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## Upfront

### Coming Clean

**Firms fare better when they acknowledge  
self-interest in cause marketing**

By Karen Coppock

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## CORPORATE MARKETING

# Coming Clean

*Firms fare better when they acknowledge self-interest in cause marketing*

When corporate social responsibility benefits a company, a firm's best strategy may be to come right out and say so.

So claims a new study published in the *Journal of Consumer Psychology* (vol. 13, no. 3), which looked at how people respond to "corporate social marketing" efforts – including corporate volunteerism, corporate sponsorship, and cause-related marketing (donating a percentage of sales to charity, for instance).

Assistant marketing professors Mark Forehand, of the University of Washington, and Sonya Grier, of Stanford University, wrote that consumers don't object to corporate campaigns that serve society while also helping a firm's bottom line. When companies try to gloss over self-interested motives, however, they risk undermining their credibility.

"The potential negative reaction of consumers to the use of [corporate social marketing] is driven not simply by beliefs that the firm might benefit," Forehand and Grier wrote, "but rather by the perception that the firm is being deceptive about the benefits it receives."

The authors surveyed 160 students at a West Coast university. Participants read a series of scenarios about social marketing efforts at unnamed companies that sold baby food, software, athletic apparel, and health insurance. In some scenarios, the companies were forthright about the fact that the programs might also benefit the bottom line; in others, they did not acknowledge that they

stood to gain financially.

For example, participants were asked about a software company that has "joined in the fight" against computer illiteracy, urging its employees to serve as tutors for a program called Project Compute, and offering to pay them for time spent volunteering. The scenario read: "It is hoped that this program will help alleviate a

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**"The negative reaction of consumers to corporate social marketing is driven by the perception that the firm is being deceptive about the benefits it receives."**

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major problem in our society." But in another scenario, the company admitted that it also hoped to "simultaneously expand the market for the company's software products."

After reading the scenarios, participants were asked, "Why do you think the company started this program?" They were also asked to evaluate the firm on a seven-point scale gauging attributes like "trustworthiness" and "sincerity."

Through statistical analysis, the authors determined that, when corporate self-interest was implicit, com-

panies scored lower if they didn't acknowledge it. When companies disclosed self-serving motives, it did not appear to hurt their evaluations at all. "Skepticism develops when a marketer's stated motives conflict with other readily apparent firm-serving motives," the authors wrote. "Marketers can inhibit the development of skepticism by being forthright about the benefits that could accrue."

Yet the authors found preemptive disclosure of self-interest carries its own risks. After all, consumers won't feel deceived about a connection between a firm's charitable activities and its commercial objectives if they haven't detected the link in the first place. Indeed, among participants who did not discern corporate self-interest on their own, companies that disclosed their profit motive fared worse than those that did not.

So what does this all mean? In a nutshell, the more skeptical customers are likely to be about motives, the more important it is for a company to be candid.

Grier suggested that a company needs to understand how skeptical its customers are, and how both its brand and its products are perceived by its consumers. If there is a good fit between a company's cause-related marketing and its products, it can communicate the promotion's social benefits and subtly admit that the company will benefit, too.

—Karen Coppock