

Print ISSN: 1738-3110 / Online ISSN 2093-7717
<http://dx.doi.org/10.15722/jds.15.9.201709.75>

The Role of CSR Proximity and Psychological Distance as a Marketing Strategy

Dong-Tae Kim*, Moon-Seop Kim**, Sung-Sook Ahn***

Received: April 21, 2017. Revised: July 25, 2017. Accepted: September 15, 2017.

Abstract

Purpose - This study aims to find ways to have CSR efforts lead to a purchase decision. For this purpose, this research examines the influence of the perceived CSR proximity on the purchase intention and studies the moderating role of psychological distance.

Research design, data, and methodology - A total of 185 undergraduate students from a university in Korea were recruited and were randomly assigned to the conditions of a 2 (CSR proximity: close vs. far) × 2 (temporal distance: near vs. distant) × 2 (information type: concrete vs. abstract) between-subjects design. ANOVA was conducted to test the hypotheses.

Results - When consumers construe a purchase decision at a high level via the far psychological distance, a firm's CSR efforts are considered important for the purchase decision. Conversely, when consumers construe a purchase decision at a low level via the near psychological distance, a firm's CSR efforts are not considered for the purchase decision.

Conclusions - This research demonstrates that people have a greater intention to purchase products from a firm whose CSR proximity is perceived as being close rather than far. Furthermore, this study shows that the psychological distance moderates the effect of CSR proximity on the purchase intention.

Keywords: Marketing Strategy, Construal Level, Corporate Social Responsibility (CSR), CSR Proximity, Information Type.

JEL Classifications: C90, M14, M31.

1. Introduction

Corporate social responsibility, or CSR, has been an important issue. Governments, NGOs and consumers have called for companies to pay more attention to CSR and to be more socially responsible. In order to meet such social requirements, companies have invested in CSR activities (Cone LLC., 2008, 2010; Hahn & Kim, 2016; Lo, 2010; Smith, 2003). Although CSR is considered an effective vehicle to enhance corporate image, it is debatable whether it is an effective way to increase consumers' purchasing of their products (Brown & Dacin, 1997; Sen & Bhattacharya,

2001). There are confounding results with regard to the effect of CSR efforts on purchase, from a positive effect (Creyer & Ross, 1997; Murry & Vogel, 1997; Trudel & Cotte, 2009) to a null or even negative effect (DiMaggio & Powell, 1983; Luchs et al., 2010; Sen & Bhattacharya, 2001). Hence, companies began to seek ways to exploit CSR activities as a way to meet both ends—societal obligations and their own profit.

Previous researches have answered these questions by showing that companies can enhance their profit via selecting a CSR domain that is related to the company's existing product category, corporate capability or the target consumer's personal values (Collins et al., 2007; Madrigal, 2000; Madrigal & Boush, 2008; Sen & Bhattacharya, 2001). However, these answers are not sufficient, in that companies should only choose narrow CSR domains, neglecting the various socially required CSR domains. Therefore, in order to meet both ends, it is essential to find ways to make CSR efforts in various domains lead to consumers' purchase of their products.

For this purpose, this study focuses on the proximity or scope of the CSR domain reflecting the physical proximity from the beneficiaries of CSR activities to the consumers

* Associate Professor, School of Industrial Management, Koreatech, 1600 Chungjeolno, Byeongchunmyun, Cheonan, Chungnam, Korea. E-mail: andante@koreatech.ac.kr

** Co-author, Associate Professor, Department of Business Administration, Kangwon National University, Korea. E-mail: 2mskim@gmail.com

*** Corresponding Author. Visiting Researcher of Institute of Management Research, Ph.D. College of Business Administration, Seoul National University, Seoul, Korea. E-mail: ssahn78@snu.ac.kr

(Grau & Folse, 2007; Vanhamme et al., 2012). These researches demonstrated that peoples how a positive response toward CSR activities when such activities are focused locally rather than globally, because people perceive that they can attain more tangible benefits from local CSR activities rather than global activities. However, we intend to examine the role of the perceived proximity from the beneficiaries of CSR activities to consumers (hereafter, CSR proximity) based on the physical proximity. Specifically, although the physical proximity is the same, if people perceive that the beneficiaries of CSR activities include the consumers themselves, they consider the CSR proximity to be near, whereas if people perceive that the beneficiaries of CSR activities do not include the consumers themselves, they consider the CSR proximity to be distant.

In addition, this research aims to suggest that the psychological distance is a moderator of the influence of the CSR proximity on the purchase. Specifically, it draws upon the construal level theory (or CLT), which posits that the psychological distance (e.g., temporal distance, spatial distance, social distance, etc.) changes people's perception of events by altering the way people mentally represent those events (Fujita et al., 2006; Kivetz & Kivetz, 2006; Trope & Liberman, 2003). It is reasoned that when people evaluate a psychologically distant event, they place more weight on the social values that are usually represented as high-level construals (Eyal et al., 2008; Eyal et al., 2009; Ledgerwood et al., 2010; Trope & Liberman, 2003). Consequently, they are more likely to consider a firm's CSR efforts that are related to the social values relevant for a purchase decision, thereby changing the influence of the CSR proximity on the purchase decision. Furthermore, the moderating role of the construal level will be examined from two kinds of psychological distance, including temporal distance (near vs. far) and information type (concrete vs. abstract).

2. Literature Review and Hypotheses

2.1. CSR proximity and purchase intention

Previous researches have shown that consumers think positively about companies that actively invest in CSR activities (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). However, there are confounding results with regard to the influence of CSR activities on the purchase of products from such companies, from a positive influence (Creyer & Ross, 1997; Murry & Vogel, 1997; Trudel & Cotte, 2009) to a negative influence (DiMaggio & Powell, 1983; Luchs et al., 2010; Sen & Bhattacharya, 2001).

Previous researches pointed out the conflict between consumers' interests and social interests in purchase decisions as the limited influence of CSR efforts on

consumers' purchases (De Cremer & Van Dijk, 2004; Gürhan-Canli & Batra, 2004; Su, Jeong, Choi, & Kim, 2015). That is, when consumers consider the purchase of prosocial products in order to pursue social or public interests, they come into conflict with their own interests and hesitate to sacrifice their private interests in favor of social interests (DeCremer & Van Dijk, 2004). Therefore, CSR information is not considered for purchase decisions and does not lead to purchasing, even though consumers evaluate those prosocial companies positively (Berens et al., 2005; Gürhan-Canli & Batra, 2004).

However, companies can overcome such a conflict in a purchase decision and enhance the influence of CSR efforts on the purchase decision of consumers by selecting the appropriate CSR domain. When the social values (e.g., equality, freedom and environment protection) represented in CSR activities are congruent with the consumer's values or when the CSR domain is related to the company's product category, the conflict decreases, leading to the purchase from prosocial companies (Collins et al., 2007; Madrigal, 2000; Madrigal & Boush, 2008; Sen & Bhattacharya, 2001). For example, consumers who are concerned about universalism regard a company's pro-environmental activities favorably and therefore intend to purchase products from this company compared to consumers who are not concerned about universalism (Collins et al., 2007). Because such consumers identify the social interests from pro-environmental activities as being aligned with their own interests, they do not feel conflicted and do consider the CSR information (i.e., pro-environmental activities) to be important in their purchase decision.

Concerning the appropriate selection of the CSR domain, Grau and Folse (2007) and Vanhamme et al. (2012) have focused on the proximity or scope of the CSR domain reflecting the physical proximity between CSR activities and consumers (Folse, 2007; Vanhamme et al., 2012; Varadarajan & Menon, 1988). Extant researches report that people conveyed a positive response toward CSR activities when the physical proximity was close rather than far. For example, people identified more with local or national CSR activities rather than with international CSR activities. Furthermore, they showed a more positive attitude toward CSR activities when the CSR activities were local rather than national or global, and they had more intentions to engage in helping behavior when the beneficiaries of their helping behavior were close to them rather than distant (Grau & Folse, 2007; Ross et al., 1990-1991; Vanhamme et al., 2012). These researches on physical proximity are based on the social exchange theory, which proposes that people build and maintain relationships based on the reward-cost ratio in order to maximize their own self-interest (Bagozzi, 1979). When the physical proximity is close (e.g., a company builds a local healthcare center), people perceive that they can obtain more tangible benefits from CSR activities and thus show a positive response toward CSR

activities compared to when the physical proximity is far (e.g., a company builds a healthcare center in another country).

Also, although we draw on the social exchange theory, we focus on the perceived proximity from the beneficiaries of CSR activities to consumers instead of the physical proximity. Even though the physical proximity is the same, if people perceive that the beneficiaries of CSR activities include the consumers themselves, they consider that the CSR proximity is near and they can obtain more tangible benefits from the CSR activities. As a result, it is easier for them to justify their purchases from prosocial companies and to avoid conflict during their consideration of this altruistic purchase decision, leading to a prosocial purchase decision. Conversely, if people perceive that the beneficiaries of CSR activities do not include the consumers themselves, they consider that the CSR proximity is far and therefore that they cannot obtain tangible benefits from the CSR activities. Consequently, it is hard for them to justify their purchases from prosocial companies and to avoid conflict during their consideration of this altruistic purchase decision, not leading to a prosocial purchase decision (Kim et al., 2014). Consistent with the physical proximity research (Grau & Folse, 2007; Ross et al., 1990-1991; Vanhamme et al., 2012), it is expected that the influence of CSR information on the purchase intention will be higher when the CSR proximity is perceived as close rather than far.

<H1> Purchase intention will be higher when the perceived CSR proximity is close rather than far.

2.2. Construal level and CSR proximity

CLT proposes that the psychological distance (e.g., temporal distance, spatial distance etc.) changes people's perception of events by altering the way people mentally represent those events (e.g., Fujita et al., 2006; Kivetz and Kivetz, 2006; Sthapit, Jo., and Hwang, 2016; Trope & Liberman, 2003). When people perceive an event as distant in time, they construe the event in terms of abstract features (e.g., "He was kind.") and focus on why the event needs to occur (e.g., "Exercise is done for the improvement of health and ultimately for happiness."). However, when people perceive an event as near in time, they construe the event in terms of concrete features (e.g., "He helped me to bring this book to my class.") and focus on how to carry out the event (e.g., "Exercise will be running for 30 minutes."). Also, the perceived temporal distance of an event influences the type of information upon which consumers place more weight for the evaluation. More specifically, the temporally near event is evaluated based more on low-level construals (i.e., concrete features, ways to reach an aim) rather than high-level construals (i.e., abstract features, reasons to reach an aim), whereas the temporally distant event is evaluated based more on high-level construals

rather than low-level construals (Freitas et al., 2004; Kim, Zhang, & Li, 2008; Liberman & Trope, 1998; Trope & Liberman, 2003).

2.3. Temporal distance and CSR proximity

CSR is classified into three types according to CSR initiatives: sponsorship, cause-related marketing (CRM), and philanthropy (Lii & Lee, 2012; Polonsky & Speed, 2001). Philanthropy is different from sponsorship and CRM because philanthropy involves social contribution and love for humanity while sponsorship and CRM involve marketing objectives. We focused on CSR initiative of philanthropy to investigate the difference between CSR proximities to beneficiaries who are not associated with marketing goals.

Social values, including freedom and equality, are usually represented as high-level construals or as abstract concepts. As temporal distance from an object increases and thus the object is represented more abstractly, people regard social values more prominently in their judgments and perceive moral acts as being more virtuous and immoral acts as being more offensive (Eyal et al., 2008; Eyalet et al., 2009; Ledgerwood et al., 2010; Trope & Liberman, 2003). By the same logic, when consumers see a purchase decision to be made in the distant future, they will tend to regard social values in their purchase decision and thus they consider the information about a firm's CSR efforts, which are related with the social interest, to be important for their purchase decision.

In summary, it is expected that when consumers consider a temporally distant purchase, they are more likely to consider not only their own interests but also social interests. Therefore, it is easy for consumers to justify their purchases from prosocial companies and to avoid conflict during their consideration of this altruistic purchase, diminishing the influence of the CSR proximity on the purchase intention.

In contrast, when consumers consider a temporally near purchase, their primary concern is attuned to product features, performance and price information, which are instrumental to their own interests or consumption goals, rather than the CSR information, which is unrelated to their consumption goals. Hence, it is not easy for consumers to justify their purchases from prosocial companies as well as to avoid conflict during their consideration of this altruistic purchase. Therefore, the effect of CSR proximity will remain. That is, consumers are more willing to purchase products from prosocial companies when the CSR proximity is perceived as close rather than far.

<H2> The temporal distance will moderate the effect of perceived CSR proximity on a purchase intention. Specifically, the effect of CSR proximity will disappear when the purchase decision is temporally distant, whereas such an effect will remain when

the purchase decision is temporally near.

2.4. Type of information and CSR proximity

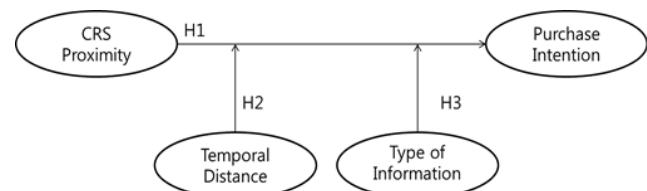
In contrast to the early research on CLT focusing on temporal distance (near future vs. distant future), recent research has proposed that CLT may hold not only for temporal distance, but also for other dimensions, including spatial distance (here vs. there), social distance (self vs. other) and the degree of certainty (certain vs. uncertain) (Fujita et al., 2006; Kim, Zhang, & Li, 2008; Kivetz & Kivetz, 2006; Trope & Liberman, 2003; Trope et al., 2007; Zhao & Xie, 2011). These various psychological distances determine the construal level and the persuasive type of information (e.g., concrete vs. abstract information; feasibility vs. desirability-related information). When consumers consider a temporally near purchase of a product, the purchase decision is construed at a low level; further, the information related with the low-level construals (e.g., concrete information, feasibility-related information, information about the way to purchase the product) is more effective to make the product attractive compared to the high-level construals (e.g., abstract information, desirability-related information, information about the reason to purchase the product) (Castano et al., 2008; Kim, Rao, & Lee, 2008; Liberman & Trope, 1998; Thomas et al., 2007; Trope & Liberman, 2003). Moreover, the type of information induces the construal level. When consumers are requested to visualize a purchase situation as being concrete, they construe the situation at a low level; however, when consumers are requested to visualize a purchase situation as being abstract, they construe the situation at a high level (Malkoc & Zauberman, 2006). Also, it could be assumed that when consumers are given concrete information, they construe the information at a low level, whereas when consumers are given abstract information, they construe the information at a high level.

In summary, it is expected that when people are requested to read abstract CSR information, they will represent the CSR information at a high level and are more likely to consider not only their own interests but also social interests. Consequently, it is easy for consumers to justify their purchases from prosocial companies as well as to avoid conflict during their consideration of this altruistic purchase, thereby diminishing the influence of CSR proximity on the purchase intention.

On the other hand, when people are requested to read concrete CSR information, they will represent the CSR information at a low level; furthermore, their primary concern is attuned to the product features, performance and price information, which are instrumental to their own interests rather than the CSR information, which is less related to their own interests. Thus, it is not easy for consumers to justify their purchases from prosocial companies and to avoid conflict during their consideration of this altruistic

purchase, maintaining the effect of CSR proximity. That is, consumers are more willing to purchase products from prosocial companies when the CSR proximity is perceived as being close rather than far. The hypotheses are summarized in <Figure 1>.

<H3> The type of information will moderate the effect of perceived CSR proximity on a purchase intention. Specifically, the effect of CSR proximity will disappear when the type of information is abstract while such an effect will remain when the type of information is concrete.



<Figure 1> Hypothesized conceptual model

3. Results

3.1. Method

3.1.1. Participants and design

A total of 185 undergraduate students from a university in Korea were recruited in exchange for extra course credits in an introductory marketing course. They were randomly assigned to the conditions of a 2 (CSR proximity: close vs. far) × 2 (temporal distance: near vs. distant) × 2 (information type: concrete vs. abstract) between-subjects design.

3.1.2. Procedure

The participants were given a survey booklet and were asked to read an ostensible news article about an artificial firm's CSR activities (i.e., planting trees in Neimenggu in northern China in order to prevent the desertification of Neimenggu) and the benefits resulting from the CSR activities. The CSR proximity and the information type were manipulated through the benefits. In the close [far] CSR proximity condition, the beneficiaries were Korean [Mongolian and Chinese], and in the concrete [abstract] information type condition, the benefits were depicted concretely [abstractly] (for details, see Appendix A). In order to manipulate the temporal distance, we asked the participants to assume that they were going to purchase a PC monitor within a week (near temporal condition) or six months later (distant temporal condition).

Then the purchase intention of a PC monitor

manufactured by this firm was assessed using two items (“I will purchase the PC monitor” and “It is likely that I will buy the PC monitor”), adopted from Putrevu and Lord (1994), on a seven-point scale (1=strongly disagree; 7=strongly agree; $\alpha = .73$). Subsequently, the participants responded to the manipulation check items. An information type manipulation was assessed using three items (“This article depicted the benefits of planting trees concretely [abstractly],” “The positive effect of planting trees is concrete [abstract],” and “The benefits of planting trees is concrete [abstract]”) on a seven-point scale (1=concrete; 7=abstract; $\alpha = .83$). In addition, the perceived CSR proximity manipulation was assessed using four items (“To what degree is this information associated with the interests of others?” “To what degree is this information focused on helping others?” “To what degree is this information associated with the interests of the purchaser?” and “To what degree is this information focused on helping the purchaser?”) on a seven-point scale (1=strongly disagree; 7=strongly agree). These items were adapted from White and Peloza (2009), and the CSR proximity manipulation index was created by reversing the scores of the last two items and averaging these reversed items with the first two items ($\alpha = .69$). Also, the participants responded to atemporal manipulation check item (“How much time do you feel is left before making the purchase?” 1=very little time; 7=very much time). The participants were then thanked and debriefed.

3.2. Manipulation checks

The participants in the abstract information type condition ($M=4.60$, $SD=1.16$, $n=91$) perceived the given information as more abstract than did those in the concrete information type condition ($M=3.61$, $SD=1.30$, $n=94$, $t(183)=-5.32$, $p<0.001$). Participants in the far CSR proximity condition ($M=4.55$, $SD=0.93$, $n=84$) perceived the proximity as more distant than did those in the close CSR proximity condition ($M=3.53$, $SD=0.67$, $n=101$, $t(183)=8.47$, $p<0.001$). Participants in the temporally distant condition ($M=4.98$, $SD=1.84$, $n=96$) perceived that there was more time left before making the purchase than did those in the temporally near condition ($M=4.40$, $SD=1.64$, $n=89$, $t(183)=-2.24$, $p<0.05$). Overall, it could be stated that the three manipulations were successful.

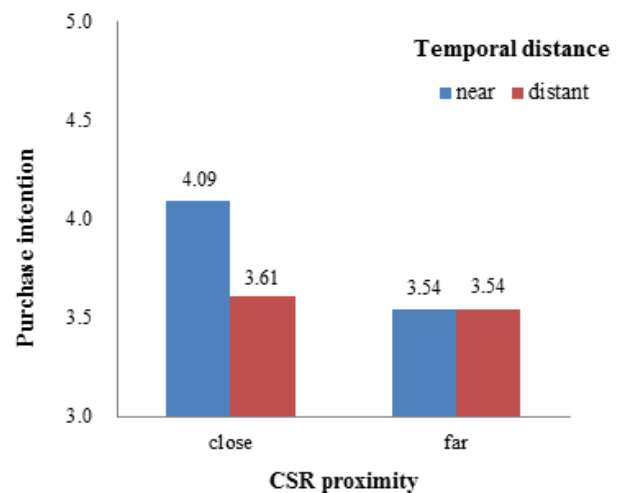
3.3. Test of hypotheses

To test the hypotheses, a 2 (CSR proximity: close vs. far) \times 2 (temporal distance: near vs. distant) \times 2 (information type: concrete vs. abstract) ANOVA was conducted on the purchase intention. The main effect of the CSR proximity was significant and more importantly, this effect was manifested by the predicted interaction effect of the CSR proximity and temporal distance and the interaction effect of the CSR proximity and information type (for each, $F(1,$

177)=5.67, $p<0.05$; $F(1, 177)=3.30$, $p<0.10$; $F(1, 177)=4.61$, $p<0.05$). More specifically, the participants displayed greater intent to purchase products in the close CSR proximity condition ($M=3.85$) than in the far CSR proximity condition, ($M=3.54$), thereby supporting <H1>.

As shown in <Figure 2>, follow-up contrasts revealed a difference in the temporally near condition, whereby participants displayed greater intent to purchase products in the close CSR proximity condition rather than in the far CSR proximity condition ($M_{close}=4.09$, $M_{far}=3.54$, $F(1, 181)=8.69$, $p<0.01$). Conversely, in the temporally distant condition, the purchase intention did not vary with the CSR proximity ($M_{close}=3.61$, $M_{far}=3.54$, $F(1, 181)<1$), thereby supporting <H2>.

Additional follow-up contrasts showed a difference in the close CSR proximity condition, whereby participants displayed greater intent to purchase products in the temporally near condition rather than in the temporally distant condition ($M_{near}=4.09$, $M_{distant}=3.61$, $F(1, 181)=7.65$, $p<0.01$). Conversely, in the far CSR proximity condition, the purchase intention did not vary with the temporal distance ($M_{near}=3.54$, $M_{distant}=3.54$, $F(1, 181)<1$).

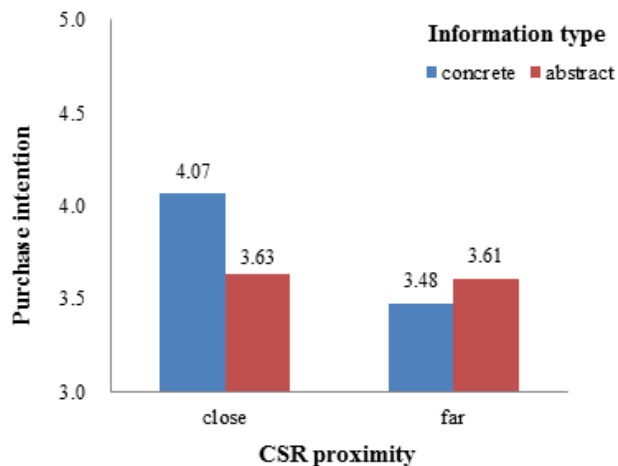


<Figure 2> Purchase intention as a function of CSR proximity and temporal distance

Also, as shown in <Figure 3>, follow-up contrasts showed a difference in the concrete information type condition, whereby participants displayed greater intent to purchase products in the close CSR proximity condition rather than in the far CSR proximity condition ($M_{close}=4.07$, $M_{far}=3.48$, $F(1, 181)=10.79$, $p<0.01$). Conversely, in the abstract information type condition, purchase intention did not vary with the CSR proximity ($M_{close}=3.63$, $M_{far}=3.61$, $F(1,181)<1$), thereby supporting <H3>.

Additional follow-up contrasts showed a difference in the close CSR proximity condition, whereby participants

displayed greater intent to purchase products in the concrete information type condition rather than in the abstract condition ($M_{concrete}=4.07$, $M_{abstract}=3.63$, $F(1, 181)=6.41$, $p<.05$). Conversely, in the far CSR proximity condition, the purchase intention did not vary with the type of information ($M_{concrete}=3.48$, $M_{abstract}=3.61$, $F(1, 181)<1$).



◀Figure 3▶ Purchase intention as a function of CSR proximity and information type

4. Discussion

This study aims to find ways to make CSR efforts in various domains lead to consumers' purchase of products. For this purpose, this study focuses on the perceived CSR proximity and examines the influence of the CSR proximity on the purchase intention; moreover, it studies the moderating role of the psychological distance. This research demonstrates that people have a greater intention to purchase products from a firm whose CSR proximity is perceived as close rather than far. This result indicates that, in accordance with the social exchange theory, people can obtain more tangible benefits from CSR activities and therefore wish to invest in a relationship with the firm by purchasing products from this prosocial company when people perceive that the beneficiaries of CSR activities include the consumers themselves.

Furthermore, this study shows that the psychological distance moderates the effect of the perceived CSR proximity on the purchase intention. When consumers construe a purchase decision at a high level by the far psychological distance (i.e., the temporal distance is far or the type of information is abstract), a firm's CSR efforts which are related with social values are considered as important for the purchase decision and thus the influence of the CSR proximity on the purchase intention disappears. Conversely, when consumers construe a purchase decision

at a low level by the near psychological distance (i.e., the temporal distance is near or the type of information is concrete), a firm's CSR efforts are not considered important for the purchase decision, and thus the influence of the CSR proximity remains.

4.1. Theoretical Implications

This research enriches the CSR literature by suggesting some ways to enhance the positive effect of CSR activities on consumers' purchase intention. This study focuses on the perceived CSR proximity and demonstrates that people have a greater intention to purchase products from a firm whose CSR activities are perceived as close rather than far. This result is consistent with those from previous researches, showing that people respond more positively toward physically and closely held CSR activities rather than distantly held CSR activities (Grau & Folse, 2007; Ross et al., 1990-1991; Vanhamme et al., 2012) and this study is more meaningful than previous researches for two reasons. First, this study reveals the importance of the perceived proximity as well as the physical proximity in the selection of the CSR location. We highlight the role of the perceived distance from the consumers to the beneficiaries of CSR activities, whereas previous researches suggest that companies should focus their CSR activities on a location close to their target consumers rather than far away from them. Second, the purchase intention is a more direct index of financial returns on investment in CSR activities compared to the other responses (e.g., identification with CSR activities; attitude toward CSR activities etc.); furthermore, a positive attitude toward a company does not always lead to a positive attitude toward a product or the purchase intention of the product (Brown & Dacin, 1997; Sen & Bhattacharya, 2001).

More importantly, this research extends the prior research on CSR proximity by suggesting the psychological distance as a moderator of the influence of the CSR proximity based on the construal level theory. Previous researches on CSR suggested that companies should focus their CSR activities on some domain that is related to the company's existing product category, corporate capability or the target consumer's personal values (Collins et al., 2007; Madrigal, 2000; Madrigal & Boush, 2008; Sen & Bhattacharya, 2001) or invest in local CSR activities than international CSR activities (Grau & Folse, 2007; Ross et al., 1990-1991; Vanhamme et al., 2012). However, this study demonstrated that companies need to consider the psychological distance when they invest in local or international CSR.

4.2. Managerial Implications

This research suggests some managerial implications for companies that are investing in CSR activities, as a way to both fulfill their societal obligations and to enhance their

profit (Babiak, 2010; Cone LLC., 2008, 2010; Lo, 2010; Smith, 2003). Previous research suggested that companies should select a CSR domain that is related to the company's existing product category, corporate capability or the target consumer's personal values (Collins et al., 2007; Madrigal, 2000; Madrigal & Boush, 2008; Sen & Bhattacharya, 2001), or a CSR location that is close to the target consumers (Grau & Folse, 2007; Vanhamme et al., 2012).

However, such a selection can cause a dilemma. The society requires companies to place their CSR efforts on more various domains, and moreover, the more needy locations are usually geographically far away from their target consumers. In this respect, companies need to execute various CSR activities in geographically far locations. Hence, this research provides insights for these companies as to how they can maximize the positive effects of CSR efforts on a purchase decision.

Most importantly, companies need to make consumers perceive that the beneficiaries of CSR activities include the consumers themselves. Moreover, companies need to consider consumers' construal level or induce an appropriate construal level via the psychological distance manipulation. For example, when a purchase decision is made temporally near, companies need to communicate the CSR proximity to be perceived as close rather than far. When social distance between beneficiaries of the CSR activities and consumers is near, managers need to close consumers' psychological distance to induce consumers' low-level construals. That is, it is necessary to provide concrete CSR information or to induce perceiving the purchase situation as temporally near. On the other hand, when social distance between beneficiaries of the CSR activities and consumers is far, managers need to make consumers' psychological distance to be far. This is because situations of far psychological distance do not reveal difference of intent to purchase according to social distance, but there is a possibility that increased temporal distance lowers participants' intent to purchase by increasing the uncertainty associated with purchase. Future studies need to investigate this possibility further.

4.3. Limitations and Further Research Directions

The current study has several limitations and some opportunities remain for future research. The discussion of limitations is divided into two parts: experimental design and research model.

First, undergraduate students were recruited for the current research and such samples might be difficult to generalize to real consumer settings. Even though undergraduate students are one of the major consumer segments of PC monitors in Korea, it is recommended that future studies use other samples for the generalizability of our findings. Second, generalization of this study's results would be limited because we used only one product type

(PC monitor) in our experiments. Further research needs to incorporate various types of products. For example, future research may analyze the effects of CSR activities on purchase intentions of products related to social identity. Third, CSR activities used in this study (i.e., planting trees in Neimenggu) are less related with the company's existing products (i.e., PC monitor). Given that when the CSR domain is related with the company's existing products or corporate capability, the positive effect of CSR efforts increases (Madrigal, 2000; Sen & Bhattacharya, 2001), it is recommended that future studies use both the CSR domains [un]related with the company's existing products and investigate the interaction among the relatedness, CSR proximity and psychological level. Fourth, this study used fictitious corporate brands and products in order to control the extraneous variables. Given that the information of a firm's CSR activities interact with the established image of the firm and that CSR activities become influential in consumers' purchase decisions over a long period of time, the results of this study, showing the participants' CSR information only once, need to be carefully interpreted. For the external validity of these results, field studies using real corporate brands and products are required. Fifth, our studies divided beneficiaries of the CSR activities into two groups, a group including oneself and a group excluding oneself. We suggest that in future studies, beneficiaries of the CSR activities may instead be divided into three groups: a close-knit group of consumers including oneself, a loose-knit group of consumers including oneself and a group excluding oneself. Such studies will be able to more closely examine the difference according to a gradual change.

And we focused on CSR initiative of philanthropy to investigate the difference between the CSR proximity to beneficiaries who were not associated with marketing goals. However, the effect of CSR proximity and psychological distance might differ depending on the type of CSR activities. Future research should study whether the type of CSR activities may moderate the effect of CSR proximity and psychological distance. Finally, it would be meaningful to verify the effect of consumers' subjective social distance instead of manipulating social distance. Consumers' perceptions of social distance will differ according to consumers' social status, stereotypes, worldviews social networks, etc.

Appendix: Experimental Stimuli - news article

Close CSR proximity, Abstract information type

Since 2003, TECH&ECHO Inc. has conducted the "Green Zone" campaign by planting trees in Neimenggu in northern China. This campaign aims to prevent the desertification of Neimenggu and eventually to decrease yellow-dust storms

originating in this area.

It is expected that this campaign will decrease the inflow of yellow dust from this area into Korea and therefore prevent yellow dust-related health problems of the Korean population and the precision industry of Korea.

Far CSR proximity, Concrete information type

Since 2003, TECH&ECHO Inc. has conducted the "Green Zone" campaign by planting trees in Neimenggu in northern

China. This campaign aims to prevent the desertification of Neimenggu and eventually to decrease yellow-dust storms originating in this area.

It is expected that this campaign will decrease the inflow of yellow dust from this area into China and Mongolia and therefore prevent yellow dust-related health problems (e.g., sore throat, asthma and rhinitis) of the Mongolians and Chinese and the precision industries (e.g., semiconductor) of Mongolia and China.

References

- Babiak, K., & Trendafilova, S. (2011). CSR and environmental responsibility: Motives and pressures to adopt green management practices. *Corporate social responsibility and environmental management*, 18(1), 11-24.
- Bagozzi, R. P. (1979). Toward a formal theory of marketing exchange, in O. C. Ferrel, B. Stephen & L. Charles (eds.), *Conceptual and Theoretical Developments in Marketing* (American Marketing Association, Chicago), 431-447.
- Berens, G., Riel, C. B. V., & Bruggen, G. H. V. (2005). Corporate associations and consumer product responses: The moderating role of corporate brand dominance. *Journal of Marketing*, 69(3), 35-48.
- Brown, T. J., & Dacin, P. A. (1997). The company and the product: Corporate associations and consumer product responses. *The Journal of Marketing*, 61(1), 68-84.
- Castaño, R., Sujan, M., Kacker, M., & Sujan, H. (2008). Managing consumer uncertainty in the adoption of new products: Temporal distance and mental simulation. *Journal of Marketing Research*, 45(3), 320-336.
- Collins, C. M., Steg, L., & Koning, M. A. (2007). Customers' values, beliefs on sustainable corporate performance, and buying behavior. *Psychology & Marketing*, 24(6), 555-577.
- Cone LLC. (2010). *2010 Cause evolution study*, Retrieved from <http://www.coneinc.com/research/archive.php>
- Cone LLC. (2008). *Past, present, future: The 25th anniversary of cause marketing*, Retrieved from <http://www.coneinc.com>
- Creyer, E. H. (1997). The influence of firm behavior on purchase intention: Do consumers really care about business ethics?. *Journal of consumer Marketing*, 14(6), 421-432.
- De Cremer, D., & van Dijk, E. (2002). Perceived criticality and contributions in public good dilemmas: A matter of feeling responsible to all?. *Group Processes & Intergroup Relations*, 5(4), 319-332.
- DiMaggio, P. J., & Powell, W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), 147-160.
- Eyal, T., Liberman, N., & Trope, Y. (2008). Judging near and distant virtue and vice. *Journal of experimental social psychology*, 44(4), 1204-1209.
- Eyal, T., Sagristano, M. D., Trope, Y., Liberman, N., & Chaiken, S. (2009). When values matter: Expressing values in behavioral intentions for the near vs. distant future. *Journal of Experimental Social Psychology*, 45(1), 35-43.
- Freitas, A. L., Gollwitzer, P., & Trope, Y. (2004). The influence of abstract and concrete mindsets on anticipating and guiding others' self-regulatory efforts. *Journal of experimental social psychology*, 40(6), 739-752.
- Fujita, K., Henderson, M. D., Eng, J., Trope, Y., & Liberman, N. (2006). Spatial distance and mental construal of social events. *Psychological Science*, 17(4), 278-282.
- Grau, S. L., & Folse, J. A. G. (2007). Cause-related marketing (CRM): The influence of donation proximity and message-framing cues on the less-involved consumer. *Journal of Advertising*, 36(4), 19-33.
- Gürhan-Canli, Z., & Batra, R. (2004). When corporate image affects product evaluations: The moderating role of perceived risk. *Journal of marketing research*, 41(2), 197-205.
- Hahn, Y., & Kim, D. (2016). Corporate social responsibility: A comparison analysis, *East Asian Journal of Business Management*, 6(4), 13-17
- Kim, K., Zhang, M., & Li, X. (2008). Effects of temporal and social distance on consumer evaluations. *Journal of Consumer Research*, 35(4), 706-713.
- Kim, H., Rao, A. R., & Lee, A. Y. (2008). It's time to vote: The effect of matching message orientation and temporal frame on political persuasion. *Journal of*

- Consumer Research*, 35(6), 877-889.
- Kim, M. S., Kim, D. T., & Kim, J. I. (2014). CSR for sustainable development: CSR beneficiary positioning and impression management motivation. *Corporate Social Responsibility and Environmental Management*, 21(1), 14-27.
- Kivetz, R., & Kivetz, Y. (2006). Reconciling mood contingency and mood regulation: The role of psychological distance, working paper (Columbia University, NY).
- Ledgerwood, A., Trope, Y., & Chaiken, S. (2010). Flexibility now, consistency later: psychological distance and construal shape evaluative responding. *Journal of personality and social psychology*, 99(1), 32.
- Lieberman, N., & Trope, Y. (1998). The role of feasibility and desirability considerations in near and distant future decisions: A test of temporal construal theory. *Journal of personality and social psychology*, 75(1), 5.
- Lii, Y. S., & Lee, M. (2012). Doing right leads to doing well: When the type of CSR and reputation interact to affect consumer evaluations of the firm. *Journal of business ethics*, 105(1), 69-81.
- Lo, S. F. (2010). Performance evaluation for sustainable business: A profitability and marketability framework. *Corporate social responsibility and environmental management*, 17(6), 311-319.
- Luchs, M. G., Naylor, R. W., Irwin, J. R., & Raghunathan, R. (2010). The sustainability liability: Potential negative effects of ethicality on product preference. *Journal of Marketing*, 74(5), 18-31.
- Madrigal, R. (2000). The influence of social alliances with sports teams on intentions to purchase corporate sponsors' products. *Journal of Advertising*, 29(4), 13-24.
- Madrigal, R., & Boush, D. M. (2008). Social responsibility as a unique dimension of brand personality and consumers' willingness to reward. *Psychology & Marketing*, 25(6), 538-564.
- Malkoc, S. A., & Zauberan, G. (2006). Deferring versus expediting consumption: The effect of outcome concreteness on sensitivity to time horizon. *Journal of Marketing Research*, 43(4), 618-627.
- Murray, K. B., & Vogel, C. M. (1997). Using a hierarchy-of-effects approach to gauge the effectiveness of corporate social responsibility to generate goodwill toward the firm: Financial versus nonfinancial impacts. *Journal of Business Research*, 38(2), 141-159.
- Polonsky, M. J., & Speed, R. (2001). Linking sponsorship and cause related marketing: Complementarities and conflicts. *European Journal of Marketing*, 35(11/12), 1361-1389.
- Ross III, J. K., Stutts, M. A., & Patterson, L. (2011). Tactical considerations for the effective use of cause-related marketing. *Journal of Applied Business Research*, 7(2), 58-65.
- Sen, S., & Bhattacharya, C. B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of marketing Research*, 38(2), 225-243.
- Smith, N. C. (2003). Corporate social responsibility: whether or how?. *California management review*, 45(4), 52-76.
- Sthapit, A., Jo, G. Y., & Hwang, Y. Y. (2016). Construal levels and online shopping: Antecedents of visits to and purchases from online retailers' websites. *The Journal of Industrial Distribution & Business*, 7(3), 19-25.
- Su, S., Jeong, Y. J., Choi, J. Y., & Kim, S. W. (2015). Effects of ethical management of retail enterprises in Korea on corporate image and purchase intention. *The East Asian Journal of Business Management*, 5(1), 27-35.
- Thomas, M., Chandran, S., & Trope, Y. (2007). The effects of information type and temporal distance on purchase intentions. *Samuel Curtis Johnson Graduate School of Management*, Cornell University.
- Trope, Y., & Liberman, N. (2003). Temporal construal. *Psychological review*, 110(3), 403.
- Trope, Y., Liberman, N., & Wakslak, C. (2007). Construal levels and psychological distance: Effects on representation, prediction, evaluation, and behavior. *Journal of consumer psychology*, 17(2), 83-95.
- Trudel, R., & Cotte, J. (2009). Does it pay to be good?. *MIT Sloan Management Review*, 50(2), 61.
- Vanhamme, J., Lindgreen, A., Reast, J., & Van Popering, N. (2012). To do well by doing good: Improving corporate image through cause-related marketing. *Journal of business ethics*, 109(3), 259-274.
- Varadarajan, P. R., & Menon, A. (1988). Cause-related marketing: A coalignment of marketing strategy and corporate philanthropy. *The Journal of Marketing*, 52(3), 58-74.
- Zhao, M., & Xie, J. (2011). Effects of social and temporal distance on consumers' responses to peer recommendations. *Journal of Marketing Research*, 48(3), 486-496.

