to brands that reflect authority, social power, wealth, etc., while those who value universalism give more favorable evaluates to brands that appeal to social justice, equality, unity with nature, etc.

Similarly to the case of brand concepts, the sense of fluency/disfluency has been shown to cause positive brand evaluations in the context of CSR communication as triggered by a match/mismatch between a specific personal value and a value communicated in a CSR message. Although not tested in the case of power/universalism messages discussed above, fluency was shown to be a mediator when appealing to underlying moral foundations (closely related to values) of liberals and conservatives (Kidwell et al, 2013). In general, processing a message that is consistent with his or her values, opinions and beliefs has been observed to lead to an increased liking (Reber et al., 2004 cited by Kidwell et al., 2013; Reber et al, 1998). Specifically

in the case of sustainability appeals congruent with political ideology, the ease of message comprehension resulted in an increased intention to recycle among both liberals and conservatives, as each participant saw a stimulus appealing to his or her values.

It is important to note that the aforementioned effect of congruent value appeal (mediated by fluency) can sometimes override other commonly observed tendencies (e.g., Shepherd et al. 2015). Past research discovered that appealing to power increased purchase intention of an electric car among those who value power and, as a result, have high US system confidence, even though previous research showed that system confidence is negatively related to environmentalism (Feygina et al. 2010). In other words, the research showed that appealing to customers' core values was able to override the link between system justification and failure to engage in pro-environmental behavior, leading to an increase in purchase intention of an environmentally-friendly product. This observation is crucial in the context of luxury brands addressed in the current study. Appealing to personal values could help luxury brands gain positive instead of previously observed negative brand evaluations when communicating CSR activities.

Structure and Content of Human Values

When it comes to CSR messages, it is more conventional to motivate CSR activities by the desire to protect welfare of all people and nature, appealing to the value of universalism. Previous research on CSR communication also analyzed the effects of messages appealing directly to power (control over others) (Shepherd et al., 2015), as well as indirectly to self-direction (individual rights and freedom) among liberals and conformity (duty to the group) among conservatives (Kidwell et al., 2013). However, little research has looked at effects of framing CSR appeals in terms of other values.

Schwartz (1994) has distinguished ten types of human values: power (social status, wealth and control), achievement (personal success through demonstrating competence), hedonism (pleasure, enjoying life), stimulation (excitement, change in life), self-direction (independent choice and action), universalism (tolerance, welfare of all people and of nature), benevolence (preservation of welfare of close people), tradition (respect, acceptance of customs), conformity (restraining from actions violating social norms), security (safety, harmony, stability for society and self). This research will aim to expand the field of knowledge by analyzing appeals to value groups of openness to change (self-direction, stimulation) and conservation (security, conformity, tradition) in CSR communication.

According to Schwartz's value system, the ten value types form a continuum of related motivations, as represented using a circle (*Figure 1*). Each value type on the continuum has the same motivational emphasis as adjacent value types and a competing emphasis as compared to values on the opposite side of the circle. By this organization, groups of openness to change and conservation appear on the opposite side of the circle, meaning that these value sets are contrary to each other. Comparing two opposing groups of values (instead of individual values or adjacent value groups) in the context of this study allows to eliminate the possibility that a participant will care for both set of values or have trouble distinguishing two adjacent values, thus making results of the study more reliable and clear.
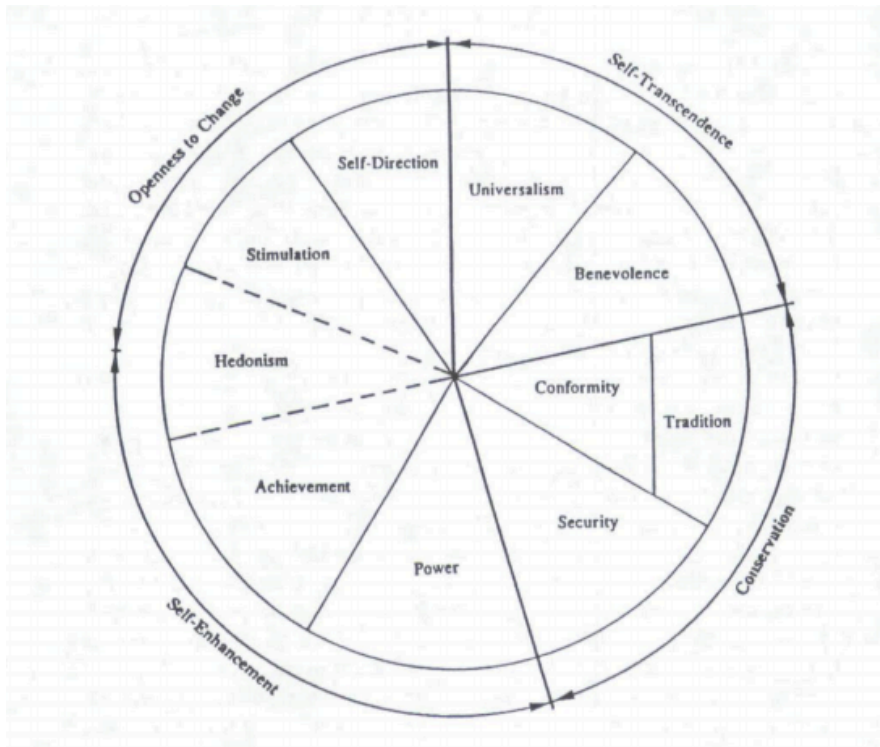
Figure 1. Theoretical model of relations among value types (from Schwartz, 1994)

HYPOTHESES

Integrating past research, I test if openness to change and conservation messaging can be utilized to increase consumers' responses to luxury brands on exposure to corporate communication conveying sustainability efforts if the messaging matches the values held by consumers. More specifically, I hypothesize an interaction between personal values of consumers and CSR framing, such that:

H1a: People who value openness to change will rate brands that frame their CSR activities in terms of openness to change (versus conservation) more favorably and will report a higher intention to buy from these brands, as well as willingness to pay more;

H1b: People who value conservation will rate brands that frame their CSR activities in

terms of conservation (versus openness) more favorably and will report a higher intent

to buy from these brands, as well as willingness to pay more.

Additionally, I hypothesize that the effect of interaction between personal values of consumers

and CSR framing on brand evaluation, purchase intention and willingness to pay will be caused

by the sense of fluency, such that:

H2: The effects of congruence between personal values and CSR message framing will

be mediated by fluency so that openness (conservation) appeals will have greater

fluency for people who value openness (conservation).

As such, the first set of hypotheses aims to observe the proposed effect of value-frame

congruence on brand evaluation, purchase intention and willingness to pay, while the second

hypothesis attempts to explain these effects.

METHODOLOGY

In order to test the hypotheses, I conducted a series of experiments following processes

adopted from similar studies and utilizing research techniques commonly used in the field of

marketing research. I executed the research in two steps. Firstly, I conducted a pretest to verify

that developed materials were effective in communicating desired values and, thus, fit for the

study. Secondly, I ran the main experiment by collecting relevant data through an online survey

and then analyzing it with a variety of statistical methods (linear regression, ANOVA) to test the

study's hypotheses.

Study Design

The main study was designed to analyze how congruence between personal values and ad framing affects brand evaluation, purchase intent and willingness to pay. I used a 2 (Personal Value: Conservation vs. Openness to Change) X 3 (Post Framing: Conservation vs. Openness to Change vs. Control) study design. I included a control condition to test if appealing to meaningful personal values increases positive brand evaluation as compared to appealing to no values. I also wanted to see if appealing to personal values opposite to one's moral principles would negatively affect brand evaluation and result in ratings below those in a control condition. I planned to collect data from 300 respondents, with 150 respondents who value conservation and 150 respondents who value openness. Each personal value group was designed to have 50 viewers of a conservation framing, 50 viewers of an openness framing and 50 viewers of a control framing. The actual experiment ended up using a sample size of 312 (doubled from the original sample size of 156 responses received). Participants for the survey had to be 18 years or older, and there were no gender restrictions for subjects taking the online survey.

Subjects in this study were randomly assigned to view one of three versions of a stimulus communicating CSR: appealing to conservation, openness, or no value. All questions in the main body of the survey were kept the same for the whole subject pool. However, the order of multi-part value questions were be randomized to control for order selection biases.

The stimuli for the study included a Facebook post by Rolex stating that "in the face of global warming... we reduce/monitor our greenhouse gas emissions". The post was accompanied by an image depicting ice-covered mountains to provide a visual cue on message of the post. Rolex uses similar images on their website when communicating the spirit of exploration embedded in their brand. Thus, I chose to include an image of a mountain in the stimuli to make

the posts appear more organic to those familiar with the brand. Each one of the three stimuli (conservation, openness to change and control) had a distinct caption overlaid on the mountain photo and an accompanying text with a value-driven rationale for engaging in the environmental behavior. In the conservation condition, the caption read "Honor Tradition. Secure Stability." with the text stating that Rolex "maintains the 112-old tradition of reliability by reducing greenhouse gas emissions and thus helping secure stability of the society". In the openness condition, the caption read "Think Independently. Drive Change." with the accompanying text stating that people at Rolex choose to "constantly challenge themselves to create and implement innovative ways of reducing greenhouse gas emissions". In the control condition, the caption read "Monitor Emissions. Protect Nature." with the text stating that Rolex "monitors its greenhouse gas emission". This design was adopted from a study by Torelli and others (2011), while caption and text copy was developed using words included in Schwartz's (1994) descriptions of human values. Additionally, I consulted an empirical study of luxury CSR communication to model copy in my stimuli on real-life corporate examples (Wong et al., 2017). The three versions of the Facebook post that were tested can be seen in *Exhibit 1*.

Pretest

To assess whether the developed post designs reflected appropriate values, I conducted a pretest on a small pool (N=86) of first and second year UVA students enrolled in classes in the McIntire School of Commerce. Consistent with a study by Torelli and others (2012), the respondents were exposed to three stimuli created for the main study and asked to rate them in terms of associations with conservation and openness to change, as well as in terms of argument strength and believability. The full set of questions and measurement scales can be found in *Exhibit 2*.

After data collection, during data preparation, I created a post frame value index (FVI) that measured the value communicated by each stimulus on a -7 to +7 scale. Positive post frame value index indicated that a stimulus was perceived to appeal to openness to change, while negative post frame value index indicated a perceived appeal to conservation. Additionally, I created a new measurement for argument strength that was equal to an average of three scales used to measure this construct.

First of all, I ran a multivariate linear model with value index, believability and argument strength as dependent variables and stimuli condition as the fixed factor. The analysis showed that the conservation and openness to change stimuli were rated the highest in terms of association with their target values. Mean value index for openness condition was equal to FVI=1.116 (positive, as expected), while for conservation it was equal to FVI= -0.323 (negative, as expected). The control message was rated equally in terms of association with both values (mean FVI=0.286, close to zero). Additionally, the between-subject effect on value index for the three stimuli was significant at p=0.001, showing that the three stimuli were significantly different from each other in terms of value association.

The analysis also demonstrated that all stimuli had similar argument strength and believability. The p-value for between-subject effect was equal to p=0.890 for argument strength and p=0.675 for believability, both of which are not significant. These findings ruled out the possibility that main study results would be affected by these message attributes (argument strength and believability).

Secondly, I conducted one-way ANOVA analysis to compare value index differences between stimuli pairs (conservation-openness, openness-control and conservation-control). The analysis results can be seen in the table below:

Contrast	Conservation coefficient	Openness coefficient	Control coefficient	Value of Contrasts	Sig. (2-tailed)
Conservation-Openness	1	-1	0	-1.439	.000
Openness-Control	0	1	-1	.831	.054
Conservation-Control	1	0	-1	-.609	.158

The conservation and openness stimuli, the primary pair under consideration in this study, proved to be significantly different in terms of value association. The control stimulus was significantly different from the openness stimulus. The contrast between the conservation and control stimuli was not significant but very close to the partial significance threshold. If the sample size was larger (in this study N=53 for control-conservation pair) it could increase in significance, so I decided to keep the control stimulus without changes.

All in all, the pretest showed that the stimuli reflected intended values and were significantly different from each other in terms of value association, but similar in terms of believability and value strength. All three stimuli were thus used in the main study.

Measures

In the main study, respondents were exposed to one randomly assigned Facebook post chosen from the three stimuli included in the study. After being exposed to the post, subjects answered a series of questions to test for the effect of congruence between their personal value and post framing on brand evaluation, purchase intent and willingness to pay, as well as for the mediation effect of fluency in these relationships. As such, the main variables measured in the study were: brand evaluation, purchase intention, willingness to pay, processing fluency, and importance of personal values. Each construct was tested using dimensions and scales previously utilized by researchers focused on topics of this study. Additionally, I measured the degree of

perceived brand sincerity to rule out the possibility that negative effects on brand evaluation and purchase intent could be driven by attributing insincere motives to the brand (Yoon et al. 2006). Finally, basic demographic information, age, gender, household income and primary language, was collected to have an opportunity to test for additional correlation effects. The full set of survey questions and measurements scales can be seen in *Exhibit 3*.

Data Collection

I collected data for this study by conducting an online survey on a subject pool of first and second year UVA students taking classes in the McIntire School of Commerce. The student sample was chosen over MTurk as the primary source of data because I expected it to return a higher proportion of responses from subjects coming from higher-income families (Kees et al., 2017). Respondents from higher income households are preferred for this study as their purchase intentions from a luxury brand (one of the dependent variables in the study) would be more realistic as compared to purchase intentions reported by a person who cannot afford a luxury brand like Rolex. Before launching the survey, I received an approval from the Institutional Review Board for Social & Behavioral Sciences to conduct the study. As such, I shared the study's full process and design and officially agreed to uphold ethical standards in the collection of data from human subjects.

Data Analysis

The resulting data from the survey was analyzed using regression analysis and mean comparison in SPSS. I conducted the analysis in two stages. First, I tested for main and interaction effects outlined in hypotheses H1a and H1b (arrow 1 in *Figure 2* below). Secondly, I tested for the mediating role of fluency in the detected relationships as described in hypothesis

H2 (arrows 2 and 3 in *Figure 2* below). The goal of the two-step process was to understand if the results observed in the set of H1 could be explained by H2.
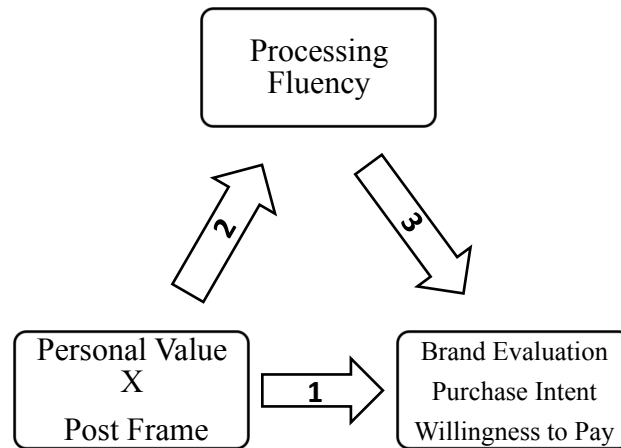
Figure 2. Theoretical Model for Hypothesis Analysis

After conducting initial analysis I changed study design from the original 2 (Personal Value) X 3 (Post Framing: Conservation vs. Openness to Change vs. Control) to 2 (Personal Value) X 2 (Post Framing: Conservation vs. Openness to Change), as three-condition analysis did not show anticipated effects to be significant. To test the first set of hypotheses in the context of the updated study design (H1a and H1b), I conducted spotlight analysis that compared brand evaluation, purchase intention and willingness to pay reported by people who valued conservation higher across the two post framings and looked at how these metrics differed from those displayed by people who valued openness to change higher across the same post framings. I then evaluated significance of difference in levels of dependent variables' measures reported after viewing each one of the stimuli. This analysis was conducted separately for each one of the personal value groups.

I used following independent factors in the analysis: 1) post frame, 2) personal value, and 3) post frame X personal value interaction. I distinguished post frame alternatives by using a

dummy variable, such that the openness to change frame was represented using 0 and conservation frame was represented using 1. Personal value was captured by converting individual value rankings into a continuous scale, with conservation and openness to change on the opposite ends of the scale. This personal value index (PVI) was similar to post frame value index (FVI) used in the study's pretest. According to the index setup, positive number of PVI indicated that a respondent valued openness to change relatively higher, while negative number of PVI indicated that a respondent valued conservation relatively higher.

As a first step in the analysis, I ran regression tests including all three independent factors to look at the effect they have on the three dependent variables with the regression equation based on this model:

$$Y_{H1} = \beta_1 (Post\ Frame) X_1 + \beta_2 (Personal\ Value) X_2 + \beta_3 (Post\ Frame\ X\ Personal\ Value) X_1 X_2$$

I assessed significance of the regression weights for the three factors with p-values equal to or less than 0.05 considered statistically significant and values between 0.05 and 0.10 considered marginally significant. Based on the resulting significance levels, I was able to draw conclusions about existence of main and interactive effects of personal value and post framing, as discussed earlier. More specifically, I anticipated that B3 (the regression weight associated with the interaction term) would be significant, consistent with H1, but I had no a priori predictions for the main effects (i.e., B1 and B2).

Next, I conducted an analysis of fluency as a mediator (H2). The goal of this analysis was to determine if the feeling of ease (processing fluency) associated with congruence between personal value and post framing accounted for the proposed interaction effect tested in H1. To test for the mediation, I first ran the original model with fluency as a dependent variable. This

tested if the interaction term predicted the mediator (arrow 2 in *Figure 2*). The regression equation for this analysis was based on the model below, and I anticipated that B3 would be significant and show a pattern similar to the previous model, which tested the effect of the interaction on dependent variables (H1):

$$M = \beta_1(Post\ Frame)X_1 + \beta_2(Personal\ Value)X_2 + \beta_3(Post\ Frame\ X\ Personal\ Value)X_1X_2$$

As a next step, I ran a regression model with brand evaluation, purchase intent and willingness to pay as dependent variables and fluency (mediator) as the independent variable. This tested whether a significant relationship existed between the mediator and each of the dependent variables (arrow 3 in *Figure 2*). The regression model was the following, and I anticipated that B4 would be significant:

$$Y_{H1} = \beta_4(Fluency)M$$

Finally, I analyzed a relationship between original independent variables and mediator on dependent variables using the following regression model:

$$Y_{H2} = \beta_1(Post\ Frame)X_1 + \beta_2(Personal\ Value)X_2 + \beta_3(Post\ Frame\ X\ Personal\ Value)X_1X_2 \\ + \beta_4(Fluency)M$$

In support of the mediating effect of fluency and H2, I expected to show that only the mediator is significant in this model (B4), not the interaction term (B3).

RESULTS

As mentioned above, the final analysis used only two stimuli, openness to change (coded 0) and conservation (coded 1), instead of three stimuli as originally planned. I excluded responses associated with the control stimulus because regression models that took into

consideration all three conditions didn't show significant effectsx. The analysis based on two models, however, detected significant effects consistent with hypotheses of the study. This difference in results could have happened because the control condition was not significantly different from other post frames (especially from the conservation one, as demonstrated in pretest analysis). This issue of study design and its implications will be discussed in more detail in the limitations section of this report.

All the results reported below are based on a doubled sample of 312 respondents. This was done because analysis of the original sample of 156 participants reveled effects that were not significant, but very close to having marginal significance. As marginal significance could have been caused by a small sample size, I ran the same models with a bigger sample size to see if significance level would increase. In all the anticipated cases significance improved with an increase in sample size, what proves that marginal significance was due to a sample size issue, not effect strength. A side-by-side comparison table with results based on both original and doubled sample sizes can be seen in *Exhibit 4*.

Brand Attitude

Brand attitude was the first dependent variable tested in the study. Measure of brand attitude averaged results of three questions that assessed perception of Rolex as undesirable-desirable, unfavorable-favorable and bad-good on the scale of 1-7. I conducted spotlight analysis at +/- 1 standard deviation using model 1 of PROCESS macro (Hayes, 2012) with post frame and personal value index (PVI) as independent variables to test for main and interaction effects of post frame and personal value on brand attitude. The spotlight analysis allowed me to estimate brand attitude at different levels of personal value represented in the specific sample. As a result, I could compare interaction effect of independent variables on brand attitude for respondents

who were relatively higher on openness to change, as opposed to respondents who were relatively higher on conservation.

Consistent with hypotheses H1a and H1b, the interaction effect between post frame and personal value on brand attitude was significant (b=-0.304, t=-2.323, p=0.021), while the main effects of post frame and personal value were not significant (for post frame b=0.221, t=1.100, p=0.272; for personal value b=0.058, t=0.644, p=0.520). These results showed that an interaction between post frame and personal value influences consumer attitude towards brands, so that congruence between post frame and personal value makes brand evaluation more positive.

In order to explore hypotheses H1a and H1b further, I compared average brand attitude after viewing different stimuli individually for each one of the personal value groups (openness to change and conservation). In other words, to test hypothesis H1a I focused only on respondents that were higher on openness to change personal value. Afterwards, to test hypothesis H1b I focused only on respondents that were higher on conservation personal value. For each personal value group I compared average brand attitude rating indicated by respondents who saw the conservation stimulus to average brand rating indicated by those who saw the openness to change stimulus. The analysis revealed that people higher on openness to change (PVI=2.17) rated Rolex at 5.55 when they saw the openness stimulus and 5.12 when they saw the conservation stimulus. This difference in ratings was significant (t=-1.988, p=0.048), what provided support for hypothesis H1a. In addition, the analysis showed that people higher on conservation (PVI=-0.22) rated Rolex at 5.41 when they saw the openness stimulus and 5.7 when they saw the conservation stimulus. However, this difference in ratings was not significant (t=1.302, p=0.194). Therefore, even though directionality of the observed effect of post frame and personal value congruence was consistent with what was hypothesized for conservation

value group, significance analysis failed to provide support for hypothesis H1b. The discussed

interaction effect for both value groups can be seen in the graph below:

Effect of post frame and personal value interaction on brand attitude
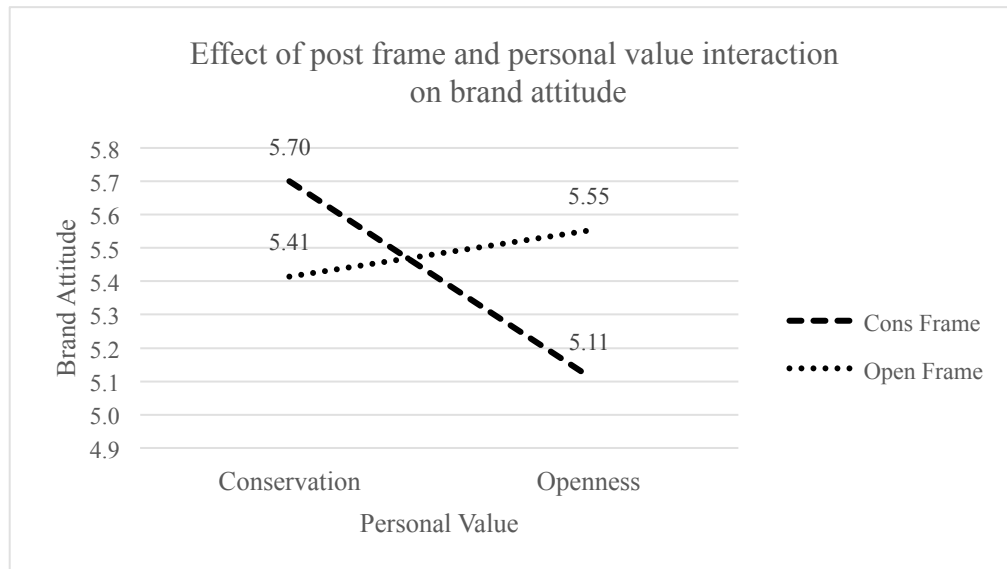
Purchase Intent

Purchase intent was the second dependent variable tested in the analysis. Measure of

purchase intent was based on one question, in which participants rated their likelihood of

purchasing Rolex on a scale of 1-7. Same as with brand attitude, I ran spotlight analysis using

PROCESS macro (model 1) to test for main and interaction effects of post frame and personal

value on purchase intent. The interaction effect of post frame and personal value on the doubled

sample was significant (b=- 0.391, t=-2.227, p=0.027), what provided support for the set of

hypotheses H1a and H1b. The results showed that an interaction between post frame and

personal value has an influence on purchase intent, such that congruence between post frame and

personal value leads to a higher desire to purchase a product. In addition, the main effect of post

frame on purchase intent showed to be significant (b=0.677, t=-2.505, p=0.013). People who saw

conservation post frame expressed higher intention to purchase Rolex, as compared to those who

saw the openness to change post frame. The main effect of personal value on purchase intent, however, was not significant, but very close to marginal significance (b=0.198, t=1.640, p=0.102).

After looking at overall main and interaction effects of post frame and personal value on purchase intent, I analyzed the interaction effect of the independent variables separately for two personal value groups. In order to test hypothesis H1a, I focused on respondents who valued openness to change higher. I compared their average purchase intent after seeing the openness stimulus, as opposed to the conservation stimulus. Consistent with hypothesis H1a, their purchase intent was higher after viewing the post that appealed to openness (PI=3.89 for openness stimulus; PI=3.72 for conservation stimulus). However, the difference in reported purchase intent between two conditions was not significant (t=-0.580, p=0.563). The findings, thus, failed to provide support for hypothesis H1a and indicated that people who value openness don't experience significantly higher intention to purchase Rolex after seeing a CSR-related post that appeals to their personal values. Similarly, in order to test hypothesis H1b, I focused on respondents who valued conservation higher and compared their purchase intent after seeing the conservation stimulus, as opposed to the openness stimulus. Consistent with hypothesis H1b, the respondents reported higher purchase intention after viewing the Facebook post that appealed to conservation (PI=4.18 for conservation stimulus; PI=3.42 for openness stimulus). The difference in ratings was significant (t=2.574, p=0.011), what proved hypothesis H1b. In other words, the findings showed that people who value conservation express significantly higher intention to purchase Rolex after seeing a post that appeals to their personal value (conservation, as compared to openness). The interaction effect for two personal value groups are presented below:
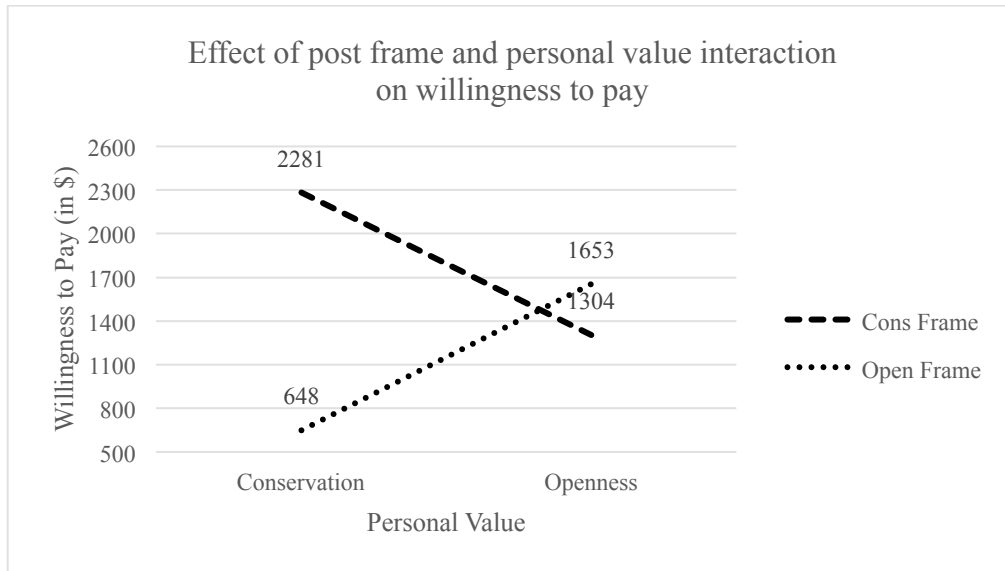
Effect of post frame and personal value interaction on purchase intent
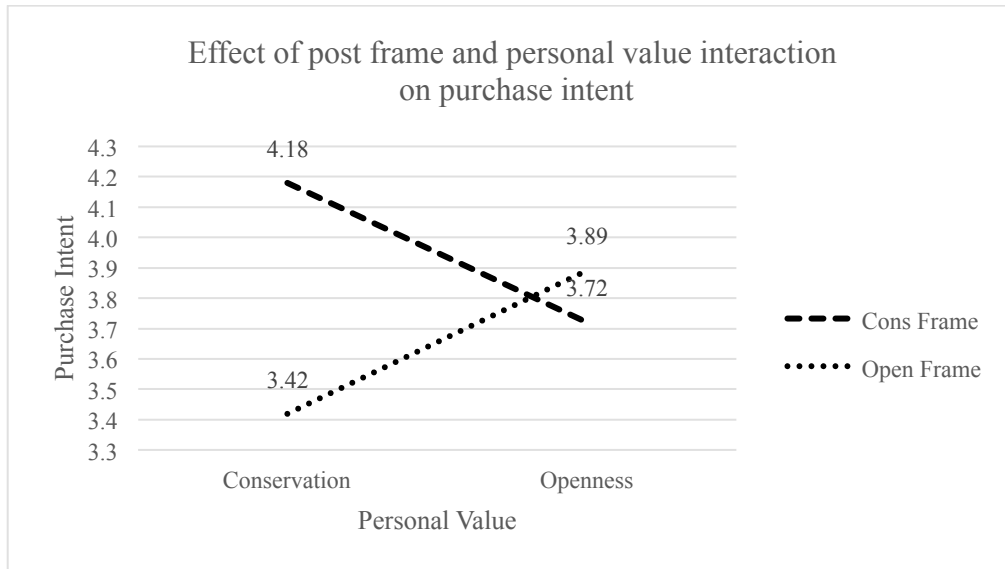
Willingness to pay

Willingness to pay was the last dependent variable of interest in the study. It was measured by asking respondents to write the amount of money they were willing to pay for a Rolex watch. There were no minimum or maximum limitations established for the amount. 153 out of 156 respondents provided a numerical answer. The average indicated value was equal to $1,321 with a standard deviation of 4,087. As with other dependent variables, I ran spotlight analysis using PROCESS macro (model 1) to evaluate main and interaction effects of post frame and personal value on willingness to pay. Results of the analysis showed similar patterns as findings for purchase intent. Again, consistent with hypotheses H1a and H1b, the interaction effect between post frame and personal value was significant, although in this case it was only marginally significant (b=-824.051, t=-1.842, p=0.067). The findings demonstrated that congruence between personal value and post frame increased amount of money people were willing to pay for a luxury brand like Rolex, even within the context of CSR communication. Moreover, the main effect of post frame on willingness to pay showed to be significant (b=1439.919, t=2.088, p=0.038), such that respondents who saw the conservation post frame

were willing to pay more than those who saw the openness to change post frame. However, the main effect of personal value on willingness to pay was not significant (b=417.570, t=1.355, p=0.176).

As a next step in the analysis, I compared willingness to pay reported by respondents exposed to different stimuli separately for openness to change and conservation personal value groups. Similarly to results of the purchase intent analysis, congruence between personal value and post frame increased amount of money people were willing to spend on Rolex. On one hand, people who valued openness to change higher said they would pay, on average, $1653 after viewing the openness stimulus, but only $1304 after viewing the conservation stimulus. On the other hand, people who valued conservation higher said they would spend, on average, $2281 after viewing the conservation stimulus, but only $648 after viewing the openness stimulus. Even though directionality of the effect was consistent with hypotheses H1a and H1b, congruence of personal value and post frame proved to have significant effect on willingness to pay only for respondents who valued conservation higher (t=2.149, p=0.032). The effect of congruence, however, was not significant for respondents who valued openness to change higher (t=-0.459, p=0.646). These findings, therefore, provided support for hypothesis H1b, but failed to confirm hypothesis H1a. The observed effect of personal value and post frame congruence on each value group can be seen in the graph below:

Effect of post frame and personal value interaction on willingness to pay

Chart: X-axis "Personal Value" with categories Conservation and Openness. Y-axis "Willingness to Pay (in $)" ranging 500–2600. Cons Frame (dashed): Conservation = 2281, Openness = 1304. Open Frame (dotted): Conservation = 648, Openness = 1653.

Fluency

After completing analysis of main and interaction effects of post frame and personal value on brand attitude, purchase intention and willingness to pay, I tested hypothesis H2 by looking at meditative role of fluency in these relationships. As a first step in the analysis, I tested for an interaction effect of post frame and personal value on this dependent variable. Measure of fluency in this analysis was based on four questions which asked participants to rate how difficult-easy it was to understand, imagine and process a post they saw, as well as how much effort (a lot effort-a little effort) it took them to understand it. These responses were recorded on a 1-7 scale. I performed spotlight analysis using PROCESS macro (model 1) to evaluate significance of the hypothesized interaction effect. Contrary to hypothesis H2, the interaction effect between post frame and personal value was not significant (b=-0.152, t=-1.196, p=0.233). The main effect of post frame was not significant either (b=-0.194, t=-0.991, p=0.323). However, the main effect of personal value was significant (b=0.260, t=2.970, p=0.003), so that respondents who valued openness to change more reported higher sense of fluency after viewing both Facebook posts, as compared to respondents who valued conservation more.

These results showed that, on average, congruence between post frame and personal value does not affect fluency. In other words, people higher on conservation value do not experience higher fluency when they see a conservation stimulus, as compared to an openness stimulus. Similarly, people higher on openness value do not experience higher fluency when they see an openness stimulus, as compared to a conservation stimulus.

In order to better understand main and interaction effects discussed above, I created a visual representation of fluency reported by the two personal value groups after viewing openness to change and conservation stimuli:
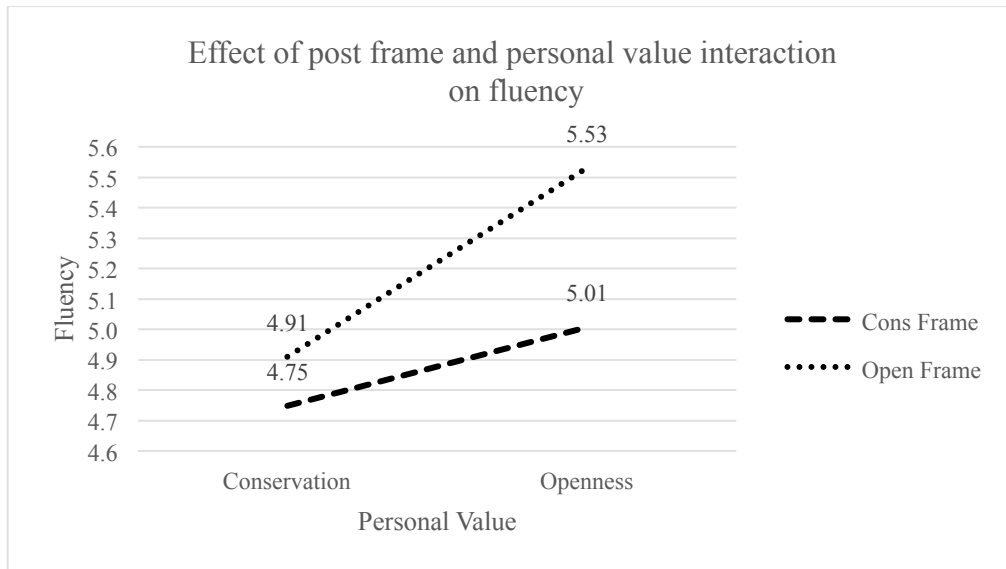
The graph once again demonstrates that people who valued openness to change more reported higher fluency after viewing both post frames. Moreover, it reveals that this personal value group experienced higher fluency after viewing openness to change stimulus. In addition, difference in the degree of fluency increase between conservation and openness to change value groups is bigger for the openness to change condition, what signals that congruency between post frame and personal value might have had an impact on this relationship.

Mediation

As previous results did not support the hypothesis that post frame and personal value interaction affect fluency, what is necessary to prove mediation, I conducted mediation analysis separately for two personal value groups (openness to change and conservation). I expected this approach to detect a meditative effect of fluency for openness to change personal value group, as I saw directional indications of it in the analysis described above.

In order to conduct mediation analysis for each value group individually I separated the doubled sample into two data sets: responses of people who valued openness to change higher than conservation (positive personal value index) and responses of people who valued conservation higher that openness to change (negative personal value index). The resulting data sets included 248 and 58 responses, respectively. I then ran a mediation analysis using PROCESS macro (model 4) with post frame as an independent variable and fluency as a mediator. The model first estimated an effect of post frame on fluency and then effects of both post frame and fluency on each one of three dependent variables (brand attitude, purchase intent and willingness to pay). As each data set only included people of one value category, the analysis was conducted within the context of a specific personal value group.

I first conducted mediation analysis for openness to change data set. The analysis revealed that for these people post frame had marginally significant effect on fluency ($t=-1.892$, $p=0.060$). In other words, they experienced higher fluency when exposed to a post that appealed to their personal value (openness to change). When post frame and fluency were both treated as independent variables, fluency showed to be a significant predictor of brand attitude ($t=3.282$, $p=0.001$) and purchase intent ($t=2.891$, $p=0.004$), while post frame was no longer a significant predictor of these dependent variables ($t=-0.215$, $p=0.830$ for brand attitude; $t=0.618$, $p=0.537$

for purchase intent). These findings proved that for people who value openness to change higher fluency serves as a mediator of the effect of congruence between post frame and personal value on brand attitude and purchase intent.

The sample size for analysis of meditative effect of fluency on willingness to pay for openness to change subgroup was slightly smaller (N=242), as some participants did not provide a numerical response to the question that measured this variable. For this sample effect of post frame on fluency was not significant, but close to having marginal significance (t=-1.596, p=0.112). Therefore, I decided not to proceed with mediation analysis for this dependent variable, as a necessary condition of existence of a relationship between post frame and degree of fluency did not hold.

After finishing with mediation analysis for openness to change personal value subgroup, I conducted the same analysis for the conservation personal value subgroup. It showed that for people higher on conservation post frame was not a significant predictor of fluency (t=-1.394, p=0.167). This could have happened because the sample size was too small (N=58 when doubled) to detect any significant relationships or because these respondents actually did not experience higher fluency when they saw a post that appealed to their personal value. I decided not to proceed with mediation analysis for this subgroup, as results would have been unreliable.

GENERAL DISCUSSION

Summary of Findings

Consumers from around the world are putting an increased importance on business engagement in CSR activities. This creates a need for companies to not only incorporate such initiatives into their operations, but also ensure that they can communicate these involvements in

a way that would be appealing to their customer base. Unfortunately, luxury brands have been shown to experience a decline in positive evaluations when communicating CSR due to a value conflict that happens in the situation. When power-focused luxury brands talk about their CSR initiatives, they appeal to the opposite value of universalism, what leads to a value conflict and, as a result, receive less positive evaluations from luxury brand consumers. In this study, I investigated the degree to which appealing to personal values of consumers can help mitigate negative effects of the luxury-CSR motivational conflict and increase brand attitude, purchase intent and willingness to pay. I expected that congruence between personal value and CSR value appeal (Facebook post frame) would increase brand attitude, purchase intent and willingness to pay among consumers. I also hypothesized that this positive effect would be mediated by fluency. Not all assumptions were fully supported, although I discovered many insights that were consistent with hypotheses of the research.

Findings of the study confirmed that congruence between CSR framing and consumer personal value can lead to a higher brand evaluation. The experiment showed that people who value openness to change rate luxury brands more favorably when they frame their CSR activities in terms of openness to change (versus conservation). However, the analysis did not discover a similar effect for people who value conservation more. While these respondents did rate Rolex more favorably when it framed its CSR activities in terms of conservation (versus openness to change), the effect was not significant. It is important to mention, however, that the discrepancy between the degrees of effect on the two personal value groups might have been caused by the sample's skewness towards openness to change personal value. Therefore, the possibility of existence of a universal effect of frame-value congruence on brand attitude should not be fully discarded.

In addition, the study showed that frame-value congruence affects action-based dependent variables tested in the research, purchase intent and willingness to pay. However, the findings were mixed. Contrary to the original hypothesis, people who valued openness to change did not report significantly higher purchase intent or willingness to pay when Rolex framed its activities in terms of openness to change (as compared to conservation). On the other hand, people who valued conservation did report both higher purchase intent and willingness to pay when Rolex framed its activities in terms of conservation (as compared to openness to change). Reasons for the difference in effect between the two personal value groups could not be tested within the scope of this study. However, it is possible that the variation was caused by the fact that Rolex is associated with tradition, a key component of conservation value group. As a result, people who value conservation might have resonated with the brand more and a priori felt a stronger desire to purchase a Rolex watch.

Finally, the study proved that fluency acts as a mediator of the effect of frame-value congruence on brand attitude and purchase intent. However, fluency was not confirmed to be a mediator of congruence on willingness to pay. It is important to note that these relationships were identified only for the subgroup of respondents who valued openness to change higher. For the conservation personal value subgroup mediation analysis was not performed, as for this sample post frame did not prove to be a significant predictor of fluency, what was necessary to verify existence of mediation.

Limitations and Future Work

The research encountered several limitations in the study design and data collection. While none of these limitations were big enough to have compromised the quality of findings, it

is important to consider them to properly interpret the results, as well as to contribute to future developments of this work.

In the study design, it was challenging to create three significantly different stimuli. Writing copies for Facebook posts that would appeal to openness to change or conservations was straightforward, as the two value categories are distinctly different from each other and represent clearly defined value concepts. However, it was hard to come up with a control stimulus that would reflect no value at all and, thus, be significantly different from both openness-to-change- and conservation-focused posts. The control post I created was significantly different from the openness to change condition, but not significantly different (close to having marginal significance) from the conservation condition. When I tried to incorporate this stimulus into the analysis, I did not discover any significant effects consistent with the research hypotheses (although the effects did have expected directionality). As the negative results could have been caused by similarities between the stimuli used, I chose to remove the control condition and work with only two post frames (openness to change and conservation). The two-frame analysis revealed anticipated relationships and provided support for the hypothesis that congruence between post frame and personal value improve brand attitude and increase purchase intent and willingness to pay. Therefore, it is likely that the original lack of significance was due to poor stimuli design.

The second study design limitation concerned the choice of a luxury brand for the analysis. I used Rolex as a test brand because it was utilized for CSR-luxury research in the past. Moreover, it is well known by the majority of student population and relevant for both females and males. However, weakness of this brand in the context of this study is its association with conservation values (specifically, tradition). This brand concept might have acted as an important

contributor to the desire to purchase Rolex for survey respondents who valued conservation higher but not for the respondents who valued openness to change higher. In other words, it might have influenced the discrepancy between observed effects of frame-value congruence on purchase intent and willingness to pay. However, as the effect of intrinsic brand value was not accounted for in the analysis, there is no way to test for it within the scope of this study.

Another limitation encountered in the study related to data collection. While the initial study design called for 300 respondents, I was only able to obtain 233 responses from the student population pool. This number was further reduced to 156 when I excluded people exposed to the control stimulus from the analysis in order to accommodate the switch from a 2X3 to a 2X2 study design (without the control condition) described above. Although the sample size was big enough to obtain conclusive insights, most of the observed effects based on this data had only marginal significance. Doubling sample size (N=312) helped mitigate the problem and showed significant relationships in the data consistent with hypotheses of the research. However, the results would have been more conclusive if they were based on non-repetitive original answers.

Skewness of the sample in terms of personal value was the final limitation of the study. The original sample of survey participants included 45 respondents who valued conservation higher (negative personal value index) and 188 respondents who valued openness to change higher (positive personal value index). The reduced sample (without the control condition) had a similar pattern, with 29 respondents higher on conservation and 124 respondents higher on openness to change. As a result, the sample's personal value index mean was positively skewed. PVI average was equal to 0.9775 instead of 0, which would have been the true center dividing the two value groups. This is important because spotlight analysis I used for the study estimated dependent variables for the two personal value categories (conservation and openness to change)

based on personal value index measures at +/- 1 SD from the sample's mean. It was not an issue for the openness to change category, as PVI used to estimate dependent variables for this group was +2.170, which is significantly different from 0. However, PVI used to estimate DVs for the conservation category was -0.215, which is very close to 0. This means that values that were treated as representations of opinions of those high on conservation in reality might have shown estimates for people who valued both openness to change and conservation to an equal extent. This issue could have contributed to the lack of support for hypothesis H1b in terms of the effect of frame-value congruence on brand attitude. Survey respondents might not have been significantly influenced by the appeal to conservation value not because the strategy was not effective, but because they did not value conservation that much.

In the future it would be valuable to rerun the analysis without stimuli design and data collection issues that arose in this research. First of all, it would be interesting to incorporate a distinct control condition into the study. Positive results from a three-condition design would help make a stronger case for the hypothesis that appealing to personal values can undermine value conflict between luxury brands and their CSR initiatives. Moreover, it would be valuable to compare results based on a conservation-oriented brand like Rolex to results based on an openness-oriented brand like Tesla. The comparison would help evaluate if congruence between intrinsic brand value and consumer personal value increases purchase intent and willingness to pay, as well as estimate how this effect changes when combined with congruence between CSR communication frame and consumer personal value. In addition, it would be beneficial to perform the analysis on a more diverse (in terms of personal value) group of respondents, as this would provide a clearer understanding of the effect of value appeal in CSR communication on different personal value groups. Finally, future research could try to collect opinions of people

who actually purchase luxury brands like Rolex rather than students, as this would lead to more

reliable and actionable results businesses could use when developing their communication

strategies.

Exhibit 1: Survey Stimuli

Stimulus A: Openness to Change Framing

Stimulus B: Conservation Framing

Stimulus C: Control Framing

Exhibit 2: Pretest Measures and Scales

Construct	Item
Values Association	Not at all associated with/Very closely associated with (1-7) (Torelli et al.)
	Values measured: self-direction, stimulation, security, conformity, tradition
Argument Strength	Weak/Strong (1-7) (Torelli et al.)
	Not at all compelling/Very compelling (1-7) (Torelli et al.)
	Not at all persuasive/Very persuasive (1-7) (Torelli et al.)
Believability	Not at all believable/Very believable (1-7) (Torelli et al.)

**All questions were adapted from the cited research

Exhibit 3: Survey Measures and Scales

Construct	Item
Brand Evaluation	Undesirable/Desirable (1-7) (Spears & Singh)
	Unfavorable/Favorable (1-7) (Torelli et al., Spears & Singh)
	Bad/Good (1-7) (Torelli et al., Spears & Singh)
Purchase Intent	Likelihood to purchase from Rolex? (1=very unlikely, 7=very likely)
Willingness to pay	The amount of money you are willing to pay for Rolex
Fluency	Very difficult/easy to understand (1-7) (Torelli et al.)
	Very difficult/easy to imagine (1-7) (Torelli et al.)
	Very difficult/easy to process (1-7) (Torelli et al.)
	Required a lot of/little effort (1-7) (Torelli et al.)
Brand's sincerity	Not at all sincere/Very sincere (1-7) (Yoon et al.)
Personal Values	Rate the importance of each value item as a guiding principle in your life (1= not at all important, 7=very important) (Lindeman et al.)
	Values measured: self-direction, stimulation, security, conformity, tradition
Consumer demographics	Age
	Gender (Male/Female)
	Monthly household income (less than $3000, $3001-$6000, more than $6000)
	Is English your primary language? (Yes/No)

**All questions were adapted from the cited researches or from Professor Nicole Montgomery's studies

Exhibit 4: Side-by-side comparison of analysis results for original and doubled samples

ORIGINAL SAMPLE (N=156)				DOUBLED SAMPLE (N=312)			
Effect of post frame and personal value on brand attitude				**Effect of post frame and personal value on brand attitude**			
Variable	**Coeff**	**t**	**p**	**Variable**	**Coeff**	**t**	**p**
Post frame	0.221	0.772	0.441	Post frame	0.221	1.100	0.272
Value Index	0.058	0.452	0.652	Value Index	0.058	0.644	0.520
Frame X Value	-0.304	-1.632	0.105	Frame X Value	-0.304	-2.323	0.021
Effect of post frame and personal value on purchase intention				**Effect of post frame and personal value on purchase intention**			
Variable	**Coeff**	**t**	**p**	**Variable**	**Coeff**	**t**	**p**
Post frame	0.677	0.385	0.080	Post frame	0.677	2.505	0.013
Value Index	0.198	0.172	0.251	Value Index	0.198	1.640	0.102
Frame X Value	-0.391	0.250	0.120	Frame X Value	-0.391	-2.227	0.027
Effect of post frame and personal value on willingness to pay				**Effect of post frame and personal value on willingness to pay**			
Variable	**Coeff**	**t**	**p**	**Variable**	**Coeff**	**t**	**p**
Post frame	1439.92	1.467	0.145	Post frame	1439.92	2.088	0.038
Value Index	417.57	0.952	0.343	Value Index	417.57	1.355	0.176
Frame X Value	-824.05	-1.294	0.198	Frame X Value	-824.05	-1.842	0.067
Effect of post frame and personal value on fluency				**Effect of post frame and personal value on fluency**			
Variable	**Coeff**	**t**	**p**	**Variable**	**Coeff**	**t**	**p**
Post frame	-0.194	-0.696	0.488	Post frame	-0.194	-0.991	0.323
Value Index	0.260	2.086	0.039	Value Index	0.260	2.970	0.003
Frame X Value	-0.152	-0.840	0.402	Frame X Value	-0.152	-1.196	0.233

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