How customers respond to socially responsible business marketing

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Ike Silver, a Ph.D. candidate in the Wharton Marketing Doctoral Program, discusses his research on customer response to companies' social impact initiatives. The key lesson for companies? Don't wait.

Strengthening the role of business in creating a more inclusive, equitable, and sustainable global economy is Wharton Social Impact's mission. In our research and training programs, we are proud to recognize and build on the work of Wharton's extraordinary faculty and doctoral students.

In our "Social Impact Research Spotlight" series, we highlight recent research by Wharton professors and doctoral students whose research focuses on the intersection of business and impact.

This month, we spoke with Ike Silver, a Wharton doctoral candidate in marketing and psychology. Silver studies prosocial consumer behavior, moral and political marketing, and word-of-mouth.

Your study explores how consumers react to the order in which companies launch social impact initiatives. Why does order matter?

Silver: In almost every market, there are first movers, who pioneer new products, policies, and programs, and there are followers, who try to emulate and outmaneuver them. And there are well-known costs and benefits to being in each position.

Our paper demonstrates a new way in which entry order matters—a new "first mover advantage"—specific to greater good marketing activities (like cause marketing, corporate philanthropy, social activism, etc.) The first brands to do good are often thought to really care about the causes they support, while later entrants seem more calculating and disingenuous.

Why were you interested in researching this topic?

Silver: Consumers increasingly expect the brands they associate with to contribute to the greater good. In fact, a majority of consumers say they will pay more for products from brands that are socially responsible over competitors that aren't. But to be seen as socially responsible, brands need to do good and seem like they mean it. Cause marketing, corporate philanthropy, or social activism that seems like it is motivated by a desire to pad the bottom line draws sour reactions from consumers.

A really important question is, "What factors cause consumers to think that a brand 'really cares' or, conversely, that it has ulterior motives in contributing to the greater good?" Our paper provides one part of the answer: entry order—i.e., who does good first.

In a nutshell, what are your most important findings?

Silver: The most important thing we found is that there is a cost to being a prosocial follower. Copying another brand's greater good initiative—for example, by offering a similar cause marketing program or donating to a similar cause—leads consumers to wonder whether a brand has ulterior motives for doing good. This is because followers seem more opportunistic than first movers, like they are considering the risks and benefits in a more calculating, self-interested, and possibly inauthentic way.

What surprised you most?

Silver: One interesting thing we found was that originality can "fix" the perception that you are being a calculated copycat. In other words, if a competitor identifies an important and impactful cause, you might be better off finding your own cause than joining their cause, even if theirs is much more important from a social good perspective.

This surprised us because it meant that we had participants saying that

Cause A was much more important for society than Cause B, while also preferring followers who took up Cause B if it made their good deeds seem more original.

What is the most important lesson or takeaway for practitioners, policymakers, and/or other decision-makers?

Silver: The most obvious takeaway for managers is that if you want your brand to be seen as truly invested in the greater good, you should try to do good first (rather than wait until competitors have set a standard).

How do you see corporate social responsibility changing in the near future?

Silver: This is more speculative, but there seem to be two big shifts occurring in the social responsibility space right now.

One is that it is becoming much more crowded, with more and more brands adding a cause to their mission statement or a cause marketing strategy to their sales approach. Of course, we don't know whether these companies are driven by profits or purpose, but crowding does make it harder for them to get attention or signal authentic originality. Part of the issue is that being good is becoming more normal/expected and less "extra credit," which might mean there's more risk in not being socially responsible than added benefit from doing so.

The other big shift is that things are becoming more politically polarized, and social responsibility campaigns often intersect with charged issues (e.g., immigration, gun violence, COVID-19). Polarization makes trying to do good more complicated, and brands need to proceed carefully. Investigating these dynamics is an area of ongoing research. For now, it seems clear that, to consumers, being on the right side of these issues (or at least not being on the wrong side) is paramount.

More information: Ike Silver et al, Selfless First Movers and Self-Interested Followers: Order of Entry Signals Purity of Motive in Pursuit of the Greater Good, *Journal of Consumer Psychology* (2021). DOI: 10.1002/jcpy.1228

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