

School of Management and Marketing

**Binomial Identity of Luxury Brands:
The Role of Consumer Situational
Scepticism**

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Doctor of Philosophy
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Statement of Original Authorship

Declaration

To the best of my knowledge and belief, this thesis contains no material previously published by any other person except where due acknowledgement has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

The research presented and reported in this thesis was conducted in accordance with the National Health and Medical Research Council National Statement on Ethical Conduct in Human Research (2007) – updated in March 2014. The proposed research study received human research ethics approval from the Curtin University Human Research Ethics Committee (EC00262), Approval Number #**HRE2019-0747**.

Kevin Teah
03 April 2022

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I embarked on my PhD journey hesitant, apprehensive, and uncertain of the value and rewards awaiting at the end of this expedition. A lot has changed since.

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CHAPTER 1

ABSTRACT

Purpose: The purpose of the three studies in this thesis is to examine how consumer perceived corporate social responsibility (CSR) motives may influence situational scepticism towards luxury brands and its effects on brand resonance, resilience to negative information and consumer advocacy of luxury brands. The moderating role of perceived fit, perceived commitment, and principle-based entities toward luxury brand CSR initiatives is also investigated.

Design/Methodology/Approach: An experimental approach on a 2x2 matrix was used. Data is collected through a consumer panel.

Findings: Values-driven motives were found to lead to lower consumer situational scepticism and egoistic-driven motives would lead to higher levels of consumer situational scepticism. While higher consumer situational scepticism leads to lower brand resonance, there is no significant relationship between scepticism and resilience to negative information and consumer advocacy. The findings also suggest that perceived fit, commitment, and PBE, moderate the relationship between consumer situational scepticism to resilience to negative information and consumer situational scepticism to consumer advocacy.

Originality/Value: The key originality of the study is that it provides empirical insights into situational scepticism of CSR initiatives and its influence in consumer and management outcomes in luxury brands.

INTRODUCTION

BACKGROUND OF STUDY

The positive effects of corporate social responsibility (CSR) communication have been well-documented in recent luxury literature (e.g., Panigyrakis, Panopoulos, & Koronaki, 2020; Gallo, De Angelis, & Amatulli, 2020). Research by Deloitte (2017) has shown that young consumers will consider the sustainability and the ethical profile of luxury goods and services other than conspicuousness (e.g., Kang & Park, 2016; Siepmann, Holthoff, & Kowalczyk, 2021), quality (e.g., Butcher, Phau, & Teah, 2016; Duong & Sung, 2021), exclusivity (Kim & Lee, 2018), and social stratification (e.g., Wang, 2016; Chan & Northey, 2021) in their decision making in luxury consumption.

However, many recent media reports of companies engaging in corporate malpractice despite portraying good corporate citizenship have caused consumers difficulty in distinguishing between ethical and unethical companies (Skarmeas & Leonidou, 2013). Thus, consumers tend to question a company's CSR initiatives and are becoming increasingly sceptical towards their motives regarding CSR involvement (Tarabashkina, Quester, & Tarabashkina, 2020; Fernández, Hartmann, & Apaolaza, 2021). Luxury brands are further faced with values that conflict with CSR values (such as Hedonism and Utilitarianism), causing a disfluency further increasing scepticism in consumers (Torelli, 2018; see Binomial Identity Values). However, the deficiency of literature in the area has prompted many researchers to call for more studies to examine consumer situational scepticism toward CSR initiatives of luxury brands (e.g., Amatulli, De Angelis, Korschun, & Romani, 2018).

Recent media reports show that luxury brands are often caught in environmental scandals such as burning out-of-season apparel (Paton, 2018; Napier & Sanguinetti, 2018), production of resource-

intensive fast fashion (Bhardwaj & Manchiraju, 2017; Brooks, 2019), animal and human right violations (e.g., blood diamonds (Mueller-Hirth, 2017; Saunders & Nyamunda, 2016), mink farming (Bonesi & Palazon, 2007; Donato Amatulli & De Angelis, 2019), and slave/child labour (Kourula & Delalieux, 2016; Thévenon & Edmonds, 2019). As such, many industries have increased regulations to legitimise the practice of these companies (Nwagbara & Belal, 2019) which has compelled existing luxury brands with resistant infrastructure and values to adapt to the rapidly changing, ethical-centric consumer landscape. However, this gradual change invites further scrutiny and consumer scepticism towards the motives of luxury brands' CSR initiatives (Du, Bhattacharya, & Sen, 2010a; Ferrero, Michael Hoffman, & McNulty, 2014; Jones & Wicks, 1999; Kim & Ferguson, 2014).

In addition to the challenges of consumer scepticism towards a brand's motives behind CSR initiatives faced by non-luxury brands, luxury brands are faced with another major challenge because of the inherent difference between CSR values and luxury values (Kapferer, 2012). Kapferer (2012) posits that the core values of luxury lie in irrationality, excess and inequality. These are not compatible with the values of CSR, which represents rationality,



Figure 1: Protests against the unethical fashion practices

Source:

<https://www.businessoffashion.com/articles/luxury/luxury-brands-burn-unsold-goods-what-should-they-do-instead/>

moderation, and equality through frugal consumption. As such, luxury purchases appear to be the antithesis to CSR. This notion is in alignment with Anido Freire & Loussaïef (2018) who posit the paradoxical binomial identity values of CSR and luxury. For instance, a non-luxury handbag is a fraction of the cost of a luxury handbag, but the functional values of both handbags are the same. Luxury means excess, whereas sustainability invites us to “meet the needs of the current generation without compromising the future generation's ability to meet theirs” (Brundtland Commission, 1987, 43.).



Figure 2: Unsold clothes ready to be burned
Source: <https://www.bbc.com/news/world-44968561>

Luxury also exhibits social distinction as seen throughout history through caste social stratifications (Holt, 1998). This disconnect between luxury and CSR leads to disfluency and an increase in doubt towards luxury brand motives when engaging in CSR initiatives (Ahn, 2015; Torelli & Kaikati, 2018b; Anido

Freire & Loussaïef, 2018).



Figure 3: The remains of a child's hand from the repercussions of blood diamond conflict
Source: <https://sites.bu.edu/daniellerousseau/2019/04/21/the-real-cost-of-diamonds/>

As such, established brands like LVMH are attempting to bridge the divide by actively incorporating values into their brand image through concerted communications of having their products made by artisans coming from impoverished, war-torn countries through their Maison/o and La Fabrique Nomade programs (Delorme, 2019). Furthermore, the birth of companies with an agenda to help parts

of society from its moment of inception have further escalated scrutiny to existing luxury brands particularly the rift between CSR and luxury values (Dart, 2004; Defourny, 2007). Many luxury brands gaining traction like The People Tree, Everlane, Kirrikin, Stella McCartney, and Patagonia have recently identified and capitalised on this opportunity. These companies are thus ‘born and bred’ to do CSR; unlikely to be seen by consumers as ‘jumping onto the CSR bandwagon’ or ‘greenwashing’ (Dekhili & Achabou, 2016; Saha & Darnton, 2005; Souza, Taghian, Lamb, & Peretiatko, 2007). These ‘Principle-based Entities’ (PBE) have principles to help parts of society as part of their brand DNA (Defourny, 2007). Companies and brands that have CSR values since inception (i.e., PBE), such as



Figure 4: Patagonia's CSR initiative aimed at sustainable apparel
Source: www.patagonia.com

Patagonia, Petit H, and Stella McCartney have been met with less consumer resistance towards their CSR endeavours (Burchell & Cook, 2013). For example, Patagonia, an apparel company that has CSR values since inception, launched an environmental program, Product Lifecycle Initiative, in 2010 and was met with great success (Reinhardt, Casadesus-Masanell, & Kim, 2010).

Conversely, Nike, an everyday apparel company, ran a similar environmental program but was met with failure whereby consumers saw Nike’s commitment as false advertising that was intended to mislead the public (Russell, Russell, & Honea, 2016). One key distinction between the two is the fact that Patagonia had CSR values at inception, but Nike did not. Patagonia’s successful outcome may be attributed to communication consistent with their perceived values, which are less likely to result in dissonant cognitions and thus evoke liking and positive attitude (Reber, Winkielman, & Schwarz 1998; Winkielman & Cacioppo, 2001; Winkielman et al. 2006).

In addition, luxury brands with non-PBE status such as Burberry, Louis Vuitton, and Hermes have seen mixed results from CSR communications on trust and brand image (Lee & Lee, 2018), particularly during crises. This lower trust and brand image toward non-PBE luxury brands further accentuate negative effects such as scepticism (Anido Freire & Loussaïef, 2018). As such, consumers care more about why companies engage in CSR efforts than what CSR effort is being conducted (Gilbert & Malone, 1995). In fact, consumers are less likely to question the underlying reasons behind CSR initiatives when companies with consistent values (PBE) practice CSR (Baumgartner, 2014; Tourky, Kitchen, & Shaalan, 2020).

PURPOSE, DELIMITATIONS AND SCOPE

This thesis investigates consumer Perceived Motives towards luxury brand CSR on Consumer Situational Scepticism. The thesis aims to understand a rising need to address consumer questions surrounding “why do companies engage in CSR” through questioning the motives of companies (Matten, 2006; Zasuwa, 2019). Other antecedents to scepticism such as familiarity, reactance, self-esteem, and psychological distance are outside the scope of this thesis. The outcomes of scepticism in this paper are focused on variables meaningful in a luxury context. The authors have chosen Brand Resonance, Resilience to Negative Information, And Consumer Advocacy. Other outcomes such as purchase intention, attitude towards the ad, and word of mouth were deemed inappropriate for a study on luxury. A based research framework is formed after having tested the endogenous and exogenous variables of Consumer Situational Scepticism. The thesis will expand to test the moderating effects of communication strategies namely Perceived Fit and Commitment. The moderating effects of Perceived Fit and Commitment are contextual background variables. Last, the thesis will test the moderating effects of Principle-based Entities on the base research model.

RESEARCH OBJECTIVES

With the parameters of the thesis established, the research objectives are as delineated below and accomplished in three studies.

Research Objective 1: To investigate the effects of Perceived Motives on Consumer Situational Scepticism through the following hypotheses:

H1a. Higher Values-driven motives lead to lower Consumer Situational Scepticism.

H1b. Higher Egoistic-driven motives lead to higher Consumer Situational Scepticism.

H1c. Higher Strategic-driven motives lead to higher Consumer Situational Scepticism.

H1d. Higher Stakeholder-driven motives lead to higher Consumer Situational Scepticism.

Research Objective 2: To investigate the effects of Consumer Situational Scepticism on key luxury-centric behavioural outcomes: a) Brand Resonance, b) Resilience to Negative Information, and c) Consumer Advocacy through the following hypotheses:

H2a. Higher Consumer Situational Scepticism leads to lower Brand Resonance.

H2b. Higher Consumer Situational Scepticism leads to lower Resilience to Negative Information.

H2c. Higher Consumer Situational Scepticism leads to lower Consumer Advocacy.

Research Objective 3: To develop a conceptual framework extending Skarmeas & Leonidou (2013) model to the context of the luxury industry and examining the moderating relationships of communication strategies (Perceived Fit and Commitment) (Study 1, 2) through the following hypotheses:

H3a. Perceived Fit moderates the relationship between Perceived Motives and Consumer Situational Scepticism and luxury-centric behavioural outcomes (Brand Resonance, Resilience to Negative Information, and Consumer Advocacy).

H3b. Commitment moderates the relationship between Perceived Motives and Consumer Situational Scepticism and luxury-centric behavioural outcomes (Brand Resonance, Resilience to Negative Information, and Consumer Advocacy).

Research Objective 4: To develop a conceptual framework by extending Skarmeas & Leonidou (2013) to the context of the luxury industry and examining the moderating relationship and effects of Principle-based Entities on the luxury research framework (Study, 3) through the following hypothesis:

H4. Principle-based Entities moderates the relationship between Perceived Motives and Consumer Situational Scepticism and luxury-centric behavioural outcomes (Brand Resonance, Resilience to Negative Information, and Consumer Advocacy).

OVERARCHING THEORIES UNDERPINNING RESEARCH

Shareholder vs Stakeholder Theory

Proponents of Shareholder theory subscribe to the ideology that the main responsibility of a company is to maximise shareholder wealth (Berle & Means, 1932; Friedman, 1962). Conversely, Stakeholder theory posits that the responsibility of a company lies beyond the Shareholders: community, employees, and environment.

Binomial Identity of Luxury Brands

Kapferer (2012) mentions that “the challenge for sustainable luxury is the fact that its symbolic nature of irrationality, excess and inequality is not aligned with the symbolic nature of sustainable development, which represents equalitarian and humanitarian values, and encourage us to be frugal in our consumption”.

Persuasion Knowledge Model

Three knowledge structures interact to shape persuasion coping knowledge (Friestad & Wright, 1994) and in turn Consumer Situational Scepticism. They are namely (a) persuasion knowledge, (b) agent knowledge, and (c) topic knowledge. The source of persuasion knowledge is culturally supplied folk wisdom which is the result of observing marketers and other persuasion agents, social interactions with family, friends and peers, conversations about how people are influenced, and commentary from the media on advertising and marketing.

Attribution Theory

Fiske & Taylor (1991) defines Attribution Theory (AT) when "...the social perceiver uses information to arrive at causal explanations for events. It examines what information is gathered and how it is combined to form a causal judgment". AT in the context of Corporate Social Responsibility (CSR) states that a consumer's perception towards a CSR initiative is determined by consumer perceived attributions regarding the company's motives (Walker, Heere, Parent, & Drane, 2010).

Social Judgement Theory

Social Judgment Theory (SJT) conceptualised by Sherif & Hovland (1980), posits that people process incoming information and develop attitudes toward said information. This information falls on a continuum of acceptance, leading to acceptance, maintained, or rejection. Lying in the centre of the continuum is the core beliefs, the anchor. People will accept information within reasonable distance from the anchor while concepts and information further away will likely be rejected (Griffin, Ledbetter, & Sparks, 2015).

Social Proof

Social proof is a psychological and social phenomenon wherein people copy the actions of others in an attempt to undertake behaviour in a given situation. The term was posited by Cialdini (1984), and the concept is also known as informational social influence. Social proof is considered prominent in ambiguous social situations where people are unable to determine the appropriate mode of behaviour and is driven by the assumption that the surrounding people possess more knowledge about the current situation (Cialdini, 1984).

Consistency Theory

Consistency Theory posits that people possess a general need to maintain cognitive consistency and are frustrated when unable to reconcile inconsistencies (Abelson, Aronson, McGuire, Newcomb, Rosenberg, & Tannenbaum, 1968; Abelson, 1983; Kruglanski, Jasko, Milyavsky, Chernikova, Webber, Pierro, & Di Santo, 2018).

Relationship Management Theory

Relationship management theory (Broom et al. 2000) postulates that the effective management of relationships between brands and consumers can increase beneficial results for both parties. Frequently used within the field of public relations to articulate the relationships between firms and customers. The theory asserts that effective relationship management is based primarily on perceptions of trust, commitment, and satisfaction between the brand and its publics (i.e., stakeholders; Hon & Grunig 1999).

Social Identity Theory

Social identity theory proposes that people tend to describe their self-descriptions in a social context and classify themselves and others into different social categories (Ashforth & Mael, 1989; Dutton et al., 1994; Tajfel & Turner, 1985). A person has a repertoire of memberships in different social categories consisting of nationality, political affiliation, sport team, or similar groups (Hogg et al., 1995).

KEY CONCEPTS AND DEFINITIONS

Value-driven Motives

A company's closely held "values" towards its place in the society's moral and ethical landscape can be perceived by consumers as Values-driven Motives (Ellen et al., 2000). Consumers perceive the company's actions are driven out of the company's values.

Ego-driven Motives

Egoistic-driven Motives is perceived by consumers that the company is abusing CSR initiatives to be manipulative rather than supportive (Ellen et al., 2006; Vlachos et al., 2009).

Stakeholder-driven Motives

Stakeholder-driven Motives is perceived by consumers that the company engages in CSR due to stakeholder pressure (Vlachos et al., 2009). The company is compelled to conform due to the expectations of stockholders, employees, and society as a whole.

Strategic-driven Motives

Strategic-driven Motives is perceived by consumers that the company is attempting to fulfil its corporate objectives while supporting the cause (Ellen et al., 2006; Vlachos et al., 2009). This win-win arrangement is the underlying incentive behind most for-profit companies engaging in CSR activities.

Consumer Situational Scepticism

Studies have shown that scepticism can be a personality trait and an ongoing state of disbelief (dispositional scepticism) (Boush et al., 1994; Obermiller & Spangenberg, 1998), or situational scepticism, which is largely dependent on the situation and context of the actor in question (Foreh & Grier, 2003; Mohr et al., 1998; Vanhamme & Grobben, 2009).

Resilience to Negative Information

Resilience to negative information refers to the extent to which consumers do not allow negative information about a company to diminish their general view of the company (Bhattacharya & Sen, 2004; Eisingerich, Rubera, Seifert, & Bhardwaj, 2011). Such behaviour occurs when a company has built “a reservoir of goodwill” and consumers experience an enhanced fit with the company's identity (Bhattacharya & Sen, 2003).

Consumer Advocacy

Consumer Advocacy differentiates itself from other similar constructs with the notion that it encompasses the consumers' willingness to assist others in having a positive brand experience (Chelminski & Coulter, 2011; Jayasimha & Billore, 2016). Consumer advocacy is more relevant to luxury brands for several reasons. First, luxury consumers seek information about the craftsmanship, artisan, and other consumers' memorable experience while evaluating a luxury brand (Phau & Prendergast, 2000).

Brand Resonance

Brand Resonance is a coveted marketing outcome in luxury products and services because it creates an emotional connection not commonly seen in non-luxury contexts. Constructs like purchase intention, are also not suitable mainly because luxury products are aspirational and purposefully priced just out of the consumer's reach.

RESEARCH DESIGN

This thesis consists of three studies that examined different types of communication strategies and contextual backgrounds. In Study 1, perceived fit between the brand and cause is examined. In Study 2, CSR commitment between the brand and cause is examined. In Study 3, the differences between a PBE and a non-PBE is examined. Each of the three studies follow a 2 (communication strategies) x 3 (type of brands) between-subject experimental design. The two-level communication strategy for the studies is high vs. low levels of perceived fit (Study 1), commitment (Study 2), and PBE (Study 3).

The three-level brand manipulation for the studies are (1) a non-fictitious luxury brand that is not born and bred to do CSR, (2) a fictitious luxury brand that is not born and bred to do CSR, and (3) a fictitious luxury brand that is born and bred to do CSR.

This study will be using non-fictional brand, Bulgari. Bulgari is an Italian luxury brand known for its jewellery, watches, fragrances, accessories and leather goods. While the majority of design, production and marketing is overseen and executed by Bulgari, the company does, at times, partner with other charities through cause-related marketing for CSR purposes. Bulgari is a part of LVMH Group and in line with the Group's view towards Corporate Social Responsibility, Bulgari is looking to measure Consumer Situational Scepticism in a luxury context through various communication contexts (Amatulli, De Angelis, Costabile, & Guido, 2017).

SIGNIFICANCE OF STUDY

Theoretical and Methodological Significance

- This thesis will develop a conceptual framework by extending a study by Skarmeas & Leonidou, (2013) to the luxury industry. With the rise of luxury brands increasing their CSR engagement, this conceptual framework aims to create the foundation for future studies in the luxury brand CSR space.
- This thesis is theoretically based on the Stakeholder Theory which conveys the importance of considering the stakeholders' position and interests in business decision making. As organizations are increasingly committed towards long-term CSR strategies, the study extends theory on how its CSR commitment can affect a brand, and in turn, affect consumer responses to marketing outcomes (e.g., Resilience to Negative Information and Consumer Advocacy).
- Taken from a consumer's perspective, the study provided insights as to the importance of CSR in enhancing Brand Resonance and negating negative consumer perceptions. In addition, the moderating roles of CSR Perceived Fit, Commitment, and PBE towards luxury brand CSR initiatives fundamentally addressed a gap within the research where most research has focused on FMCG or other non-luxury sectors (Amatulli et al., 2018; Dekhili & Achabou, 2016).
- This is the first study to look at Principle-based Marketing and Principle-based Entities. While the conceptualisation of PBE and PBM are in its infancy (the thesis used this construct on a contextual basis), this thesis has established a gap in the general CSR literature regarding the PBE phenomenon and the empirical testing of the moderating role of principle-based entities is of methodological significance.
- Methodologically, the study provided a comparison to prior research on the difference between luxury and non-luxury sectors (Perceived Fit, Commitment, PBE), thus reinforcing the need for CSR communication to treat luxury brands and non-luxury brands as separate areas of study. More importantly, this study is the first to compare communication strategies in the luxury industry.

Managerial Significance

- Specifically, the study has presented new knowledge by extending the critical role of Perceived Motives in shaping consumer perceptions (Consumer Situational Scepticism, Brand Resonance and Resilience to Negative Information), which can in turn influence action (advocacy), which may help managers cement the brand in the luxury space.
- The investigation on Perceived Motives is an important facet to consider in executing communication strategies that portray motives that are genuine and authentic to the brand's values (e.g., values-driven motives) as opposed to negatively received motives (e.g., egoistic-driven motives) that are still seen to be profiteering off CSR initiatives. In addition, this would impact on the design of communication campaigns and the communication channels.
- This thesis aims to provide alignment of CSR initiatives with the brand strategy, vision and product that could result in better consumer evaluations. The communication strategies tested in this study could be developed into a blueprint for companies to follow which may further into the formation of companies' internal CSR policies or government social policies.

THESIS STRUCTURE AND CHAPTER CONCLUSION

This thesis contains seven chapters detailing the process and documentation with the aim to fulfill the research objectives and to investigate the gaps in the research relating to the practice of CSR in luxury brands. The structure of this thesis is explained below.

This introductory chapter sets the premise and narrative as well as brief overview of the thesis. Chapter 2 provides a comprehensive review of the literature relevant to the study. Starting off with the premise of this thesis, luxury brands and CSR followed by a review of the underlying philosophy of CSR engagement, the overarching theory of Stakeholder vs Shareholder theory. Next, the key concepts of the study such as Scepticism and Perceived Motives will be discussed. The chapter will then lead to identifying the antecedents of Consumer Situational Scepticism used in this thesis. The chapter then investigate luxury brand-centric, behavioural outcomes of Consumer Situational Scepticism, as well as the moderating variables of the framework, garnished with supporting theories for each inter-relational construct. Drawing from this critical review of the relevant literature, this chapter concludes with a detailed identification and justification of research gaps.

Chapter 3 provides a general overview of the methodology of the thesis. Specifically, it will detail the methods used in the three studies. First, a discussion of epistemology frames the basis and philosophical underpinning of the research design. Second, the research design is explained followed by a breakdown of the scales and measurements used in three studies. Third, stimuli used were detailed along with points of difference (between the three studies), pre-test studies, sampling frame, mode of data collection and finally ethical considerations.

Chapters 4, 5, and 6 are three studies written as three journal papers during the pursuit of this PhD. Each chapter starts with a preface highlighting justifications and significance of the publication. The publication details of each Paper is listed in the preface.

Chapter 7 synthesises findings from Paper 1, 2, and 3. The chapter provides a review and fulfillment of the research gaps and objectives followed by the general results. It is followed by the general discussion of the three studies. Finally, the chapter concludes with contributions, limitations and future directions, and concluding remarks.

CHAPTER 2

RELEVANT LITERATURE, THEORETICAL UNDERPINNINGS AND RESEARCH FRAMEWORK

INTRODUCTION

This chapter provides a comprehensive review of the literature relevant to the study. Starting off with the premise of this thesis, luxury brands and CSR followed by a review of the underlying philosophy of CSR engagement, the overarching theory of Stakeholder vs Shareholder theory. Next, the key concepts of the study such as Scepticism and Perceived Motives will be discussed. The thesis will then lead to identifying the antecedents of Consumer Situational Scepticism used in this study. Lastly, this study will look at and luxury brand-centric, behavioural outcomes of Consumer Situational Scepticism, as well as the moderating variables of the framework, garnished with supporting theories for each inter-relational construct. Drawing from this critical review of the relevant literature, this chapter concludes with the identification and justification of research gaps.

LUXURY BRANDS AND CSR

Luxury brands definition

While the term luxury may be as old as civilisation itself (Phan, Thomas, & Heine, 2011), identifying objective parameters of luxury brands is difficult because luxury is relative (Mortelmans, 2005), changes over time (Cristini et al., 2017), and is subjective (Shukla et al., 2016; Tynan et al., 2010). As such, the branding literature surrounding luxury has yet to form a consensus on the term “luxury” (Aliyev et al. 2018). Currently, luxury is understood largely by its defining characteristics (Keller, 2009; Roncha et al., 2015) such as social status and prestige (Bastian et al., 2009; Kapferer, 1998; Keller, 2009). Studies in the luxury brand literature have established a higher sense of brand community and advocacy (Shaari, & Ahmad, 2017; Parrott, Danbury, & Kanthavanich, 2015; Shimul & Phau, 2018), increased levels of brand resonance (Husain, Paul, & Koles, 2022; Kang, Koo, Han, & Yoo, 2022; Shaari, & Ahmad, 2017), increased levels of support for the brand (Zarei, Feiz, & Moradi, 2020; Japutra., Ekinici, & Simkin, 2018), and increased expectations (Kapferer, & Valette-Florence, 2021; Kapferer, & Michaut, 2015; Phau, & Prendergast, 2000). Luxury brands have increased consumer expectations not just in the form of product and service quality, but also its impact on the community and society (Janssen, Vanhamme, Lindgreen, & Lefebvre, 2014; De Angelis, Adıgüzel, & Amatulli, 2017).

To meet consumer demand for ethical consumption, many luxury brands have incorporated sustainability as a principle direction for branding: brand image building (e.g., Faraoni, 2021; Ding, & Legendre, 2022), creating brand equity (e.g., Muniz & Guzmán, 2021; Siddiqui, 2022), and brand loyalty (e.g., Fetais, Algharabat, Aljafari, & Rana, 2022; Shahid, Paul, Gilal, & Ansari, 2022), and communications: advertising and message appeals (e.g., Han et al., 2017, Jang et al., 2012; Nallaperuma, Septianto, & Bandyopadhyay, 2021; Quach, Septianto, Thaichon, & Nasution, 2022). However, luxury brand CSR is not without its challenges. Luxury brands have to contest with conflicting values between CSR and luxury (see CSR-luxury paradox in Wong & Dhanesh, 2017; Muniz, & Guzmán, 2021), logistic and supply chain issues (Fernie, & Sparks, 2018; Towers, Perry, &

Chen, 2013), and consumer scepticism (Teah, Sung, & Phau, 2021; Osburg, Davies, Yoganathan, & McLeay, 2021). More research in branding and consumer psychology is required to overcome these challenges (Amatulli, De Angelis, Korschun, & Romani, 2018).

Recently, luxury brands and houses like LVMH and Hermès have been more vocal in their communications towards CSR involvement (Anido Freire & Loussaïef, 2018). For example, LVMH have communicated their CSR involvement by having certain products made by artisans coming from impoverished, war-torn countries through their Maison/o and La Fabrique Nomade programs (Delorme, 2019). Hermès launched an upcycled, CSR-inspired brand extension, Petit H to cater for the rising ethical consumerism in luxury products (Lee & DeLong, 2018). Many luxury brands like The People Tree, Everlane, Kirrikin, Stella McCartney, and Patagonia also exhibited strong CSR commitments towards people and planet.

Corporate Social Responsibility (CSR)

The underlying proposal behind CSR is that corporations are connected to the rest of society and should act ethically and responsibly toward members of the society. This study has adopted Carroll's (1979, 1991) conceptualization of CSR. According to Carroll (1979), "the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time". CSR requires managers of a company to allocate resources to promote the welfare of members of the greater community. This can include socio-economically disadvantaged individuals, future generations, wildlife, environment, etc.). CSR is commonly used to provide a competitive advantage to the company. Studies have shown that promoting the welfare of members of the greater community is beneficial for long-term growth (e.g., Huang, Cheng, & Chen, 2017; Gareil, & Petit-Romec, 2021). However, allocating resources for the welfare of community members comes at a cost of immediate shareholder profits.

Stakeholder vs Shareholder Theory

Proponents of Shareholder theory subscribe to the ideology that the main responsibility of a company is to maximise shareholder wealth (Berle & Means, 1932; Friedman, 1962). Conversely, Stakeholder theory posits that the responsibility of a company lies beyond the Shareholders: community, employees, and environment. The shareholder model has been criticized for encouraging short-term managerial thinking and condoning unethical behaviour. The focus on short-term profits over long-term planning has naturally caused companies to sacrifice future goodwill for present profits (Richard, Wu, & Chadwick, 2009). The criticisms towards shareholder theory are understandable because many proponents of shareholder theory compel managers to maximize the firm's profits (Keown, Martin, and Petty, 2008; Lasher 2008; Ross, Westerfield, and Jordan, 2008; Brealey, Myers, and Marcus, 2007; Melicher and Norton, 2007). Therefore, shareholder theory is criticised for its focus on short-term growth. Conversely, opponents of shareholder theory often recommend that firms balance the interests of shareholders against those of employees, customers, and other stakeholders when making business decisions (Freeman, 1984).

CSR stems from an ongoing debate regarding stakeholder theory and shareholder theory (Rugimbana et al., 2008). According to shareholder theory, a company is responsible exclusively to their shareholders (Cochran, 1994). Friedman (1999) is widely known around the world for his views of a firm being solely responsible to their shareholders. The ideology is that a company should strive to return profits to shareholders and the shareholders will decide whether they wish to act socially and donate to charities. He argues that no manager should decide on behalf of the shareholders on how to deal with their profits and how to distribute part of it among CSR activities. Likewise, scholars think that if managers spend money on social causes, it is akin to 'stealing' the shareholders' money (Philips, 2004). In essence, shareholder theory suggests that profit maximization should be the only concern for the company. In fact, renowned investor, Warren Buffett, is a staunch supporter of the shareholder model (Hagstrom, 2013; Cunningham, 2019). Interestingly, Ruf et al. (1998) argue that spending corporate profits on social causes is justified only if it leads to higher economic value and returns.

On the other hand, there is the stakeholder theory which emerged in defiance of shareholder theory (Windsor, 2001). Stakeholder theory advocates that companies are accountable to a variety of different stakeholders, which may include consumers, employees, shareholders, government, society, rivals, and suppliers. Thus, companies should always try to balance the interests of these different groups (Van Marrewijk, 2003). The term ‘stakeholder’ arose as an opposition to the term ‘shareholder’ to clarify that there are other groups of people who have a ‘stake’ in a company (Goodpaster, 1991). Anyone who can affect or is affected by a company’s operations is a stakeholder. Whilst investors have a grounded stake towards a company because they have invested their money; in the same way there are employees, consumers and society who have also invested their time, skills and knowledge in the company (Deck, 1994). Furthermore, shareholders risk their money if a company fails the same as employees risk their job, pension, and benefits (Post et al., 2002). Stakeholder theory has garnered support from consumers because of the emotional resonance it creates with many people (Smith, 2003). Research has also shown that companies adopting the stakeholder model have outperformed companies implementing the shareholder model in financial soundness (How, Lee, & Brown, 2019), in firm performance (Harrison & Wicks, 2013), in brand value (Kim, Chun, & Wang, 2021), in consumer evaluations (Hodgkins, Rundle-Thiele, & Knox, 2019), and in employee morale (Cordeiro & Tewari, 2015).

CSR AND COMMUNICATION

CSR is a useful tool for companies to engage in environmental and social projects and is, moreover, an effective marketing tool which gains more and more popularity within companies (Schiefelbein, 2012). However, CSR communication is a difficult undertaking because it can backfire (Du, Bhattacharya, & Sen, 2010b; Wong & Dhanesh, 2016). In fact, some scholars argue that CSR communication should be studied in its own right (Chaudhri, 2016; Ihlen, Bartlett, & May, 2011). For this reason, the right CSR communication strategy is essential to effectively influence consumer attitude and behaviour (Kim & Ferguson, 2014). The importance of these strategies is accentuated for companies in the luxury industry as they embark on mass-marketing strategies, engaging a fast-widening pool of stakeholders who are increasingly socially and environmentally conscious (Bain & Company, 2015; Kapferer, 2015).

The introduction of CSR reports has allowed companies to communicate their CSR initiatives to the public which may, in turn, lead to positive evaluations of the company. These positive marketing outcomes of CSR communication have been well-documented (Dekhili & Achabou, 2016; Kim, Nobi, & Kim, 2020; Loudiere & Tessier, 2020; Tarabashkina et al., 2020), which have led to a gain in CSR popularity as an effective marketing tool (Schiefelbein, 2012). When managed properly, CSR can elicit more positive evaluations towards companies supporting important social causes (Lichtenstein, Drumwright, & Braig, 2004), increase coveted marketing outcomes such as brand loyalty and positive word-of-mouth/advocacy behaviours (Du, Bhattacharya, & Sen, 2007), and may even cushion negative publicity (Klein & Dawar, 2004). Yet, there is ambiguity surrounding the communication of CSR initiatives. Decisions involving CSR commitment (Khan, Awan, & Ho, 2016), the fit between brand and charity (Das, Mukherjee, & Smith, 2018; Ratnakaran & Edward, 2019; Wang & Lee, 2018), and channels of dissemination (Dunn & Harness, 2019) among others are often met with uncertainty.

Communications of CSR activities not only boost purchase intentions but also enhance evaluations of the company or brand (e.g., Sen and Bhattacharya 2001), its new product introductions (e.g., Brown

and Dacin 1997), and other products in its portfolio (e.g., Biehal and Sheinin 2007). Further, CSR can elicit a more favourable response to causes supported by the company (Lichtenstein, Drumwright, and Braig 2004), increase loyalty and advocacy behaviours (Du, Bhattacharya, and Sen 2007), and even result in a less severe response to negative publicity (Klein and Dawar 2004). There are numerous studies on CSR communications in a non-luxury context. However, few studies provide empirical data in luxury brands.

CSR as a marketing tool has been well established in the literature (Dekhili & Achabou, 2016; Kim & Lee, 2018; Kim et al., 2020). CSR provides the platform for companies to undertake pro-bono projects focussed on people and planet which may in turn increase the company's consumer evaluations (Rim & Kim, 2016; Sengabira, Septianto, & Northey, 2020). CSR has also been shown to increase brand loyalty and advocacy behaviours (Castro-González, Bande, Fernández-Ferrín, & Kimura, 2019; Shimul & Phau, 2018). The values showcased by CSR undertakings may also resonate with consumers' values (Nwankwo, Hamelin, & Khaled, 2014; Wang, 2016). Therefore, there is strong support to indicate a positive correlation between CSR engagement and consumer evaluations (Rim & Kim, 2016; Sengabira et al., 2020). However, there are many uncertainties surrounding the communication of CSR endeavours (Cavender, 2018; Kim & Lee, 2018). Failure to adequately communicate these nuanced and sensitive nature of CSR endeavours may cause the intended positive effect to backfire (Connors, Anderson-MacDonald, & Thomson, 2017; Japutra, Ekinici, & Simkin, 2018). For example, Eisingerich et al. (2011) showed that scepticism towards the company's CSR communication can cause consumers to not only refuse to accept positive information regarding the brand but may even see positive information in a negative light.

Binomial Identity of Luxury Brands

CSR communication in the luxury industry faces another challenge to reduce scepticism because Perceived Motives are generally negative due to the binomial identity between CSR and Luxury

(Kapferer, 2012). Kapferer (2012) mentions that “the challenge for sustainable luxury is the fact that its symbolic nature of irrationality, excess and inequality is not aligned with the symbolic nature of sustainable development, which represents equalitarian and humanitarian values, and encourage us to be frugal in our consumption”. The following table are examples of these contradictions.

Figure 2.1 – Comparisons between luxury values and CSR values (Anido Freire & Loussaïef, 2018)

Luxury	CSR
Hedonism	Altruism
Superficiality	Responsibility
Wants	Needs
Ostentation	Moderation
Self-enhancing	Self-transcendence
Social Distinction	Equality
Excess	Frugality
Emotions	Rationality

Luxury purchases are, by definition, irrational (Kapferer, 2012). A non-luxury handbag is a fraction of the cost of a luxury handbag, but the functional values of both handbags are the same. Irrationality can be seen as buying something not function, but for other reasons that are symbolic and/or hedonistic. Thus, luxury is bought out of emotions, not rationality. Luxury also means excess, whereas sustainability invites us to “meet the needs of current generation without compromising the future generation’s ability to meet theirs” (Brundtland commission, 1987). Luxury also exhibits social distinction as seen throughout history through caste social stratifications (Holt, 1998). CSR focuses on planet and people, and not only profit (Rinaldi, 2012). Among other identity values between Luxury and CSR, this disconnect causes disfluency and a decline in evaluations (Ahn, 2015; Torelli & Kaikati, 2018b).

The Binomial Identity Values of Luxury and CSR, coupled with recent reports and media coverage of fraud and scams (e.g., Ponzi schemes, identity theft, phishing), environmental scandals (e.g., Volkswagen Diesel-gate), wastage (e.g., Burberry), and environmental disasters (e.g., BP in the Gulf of Mexico), revealed the underbelly of corporate misfeasance, misconduct, and wrongdoing despite portraying good corporate citizenship. This has made consumers believe that most companies subscribe to “Shareholder Theory”, profit maximisation at all costs (Du, Bhattacharya, & Sen, 2010a; Ferrero, Hoffman, & McNulty, 2014; Jones & Wicks, 1999; Kim & Ferguson, 2014). These actions have created a society whereby consumers are sceptical towards the motives and actions of companies (Ellen, Webb, & Mohr, 2006; Foreh & Grier, 2003; Wood, 2000).

Principle-based Marketing

In order to bridge the gap between binomial identity values, scepticism and the advent of CSR and the rise of ethical consumerism has given birth to companies with an agenda to help parts of society from its moment of inception (Dart, 2004; Defourny, 2007). These companies are thus “born and bred” to do CSR; unlikely to be seen by some as “jumping onto the CSR bandwagon” or “greenwashing” (Dekhili & Achabou, 2016; Saha & Darnton, 2005; Souza, Taghian, Lamb, & Peretiatko, 2007). These “Principle-based Entities” have principles to help parts of the society as part of their brand DNA (Defourny, 2007). However, there is a gap in literature addressing marketing activities done by these Principle-based Entities. Similar terms used in CSR in a marketing context for example are “Stakeholder Marketing” which is “activities and processes within a system of social institutions that facilitate and maintain value through exchange relationships with multiple stakeholders” (Bhattacharya & Korschun, 2008; Hult, Mena, Ferrell, & Ferrell, 2011), and “Cause-related Marketing” which is defined by Adkins (2007) as “a commercial activity by which businesses and charities or good causes form a partnership with each other to market an image, product or service for mutual benefit”. Stakeholder marketing identifies values and interests of a community with the purpose of developing

mutually beneficial relationships between brand and community but does not account for the incongruent values between brand and community. CRM allows brands to dabble in CSR and philanthropy through a charitable vehicle (e.g., Mastercard and United Nations World Food Programme for the Brazil World Cup) which is conducted with the help of a third-party charity which may transfer notions of CSR through association. These terms do not encompass the marketing aspect of innate principles found within Principle-based Entities. Therefore, it is crucial for existing luxury companies to understand marketing efforts from these Principle-based Entities and the potential threats they face when Principle-based Entities encroach into the luxury market space. The current study compares Principle-based Entities who are “born and bred” to do CSR vs. Luxury Brands who have recently adopted CSR. Principle-based entities engaging in CSR initiatives have been shown to have lower levels of scepticism compared to their counterpart (Rapp & Mikeska, 2014). For instance, Patagonia, an apparel company born and bred in CSR principles, have higher consumer evaluations when engaging in CSR compared to companies that are not born and bred in CSR principles such as North Face, Columbia Sportswear, Puma, and GAP (Rapp & Mikeska, 2014; Shen, Li, Dong, & Perry, 2017; Lozada, 2020).

Principle-based marketing focusses on the values, DNA, and philosophies of the brand that is at the very core of its identity. Against this backdrop, there is a gap in the literature addressing marketing activities conducted by PBEs and to our knowledge, there is no existing empirical research on how PBE status (i.e., born-and-bred vs. non-born-and-bred) affects consumer responses toward luxury CSR. This research is particularly important in a luxury vs non-luxury setting due to the distinction between the values and principles of luxury and CSR. While non-luxury companies can adopt CSR values quite naturally, luxury brands must contend with the binomial identity values between CSR and luxury. Furthermore, recent research has established that CSR activities are more effective when paired with hedonic rather than utilitarian products (Baghi & Antonetti, 2017). This justifies the focus and emphasis on CSR in the context of luxury consumption due to its hedonic nature. As such, this thesis attempts to shed light on the importance of PBE status in the luxury industry by examining how PBE status

moderate the effects of Perceived Motives on consumer scepticism as well as its spill over effects on brand equity.

KEY CONCEPTS

Scepticism

In general, scepticism refers to a person's tendency to doubt, disbelieve, and question (e.g., Boush, Friestad, & Rose, 1994; Foreh & Grier, 2003). Studies on scepticism span multiple disciplines from psychology to philosophy, sociology to business (McGrath, 2011; Taber & Lodge, 2006; Owen-Smith, 2001; Forgas & East, 2008). In a marketing context, scepticism in the realm of advertising, promotion, and public relations focuses on how scepticism acts as a barrier blocking out marketing communications (Boush et al., 1994; Obermiller, Spangenberg, & MacLachlan, 2005). Generally, studies in the marketing context shed light on lowering consumer scepticism in marketing communication (Amawate & Deb, 2019; Foreh & Grier, 2003; Varadarajan & Menon, 1988). Some literature on scepticism have looked at scepticism towards greenwashing, environmental claims, cause-related marketing, CSR communication, and CSR programs (Pirsch, Gupta, & Grau, 2007; Foreh & Grier, 2003; Mohr et al., 1998; Singh, Kristensen, & Villasenor, 2009; Vanhamme & Grobben, 2009).

The first studies on consumer scepticism sprouted from marketing and advertising more understanding was needed towards business or marketing (Gaski & Etzel, 1986), and consumer beliefs and attitudes towards advertising (Andrews, 1989; Muehling, 1987). Studies from Mangleburg & Bristol (1998) and Boush et al. (1994) conceptualised consumer scepticism towards advertising as 'disbelief in advertisement claims' and 'mistrust of advertiser's motives'. Obermiller and Spangenberg (1998) focused only on the aspect of the literal truth of advertising claims and accordingly defined scepticism as 'a tendency to disbelieve claims made by advertisers'. Mohr et al. (1998) took the dictionary definition of scepticism 'doubt about what others is saying or doing' in his work on motives and intentions and its effects on scepticism. Koslow (2000) supported this view and defined scepticism as 'a tendency to doubt and question advertising claims'. Further, Koslow argued that it is possible that consumers may question the claim and simultaneously believe in it tentatively, doubt and disbelief were differentiated and conceptualised scepticism as 'doubt' only. However, according to Morel & Pruyn (2003), scepticism not only indicates that a person is in doubt, but also the tendency to believe that the

claim or information is false rather than true. This view has been endorsed by Skarmeas and Leonidou (2013) and Skarmeas et al. (2014), whereby scepticism refers to doubting, disbelieving, and questioning towards advertising claims. On similar lines, Lunardo (2012) defined scepticism as a process of doubt and a lack of credibility.

Consumer scepticism towards marketing activities is a long prevailing phenomenon with studies on scepticism spanning multiple disciplines from psychology to philosophy and sociology to business (McGrath, 2011; Taber & Lodge, 2006; Owen-Smith, 2001; Forgas & East, 2008). Although scepticism is a common and significant consumer phenomenon, scepticism has not received enough research attention (Foreh & Grier, 2003; Skarmeas & Leonidou, 2013). This lack of clarity on scepticism can cause researchers to confuse it with dissonance, ambivalence, or distrust. As the scepticism literature requires further conceptualisation and definition of its dimensions (Ford et al., 1990; Foreh & Grier, 2003; Morel & Pruyn, 2003), the parameters of scepticism used in this study is adopted from Boush et al., (1994) whereby scepticism refers to a person's tendency to doubt, disbelieve, and question marketing communication. This conceptualisation of scepticism is commonly used in studies investigating CSR claims (Dunn & Harness, 2019; Koleva & Meadows, 2021; Schmeltz, 2017; Ting, Tsai, & Chen, 2020).

Calfee and Ringold (1994) were the first to present empirical evidence suggesting its widespread presence. They reviewed public opinion polls over 60 years in the USA and concluded that 70% of the people had been doubting the truthfulness of advertisements, consistently. In another study, Ipsos-Reid (2003) revealed that a mere 17% of respondents of a public opinion poll trusted the advertising industry in Canada. In a study in the UK conducted by Tenzer & Chalmers (2017), it was found that 69% of the respondents did not trust advertising. According to the Edelman Trust Barometer (2018) survey report, there is a decline in consumer trust in businesses globally.

In a marketing context, scepticism in the realm of advertising, promotion, and public relations focuses on how scepticism acts as a barrier blocking out marketing communications (Boush et al., 1994; Obermiller, Spangenberg, & MacLachlan, 2005). Generally, studies in the marketing context focus on lowering consumer scepticism in marketing communication (Amawate & Deb, 2019; Foreh & Grier, 2003; Varadarajan & Menon, 1988). Some literature on scepticism have looked at the negative effects on consumer outcomes of scepticism towards greenwashing, environmental claims, cause-related marketing, CSR communication, and CSR programs (Pirsch, Gupta, & Grau, 2007; Foreh & Grier, 2003; Mohr et al., 1998; Singh, Kristensen, & Villasenor, 2009; Vanhamme & Grobben, 2009). Further, scepticism can lead to a negative attitude towards promotional activities (Obermiller, Spangenberg, & MacLachlan, 2005), poor judgment about brands and products (Morel & Pruyn, 2003), and negative evaluation of a firm (Foreh & Grier, 2003) or retailer (Lunardo, 2012). As a result, scepticism lowers the purchase intentions for a product (Fenko, Kersten & Bialkova, 2015; Hardesty, Carlson, & Bearden, 2002; Manuel, Youn, & Yoon, 2014; Morel & Pruyn, 2003). Hence, a rise in negative consumer sentiment towards marketing and businesses means there is an urgent need to study the phenomenon of scepticism.

Scepticism differs from ambivalence which is defined as the simultaneous presence of positive and negative feelings towards an object (Chang, 2011). An ambivalent person is simultaneously experiencing and expressing contradictory feelings or beliefs. Hence, it makes it difficult for that person to make a buying decision, whereas a sceptic questions the truthfulness of something and tends to disbelieve it, in case he/she is not able to verify it. According to Chang (2011), scepticism is a predictor of attitude ambivalence. Further, ambivalence is affective in nature, whereas scepticism is cognitive in nature (Mohr et al., 1998; Sipilä, Tarkiainen, & Sundqvist, 2018).

Scepticism differs from (dis)trust. Trust is a positive expectation that the other party will work for your benefit, while distrust is an active expectation that the other party will cause harm (Cho, 2006). In the

context of advertising, trust is the assumption that the information provided in advertising communication is credible and reliable, resulting in consumers' willingness to engage in the intended behaviour (Soh, Reid, & King, 2009). Similarly, distrust has been conceptualised into dimensions of discredibility and malevolence. Discredibility consists of incompetence, dishonesty, and unreliability, and malevolence is the lack of commitment to welfare (Hsiao, 2003). Comparing scepticism with low trust or distrust (Skarmeas & Leonidou, 2013), the literature identifies that trust and distrust consist of cognitive (reliability and usefulness), emotional (affect), and behavioural (willingness to rely on) dimensions (Soh et al., 2009), whereas scepticism is only a cognitive response (Mohr et al., 1998). Moreover, (dis) trust refers to the appraisal of an object or a person as being (dis)honest or (un)reliable, and scepticism refers to an appraisal of the degree to which something is true (Morel & Pruyn, 2003). Hence, trust is of a person, in a relationship, of a brand, of a product or its advertisement (Soh et al., 2009), whereas scepticism is towards a claim, advertisement or a new product (Morel & Pruyn, 2003).

Situational vs Dispositional Scepticism

Studies have shown that scepticism can be a personality trait and an ongoing state of disbelief (dispositional scepticism) (Boush et al., 1994; Obermiller & Spangenberg, 1998), or situational scepticism, which is largely dependent on the situation and context of the actor in question (Foreh & Grier, 2003; Mohr et al., 1998; Vanhamme & Grobbs, 2009). This study has chosen to focus on Consumer Situational Scepticism because it is within the direct control of companies. Consumer Situational Scepticism can be controlled through manipulating message variables which can then influence persuasion and lead to consumer acceptance of claims (Yang & Hsu, 2017). Therefore, the disposition to doubt may differ from consumer to consumer, scepticism can result from situational factors (Foreh & Grier, 2003). Multiple studies have found that Perceived Motives as a strong predictor to scepticism; attributing self-serving motives to insincere intentions (Bronn & Vrioni, 2000; Kim & Lee, 2018; Skarmeas & Leonidou, 2013; Yang & Hsu, 2017). High scepticism has also been shown to result in unfavourable behaviour (Szykman et al. 1997). Therefore, the disposition to doubt may differ from consumer to consumer, scepticism can result from situational factors (Foreh & Grier, 2003).

Multiple studies have found that perceived motives as a strong predictor to scepticism; attributing self-serving motives to insincere intentions (Bronn & Vrioni, 2000; Kim & Lee, 2018; Skarmeas & Leonidou, 2013; Yang & Hsu, 2017). High scepticism has also been shown to result in unfavourable behaviour (Szykman et al. 1997).

Antecedents to Consumer Situational Scepticism

Consumer Situational Scepticism is scepticism stemming from environmental contexts and external factors of consumers (Foreh & Grier, 2003; Mohr et al., 1998; Vanhamme & Grobben, 2009). Consumer Situational Scepticism literature have identified multiple categories of antecedents. For instance, individual factors (dispositional) from demographics such as age (Moscardelli & Liston-Heyes, 2005; Obermiller & Spangenberg, 1998; Tan & Tan, 2007; Thakor & Goneau-Lessard, 2009), education (Obermiller & Spangenberg, 1998), and socio-economic status (Moscardelli & Liston-Heyes, 2005); personality traits such as self-esteem (Boush et al., 1994; Obermiller & Spangenberg, 1998; Tan & Tan, 2007), cynicism (Mohr et al., 1998; Obermiller & Spangenberg, 1998), and reactance (Thakor & Goneau-Lessard, 2009); and contextual factors (situational) from product-related factors such as perceived risk and price (Smith, 1990); claims of advertising formats such as credence (Feick & Gierl, 1996; Ford et al., 1990), objectivity and exaggeration (Feick & Gierl, 1996; Ford et al., 1990), prominence vs subtlety (Tutaj & van Reijmersdal, 2012), and number of claims (Shu & Carlson, 2014) as well as other factors such as Perceived Motives of the company (Foreh & Grier, 2003; Skarmeas & Leonidou, 2013; Vanhamme & Grobben, 2009; Leonidou & Skarmeas, 2017). Studies in CSR advertising (Skarmeas & Leonidou, 2013) and environmental claims (Mohr et al., 1998) have measured Consumer Situational Scepticism using mistrust towards advertiser's motive. Furthermore, multiple studies have found that Perceived Motives as a strong predictor to Consumer Situational Scepticism; attributing self-serving motives to insincere intentions (Bronn & Vrioni, 2000; Kim & Lee, 2018; Skarmeas & Leonidou, 2013; Yang & Hsu, 2017).

Perceived Motives

Several studies have been conducted, on the effect of stated and Perceived Motives of the firm, on Consumer Situational Scepticism in the corporate social responsibility domain. It has been found that Consumer Situational Scepticism ensues when a marketer's stated motives conflict with their apparent firm-serving motives (Foreh & Grier, 2003). Perceived Motives are attributed by consumers to companies and these responses will affect response (Boush et al., 1994; Campbell & Kirmani, 2000). Past literature in CSR suggests that there are two primary types of motives: (1) internal, firm/self-serving motives: motives that benefit the company, and (2) external, public-serving motives: motives that benefit people outside the company (Skarmas & Leonidou, 2013; Barone, Miyazaki, & Taylor, 2000; Foreh & Grier, 2003). Consumers typically perceive firm/self-serving motives negatively as they are tied to opportunistic or individualistic behaviour (Becker-Olsen, Cudmore, & Hill, 2006). Public-serving motives are seen in a more favourable light as they exhibit giving and benevolent intentions (Becker-Olsen, Cudmore, & Hill, 2006). CSR activities are complex. Consumers may identify causal inferences for CSR activities (Oberseder, Schlegelmilch, & Gruber, 2011). However, recent developments in the literature on motives in the context of CSR have expanded into Egoistic-driven Motives, Values-driven Motives, Strategic-driven Motives, and Stakeholder-driven Motives, four discrete inferences rather than the previous two inferences; self-versus public-serving motives (Ellen et al., 2006; Vlachos et al., 2009). For example, in 2017, Patagonia released a subversive "Don't buy this jacket" campaign on reducing environmental waste was seen as a campaign stemming from benevolent values-driven motive (Baghi & Gabrielli, 2013; Hwang, Lee, Diddi, & Karpova, 2016). On the other hand, in 2011, Bing, Microsoft's search engine, pledged to donate \$1 toward rescue efforts in the recent Japan earthquake for each follower retweet. It was seen a public relation stunt and was perceived as egoistic because the donations should be made to dire and urgent causes regardless of the number of retweets. (Morris, Counts, Roseway & Hoff, 2012).

The four Perceived Motives are as follows:

A) Values-driven Motives (purely ethical reasons)

A company's closely held "values" towards its place in the society's moral and ethical landscape can be perceived by consumers as Values-driven Motives (Ellen et al., 2000). Consumers perceive the company's actions are driven out of the company's values. Values-driven attributions are authentic in the desire to contribute to society and is an extension of the core DNA of the company's values (Becker-Olsen et al., 2006). Consumers are likely to accept these CSR efforts based on these attributions. A company's closely held "values" towards its place in the society's moral and ethical landscape can be perceived by consumers as Values-driven Motives (Ellen et al., 2000). Consumers perceive the company's actions are driven out of principle. Values-driven attributions are authentic in the desire to contribute to society and is an extension of the core DNA of the company's values (Becker-Olsen et al., 2006). Consumers are likely to accept these CSR efforts based on these attributions. It is therefore hypothesised in this thesis that Values-driven Motives has a significant negative relationship with Consumer Situational Scepticism.

B) Egoistic-driven Motives (to exploit rather than support the cause)

Egoistic-driven Motives is perceived by consumers that the company is abusing CSR initiatives to be manipulative rather than supportive (Ellen et al., 2006; Vlachos et al., 2009). It is the consumers' believe that the company is opportunistic with excessive intentions to profiteer from the CSR engagement. These intentions are viewed as unethical, failing to benefit the conveyed CSR initiative and social cause because the company is too invested in its own interest (Foreh & Grier, 2003; Vlachos et al., 2009). Such self-centred reasons increase consumer doubt and question CSR efforts. It is therefore hypothesised that in this thesis Egoistic-driven Motives has a significant positive relationship with Consumer Situational Scepticism.

C) Stakeholder-driven Motives (to please stakeholders such as stockholders, employees, and society)

Stakeholder-driven Motives is perceived by consumers that the company engages in CSR due to stakeholder pressure (Vlachos et al., 2009). The company is compelled to conform due to the expectations of stockholders, employees, and society as a whole. Stakeholder-driven motivations are seen as insincere because it is seen as an attempt to avoid punishment rather than a reflection of the company's true principles (Smith & Hunt, 1978). Therefore, stakeholder-driven attributions are likely to engender Consumer Situational Scepticism toward CSR. It is therefore hypothesised in this thesis that Stakeholder-driven Motives has a significant positive relationship with Consumer Situational Scepticism.

D) Strategic-driven Motives (achieve business objectives while supporting the cause)

Strategic-driven Motives is perceived by consumers that the company is attempting to fulfil its corporate objectives while supporting the cause (Ellen et al., 2006; Vlachos et al., 2009). This win-win arrangement is the underlying incentive behind most for-profit companies engaging in CSR activities. Strategic-driven motivations stem from the fact that a for-profit company needs to fulfil economically responsibilities to be viable for survival (Ellen et al., 2006). However, the economic reasoning, rather than the moral reasoning behind such giving may raise doubts in the consumer mind (Vlachos et al., 2009). This may cause consumer resentment because social causes are the realm of values and principles rather than profits (Hollender, 2004). It is therefore hypothesised in this thesis that Strategic-driven Motives has a significant positive relationship with Consumer Situational Scepticism.

In general, studies have found that attributions of Egoistic-driven and Stakeholder-driven Motives led to Consumer Situational Scepticism, while values-driven attribution prevented Consumer Situational Scepticism. Strategic-driven attributions had no impact on Consumer Situational Scepticism, which suggests that consumers are still tolerant of strategic motives for corporate social engagement.

Hence, it can be concluded that the negative reaction towards the marketing of corporate social activity is not because of the benefits that the firm receives from the activity, but rather due to the belief that the firm is being deceptive about its true motives. For example, in 2017, Patagonia released a subversive “Don’t buy this jacket” campaign on reducing environmental waste was seen as a campaign stemming from benevolent public-serving motive (Baghi & Gabrielli, 2013; Hwang, Lee, Diddi, & Karpova, 2016). On the other hand, in 2011, Bing, Microsoft’s search engine, pledged to donate \$1 toward rescue efforts in the recent Japan earthquake for each follower retweet. It was seen a public relation stunt and was perceived as opportunistic because the donations should be made to dire and urgent causes regardless of the number of retweets. (Morris, Counts, Roseway & Hoff, 2012). In another study on CSR, it was found that, during crisis situations, a company’s long history of CSR could reduce Consumer Situational Scepticism towards the company’s motives (Vanhamme & Grobbsen, 2009). Similarly, in the context of green marketing, it was found that, based on the green norms, a firm’s CSR belief, and history, if the consumer perceived that the firm was intrinsically motivated to develop green products, Consumer Situational Scepticism diminished (Leonidou & Skarmeas, 2017). Hence, consistency in CSR or green practices leads to a positive perception amongst consumers about the motive of a firm.

Theoretical Underpinning for Relationship Between Perceived Motives and Consumer Situational Scepticism

Persuasion Knowledge Model

The relationship between Perceived Motives and Consumer Situational Scepticism is supported by Persuasion Knowledge Model and Attribution Theory. Consumer Situational Scepticism is grounded in the persuasion knowledge model (PKM) given by Friestad and Wright (1994). According to PKM, when an individual encounters a persuasion episode, persuasion coping knowledge gets activated. Persuasion coping knowledge enables an individual to recognise, analyse, interpret, evaluate, and remember persuasion attempts, and to select and execute appropriate coping tactics. Therefore, when consumers are presented with persuasion attempts, they create knowledge from these persuasion goals and tactics. Consumers then use this knowledge to inform and skilfully cope with future persuasion attempts (Friestad & Wright, 1994).

Consumer Situational Scepticism is a cognitive coping mechanism which is an outcome of persuasion coping knowledge. In the process of coping, an individual judges how insulting, fair, manipulative, or respectful a persuasion attempt is. It is from this judgement that Consumer Situational Scepticism emanates. Three knowledge structures interact to shape persuasion coping knowledge (Friestad & Wright, 1994) and in turn Consumer Situational Scepticism. They are namely (a) persuasion knowledge, (b) agent knowledge, and (c) topic knowledge. The source of persuasion knowledge is culturally supplied folk wisdom which is the result of observing marketers and other persuasion agents, social interactions with family, friends and peers, conversations about how people are influenced, and commentary from the media on advertising and marketing. Agent knowledge consists of beliefs about the traits, competencies, and the goals of the persuasion agent, and topic knowledge consists of beliefs about the topic of the message (product or service) and the message itself.

Consumer Situational Scepticism protects consumers from misleading advertising claims and fraudulent marketing practices (Ford et al., 1990), hence, it is a necessary skill that protects people from deception. However, unrequisite Consumer Situational Scepticism towards honest advertising can harm consumers (Koslow, 2000). It can lead consumers to miss the products they seek or pay a higher price for them; thus, Consumer Situational Scepticism is required, but in moderation.

Further, consumers attribute causes of events and this cognitive process affects their attitudes and behaviour (Kelley & Michela, 1980). Consumers then develop this knowledge to cope with events by inferring attributes through AT (Lange & Washburn, 2012; Kelley & Michela, 1980). These persuasion motives are seen to underlie salespersons' behaviours which may in turn inform and affect subsequent perceptions of the salesperson (Campbell & Kirmani, 2000).

Research has also shown that consumers process marketing communications simultaneous to the persuasion attempt as method of actively coping and informing responses (Hibbert, Smith, Davies, & Ireland, 2007). This coping mechanism in consumers' perceptions of informing persuasion attempts differ between media types - newspapers, television, radio, magazines and the Internet (Moore & Rodgers, 2005). Recently, marketers have adopted communication via new media. A common goal of many of these communication agendas is to mask the commercial intent of embedded messages (Van Reijmersdal, Neijens & Smit 2009; Wouters & de Pelsmacker 2011). Apart from media types, message format is also a factor that affects Consumer Situational Scepticism especially when message format and message source have low levels of perceived fit, especially when self-interest toward the advocacy is prevalent in the source (Artz & Tybout, 1999).

According to PKM, people attribute causes to events into internal and external attributions. In the context of CSR, an internal attribution assigns CSR activities to be internal motives, while an external attribution attributes CSR activity to external motives (Schmitt & Branscombe, 2002; Skarmeas &

Leonidou, 2013). Therefore, PKM separates consumers' Perceived Motives towards companies into two distinct aspects – internal and external motives.

Attribution Theory

Fiske & Taylor (1991) defines Attribution Theory (AT) when “...the social perceiver uses information to arrive at causal explanations for events. It examines what information is gathered and how it is combined to form a causal judgment”. AT in the context of Corporate Social Responsibility (CSR) states that a consumer's perception towards a CSR initiative is determined by consumer perceived attributions regarding the company's motives (Walker, Heere, Parent, & Drane, 2010). The subject of “why” companies engage in these CSR initiatives have raised more interest than “what” CSR initiatives these companies engage in (Gilbert & Malone 1995). Further studies in corporate behaviour state that when people learn about the behaviour of a company about whom they have little prior information, they usually take the behaviour at face value and attribute it to motives (Heider, 1946; Jones & Wicks, 1999; Newcomb & Heider, 1958).

Attributions to the motives behind companies' CSR initiatives assigned consumers have been shown to influence consumers' behaviours and attitudes (Skarmeas & Leonidou, 2017; Ellen et al., 2006; Vlachos et al., 2009; Walker et al., 2010). As such, marketers composing and delivering persuasive messages about company brands strive for credible and believable communications through assigning certain favourable motives behind CSR initiatives (Groza, Pronschinske, & Walker, 2011; Settle & Golden, 1974).

In this study, Attribution theory is used as an overarching framework exploring Consumer Situational Scepticism toward CSR by highlighting how cognitive perceptions affect subsequent attitudes and behaviour toward CSR involvement which has garnered large interest over the past decade (Gilbert &

Malone, 1995; Ellen, Mohr, & Webb, 2000; Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009). In the context of this study, consumers draw information from CSR Communications to explain the reasons behind these communications. The current research therefore draws on attribution theory and examines the consumers' Perceived Motives towards companies engaging in CSR Communications, which will in turn affect Consumer Situational Scepticism.

Theoretical Underpinning for Relationship Between Consumer Situational Scepticism and Luxury-Centric Behavioural Outcomes

Consumer Situational Scepticism and Luxury-based Behavioural Outcomes

In this thesis, three luxury-centric behavioural outcomes are investigated. Current research is focussed largely on marketing outcomes not compatible with luxury goods and services.

- Brand Resonance is a coveted marketing outcome in luxury products and services because it creates an emotional connection not commonly seen in non-luxury contexts. Constructs like purchase intention, are also not suitable mainly because luxury products are aspirational and purposefully priced just out of the consumer's reach. The relationship from Consumer Situational Scepticism to Brand Resonance is supported by Consumer-based Brand Equity.
- Resilience to Negative Information is a CSR and luxury metric to build 'goodwill' and padding in the event the company runs into a scandal, allowing the company's past actions towards CSR to insulate negative information. The relationship from Consumer Situational Scepticism to Resilience to Negative Information is supported by Social Judgement Theory.
- Consumer Advocacy instead of similar positive word-of-mouth constructs is more suited to luxury because the brand community and cohesiveness between luxury purveyors have displayed higher levels of advocacy-type behaviour and higher propensity to talk about their purchases and experience (Shimul, Phau, & Lwin, 2019; Castro-González, Bande, Fernández-Ferrín, & Kimura, 2019; Lee & Kim, 2019). The relationship from Consumer Situational Scepticism to Consumer Advocacy is supported by Social Proof.

Consumer-based Brand Equity - Consumer Situational Scepticism to Brand Resonance

Brand equity is regarded as a major marketing asset by some scholars (Mizik, 2014; Stahl et al., 2012). It can indirectly affect a company's financial performance through creating competitive advantages (Mizik, 2014; Stahl et al., 2012). In this study, brand equity from the consumer perspective will be adopted. Consumer-based brand equity (CBBE) focusses on consumer perceptions instead of financial

metrics (Aaker, 1996; Huang & Cai, 2015; Keller, 2008; Stahl et al., 2012). Consumer responses are influenced by brand equity, and this is measured by Brand Resonance (Keller & Lehmann, 2003).

Keller (1993) defines Brand Resonance as “focuses on marketing, describing brand equity as the differential effect of customers' knowledge of a specific brand on responses to marketing activities and programs of that brand”. Research shows that brand equity has multiple dimensions (e.g., Aaker, 1996; Christodoulides et al., 2015; Hsu et al., 2011; Kayaman & Arasli, 2007; Nam et al., 2011; Yoo & Donthu, 2001). This study adopts perceived quality, brand loyalty, brand awareness, and brand image.

Cognitive dissonance is the stress felt by a person who simultaneously holds conflicting beliefs, ideas, or values when carrying out an action that challenges one of those beliefs, ideas, or values (Festinger, 1957). This discomfort motivates consumers to take further action to reduce stress (Sweeney, Hausknecht, & Soutar, 2000). Though Consumer Situational Scepticism also leads to discomfort, that discomfort is because of uncertainty about the truthfulness of the information, and the inability to verify its truth. Also, Consumer Situational Scepticism occurs before the purchase happens whereas dissonance is typically a post-purchase phenomenon (Koslow, 2000).

There is a consensus among scholars that a consumer with a stronger Brand Resonance may prefer a certain brand, pay more for their products and services, as well as exhibit higher levels of loyalty (Aaker, 1991; Keller, 1993; Keller, 2003; Keller & Lehmann, 2006). It is therefore hypothesised in this thesis that Consumer Situational Scepticism has a significant negative relationship with Brand Resonance.

Social Judgement Theory - Consumer Situational Scepticism to Resilience to Negative Information

Resilience to negative information refers to the extent to which consumers do not allow negative information about a company to diminish their general view of the company (Bhattacharya & Sen,

2004; Eisingerich, Rubera, Seifert, & Bhardwaj, 2011). Such behaviour occurs when a company has built “a reservoir of goodwill” and consumers experience an enhanced fit with the company's identity (Bhattacharya & Sen, 2003). Such behaviour does not occur, however, when consumers doubt the company's reasons for contributing to the well-being of society and are wary of its ethical standards and social engagement. Here, the negative information consumers receive about the company is largely congruent with their questioning attitudes toward its social involvement, and consumers lack the motivation to support and defend the company by generating counterarguments in the face of negative publicity (Eisingerich et al., 2011). In terms of CSR, companies who have created “a reservoir of goodwill” through social initiatives have “padding” for inadvertent negative information. Consequently, Consumer Situational Scepticism toward CSR can be detrimental to the development of resilience to negative information.

Social Judgment Theory (SJT) conceptualised by Sherif & Hovland (1980), posits that people process incoming information and develop attitudes toward said information. This information falls on a continuum of acceptance, leading to acceptance, maintained, or rejection. Lying in the centre of the continuum is the core beliefs, the anchor. People will accept information within reasonable distance from the anchor while concepts and information further away will likely be rejected (Griffin, Ledbetter, & Sparks, 2015). Social Judgment Theory is heavily used in attitude change and persuasion, which is typically the main goal of marketing communications. For example, brands that have a strong CSR image in the minds of consumers may find it more likely to disregard negative information that may challenge their worldview. Similarly, when brands are caught in environmental scandals and anti-CSR behaviour, consumers may reject information from brands that challenges a negative worldview of said brand. It is therefore hypothesised in this thesis that Consumer Situational Scepticism has a significant negative relationship with Resilience to Negative Information.

Social Proof - Consumer Situational Scepticism to Consumer Advocacy

Chelminski & Coulter (2011) pioneering study that defined consumer advocacy as “a generalized tendency to share market information to warn consumers so that they can avoid negative marketplace experience”. Consumer Advocacy has also been shown to reflect positive personal experiences, helping each other in marketplace activities (Price, Feick, & Guskey, 1995). However, the nature of luxury brands as well as the niche market segment requires consumer level interaction and sharing of market information for a strong consumer–brand relationship. In particular, while consumers consider buying expensive, exclusive, and conspicuous brands, they rely more on opinion leaders, reference groups and peer recommendations (Vigneron & Johnson, 2004).

Theoretically, Consumer Advocacy differentiates itself from other similar constructs with the notion that it encompasses the consumers’ willingness to assist others in having a positive brand experience (Chelminski & Coulter, 2011; Jayasimha & Billore, 2016). Consumer advocacy is more relevant to luxury brands for several reasons. First, luxury consumers seek information about the craftsmanship, artisan, and other consumers’ memorable experience while evaluating a luxury brand (Phau & Prendergast, 2000). At this point, consumer advocacy plays an important role in luxury consumers’ purchase decision. Second, personal source of information has been considered more reliable than the company generated messages in marketing (e.g., Klein et al., 2016). This conception is expected to be more relevant for luxury consumers. Third, the affluent consumers tend to switch the brands frequently and cannot be attracted with typical loyalty card or cashback opportunities (Schneider, 2017). To address this, luxury brands can initiate consumer advocacy to and generate trust and credibility from consumers by providing organic and reliable information about the brand. Thus, Consumer Situational Scepticism toward the CSR efforts of the retailer is likely to inhibit their willingness to talk positively about the retailer to their friends and acquaintances.

Social proof is a psychological and social phenomenon wherein people copy the actions of others in an attempt to undertake behaviour in a given situation. The term was posited by Cialdini (1984), and the concept is also known as informational social influence. Social proof is considered prominent in ambiguous social situations where people are unable to determine the appropriate mode of behaviour and is driven by the assumption that the surrounding people possess more knowledge about the current situation (Cialdini, 1984). In the context of marketing, consumers often make purchases based on reviews and recommendations (Gavilan, Avello, & Martinez-Navarro, 2018). Similarity also motivates the use of social proof; when a person perceives themselves as similar to the people around them, they are more likely to adopt and perceive as correct the observed behaviour of these people. For example, in a brand community, authoritative opinions regarding a product, service, or an idea may ripple through other members of the community. It is therefore hypothesised in this thesis that Consumer Situational Scepticism has a significant negative relationship with Consumer Advocacy.

MODERATING ROLES OF PERCEIVED FIT, COMMITMENT, AND PBE/NON-PBE

Communication context and conditions can change consumers' Perceived Motives toward companies' CSR efforts (Skarmeas & Leonidou, 2013). These communications are the link between company and consumer (Ihlen et al., 2011; Sohn et al., 2012). There are many communication strategies used in a non-luxury CSR context. However, Perceived Fit, Commitment, and PBE vs non-PBE deemed to be most relevant in a luxury context (Chaudhri, 2016; Du et al., 2010a). Therefore, this research will replicate these three strategies through the three studies below.

Moderating Role of Perceived Fit

Consistency Theory and Brand and Cause-Related Claim Fit

Consistency Theory posits that people possess a general need to maintain cognitive consistency and are frustrated when unable to reconcile inconsistencies (Abelson, Aronson, McGuire, Newcomb, Rosenberg, & Tannenbaum, 1968; Abelson, 1983; Kruglanski, Jasko, Milyavsky, Chernikova, Webber, Pierro, & Di Santo, 2018). Drawing from this phenomenon, CSR's ability to generate positive influence on its publics largely hinges upon consistency, the fit between the corporation and its sponsored activity. That is, the higher the perceived fit between the two (CSR's relatedness to the firm's core business or expertise), the more likely consumers' attitudes towards the CSR-engaged firm will be enhanced – as the CSR activity will seemingly be justified and unlikely to generate counterarguments. On the other hand, if the perceived fit is low, consumers are likely to experience difficulty in integrating this inconsistency into their existing schema – instead, becoming more prone to generating counterarguments on the altruistic motive behind the CSR initiative (Varadarajan & Menon 1988; Drumwright 1996; Wojciszke et al. 1998; Becker-Olsen et al. 2006; Johnson & Grier 2011; Praxmarer 2011). Therefore, the objective of this study is to explore the contingencies of communication strategies for firms engaged in CSR activities at various levels of perceived fit. In this thesis, Perceived Fit will be examined as a background variable to the conceptual model. In Study 1, we hypothesise that perceived fit will moderate the relationships of Consumer Situational Scepticism. Such that, when

Perceived Fit is high, Consumer Situational Scepticism is reduced. When Perceived Fit is low, Consumer Situational Scepticism is increased.

In a study about fit between brand and the cause endorsed by a brand, it was found that Consumer Situational Scepticism was greater when the relationship between brand and cause was taxonomic rather than thematic (Mendini et al., 2018). A taxonomic relationship implies that entities share common features (like Tiffany & Co. taking care of the safety of diamond miners, Mendini et al., 2018); a thematic relationship implies that entities interact in same context (like Tiffany & Co. supporting restoration of the Statue of Liberty, for an overlap of an image with New York City, Mendini et al., 2018).

Moderating Role of Commitment

Relationship Management Theory

Relationship Management Theory (RMT) (Broom et al. 2000) posits that in order to create mutually beneficial relationships between brands and consumers, effective management of relationships is required. RMT is commonly used in sales and public relations in the form of Customer Relationship Management (CRM), portfolio management, and public communications. The success of RMT stems from trust, commitment, and satisfaction between the brand and its publics (i.e., stakeholders; Hon & Grunig 1999). In Dhanesh (2014), CSR was shown to be an effective relationship management tool from a public relations perspective by maintaining favourable brand image and consumer evaluations through commitment towards the greater community.

A company can focus on its commitment to a social cause in various ways, including donating funds, in-kind contributions or providing other corporate resources such as marketing expertise, human capital (e.g., employee volunteering), and R&D capability dedicated to a cause. There are several aspects of

commitment: the amount of input, the durability of the association and the consistency of input (Dwyer et al. 1987). A company can choose to focus on one or several aspects of its commitment to a social cause. For example, in its 2007 corporate responsibility report (Target 2008), Target's communication focused on 3 aspects of commitment - the substantial amount of input (i.e., \$246 million) as well as the durability (i.e., since 1997) and consistency of support (i.e., one percentage of purchase made on Target credit cards). In this thesis, commitment will be examined as a background variable to the conceptual model. In Study 2, we hypothesise that Commitment will moderate the relationships of Consumer Situational Scepticism. Such that, when Commitment is high, Consumer Situational Scepticism is reduced. When commitment is low, Consumer Situational Scepticism is increased.

Moderating Role of Principle-based Entities

Social Identity Theory

Social Identity Theory (SIT) posits that people tend to categorise their ego or sense of self in societal groups based on the labels they subscribe to themselves (Ashforth & Mael, 1989; Dutton et al., 1994; Tajfel & Turner, 1985). Based on these labels and their "sense of self", people form groups or tribes through memberships based on ideologies, political affiliation, values, hobbies, lifestyle, social class, cultural similarities, or nationality (Hogg et al., 1995). Studies in SIT have shown that members in each tribe will exert influence on other members (Hewstone & Jaspars, 1984). Therefore, each group has unwritten social contracts between the members with reinforcements and punishments enforced on members who stray from the group's norms in order to maintain group identity (Hogg et al., 1995). The tribe itself can have conflicting ideologies with other tribes (Ashforth & Mael, 1989). Conflicts arise when the values of the group are in competition or are diametrically opposed to other tribes. Similar, when a tribe feels threatened from another tribe, conflicts may arise (Ashforth & Mael, 1989). Therefore, in the context of CSR, a company embedded in the community is seen as an "us" (a member of the tribe) rather than an "other" (member of a conflicting tribe).

The advent of CSR and the rise of ethical consumerism has given birth to companies with an agenda to help parts of society from its moment of inception (Dart, 2004; Defourny, 2007). These companies are thus “born and bred” to do CSR; unlikely to be seen by some as “jumping onto the CSR bandwagon” or “greenwashing” (Dekhili & Achabou, 2016; Saha & Darnton, 2005; Souza, Taghian, Lamb, & Peretiatko, 2007). These “Principle-based Entities” have principles to help parts of the society as part of their brand DNA (Defourny, 2007). However, there is a gap in literature addressing marketing activities done by these Principle-based Entities. Similar terms used in CSR in a marketing context for example are “Stakeholder Marketing” which is “activities and processes within a system of social institutions that facilitate and maintain value through exchange relationships with multiple stakeholders” (Bhattacharya & Korschun, 2008; Hult, Mena, Ferrell, & Ferrell, 2011), and “Cause-related Marketing” which is defined by Adkins (2007) as “a commercial activity by which businesses and charities or good causes form a partnership with each other to market an image, product or service for mutual benefit”. Stakeholder marketing identifies values and interests of a community with the purpose of developing mutually beneficial relationships between brand and community but does not account for the incongruent values between brand and community. CRM allows brands to dabble in CSR and philanthropy through a charitable vehicle (e.g., Mastercard and United Nations World Food Programme for the Brazil World Cup) which is conducted with the help of a third-party charity which may transfer notions of CSR through association. These terms do not encompass the marketing aspect of innate principles found within Principle-based Entities. Therefore, it is crucial for existing luxury companies to understand marketing efforts from these Principle-based Entities and the potential threats they face when Principle-based Entities encroach into the luxury market space.

The current study compares Principle-based Entities who are “born and bred” to do CSR vs. Luxury Brands who have recently adopted CSR. Principle-based entities engaging in CSR initiatives have been shown to have lower levels of Consumer Situational Scepticism compared to their counterpart (Rapp & Mikeska, 2014). For instance, Patagonia, an apparel company born and bred in CSR principles, have higher consumer evaluations when engaging in CSR compared to companies that are not born and bred

in CSR principles such as North Face, Columbia Sportswear, Puma, and GAP (Rapp & Mikeska, 2014; Shen, Li, Dong, & Perry, 2017; Lozada, 2020).

Principle-based marketing focusses on the values, DNA, and philosophies of the brand that is at the very core of its identity. Against this backdrop, there is a gap in the literature addressing marketing activities conducted by PBEs and to our knowledge, there is no existing empirical research on how PBE status (i.e., born-and-bred vs. non-born-and-bred) affects consumer responses toward luxury CSR. This research is particularly important in a luxury vs non-luxury setting due to the distinction between the values and principles of luxury and CSR. While non-luxury companies can adopt CSR values quite naturally, luxury brands must contend with the binomial identity values between CSR and luxury. Furthermore, recent research has established that CSR activities are more effective when paired with hedonic rather than utilitarian products (Baghi & Antonetti, 2017). This justifies the focus and emphasis on CSR in the context of luxury consumption due to its hedonic nature. In this thesis, PBE will be examined as a background variable to the conceptual model. In Study 3, we hypothesise that PBE will moderate the relationships of Consumer Situational Scepticism. Such that, when PBE is high, Consumer Situational Scepticism is reduced. When PBE is low, Consumer Situational Scepticism is increased.

RESEARCH GAPS AND OBJECTIVES

Based on the above review of the relevant literature, the following research gaps and respective research objectives emerged:

Research Gap 1

There is an inherent lack of empirical studies looking at antecedents specifically Perceived Motives and its effects on Consumer Situational Scepticism in a luxury context (Chaudhri, 2016; Ihlen, Bartlett, & May, 2011; Pirsch, Gupta, & Grau, 2007; Foreh & Grier, 2003; Mohr et al., 1998; Singh, Kristensen, & Villasenor, 2009; Vanhamme & Grobben, 2009; Kim & Lee, 2018; Skarmas & Leonidou, 2013; Yang & Hsu, 2017 Mohr et al., 1998; Sipilä, Tarkiainen, & Sundqvist, 2018) As such, the first research objective is as follows:

RO1: To investigate the effects of Perceived Motives on Consumer Situational Scepticism.

Research Gap 2

There is an inherent lack of literature looking at the effects of Consumer Situational Scepticism towards meaningful key outcomes for luxury brands. Based on the literature review in the preceding section three areas were identified as luxury-centric behavioural outcomes: a) Brand Resonance (Janssen, Vanhamme, Lindgreen, & Lefebvre, 2014; De Angelis, Adıgüzel, & Amatulli, 2017; Kapferer, & Valette-Florence, 2021; Phau, & Prendergast, 2000), b) Resilience to Negative Information (Zarei, Feiz, & Moradi, 2020; Japutra., Ekinci, & Simkin, 2018; Husain, Paul, & Koles, 2022; Kang, Koo, Han, & Yoo, 2022; Shaari, & Ahmad, 2017), and c) Consumer Advocacy (Kapferer, & Michaut, 2015; Shaari, & Ahmad, 2017; Parrott, Danbury, & Kanthavanich, 2015; Shimul & Phau, 2018). As such, the second research objective is as follows:

RO2: To investigate the effects of Consumer Situational Scepticism on key luxury-centric behavioural outcomes: a) Brand Resonance, b) Resilience to Negative Information, and c) Consumer Advocacy.

Research Gap 3

There is inadequate research investigating communication strategies such as Perceived Fit (Chelminski & Coulter, 2011; Jayasimha & Billore, 2016; Bhattacharya & Sen, 2004; Eisingerich, Rubera, Seifert, & Bhardwaj, 2011; Aaker, 1996; Huang & Cai, 2015; Keller, 2008) and Commitment in a homogenous sample especially in a luxury context (Stahl et al., 2012; Shimul, Phau, & Lwin, 2019; Castro-González, Bande, Fernández-Ferrín, & Kimura, 2019; Lee & Kim, 2019). As such, the third research objective is as follows:

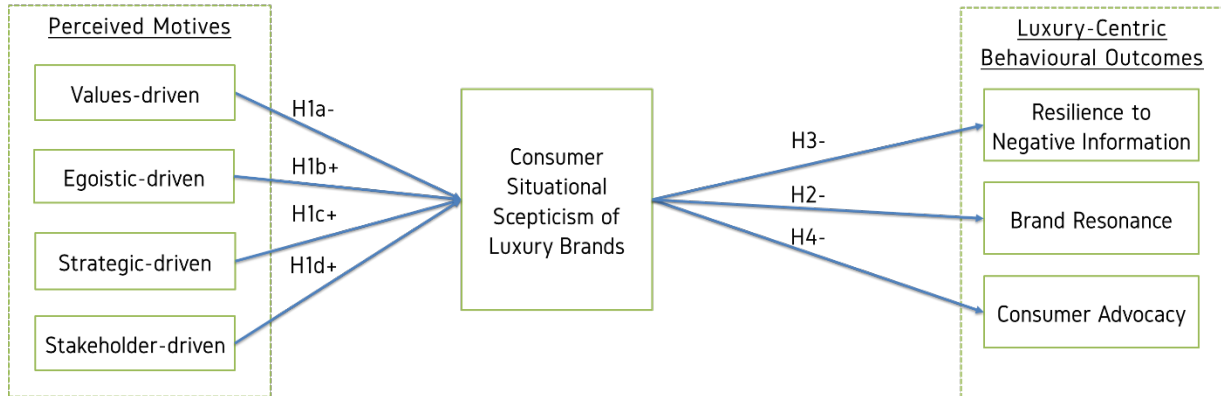
RO3: To develop a conceptual framework extending Skarmeas & Leonidou (2013) model to the context of the luxury industry and examining the moderating relationships of communication strategies (Perceived Fit and Commitment) (Study 1, 2).

Research Gap 4

Despite the growing number of “born and bred” and established luxury brands engaging in CSR through brand extensions, there is insufficient investigation looking at how established Luxury Brands and Principle-based Entities affect Consumer Situational Scepticism (Rapp & Mikeska, 2014; Shen, Li, Dong, & Perry, 2017; Lozada, 2020; Bhattacharya & Korschun, 2008; Hult, Mena, Ferrell, & Ferrell, 2011; Dekhili & Achabou, 2016; Saha & Darnton, 2005; Souza, Taghian, Lamb, & Peretiatko, 2007; Dart, 2004; Defourny, 2007). As such, the fourth research objective is as follows:

RO4: To develop a conceptual framework by extending Skarmeas & Leonidou (2013) to the context of the luxury industry and examining the moderating relationship and effects of Principle-based Entities on the luxury research framework (Study, 3).

With the above justifications and theories, the thesis examines hypotheses stemming from the research framework incorporating all the 4 ROs for the conceptual research model below with variations between the studies:



Background Moderating Variables

1. Perceived Fit
2. Commitment
3. PBE VS non-PBE

CHAPTER CONCLUSION

In this chapter, gaps in the Consumer Situational Scepticism and CSR literature in a luxury context was identified. A model and hypotheses addressing the research questions of the study were presented. A theoretically driven conceptual research model was also constructed. The research gaps highlighted provides the premise and rationale behind the justification of this thesis. The underpinning theories and supporting theories of the research model were then introduced and elaborated. Hypotheses were then built from these theories and finally the research model was justified and presented. In the next chapter, the method of conducting this study will be presented starting with the research design followed by scales, the visual stimuli, mode of data collection, and finally ethical considerations.

CHAPTER 3

RESEARCH METHODOLOGY

INTRODUCTION

This chapter provides a general overview of the methodology of the thesis. Specifically, it will detail the methods used in the three studies. First, a discussion of epistemology frames the basis and philosophical underpinning of the research design. Second, the research design is explained followed by a breakdown of the scales and measurements used in three studies. Third, stimuli used were detailed along with points of difference (between the three studies), pre-test studies, sampling frame, mode of data collection and finally ethical considerations.

EPISTEMOLOGY

The thesis adopts the positivist's paradigm and pragmatist's paradigm. The positivist's paradigm is a philosophical paradigm in the 19th century with Auguste Comte's assertion that only scientific knowledge can reveal the truth about reality (Kaboub, 2008). The positivist's paradigm used in research philosophy has been credited to allow future studies to be easily expanded (Beverland & Lindgreen, 2010; Saunders et al., 2016). A pragmatist's paradigm is seen as a research philosophy merely by asking about "what works" (Dewey, 2008). It disregards methods used but requires research to have a relevant and practical real-world impact (Saunders et al., 2016). Both paradigms are suited for this thesis because the results are objective and suited for preliminary research in social sciences before leading to closer examination in future, more nuanced studies using qualitative or mixed method research (Kaboub, 2008). Furthermore, it requires the study to be easily expandable to incorporate future variables in the dynamic luxury industry. In this thesis, Bulgari was chosen to be the brand of interest as it is a luxury jewellery brand with intentions to increase CSR engagement which fits the study.

RESEARCH DESIGN

The research design adopts a quantitative approach and is in line with the positivist's and pragmatist's research paradigm. The objective of the study was to examine the differences in motives, scepticism, and luxury outcomes for high and low Perceived Fit, Commitment, and PBE conditions, an experimental research design was deemed appropriate. Experimental research is suitable as it has been used to observe casual relationships among independent and dependent variables, as well as to predict respondents' perceptions or behaviours in a specific context (Zellmer-Bruhn et al., 2016). A fictitious brand, Bulgari, is used because the study had to control for prior knowledge of the existing brand (Kim & Sung, 2013). A non-fictitious brand is used as a comparison point to establish ecological validity (Lim, Baek, Yoon, & Kim, 2020). The data will be analysed using SPSS for reliability and validity. Subsequently, to test the data, AMOS Structural Equation Modelling was used. Please see Appendix A for stimulus.

This study will be using non-fictional brand, Bulgari. Bulgari is an Italian luxury brand known for its jewellery, watches, fragrances, accessories and leather goods. While the majority of design, production and marketing is overseen and executed by Bulgari, the company does, at times, partner with other entities. Bulgari is a part of LVMH Group and in line with the Group's view towards Corporate Social Responsibility, Bulgari is looking to measure Consumer Situational Scepticism in a luxury context through various communication contexts (Amatulli, De Angelis, Costabile, & Guido, 2017). This thesis consists of three studies that examined different types of communication strategies. In Study 1, perceived fit between the brand and cause is examined. In Study 2, CSR commitment between the brand and cause is examined. In Study 3, the differences between a PBE and a non-PBE is examined. Each of the three studies follow a 2 (communication strategies) x 3 (type of brands) between-subject experimental design. The two-level communication strategy for the studies is high vs. low levels of perceived fit (Study 1), commitment (Study 2), and PBE (Study 3). The three-level brand manipulation for the studies are (1) a non-fictitious luxury brand that is not born and bred to do

CSR, (2) a fictitious luxury brand that is not born and bred to do CSR, and (3) a fictitious luxury brand that is born and bred to do CSR.

SAMPLING FRAME

Across the three studies in the thesis, we are looking at the current 20-30-year-old cohort, born between 1986 and 1996 – a generation old enough to have entered work and formed consumption habits, but young enough to have most of their economic life before them (Lee, 2008). Bulgari is interested in this age group as they form the bulk of purchasing power in the coming future (Kowalska, 2012). Furthermore, drawing from the above sections, millennials are willing to pay more for products perceived as ethical and sustainable in most categories. Data was collected from an online consumer panel with self-administered questionnaires.

Sample Size

An adequate sample size is required for sufficient statistical power to detect significant effects for SEM analyses. The sampling guideline followed in this study was adopted from MacCallum, Browne, & Sugawara, (1996). As a general rule of thumb, the number of responses should be five times the number of survey questions. In this study, the responses collected for all studies far surpass this requirement (over 200 per cell).

SURVEY INSTRUMENT AND DESIGN

The survey instrument structure is the same across three studies. The surveys comprise of three sections with eight established scales. In Section 1, respondents were presented with a one-minute video ad with audio and visual cues, designed to stimulate emotion. The manipulation of the ad is placed at the end of the ad. The stimuli must be lengthier than normal ad stimuli in which case print advertisements may not involve the same sentiment or the same feel or affect as luxury ads connect with consumers emotionally and emotions are enduring (Lwin & Phau, 2014). Luxury brands use lengthier video stimuli allows a connection between consumer and brand to be formed which is required in an emotionally charged issue such as corporate social responsibility. Corresponding to the factorial design, six stimuli were created. The stimuli were changed to suggest the different conditions. Please refer to Table 3.1 for details. Each respondent was randomly assigned to only one ad stimulus to avoid the likelihood of revelation and confusion.

Table 3.1: Factorial Design

Study 1: Perceived Fit	Low Fit	High Fit
Non-PBE	[Non-PBE x Low Fit]	[Non-PBE x High Fit]
PBE (fictitious)	[PBE x Low Fit]	[PBE x High Fit]
Non-PBE (fictitious)	[Non-PBE x Low Fit]	[Non-PBE x High Fit]

Study 2: Commitment	Low Commitment	High Commitment
Non-PBE	[Non-PBE x Low Com]	[Non-PBE x High Com]
PBE (fictitious)	[PBE x Low Com]	[PBE x High Com]
Non-PBE (fictitious)	[Non-PBE x Low Com]	[Non-PBE x High Com]

Study 3: PBE	Low Fit	High Fit
Non-PBE	[Non-PBE x Low Fit]	[Non-PBE x High Fit]
PBE (fictitious)	[PBE x Low Fit]	[PBE x High Fit]
Non-PBE (fictitious)	[Non-PBE x Low Fit]	[Non-PBE x High Fit]

In Section 2, respondents then recorded their reactions on the stimulus they were presented. The established measures include Values-driven motives, Egoistic-driven motives, Strategic-driven motives, and Stakeholder-driven motives (Ellen et al. 2006; Vlachos et al. 2009), CSR situational scepticism (Skarmeas & Leonidou, 2013; Forehand & Grier, 2003; Mohr et al., 1998; Obermiller et al., 2005), Resilience to negative information (Du, Bhattacharya, & Sen 2007; Eisingerich et al. 2011), Consumer advocacy (Chelminski & Coulter 2011; Shimul & Phau 2018), and Brand resonance (Gabrielli, Grappi, & Baghi 2012).

Finally, Section 3 captured demographic information. Just before demographic information, respondents were asked to answer a series of attention manipulation questions to ensure respondents understand the stimuli. Oppenheimer, Meyvis, and Davidenko (2009) states that having manipulation checks in survey design decreases noise and increases the validity of collected data as well as increase statistical power and reliability of a dataset. The survey instrument and scales items are listed in the following section. A copy of the survey can be found in Appendix C.

Scales and Measurements

Eight previously established scales were used for this study. Table 3.2 presents the sources of the scales and their reliability coefficients. For each scale, respondents were asked to indicate the extent to which they agree on a one-factor seven-point Likert scale where “1” represented “Strongly Disagree” and “7” “Strongly Agree” to the following scale items based on the stimuli presented.

Table 3.2: Scale and Measurements

Scale	α	Source
Values-driven motives	0.85	Ellen et al. (2006); Vlachos et al. (2009)
Egoistic-driven motives	0.78	Ellen et al. (2006); Vlachos et al. (2009)
Strategic-driven motives	0.77	Ellen et al. (2006); Vlachos et al. (2009)
Stakeholder-driven motives	0.79	Ellen et al. (2006); Vlachos et al. (2009)
Consumer Situational Scepticism	0.87	Skarmeas & Leonidou,(2013); Forehand & Grier, (2003); Mohr et al., (1998); Obermiller et al., (2005)
Resilience to negative information	0.82	Du, Bhattacharya, & Sen (2007); Eisingerich et al. (2011)
Consumer advocacy	0.79	Chelminski & Coulter (2011); Shimul & Phau (2018)
Brand resonance	0.72	Gabrielli, Grappi, & Baghi (2012)

*All scales rated on a 7-point Likert scale

A) Values-driven motives: Four scale items were adapted from Vlachos et al. (2009). Consumers form Values-driven attributions when they perceive a company's CSR practices stem from the company's authentic desire to contribute to society and correspond to the company' DNA and philosophy (Becker-Olsen et al., 2006). Values-driven motives are likely to be met with positive consumer evaluations and little resistance towards the company's CSR initiatives.

B) Egoistic-driven motives: Three scale items were adapted from were adapted from Vlachos et al. (2009). This scale is used to infer egoistic-driven attributions to beliefs that the company is exploiting rather than supporting the cause (Ellen et al., 2006; Vlachos et al., 2009). When consumers assign opportunistic and excessive profiteering motives to CSR engagement, they perceive CSR as a deliberate attempt to mislead them into false conclusions about the company's ethos.

C) Strategic-driven motives: Four scale items were adapted from Vlachos et al. (2009). Strategic-driven motivations pose a perplexing problem to consumers: on the one hand, consumers may perceive them as legitimate because a company needs to be economically viable (Ellen et al., 2006). On the other hand, profit-motivated giving reflects a behaviour that derives from economic, rather than moral, reasoning (Vlachos et al., 2009). The company decides to contribute to the social cause not because doing so is right, but because “doing so is just business.” Consumers may resent the intrusion of profit-seeking behaviour into the area of social causes because values, rather than money, constitute the issue at hand (Hollender, 2004). Thus, they are likely to raise doubts about a retailer's CSR activities when they ascribe them to profit-seeking reasons.

D) Stakeholder-driven motives: Four scale items were adapted from Vlachos et al. (2009). Stakeholder-driven motives refer to beliefs that the company engages in CSR to satisfy the expectations of different stakeholders (Vlachos et al., 2009). In other words, the company adopts this stance from necessity, as a response to pressures from various interest groups, such as stockholders, employees, and society as a whole. Such an explanatory attribution can lead to negative connotations about the company's social initiatives because consumers view them as not corresponding to the company's true values and beliefs (Smith & Hunt, 1978). Here, CSR efforts serve as a means for receiving rewards or avoiding punishment from stakeholders (Ellen et al., 2000; Vlachos et al., 2009).

E) Consumer situational scepticism: Four scale items were adapted from Skarmeas & Leonidou, (2013); Forehand & Grier, (2003); Mohr et al., (1998); Obermiller et al., (2005). Consumers convinced that a company is genuinely concerned of other actors in the community and is committed to “doing good” CSR actions, they tend to form favourable attitudes toward the company and develop a sense of attachment or connection with the firm (Stanaland, Lwin, & Murphy, 2011). Conversely, the presence of scepticism toward CSR, consumers are convinced that the company is not genuinely concerned for the greater community but rather focussed on exploiting CSR to further the company’s goals. Consumers tend to form negative evaluations and attitudes towards the company. Few studies have found that the causes of Scepticism could be twofold, Pre-dispositional and Situational. Pre-dispositional Scepticism develops from a very young age and is ingrained in the psychology of the consumer. Situational Scepticism on the other hand develops from the context and content marketer communication; it is independent of the psychographic of the consumers (Amawate & Deb 2019). Measuring situation scepticism allows research to disregard personality traits of scepticism and focus on contextual cues such as ads and communications that are within their control.

F) Resilience to negative information: Four items. The items were adapted from Du, Bhattacharya, & Sen (2007); Eisingerich et al. (2011). Resilience to negative information refers to the extent to which consumers do not allow negative information about a company to diminish their general view of the company (Bhattacharya & Sen, 2004; Eisingerich, Rubera, Seifert, & Bhardwaj, 2011).

G) Consumer advocacy: Four items. The items were adapted from Chelminski & Coulter (2011); Shimul & Phau (2018). Consumer advocacy is defined as “a generalized tendency to share market information to warn consumers so that they can avoid negative marketplace experience”.

H) Brand resonance: Four items. The items were adapted from Gabrielli, Grappi, & Baghi (2012). Brand resonance occurs when consumers’ feel a sense of synchronization between their interaction with the brand (Kotler and Keller, 2006; Atilgan et al., 2005).

Demographics

The final section gathers demographic information from the respondents: gender, age group, annual income level per annum in AUD as well as level of education. Demographic questions were designed to be in the last section because respondents that are already engaged in the survey tend to be more inclined to provide their personal details (De Vaus, 2013).

STIMULUS DEVELOPMENT

Visual Stimuli: Study 1

Six variations of the visual stimuli correspond to the four cells of the factorial design based on Non-Fictitious, Non-principle-based Entity, Low Perceived Fit [NFNPBELF], Non-Fictitious, Non-principle-based Entity, High Perceived Fit [NFNPBEHF], Fictitious, Non-principle-based Entity, Low Perceived Fit [FNPBELF], Fictitious, Non-principle-based Entity, High Perceived Fit [FNPBEHF], Fictitious, Principle-based Entity, Low Perceived Fit [FPBELF], Fictitious, Principle-based Entity, High Perceived Fit [FPBEHF]. Hence, six different sets of surveys with varying stimuli were developed and distributed for data collection. All six visual stimuli can be found in Appendix B.

Visual Stimuli: Study 2

Six variations of the visual stimuli correspond to the four cells of the factorial design based on Non-Fictitious, Non-principle-based Entity, Low Commitment [NFNPBELCOM], Non-Fictitious, Non-principle-based Entity, High Commitment [NFNPBEHCOM], Fictitious, Non-principle-based Entity, Low Commitment [FNPBELCOM], Fictitious, Non-principle-based Entity, High Commitment [FNPBEHCOM], Fictitious, Principle-based Entity, Low Commitment [FPBELCOM], Fictitious, Principle-based Entity, High Commitment [FPBEHCOM]. Hence, six different sets of surveys with varying stimuli were developed and distributed for data collection. All six visual stimuli can be found in Appendix B.

Visual Stimuli: Study 3

Six variations of the visual stimuli correspond to the four cells of the factorial design based on Fictitious/Non-Fictitious, Principle-based Entity/Non-principle-based Entity: Non-Fictitious, Non-principle-based Entity [NFNPBE], Fictitious, Non-principle-based Entity [FNPBE], Non-Fictitious, Principle-based Entity [NFPBE], and Fictitious, Principle-based Entity [FPBE]. Hence, four different

sets of surveys with varying stimuli were developed and distributed for data collection. All four visual stimuli can be found in Appendix B.

PRE-TEST STUDY

Pre-test studies were suggested by expert practitioners in the field prior to data collection (Burns & Bush, 2004). The studies may provide valuable insight and perspective regarding the structure of the instrument prior to distribution. Therefore, two rounds of pre-test studies were conducted using convenience sampling. Convenience sampling provides a relatively homogeneous sample in terms of life stage and age and is representative of general consumers (Yavas, 1994). This sampling method was used for the pre-test study because it allowed information to be gathered quickly and efficiently. The pre-test study was used to ensure scale items were clear and easy to understand by the public and to delineate issues encountered by respondents (Zikmund, 2000). The first batch of pre-test consisted of 20 academics: a mix of PhD students and senior University staff. The goal of the first pre-test was to allow experienced survey designers to suggest finer changes within the survey. The second pre-test consisted of 10 students in a university. The goal of the second pre-test was to determine the quality of the survey from a more general, less academic-savvy demographic which reflects closely to the demographics of the final collection. Some amendments were made to the survey based on the information and comments from the pre-test studies. These changes were mainly minor structural changes (to improve flow of survey) as well as typos were made to the survey before final distribution.

MODE OF DATA COLLECTION

To ensure a thorough representation of the population, the survey instrument was administered via a consumer panel. Data for study one was collected over two weeks in four separate batches. In the first week, data collection is screened for any blatant oversight (e.g., heavily missing responses, straight liners, etc...) 725, 1097, and 412 responses were collected for Study 1, 2, and 3 respectively.

DATA PREPARATION

Upon data collection, the raw data was prepared for further analysis using IBM SPSS 25. First, missing data were imputed. Missing data can cause several problems such as the lack of data points to run analyses. Analyses such as EFA, CFA, and path models require data points in order to compute estimates. Missing data can also exacerbate bias issues because underreported variables may skew data. In the data sets, only a negligible number of responses had missing data. Furthermore, missing data were from variables with continuous or interval data and not for categorical data. In order to impute values, the missing values were replaced using the Median replacement method Lynch (2003).

Second, outliers can pull the mean away from the median (Leys, Ley, Klein, Bernard, Licata, 2013). To detect outliers on each variable, a boxplot was produced in SPSS. Outliers above 3 standard deviation were removed due to the relatively high sample size (Leys, Ley, Klein, Bernard, Licata, 2013). Unengaged respondents are also seen as outliers. Straightliners were removed from the dataset as they artificially inflate item loadings and affect reliability (Johnson, 2016). Attention checks such as "answer somewhat agree for this item if you are paying attention" were also used to identify unengaged respondents which were subsequently removed.

Third, normality for the variables was tested through shape, skewness, and kurtosis. For shape, a histogram of the data was plotted against a normal curve to ensure fit. For skewness, variables were tested for values greater than 1 (positive/right) skewed or less than -1 (negative/left) skewed. For kurtosis, variables were measured for values less than three times the standard error (Sposito et al., 1983). No data sets used in this study have encountered normality issues above.

Exploratory Factor Analysis

Conducting Exploratory Factor Analysis (EFA) correlations among variables in a dataset allows grouping of variables based on strong correlations also known as a factor structure to be identified. In

general, an EFA prepares the variables to be used for cleaner structural equation modelling. Conducting an EFA allows problematic variables to be addressed prior to a CFA. In all 3 studies, exploratory factor analysis was conducted using SPSS 25 to determine factorial structure. Total variance explained for the three studies is between 66.14 - 68.29% which is appropriate as suggested by Hair et al., (2012). The data were tested for normality (Oztuna, Elhan & Tuccar, 2006) and reliability (Beaver & Maxwell, 2014). The factors were rotated with Promax Rotation and the Maximum Likelihood factoring method (Hirose & Yamamoto, 2014). Initial factor structure showed 32 items with eight factor structures which coincides with the number of variables in the proposed model. Data were further tested for data adequacy and sphericity (Dziuban & Shirkey, 1974). Please refer to the individual chapter for the specific EFA results.

Data Adequacy

The KaiserMeyer-Olkin (KMO) measure of sampling adequacy and the Bartlett's Test of Sphericity were used to assess the suitability of the sample for factor analysis (Worthington & Whittaker 2006).

No data sets used in this study have encountered data adequacy issues.

Factor Structure

Factor structure refers to the intercorrelations among the variables being tested in the EFA. Ideally, variables should load into factors in which convergent and discriminant validity are evident by the high loadings within factors, and no major cross-loadings between factors. No abnormalities were present across the three studies.

Convergent and discriminant validity

Convergent validity means that the variables within a single factor are highly correlated. Loadings in the pattern matrix greater than 0.500 and averaging out to greater than 0.700 for each factor was achieved in the datasets used in this study indicating convergent validity (Costello & Osborne, 2005; Reio Jr & Shuck, 2015). Discriminant validity refers to the extent to which factors are distinct and uncorrelated. Variables should load significantly only on one factor. Correlations between factors should not exceed 0.7 (Costello & Osborne, 2005; Reio Jr & Shuck, 2015). The data in the 3 studies exhibited convergent validity for having factor loadings at above 0.40. This is illustrated in the pattern matrix and discriminant validity for having correlations between factors not more than 0.70 as seen in the factor correlation matrix (Williams, Onsman & Brown, 2010).

Reliability

Reliability of the dataset was tested by computing Cronbach's alpha for each factor. Cronbach's alpha should be above 0.7 (Costello & Osborne, 2005; Reio Jr & Shuck, 2015).

Confirmatory Factor Analysis

Model Fit

For CFA model fit, requirements set forth by Hu & Bentler (2009) were used. The cutoff value of 0.95 for each fit index TLI, CFI, and, RNI; 0.08 for SRMR; and a cutoff value of 0.06 for RMSEA were deemed acceptable. Goodness-of-fit indices for the three studies were within acceptable measure as suggested by Hu & Bentler (1999). No further refinement was conducted on the scales. All composite reliabilities calculated from the parameter estimates derived through confirmatory factor analysis ranged from 0.731 to 0.925 and average variance extracted scores ranged from 0.516 to 0.746 (refer to Table 1). These values provided evidence of convergent validity (Fornell & Larcker, 1981). The AVE values were also used to assess discriminant validity which was demonstrated given the AVE values for all constructs were higher than the largest squared pairwise correlation between each construct (0.466) (Fornell & Larcker, 1981). Please refer to the individual chapter for the specific EFA results.

Validity and Reliability

Validity and reliability were established using Composite Reliability (CR), Average Variance Extracted (AVE), Maximum Shared Variance (MSV), and Average Shared Variance (ASV). All datasets were tested for validity and reliability based on requirements set forth in Hair, Black, Babin, & Anderson (2010) and Malhotra & Dash (2011) whereby $CR > 0.7$, $AVE > 0.5$, $MSV < AVE$. No abnormalities were present across the three studies. For more details pertaining to the individual studies, please see relevant chapters.

Structural Equation Modelling

Multi-group analysis was conducted on each of the three studies. For Study 1, the data was compared based on high vs low perceived fit. This allowed the study to examine the moderating effects of perceived fit on the relationships between motives and scepticism as well as scepticism towards outcome variables. In Study 2, the data was compared based on high vs low commitment. This allowed comparisons between high and low perceived fit and commitment as well as PBE and non-PBE to be made. The differences between results generated from the two studies allowed comparisons and appreciable discussions to be made. In Study 3, the data was compared based on PBE vs non-PBE. However, fewer variables were used in study three where the main focus was to examine PBE vs non-PBE. All three studies used the chi-square approach.

ETHICAL CONSIDERATIONS

Throughout this research, due care was taken to address all ethical issues associated with the collection of information based on attitudes and perceptions. Before the commencement of data collection, ethical approval was sought from the ethics committee of the HREC, Curtin University of Technology, approval number HRE2019-0747. The survey instruments were presented to the ethics committee and gained approval. The study was classified as minimal risk and it addressed all ethical requirements. The ethics form can be found in Appendix D. Each survey instrument is accompanied by a cover letter that describes the purpose of the survey and is advised that all measures would be taken to enforce a high standard of ethical behaviour. The cover letter also emphasised the voluntary nature of the study and addressed the issues of confidentiality and privacy. Respondents' confidentiality is respected through an anonymous online response link to the survey. After the completion of data collection, the researcher remained contactable should the respondents feel the need for additional information or wanted to offer constructive criticism about the survey design. A copy of the cover letter and the surveys are attached in Appendix C.

CONCLUDING COMMENTS

This chapter has examined the methodology used in this study. First, the research design was explained followed by a breakdown of the scales and measurements used in the survey. The stimuli used were detailed as well as the points of difference, pre-test studies, sampling frame, mode of data collection and finally ethical considerations. Following this chapter, Study 1, 2, and 3 are presented in Chapters 4, 5, and 6 respectively.

CHAPTER 4

STUDY 1 – PREFACE

The overarching premise of Study 1 is to develop a conceptual framework by extending Skarmeas & Leonidou (2013) model to the context of the luxury industry and examining the relationships between the antecedents and luxury-centric behavioural outcomes (Brand Resonance, Resilience to Negative Information, and Consumer Advocacy) of consumer situational scepticism. The moderating role of perceived fit as a background variable is also investigated.

This manuscript reporting this research has been accepted and published in *Marketing Intelligence and Planning*. The citation is as follows:

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CHAPTER 5

STUDY 2 – PREFACE

Study 1 established the relationships between Perceived Motives and Consumer Situational Scepticism, Consumer Situational Scepticism and luxury-centric behavioural outcomes namely Brand Resonance, Resilience to Negative Information, and Consumer Advocacy, as well and the moderating role of Perceived Fit. The next step would be to generalise the framework to other communication strategies as set forth in the objectives of this thesis. As such, Study 2, in this chapter focuses on empirically testing the moderating role of Commitment for further generalisability.

The rationale behind stems from Social Identity Theory (Tajfel, 1974). Companies pursue CSR activities particularly through philanthropy largely because they are attempting to convince consumers that they are part of the community or tribe. Commitment can come in various forms, from donations to related causes or getting employees to participate in community projects such as beach clean-up. However, this paper explores the nuance between luxury and non-luxury Commitment. Prior research has established commitment as a communication strategy to reduce negative evaluations. This paper investigates commitment in a luxury context due to differences in expectations between luxury and non-luxury.

This manuscript reporting this Study is currently under second review at the *International Journal of Physical Distribution & Logistics Management*. The citation is as follows:

Teah, K., Sung, B., & Phau, I. (under review). Investigating Antecedents and Outcomes of Consumer Situational Scepticism of Luxury Brands: The Moderating Role of CSR Commitment. *International Journal of Physical Distribution & Logistics Management*

INVESTIGATING ANTECEDENTS AND OUTCOMES OF CONSUMER SITUATIONAL SCEPTICISM OF LUXURY BRANDS: THE MODERATING ROLE OF CSR COMMITMENT

STRUCTURED ABSTRACT

Purpose: The purpose of this study is to examine the moderating role of CSR commitment towards the relationships between the antecedents and outcomes of consumer situational scepticism of luxury brands.

Design/Methodology/Approach: A questionnaire administered through a consumer panel was employed for this study using established scales. A 2 (fictional, non-fictional) by 2 (low commitment, high commitment) factorial experimental design consisting of four cells was adopted.

Findings: Values-driven motives were found to lead to lower consumer situational scepticism and egoistic-driven motives would lead to higher levels of consumer situational scepticism, irrespective of the level of CSR commitment from the luxury brand. However, the results showed that strategic-driven motives and stakeholder-driven motives lead to higher levels of consumer situational scepticism only within the low commitment condition. Consumer situational scepticism leads to lower brand resonance and resilience to negative information in both low and high commitment conditions.

Originality/Value: This study extends the model of Teah et al. (2021) by considering CSR commitment rather than perceived fit as the moderating variable. High commitment weakened the relationship between strategic-driven and stakeholder-driven motives to scepticism. High commitment also weakened the relationship from scepticism to key outcomes. The differences between the communication strategies such as fit and commitment and the nuance teased from the findings has warranted this study.

Key Words: Corporate Social Responsibility, Luxury Brands, Scepticism, Motives, CSR Commitment

INTRODUCTION

Previous findings

In a previous study by Teah et al., (2021), the study explained the ways different motives lower/increase consumer situational scepticism (i.e., values-driven motives lead to lower consumer situational scepticism and egoistic-driven motives would lead to higher levels of consumer situational scepticism). Higher consumer situational scepticism led to lower brand resonance. The study further highlighted that perceived fit moderates the relationship between consumer situational scepticism to resilience to negative information and consumer situational scepticism to consumer advocacy.

Extending the study, this paper examines the roles of CSR commitment. There are nuances that have not been understood such as the moderating mechanisms of CSR commitment vs perceived fit.

CSR commitment

Corporate social responsibility (CSR) is a topic of heated debate that is clearly high on the agenda of businesses, non-government organisations (NGOs), special interest groups and non-profit organisations (e.g., People for the Ethical Treatment of Animals [PETA]), governments, and intergovernmental organisations (IGOs; e.g., United Nations [UN]) and World Trade Organisation [WTO]) (Wang & Lee, 2018). The actions of these entities steer public discourse, affect the introduction of policies, and drive consumer sentiment. The pressures from these entities have caused companies from luxury to non-luxury, retailers to brands, companies large and small to dedicate resources to the extent of creating entire departments to engage in CSR initiatives (Anido Freire & Loussaïef, 2018).

CSR, however, is not a new endeavour. Throughout the decades, the definition of CSR and its parameters have gone through various levels of refinement. Academically, one of the most cited definition comes from Carroll (Carroll, 1979): "... the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organisations at a given point in time." In the industry, companies have created their own beliefs and values that direct their actions and policymakers have stipulated the standards whereby companies should follow. CSR is

considered an act of giving (Tarabashkina, Quester, & Tarabashkina, 2020). As such, apart from stipulations set up by governing laws and policies to prevent companies from actively destroying communities and the planet, engaging in CSR is largely voluntary (Adams & Raisborough, 2010). Therefore, it is entirely up to companies to determine the levels of commitment towards CSR initiatives (Ahluwalia, Burnkrant, & Unnava, 2000; Angjelova & Sundström, 2015). Companies such as Johnson & Johnson who have established their credo as early as 1943 (Oshin-Martin, 2017), have had plenty of time and resources to increase their commitments toward CSR. Yet, smaller companies have committed their time and resources towards CSR initiatives (Donato, Amatulli, & De Angelis, 2019). Even before this, smaller companies post-industrialisation (after 1922) have engaged in CSR practices such as philanthropy, ensuring employee wellbeing, and other CSR initiatives. However, CSR was just not practised under the well-defined and professionally structured banner of CSR where reports and departments have to be established (Ogunfowora, Stackhouse, & Oh, 2018).

CSR commitment, scepticism, and luxury brands

Media reports of companies paying lip service to good corporate citizenship despite engaging in dubious corporate behaviour have made it difficult to identify ethical companies from companies attempting to greenwash (Parguel, Benoît-Moreau, & Larceneux, 2011). The conduct of these unethical companies is perceived to be the norm, causing consumers to question CSR involvement and their underlying motives (Tarabashkina, Quester, & Tarabashkina, 2020; Teah, Sung, & Phau, 2021). Apart from the scepticism towards a company's motives, luxury brands contend with values that conflict with CSR values, causing a disfluency further increasing scepticism in consumers (Torelli, 2018; Torelli, Monga, & Kaikati, 2012). However, to our knowledge, there are few studies that have examined consumer situational scepticism toward luxury brands' CSR initiatives (Wong & Dhanesh, 2016). Therefore, there is an imperative to study communication strategies focussed on CSR to resonate with potential consumers. In addition, there is a call for more research in the luxury industry due to the inherent differences between luxury and non-luxury brands in a multitude of ways (Amatulli, De Angelis, Korschun, & Romani, 2018; Dekhili & Achabou, 2016).

A company can commit to a social cause through corporate philanthropy by donating funds and in-kind contributions or provide other resources depending on the key expertise of the company (Das et al., 2018). CSR commitment consists of three different aspects: (1) input; (Misani, 2017) durability; and (3) consistency. First, the input is the amount of financial remuneration the company has been able to contribute to a specific social cause. Second, durability is the amount of time the company has been supporting the social cause. Third, the consistency of the input, the frequency of commitment to donate to a social cause (Du, Bhattacharya, & Sen, 2010; Dwyer, Schurr, & Oh, 1987). The amount, the durability, and the consistency form varying aspects of this commitment. A company can focus on one or a combination of these aspects of CSR commitment. For example, Target, in its 2007 CSR report (Target 2008), communicates all three aspects of commitment - input (i.e., \$246 million), durability (i.e., since 1997) and consistency of support (i.e., a percentage of all purchases made on Target credit cards).

Companies engaging in CSR can exhibit commitment to social causes through multiple channels. Scholars have identified the moderating relationship between the commitment of scepticism in the non-luxury industry (Angjelova & Sundström, 2015; Rim & Kim, 2016). Specifically, CSR commitment moderates bad publicity (Ahluwalia et al., 2000) and overcome scepticism (Kim & Lee, 2009; Skarmeas & Leonidou, 2013). These past studies have established that higher CSR commitment will reduce scepticism. Furthermore, according to Teah et al., (2021), the nuanced differences between luxury and non-luxury in CSR communication requires further investigation in the moderating role of CSR commitment toward luxury brand CSR initiatives. As such, the following research question is presented:

RQ. How does CSR commitment moderate the relationship between antecedents and outcomes of consumer situational scepticism?

With these aims, this paper is structured into several sections beginning with a discussion on relevant literature, theoretical underpinnings, and hypotheses development. This is followed by a description

of the research method. The results and discussion of the findings will next be presented. Finally, the general discussions, managerial implications, and limitations of the study are highlighted.

RELEVANT LITERATURE, THEORETICAL UNDERPINNINGS & HYPOTHESES DEVELOPMENT

Situational scepticism

Consumers who are sceptical towards a company's claims may be compelled to share their judgements with others (Price, Feick, & Guskey, 1995). Additionally, scepticism towards a company's CSR claims may lead to lower consumer evaluations that require trust and emotional brand-consumer connection like brand resonance and brand equity (Amawate & Deb, 2019; Keller, 2012; Moisescu, 2005; Theofilou & Watson, 2014). Furthermore, the efficacy of these communications may inform a company's CSR profile (Ogunfowora et al., 2018). However, few studies have extended the findings to a luxury industry.

Studies have also shown that scepticism leads to adverse consumer evaluations like reluctance to purchase (Do Paço & Reis, 2012), and brand avoidance (Diehl, Mueller, & Terlutter, 2007; Szykman, Bloom, & Levy, 1997). In addition, scepticism has also been shown to lower positive outcomes such as attitudes (Corner, Whitmarsh, & Xenias, 2012), purchase behaviour (Albayrak, Aksoy, & Caber, 2013), and willingness to pay (Malone Jr, 1990). For example, studies have shown that sceptical consumers treat CSR communications as 'noise' or "window dressing" (Cai, Jo, & Pan, 2012; Connors et al., 2017). Therefore, it is in the marketer's best interests to reduce scepticism towards CSR for favourable outcomes. Companies have tried to reduce scepticism by focussing on lowering scepticism in CSR messages through high CSR commitment (Dunn & Harness, 2018; Teah et al., 2021).

The positive marketing outcomes of CSR engagement has caused an abundance of companies communicating their CSR commitments, many of which are companies paying lip service to the growing CSR bandwagoning and greenwashing (Parguel et al., 2011). Many savvy consumers are

questioning their motives behind companies' CSR initiatives (Kim, Overton, Bhalla, & Li, 2020; Zasuwa, 2019), particularly companies with questionable levels of commitment and meagre contributions (Angjelova & Sundström, 2015). In addition to the challenges of consumer scepticism towards a brand's motives behind CSR initiatives faced by non-luxury brands, have to further contend with the polarising values of luxury and CSR (Kapferer, 2012). Kapferer (2012) suggests that irrationality, excess and inequality are core tenets and values of luxury which are directly paradoxical to the values of CSR - representing self-transcendence, purchases driven by needs, and moderate consumption. As such, luxury purchases appear to be the antithesis to CSR. Anido Freire & Loussaïef (2018) conceptualised the polarising values between luxury and CSR. As such, three obstacles are presented to luxury brands in addition to challenges faced by non-luxury brands: 1. Difference in values between luxury and CSR 2. Higher prices attached to higher consumer expectations 3. Consumer scepticism from motives towards CSR initiatives.

Consumer perceived motives as antecedents to situational scepticism

Perceived motives are attributions made by consumers to understand the underlying reason behind certain actions of companies (Boush, Friestad, & Rose, 1994; Campbell & Kirmani, 2000). Four types have been identified, each having different effects on consumer scepticism.

Consumers with perceived Values-driven Motives of a company's actions see them as a reflection of their moral, ethical, and societal ideals and standards (Ellen, Mohr, & Webb, 2000). When consumers perceive brands with value-driven motives, their scepticism towards brand communications is reduced (Ellen et al., 2000; Hemingway & Maclagan, 2004). In a study by Skarmeas & Leonidou (2013), consumers less likely to resist a brand's CSR initiatives when perceived to have value-driven motives. Despite the incongruent values of luxury brands' and CSR, high levels of CSR commitment from luxury brands may bridge the binomial divide between the values of luxury brands and CSR (Kapferer & Michaut, 2015).

Consumers with perceived egoistic-driven motives of a company's actions view them as exploitative rather than supportive of the cause (Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009).

Consumers believe egoistic-driven companies have minimal CSR commitment to causes with ulterior motives attached to the profiteering of CSR engagement (Ratnakaran & Edward, 2019). Instead of a 'win-win' situation, the CSR commitment from egoistic-driven initiatives are heavily skewed towards the company's profits with minimal benefit the social cause (Foreh & Grier, 2003; Vlachos et al., 2009). Luxury brands with minimal CSR commitment, if perceived as egoistic-driven coupled with egoistic values of status brands focused on self-enhancement, social distinction (Hennigs et al., 2012), may have CSR engagement backfire further spur scepticism.

Consumers with perceived strategic-driven motives of a company's actions view the company's attempt to fulfil its corporate objectives while supporting the cause (Ellen et al., 2006; Vlachos et al., 2009). This arrangement allows brands to engage in CSR while maintaining corporate objectives like brand image and profits. The hedonistic nature of luxury offerings (i.e., jewellery, bags, apparel) makes it difficult, if not impossible to extend donations in kind to social causes (Ellen 2006, Kapferer & Michaut, 2015). Based on prior literature, strategic-driven motives are met with lukewarm reception. However, adequate CSR commitment from luxury brands may weaken the relationship between strategic-driven motives to scepticism.

Consumers with perceived stakeholder-driven motives of a company's actions view the brand's engagement in CSR due to pressures from the community (Vlachos et al., 2009). Stakeholder-driven motivations are not heavily perceived as negative because of two reasons: 1. It is perceived as insincere and lacks initiative from the brand as an attempt to avoid boycott rather than a reflection of the company's true principles (Kim et al., 2020; Smith & Hunt, 1978). The lack of autonomy from the brand may also suggest that once pressures have subsided, the brand may not continue its CSR commitment. 2. On the flip side, brands adapting to dynamic consumer needs may yield positive evaluations (Vlachos et al., 2009). As discussed in the preceding paragraphs (e.g., Bhattacharya et al. 1998; Vlachos et al., 2009; Ogunfowora, Stackhouse & Oh, 2018; Kim, Overton, Bhalla & Li, 2019),

results between luxury and non-luxury are inconclusive. However, sufficient CSR commitment from luxury brands may weaken the relationship between stakeholder-driven motives to scepticism. Hence, H1 is presented below:

H1: *Higher* (a) Egoistic-driven motives (b) Strategic-driven motives and (c) Stakeholder-driven Motives will lead to *higher* Consumer Situational Scepticism while (d) *higher* Values-driven motives will lead to *lower* Consumer Situational Scepticism.

OUTCOMES OF CONSUMER SITUATIONAL SCEPTICISM

Brand resonance

Brand Resonance is “the differential effect of brand knowledge on consumer response to the marketing of the brand” (Keller, 1993). Brand Resonance is an crucial metric for luxury brands because luxury brands require to establish connections on a personal and hedonistic level not required in normal goods and services (Bastien & Kapferer, 2009), which further establishes psychological consumer and brand connections (Huang, Lee, Kim, & Evans, 2015). In fact, a study from Skarmeas & Leonidou (2013) established a negative relationship between scepticism and brand resonance in the non-luxury industry. The study of CSR commitment is especially important in luxury brands as it showcases the brand’s willingness to be part of the consumers’ shared values which in turn increases trust and reduces scepticism (Brown, Crosno, & Tong, 2019; Goodwin, Ackerman, & Kiron, 2013).

Resilience to negative information

Resilience to negative information is measured when consumers resist negative information of a brand to protect their existing positive evaluations of said brand (Bhattacharya & Sen, 2004; Eisingerich et al., 2011). Brands may conduct CSR activities to create a reservoir of goodwill to cushion the impact of negative attention outside the brand’s control. Scepticism can hamper the creation of this padding. Emotional cues have been shown to be effective at building resilience to negative information (Elbedweihi, Jayawardhena, Elsharnouby, & Elsharnouby, 2016). Furthermore, strong emotional attachment has been showcased to lead to brand loyalty and brand resonance (Phau & Teah, 2014).

Brands that have demonstrated high commitment to social causes have been shown to have built strong emotional attachment with consumers which provided a buffer to the brand in times of distress (Gupta & Bothra, 2015; Shimul & Phau, 2018).

Consumer advocacy

Consumer advocacy is the dissemination of opinions and experience with the brand to help others navigate brand interactions (Chelminski & Coulter, 2011; Jayasimha & Billore, 2016). Consumer advocacy can be used to relay positive or negative personal experiences (Price et al., 1995). The exclusivity and reliance on sharing experiences of luxury brands is imperative for a sustained attachment between brand and consumer (Shimul & Phau, 2018; Teah et al., 2021). Luxury brand consumers are avoiding brand communications but instead relying on word-of-mouth and recommendations from peers, opinion leaders, and reference groups (Vigneron & Johnson, 2004). As such, luxury brands have engaged in CSR to further enhance its existing brand image as consumers are more willing to spread positive experiences when companies have aligned values (Shimul & Phau, 2018). Conversely, consumers that are sceptical of their a brand's motives may also share negative evaluations of the brand (Skarmeas & Leonidou, 2013; Zhang, Ko, & Carpenter, 2016).

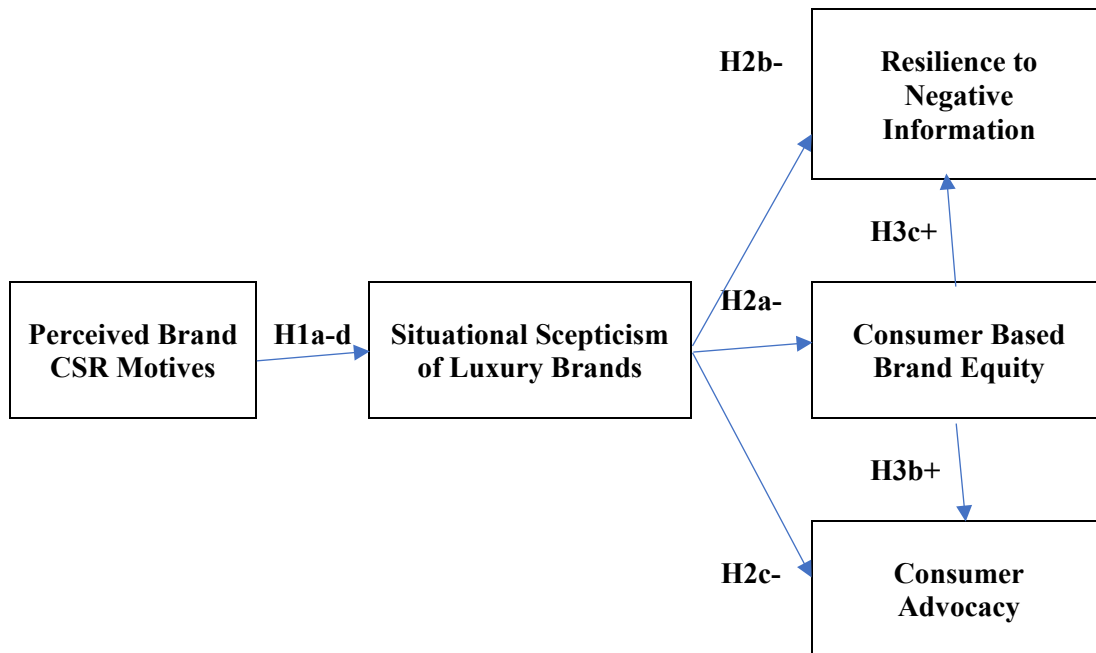
Building on the preceding discussions, the paper hypothesises:

H2: *Higher* Consumer Situational Scepticism will lead to *lower* (H2a) brand resonance, (H2b) resilience to negative information, and (H2c) consumer advocacy.

The preceding hypotheses and relationships between the different constructs are depicted in the conceptual framework as presented in Figure 1 with CSR commitment as the background moderating variable.

Figure 1

The conceptual framework



Background (Moderating) Variable: CSR Commitment

Role of brand resonance

Cognitive consistency underpins brand resonance and resilience to negative information (Festinger & Carlsmith, 1959; Festinger, Riecken, Schachter, Mayoux, & Rozenberg, 1993). Through selective perception, consumers attempt to maintain consistent beliefs and may block negative information that may threaten their existing beliefs (Fazio 1990; Frey 1986). As such, the following hypothesis is presented:

H3a: *Higher* Brand Resonance will lead to *higher* Resilience to Negative Information.

Consumers with resonance to a brand are more likely to engage in advocacy by sharing their experiences with others in their reference group to make prudent choices, negate the possibility of post-purchase regret, exhibit helpful behaviour by helping others make more informed choices (Yoo,

Donthu, & Lee, 2000; De Matos & Rossi, 2008; Ryu & Feick, 2007). As such, the following hypothesis is presented:

H3b: *Higher* Brand Resonance will lead to *higher* Consumer Advocacy.

The moderating role of CSR commitment

Previous studies have established a consensus regarding the moderating effects of CSR commitment on the relationship between motives and scepticism. For example, in Chaabouni, Jridi, & Bakini (2021) the moderating effects of CSR commitment showed that high commitment to CSR activity reduce the perception of non-altruistic motives under the assumption that a committed company is more likely to be perceived 'one of us'. High levels of commitment may cause consumers to disregard companies as a separate entity, thereby further reducing scepticism. However, low levels of commitment may have an opposite effect – consumers may expect 'one of us' to be adequately committed to social causes and the lack of CSR commitment may cause negative disconfirmation. Therefore, CSR commitment from a company is perceived as positive (values-driven) may strengthen the relationship between motives and consumer scepticism. Similarly, CSR commitment from companies perceived with negative motives (egoistic, strategic, and stakeholder-driven), may also strengthen the relationship between motives and consumer scepticism because their actions are seen to further the company's agenda towards deception.

The moderating role of CSR commitment between scepticism and coveted marketing outcomes has been investigated. For example, in George, Aboobaker & Edward, (2020) the moderating effects of CSR commitment showed similar arguments explained above. Therefore, CSR commitment from a company may strengthen the relationship between scepticism and outcomes.

CSR commitment and social identity

In support of the above phenomenon, social identity theory in a marketing, specifically a branding context, suggests that individuals connect when their self-concepts are similar between themselves and brands (Tajfel, 1982). Companies showcasing high levels of CSR commitment in their CSR initiatives towards social causes that are important to target consumers may prevent consumers from identifying companies as an “outgroup”. When consumers see companies as an “in-group” or part of their “tribe”, it may enhance their positive reactions to varied CSR initiatives. Consumers who reach identities with the company are more inclined to be engaged (Rich et al., 2010), showcase higher levels of loyalty towards the company (Leaniz & Rodríguez, 2015), and lowered scepticism (Cheng, Hung-Baesecke, & Chen, 2021).

METHODOLOGY

Research design, stimuli development and procedure

A 2 (high-commitment vs. low-commitment) x 2 (fictional vs. non-fictional brand) factorial experimental design consisting of four cells was adopted. Respondents were shown a high commitment CSR initiative or a low commitment CSR initiative. CSR commitment consists of three different aspects: (1) input; (Misani, 2017) durability; and (3) consistency. First, the input is the amount of financial remuneration the company has been able to contribute to a specific social cause. Second, durability is the amount of time the company has been supporting the social cause. Third, the consistency of the input, the frequency of commitment to donate to a social cause (Du, Bhattacharya, & Sen, 2010; Dwyer, Schurr, & Oh, 1987). Low commitment conditions had low levels of commitment (i.e., CSR initiative established recently, percentage of proceeds) while high commitment conditions had high levels of commitment (i.e., CSR initiative established long ago, no mention of a percentage of proceeds). On the same screen, the logo of *Vechetti*, a fictional company, native to CSR or a non-fictional company *Bulgari*, that has recently adopted CSR was shown. Each respondent was exposed to only one random ad condition. Respondents recorded their reactions on the stimulus they were presented. The survey comprised of eight established scales namely, Values-

driven (0.85), Egoistic-driven (0.78), Strategic-driven (0.77), and Stakeholder-driven (0.79) motives (Ellen et al., 2006; Vlachos et al., 2009). CSR scepticism (0.87) (Foreh & Grier, 2003; Mohr, Eroğlu, & Ellen, 1998; Obermiller, Spangenberg, & MacLachlan, 2005; Skarmeas & Leonidou, 2013), Brand Resonance (0.72) (Gabrielli, Grappi, & Baghi, 2012), Resilience to negative information (0.82) (Du et al., 2007; Eisingerich et al., 2011), and Consumer advocacy (0.79) (Chelminski & Coulter, 2011; Shimul & Phau, 2018).

Data was collected using a consumer panel, Qualtrics. 122 responses were removed after the screening process. 85 further responses were removed for failing attention checks resulting in 1097 responses that were coded for data analysis.

RESULTS AND ANALYSIS

Sample and basic statistics

Males made up 45.5% of the respondents. Most respondents were aged between 18 and 24 years (73.8%) followed by 25–34 years (13.9 %). In terms of education, respondents mostly held a bachelor's degree (56.4%). Most respondents had an income of AUD\$ 0 to AUD\$ 20, 000 (83.4 %). Respondents were based in Australia. Outcome variables used in this study are measures of the desirability of luxury (brand resonance, resilience to negative information, and consumer advocacy). Therefore, there is no element of 'intention to purchase', reducing factors of luxury acquisition and affordability due to income limitations. These statistics were consistent in all conditions suggesting data homogeneity.

The total variance explained is 66.14%. Initial factor structure showed 32 items with eight factor structures. The data exhibited convergent validity for having factor loadings at above 0.40 for sample sizes above 200 illustrated in the pattern matrix and discriminant validity for having correlations between factors not more than 0.70 as seen in the factor correlation matrix (Williams, Onsman, & Brown, 2010). Items that have failed to meet these criteria were removed.

Measurement model testing

Confirmatory factor analysis using the factor structure set forth by exploratory factor analysis showed eight factors and 32 items (refer to Table 1 for results). No items had high cross loadings and low factor scores therefore no scale items were deleted. Goodness-of-fit indices for the measurement model was $\chi^2/df \leq 3.984$; $RMSEA \leq 0.052$; $CFI \geq 0.930$; $SRMR \leq 0.055$; $PClose \geq 0.081$ was acceptable as suggested by Hu & Bentler (1999). No further refinement was conducted on the scales. All composite reliabilities calculated from the parameter estimates derived through confirmatory factor analysis ranged from 0.831 to 0.936 and average variance extracted scores ranged from 0.553 to 0.746. These values provided evidence of convergent validity (Fornell & Larcker, 1981). The AVE values were also used to assess discriminant validity which was demonstrated given the AVE values for all constructs were higher than the largest squared pairwise correlation between each construct (0.47) (Fornell & Larcker, 1981).

Table 1

Composite reliabilities, average variance extracted scores and correlations

	CR	AVE	MSV	MaxR(H)	RES	BR	CSS	VAL	CA	STR	STA	EGO
RES	0.847	0.650	0.410	0.863	0.806							
BR	0.936	0.746	0.594	0.943	-0.029 (0.00)	0.864						
CSS	0.847	0.583	0.315	0.861	0.275 (0.08)	-0.144 (0.02)	0.763					
VAL	0.831	0.553	0.236	0.848	0.307 (0.09)	0.173 (0.03)	-0.098 (0.01)	0.744				
CA	0.836	0.562	0.394	0.853	0.065 (0.00)	0.683 (0.47)	-0.087 (0.01)	0.364 (0.13)	0.750			
STR	0.771	0.565	0.254	0.806	0.58 (0.34)	-0.203 (0.04)	0.262 (0.07)	0.288 (0.08)	0.079 (0.01)	0.682		
STA	0.807	0.516	0.254	0.826	0.477 (0.23)	0.165 (0.03)	0.196 (0.04)	0.395 (0.16)	0.316 (0.10)	0.549 (0.30)	0.718	
EGO	0.817	0.601	0.243	0.835	0.063 (0.00)	0.612 (0.37)	-0.067 (0.00)	0.19 (0.04)	0.566 (0.32)	-0.101 (0.01)	0.165 (0.03)	0.775

RES = Resilience to negative information

BR = Brand resonance

CSS = Consumer situation scepticism

VAL = values-driven motives

CA = consumer advocacy

STR = Strategic-driven motives

STA = Stakeholder-driven motives

EGO = egoistic-driven motives

Structural model testing and analysis

Four models were tested to examine the 2 (high-commitment vs. low-commitment) x 2 (fictional “*Vechetti*” and Non-fictional “*Bulgari*” brand) comparison on the relationship motives had on consumer situational scepticism and key luxury outcomes.

There is no significant difference all relationships between the two brands suggesting that the model is generalisable to fictional (*Vechetti*) and Non-fictional (*Bulgari*) brands ($p=0.670$, $\chi^2/df = 3.66$). The model was further tested in low commitment and high commitment conditions. Multigroup analysis using structural equation modelling with AMOS 24 examined the causal relationships identified in H1–H6 using the non-fictional (*Bulgari*), low commitment (N=271) and high commitment (N=270) samples. The model goodness-of-fit indices were $\chi^2/df \leq 4.097$; $RMSEA \leq 0.071$; $CFI \geq 0.983$; $SRMR \leq 0.043$; $PClose \geq 0.11$ which suggests appropriate fit based on Hu & Bentler (1999). A multigroup model first examined the low commitment and high commitment conditions. A structural model was specified and the goodness-of-fit indices for the two experimental conditions ($\chi^2/df=5.225$; $RMSEA=0.068$; $CFI=0.983$; $NFI=0.979$; $GFI=0.980$) were deemed acceptable. The same process was conducted on the fictional (*Vechetti*), low commitment (N=287) and high commitment (N=269) samples resulting in goodness-of-fit indices for the two experimental conditions ($\chi^2/df=4.946$; $RMSEA=0.073$; $CFI=0.986$; $NFI=0.983$; $GFI=0.980$). The results of the test of hypotheses and multigroup sampling for both brands are depicted in Table 2 and is clear that all the 6 hypotheses have similar results for both brands.

Table 2

Multigroup analysis of CSR commitment on the conceptual model

Hypotheses	BULGARI (Non-fictional)			VECHETTI (Fictional)		
	Low Commitment (n = 271)	High Commitment (n = 270)	P-value for difference	Low Commitment (n = 287)	High Commitment (n = 269)	P-value for difference
H1a. Higher Values-driven motives lead to lower Consumer Situational Scepticism.	-0.311***	-0.338***	-	-0.349***	-0.365***	-
H1b. Higher Egoistic-driven motives lead to higher Consumer Situational Scepticism.	0.319***	0.371***	0.031	0.319***	0.369***	0.016
H1c. Higher Strategic-driven motives lead to higher Consumer Situational Scepticism.	0.153*	0.079	-	0.161*	0.089	-
H1d. Higher Stakeholder-driven motives lead to higher Consumer Situational Scepticism.	0.164**	0.065	-	0.143**	0.073	-
H2a. Higher Consumer Situational Scepticism leads to lower Brand Resonance.	-0.101*	-0.173***	0.032	-0.123*	-0.175***	0.035
H2b. Higher Consumer Situational Scepticism leads to lower Resilience to Negative Information.	-0.002	0.039	-	-0.006	0.045	-
H2c. Higher Consumer Situational Scepticism leads to lower Consumer Advocacy.	0.056	0.008	-	0.043	0.007	-
H3a. Higher Brand Resonance leads to higher Resilience to Negative Information.	0.377***	0.548***	0.015	0.412***	0.567***	0.045
H3b. Higher Brand Resonance leads to higher Consumer Advocacy.	0.769***	0.779***	-	0.742***	0.754***	-
	χ^2/df 73.147/14; RMSEA 0.068; CFI 0.981; NFI 0.979; GFI 0.98			χ^2/df 69.246/14; RMSEA 0.073; CFI 0.986; NFI 0.983; GFI 0.98		
Significance Indicators: † p < 0.100; * p < 0.050; ** p < 0.010; *** p < 0.001						

Effects of antecedents on consumer situational scepticism in high and low commitment conditions

For H1a and H1b, the relationship is significant (both $p < 0.001$) indicating value-driven lead to lower consumer situational scepticism while ego-driven motives lead to higher consumer situational scepticism, both in the expected negative and positive direction respectively. This provides support for H1a and H1b. There are no differences between low and high commitment. For H1c, the relationship is significant only in the low commitment condition ($p < 0.01$) in the expected positive direction, indicating strategic-driven motives lead to higher consumer situational scepticism. This provides partial support for H1c. For H1d, the relationship is significant ($p < 0.01$) in the positive direction only in the low commitment condition, indicating stakeholder-driven motives lead to lower consumer situational scepticism. This result partially supports H1d.

The findings ascertain that both fictional and non-fictional brands do not affect the results. It further shows that values-driven motives were found to lead to lower consumer situational scepticism and egoistic-driven motives would lead to higher levels of consumer situational scepticism, irrespective of the level of CSR commitment from the luxury brand. However, the results showed that strategic-driven motives and stakeholder-driven motives lead to higher levels of consumer situational scepticism only within the low commitment condition. Therefore, it can be explained that if there is a perceived low commitment from the brand, it could result in higher scepticism. This is especially true for motives that are perceived to be driven by profit and reactive to stakeholders and consumers. This could be rationalised by the fact that consumers may perceive the involvement with CSR initiatives to be the “spur of the moment” and question the sincerity and true intents of such motives. It can also suggest that consumers who are ‘on the fence’ if company motives are perceived as stakeholder-driven or strategic-driven may be inclined to be sceptical when there is low commitment.

Effects of consumer situational scepticism on outcomes in high and low commitment conditions

For H2a, the relationship is significant (Kelly et al., 2009) in the expected negative direction, indicating consumer situational scepticism leads to lower brand resonance and resilience to negative information in both low and high commitment conditions. H2b and H2c were rejected. For H3c and H3b, the relationships are significant (both $p < 0.001$) in the expected positive direction, indicating brand resonance leads to higher resilience to negative information (a) and consumer advocacy (b). This provides support for H3a and H3b.

For the effect of scepticism on luxury outcomes, the results differ from other studies (Adams & Raisborough, 2010). Previous research has shown that scepticism will generally lead to negative marketing outcomes (e.g., Cai et al., 2012; Connors et al., 2017). Although higher consumer situational scepticism leads to lower brand resonance, there is no significant relationship between scepticism and resilience to negative information and consumer advocacy.

Furthermore, it was found that higher brand resonance leads to higher resilience to negative information and consumer advocacy, thereby reinforcing the importance of building brand resonance irrespective of CSR commitment. Therefore, it is important for luxury brands to portray adherence and sustained genuine commitment to CSR initiatives (Dare, 2016), as it would have an impact on enhancing its brand reputation, which could in turn impact on consumer resilience towards negative press and consumer brand advocacy.

GENERAL DISCUSSION AND IMPLICATIONS

Theoretical implications

As organizations are increasingly committed towards long-term CSR strategies, the study extends theory on how its CSR commitment can affect a brand, and in turn, affect consumer responses to marketing outcomes (e.g., resilience to negative information and consumer advocacy). By extending

this theory to encompass a deeper view into consumer responses to CSR initiatives could also validate the value of CSR in the luxury industry.

This study provided a framework on how CSR can enhance positive consumer evaluations (brand resonance, consumer advocacy) or reduce negative consumer evaluations (resilience to negative information, scepticism). The framework establishes itself as a baseline for the expansion of future studies looking at other similar variables (desirability of luxury, willingness to pay more). The study also provided empirical evidence on CSR and consumer outcomes as well as fundamentally addressed a gap in evidencing the moderating role of CSR commitment in luxury brand CSR scepticism.

Managerial implications

The study has presented new knowledge by extending the critical role of motives in determining consumer evaluations and perceptions. In addition, brand knowledge may not be important as fictional or non-fictional brands did not seem to matter. Brands like Stella McCartney who were born and bred for CSR have established a strong CSR profile there is a shiny light for other brands like Gucci and Louis Vuitton who has a long-term CSR strategy should continue to work on it. Due to the nature of the luxury industry, it has been portrayed to be more “wasteful” and has conflicting perceptions of what CSR stands for. Further, the conceptual model offers a framework for future comparisons to other communication strategies. These two theoretical implications extend current literature in research surrounding CSR communication strategies. This study therefore presents a conceptual model, which can also be generalized in future by extending to specific luxury categories.

To evoke positive evaluations towards the image of a luxury brand, commitment to CSR is key. Half measures do nothing but waste resources for minimal effect. Therefore, brands should be wholeheartedly engaging in carefully selected CSR initiatives that are reflective of their ability. Communications with high commitment portray motives that are genuine and authentic to the brand’s values (e.g., values-driven motives) as opposed to negatively received motives (e.g., egoistic-driven

motives) that are still seen as a ‘box ticking’ exercise. Managers should strategize resource allocation, prioritising quality over quantity to create impactful communication campaigns and the communication channels. CSR initiatives should be incorporated as part of a long-term brand strategy, rather than add-on tag for short-term benefits. If commitment is low, question the luxury brand’s purpose and intent which in turn reduces the effectiveness of their CSR investment. The results also revealed that the relationship between brand resonance and resilience to negative information is enhanced through higher perceived commitment. This suggests that high commitment CSR activities will buffer negative press, ultimately leading to consumer boycotts and protection against negative information towards the brand. Commitment towards CSR tested in this study can inform the creation of frameworks and guidelines of companies’ internal CSR policies or government social policies.

High commitment moderated the relationship between brand resonance and resilience to negative information. This suggests that high commitment to CSR initiatives is important in enhancing consumer’s perception of the brand and how in the event of a scandal or negative press, consumers may be less receptive to negative information circulated. In addition, it would also provide a form of “buffer” to negative press, as it could be impossible to control the information received by consumers (especially in situations of consumer-generated media content). As a result, it is also important for luxury brands to treat CSR as a long-term brand strategy, rather than a short-term activity in the interest of gaining immediate positive public opinion. The long term and commitment of CSR activities can also portray authentic and genuine interest in the welfare of the public, rather than jumping onto the CSR “bandwagon”. This consistency is relevant to enable CSR as a long-term brand strategy.

Lastly, the study establishes a distinction between luxury and non-luxury research in the CSR communication space, reinforcing the need to separate luxury and non-luxury as separate realms of research. The differences in communication strategies is also a stern warning for managers CSR communication is heavily nuanced.

LIMITATIONS AND FUTURE RESEARCH

Future studies can replicate the study and compare a non-luxury with luxury brand in a single study. The research is also limited to single product category and generalisability can be achieved to other product categories such as jewellery, perfumes and even service products. This study also only looks at brand resonance, resilience to negative information, and consumer advocacy as luxury marketing outcomes. Further variables including pride of ownership (Sung & Phau, 2019), brand prominence (Butcher, Phau, & Teah, 2016) and luxury brand attachment (Shimul & Phau, 2018) should also be considered for future research.

This study used fictional (*Vechetti*) and Non-fictional (*Bulgari*) brands. Although there were no significant differences between them, to truly examine the differences between companies that have CSR values since inception and companies that were established without CSR values and have subsequently jumped onto the CSR bandwagon, further research can be conducted native CSR luxury brands versus traditional luxury brands. For example, future studies can adopt brands like Stella McCartney which is “born and bred” brand for environmental and social consciousness versus Gucci which is a late adopter of CSR brand. Other studies can also look at CSR adoption relative to age of the company. It is noted that luxury brands have practised CSR decades ago but were unsure of how to communicate their efforts or simply did not communicate these CSR initiatives.

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Appendix 1

Scale Items, Source and Reliabilities

Factor	Items	Items loading	Standard deviation	Mean
Values-driven motives	Ellen et al. (2006); Vlachos et al. (2009)			
	has a long-term interest in the society	0.80	1.365923094	5.483
	is trying to give back something to the society	0.86	1.33145706	5.627
	has an ethical responsibility to help society	0.85	1.305038758	5.672
	feels morally obligated to help society	0.88	1.167957469	5.672
Egoistic-driven motives	Ellen et al. (2006); Vlachos et al. (2009)			
	is trying to capitalize on the growing social movement	0.80	1.245968226	4.881
	is taking advantage of social causes	0.73	1.188627913	4.801
	social problems is trying to benefit from the increased awareness of	0.80	1.189502195	5.711
Strategic-driven motives	Ellen et al. (2006); Vlachos et al. (2009)			
	wants to keep its existing customers	0.68	1.180730243	5.279
	hopes to increase its profits	0.83	1.189502195	5.488
	wants to get new customers	0.85	1.534065706	5.557
	hopes to increase its competitiveness	0.72	1.212315563	5.07
Stakeholder-driven motives	Ellen et al. (2006); Vlachos et al. (2009)			
	they feel its employees expect it	0.78	1.174972292	4.731
	they feel its customers expect it	0.82	1.128311703	5.124
	they feel its stockholders expect it	0.79	1.15902247	5.1

	they feel society in general expects it	0.77	1.120585335	5.055
CSR scepticism	Skarmeas & Leonidou,(2013); Forehand & Grier, (2003); Mohr et al., (1998); Obermiller et al., (2005)			
	it is doubtless/doubtful that this is a socially responsible brand	0.89	1.504989515	4.378
	it is certain/uncertain that this brand is concerned to improve the well-being of society	0.87	1.240293618	4.428
	it is sure/unsure that this brand follows high ethical standards	0.86	1.367136666	4.294
	it is unquestionable/questionable that this brand acts in a socially responsible way	0.84	1.379572476	4.259
Resilience to negative information	Du, Bhattacharya, & Sen (2007); Eisingerich et al. (2011)			
	if this brand did something I did not like, I would be willing to give it another chance	0.83	1.439574398	4.259
	I would be willing to excuse this brand if negative information about its activities was reported in the media	0.78	1.392626095	4.03
	if I heard or read a negative story about this brand, I would be willing to forgive it	0.85	1.381992482	4.124
Consumer advocacy	Chelminski & Coulter (2011); Shimul & Phau (2018)			
	By sharing my experience with this luxury brand, I assist other people towards a similar experience	0.71	1.228744934	4.562
	It makes me feel good to tell others about this luxury brand	0.86	1.285624508	4.488
	I have responsibility to society to tell others about my experiences with this luxury brand	0.71	1.384354619	4.428
	I suggest others about this luxury brand	0.86	1.306308888	4.338
	I give suggestion to other people about the quality of this luxury brand to help them have a similar experience	0.79	1.365669376	4.692
Resonance				
	X would be my first choice	0.68	1.540490044	3.662
	I consider myself to be loyal to X	0.72	1.632826422	3.542
	I belong to X lovers	0.78	1.716107838	3.393
	I like to be seen as a consumer linked to X	0.79	1.60547811	3.701
	I keep myself informed about X news	0.74	1.742543972	3.328
	I am willing to positively talk about X	0.60	1.477452795	4.368

CHAPTER 6

STUDY 3 - PREFACE

In the previous two chapters, the studies validated the research framework, established the relationships between motives and scepticism, scepticism and luxury marketing outcomes, and the moderating roles of perceived fit and commitment towards CSR. In the Study comprising of this chapter, the moderating role of Principle-based Entities will be investigated.

PBEs are companies with an agenda to help parts of society from its moment of inception. These companies are unlikely to be seen by some as “jumping onto the CSR bandwagon” or “greenwashing”. CSR activities are front and centre of their activities and are embedded into the companies DNA. PBEs are dissimilar to Stakeholder Marketing and Cause-related Marketing. These terms do not encompass the marketing aspect of innate principles found within Principle-based Entities. This study compares Principle-based Entities which are “born and bred” to do CSR vs. Luxury Brands who have recently adopted CSR. For instance, Patagonia, an apparel company born and bred in CSR principles, have higher consumer evaluations when engaging in CSR compared to companies that are not born and bred in CSR principles such as North Face, Columbia Sportswear, Puma, and GAP (Rapp & Mikeska, 2014; Shen, Li, Dong, & Perry, 2017; Lozada, 2020). In doing so, the paper in this study investigates the moderating role of PBE on the research framework.

This manuscript reporting this study is currently under review at the *Journal of Fashion Marketing and Management*. The citation is as follows:

Teah, K., Sung, B., & Phau, I. (under review). Examining how principle-based entities influence perceived CSR motives, consumer situational scepticism and brand resonance of luxury brands. *Journal of Fashion Marketing and Management*.

EXAMINING THE MODERATING ROLE OF PRINCIPLE-BASED ENTITY OF LUXURY BRANDS AND ITS EFFECTS ON PERCEIVED CSR MOTIVES, CONSUMER SITUATIONAL SCEPTICISM AND BRAND RESONANCE

Structured Abstract

Purpose: This study aims to examine the moderating role of principle-based entity (PBE) of luxury brands and its effect on perceived CSR motives, consumer situational scepticism and brand resonance

Study design/methodology/approach: Structural equation modelling using multigroup analysis was used. Data is collected through a consumer panel.

Findings: Values-driven motives (VDM) lowered consumer situational scepticism (CSS) significantly more in PBE than non-PBE. However, egoistic-driven motives (EDM) increased consumer situational scepticism significantly more in PBE than non-PBE. Stakeholder-driven motives (SHDM) and strategic-driven motives (SGDM) did not elicit consumer situational scepticism, contrary to prior studies in non-luxury. PBE status also weakens the relationship between consumer situational scepticism and brand resonance more than non-PBE status.

Originality/value: The study is the first to provide empirical insights into PBE status and its effects on perceived motives, consumer situational scepticism of CSR initiatives and its influence in consumer and management outcomes in luxury brands.

Key Words: Corporate Social Responsibility, Luxury Brands, Scepticism, Motives, CSR, Principle-based Entities

INTRODUCTION

This paper attempts to shed light on the importance of principle-based entity status of luxury brands by examining how PBE status moderate the effects of perceived CSR motives on consumer scepticism as well as its spillover effects on brand resonance. Communicating CSR initiatives can elicit a more favourable response to companies supporting important social causes (e.g., Lichtenstein, Drumwright, and Braig 2004), increase loyalty and advocacy behaviours (e.g., Du, Bhattacharya, and Sen 2007), and even result in a less severe response to negative publicity (e.g., Klein and Dawar 2004). The importance of these strategies is heightened for companies in the luxury industry as they embark on mass-marketing strategies while engaging a growing proportion of luxury brand consumers who are increasingly conscious toward social and environmental causes (Bain & Company, 2015; Kapferer, 2015).

Recent media reports show that luxury brands are often caught in environmental scandals such as burning out-of-season apparel (Paton, 2018; Napier & Sanguineti, 2018), production of resource-intensive fast fashion (Bhardwaj & Manchiraju, 2017; Brooks, 2019), animal and human right violations (e.g. blood diamonds (Mueller-Hirth, 2017; Saunders & Nyamunda, 2016), mink farming (Bonesi & Palazon, 2007; Donato Amatulli & De Angelis, 2019), and slave/child labour (Kourula & Delalieux, 2016; Thévenon & Edmonds, 2019). As such, many industries have increased regulations to legitimise the practice of these companies (Nwagbara & Belal, 2019) which has compelled existing luxury brands with resistant infrastructure and values to adapt to the rapidly changing, ethical-centric consumer landscape. However, this gradual change invites further scrutiny and consumer scepticism towards the motives of luxury brands' CSR initiatives (Du, Bhattacharya, & Sen, 2010a; Ferrero, Michael Hoffman, & McNulty, 2014; Jones & Wicks, 1999; Kim & Ferguson, 2014).

In addition to the challenges of consumer scepticism towards a brand's motives behind CSR initiatives faced by non-luxury brands, luxury brands are faced with another major challenge because of the inherent difference between CSR values and luxury values (Kapferer, 2012). Kapferer (2012) posits that the core values of luxury lie in irrationality, excess and inequality. These are not compatible with the values of CSR, which represents rationality, moderation, and equality through frugal consumption. As such, luxury purchases appear to be the antithesis to CSR. This notion is in alignment with Anido Freire & Loussaïef (2018) who posit the paradoxical binomial identity values of CSR and luxury. For instance, a non-luxury handbag is a fraction of the cost of a luxury handbag, but the functional values of both handbags are the same. Luxury means excess, whereas sustainability invites us to “meet the needs of the current generation without compromising the future generation's ability to meet theirs” (Brundtland Commission, 1987, 43.). Luxury also exhibits social distinction as seen throughout history through caste social stratifications (Holt, 1998). This disconnect between luxury and CSR leads to disfluency and an increase in doubt towards luxury brand motives when engaging in CSR initiatives (Ahn, 2015; Torelli & Kaikati, 2018b; Anido Freire & Loussaïef, 2018).

As such, established brands like LVMH are attempting to bridge the divide by actively incorporating values into their brand image through concerted communications of having their products made by artisans coming from impoverished, war-torn countries through their Maison/o and La Fabrique Nomade programs (Delorme, 2019). Furthermore, the birth of companies with an agenda to help parts of society from its moment of inception have further escalated scrutiny to existing luxury brands particularly the rift between CSR and luxury values (Dart, 2004; Defourny, 2007). Many luxury brands gaining traction like The People Tree, Everlane, Kirrikin, Stella McCartney, and Patagonia have recently identified and capitalised on this opportunity. These companies are thus ‘born and bred’ to do CSR; unlikely to be seen

by consumers as ‘jumping onto the CSR bandwagon’ or ‘greenwashing’ (Dekhili & Achabou, 2016; Saha & Darnton, 2005; Souza, Taghian, Lamb, & Peretiatko, 2007). These ‘Principle-based Entities’ (PBE) have principles to help parts of society as part of their brand DNA (Defourny, 2007). Companies and brands that have CSR values since inception (i.e., PBE), such as Patagonia, Petit H, and Stella McCartney have been met with less consumer resistance towards their CSR endeavours (Burcell & Cook, 2013). For example, Patagonia, an apparel company that has CSR values since inception, launched an environmental program, Product Lifecycle Initiative, in 2010 and was met with great success (Reinhardt, Casadesus-Masanell, and Kim, 2010). Conversely, Nike, an everyday apparel company, ran a similar environmental program but was met with failure whereby consumers saw Nike’s commitment as false advertising that was intended to mislead the public (Russel, Russel, & Honea, 2016). One key distinction between the two is the fact that Patagonia had CSR values at inception, but Nike did not. Patagonia’s successful outcome may be attributed to communication consistent with their perceived values, which are less likely to result in dissonant cognitions and thus evoke liking and positive attitude (Reber, Winkielman, and Schwarz 1998; Winkielman and Cacioppo 2001; Winkielman et al. 2006).

In addition, luxury brands with non-PBE status such as Burberry, Louis Vuitton, and Hermes have seen mixed results from CSR communications on trust and brand image (Lee & Lee, 2018), particularly during crises. This lower trust and brand image toward non-PBE luxury brands further accentuate negative effects such as scepticism (Anido Freire & Loussaïef, 2018). As such, consumers care more about why companies engage in CSR efforts than what CSR effort is being conducted (Gilbert & Malone, 1995). In fact, consumers are less likely to question the underlying reasons behind CSR initiatives when companies with consistent values (PBE) practice CSR (Baumgartner, 2014; Tourky, Kitchen, & Shaalan, 2020). To our

knowledge, there is no research that looks at whether PBE status influence consumer reactions such as scientism toward luxury CSR.

Taken together, principle-based marketing should be considered a distinct area of research because other marketing terms such as social advocacy marketing (SAM), cause-related marketing (CRM), and stakeholder marketing (SM), albeit similar, fail to account for the values of the company as part of its behaviour. For instance, social advocacy marketing allows brands to communicate their stance on social and geopolitical issues (e.g., Nike and Colin Kaepernick PR campaign communicating their stance on an event linked to a social issue) which does not account for the consistent and explicit communication stemming from innate company values (Kim, Overton, Bhalla, & Li, 2020). CRM allows brands to dabble in CSR and philanthropy through a charitable vehicle (e.g., Mastercard and United Nations World Food Programme for the Brazil World Cup) which is conducted with the help of a third-party charity which may transfer notions of CSR through association but again, is not part of the innate principles and values of the brand. Stakeholder marketing identifies values of values and interests of a community with the purpose of developing mutually beneficial relationships between brand and community but does not account for the incongruent values between brand and community. Principle-based marketing focusses on the values, DNA, and philosophies of the brand that is at the very core of its identity.

Against this backdrop, there is a gap in the literature addressing marketing activities conducted by PBEs and to our knowledge, there is no existing empirical research on how PBE status (i.e., born-and-bred vs. non-born-and-bred) affects consumer responses toward luxury CSR. This research is particularly important in a luxury vs non-luxury setting due to the distinction

between the values and principles of luxury and CSR. While non-luxury companies can adopt CSR values quite naturally, luxury brands have to contend with the binomial identity values between CSR and luxury. Furthermore, recent research has established that CSR activities are more effective when paired with hedonic rather than utilitarian products (Baghi & Antonetti, 2017). This justifies the focus and emphasis on CSR in the context of luxury consumption due to its hedonic nature.

RELEVANT LITERATURE, THEORETICAL UNDERPINNINGS & HYPOTHESES DEVELOPMENT

Principle-based entities (PBE) and non-PBE

Terms such as social advocacy marketing, cause-related marketing, and stakeholder marketing do not encompass the marketing aspect of innate principles found within Principle-based Entities. Principle-based entities practice principle-based marketing (PBM). PBM is marketing that stems from the principles, philosophies, and values that are at the very core of the company's ideals that is embedded deep in the brand's DNA. These principles cascade to other segments of the company; from creating infrastructure, to hiring employees, establishing supply chain, and communicating marketing messages (Merrilees, 2017). Implementing these principles provides direction for company personnel, allowing them to navigate and form the company's image. These values are generally formed at the inception or companies are faced with an uphill task of undoing years of building brand image and establishing infrastructure to truly adhere to CSR requirements. Similar to people, motives and values ultimately inform a company's actions and behaviour (McClelland, 1985). Therefore, it is crucial for existing companies to understand marketing efforts from these PBEs and the potential threats they face when PBEs encroach into the market space (D'Anolfo, Amatulli, De Angelis, & Pino, 2017).

Non-PBE companies do not have nor practise existing CSR company principles. These principles are often cascaded to various company touchpoints such as logistics, production, and sales personnel KPIs. When consumers are in contact through direct (e.g., company communication, press releases, advertisements) or indirect touchpoints (e.g., logistics, sales staff), consumers may perceive seemingly conflicting company principles. Specifically, the disconnect between principles provided through the company's 'voice' and the observed actions and infrastructure of the company's management or staff may possibly evoke dissonance among consumers exposed to these touchpoints. For example, despite their clearly aligned CSR values and mission statements, companies in the past have engaged in malicious corporate misbehaviour (Liu, Wu, & Uddin, 2018). In fact, some companies have been caught with actions that are in direct contradiction to their CSR initiatives. For instance, the bottles in Sparkletts, a company delivering bottled water, contained a substance linked to cancer while pandering in breast cancer philanthropy (Boyle, 2010; Alhouti, Johnson, Holloway, 2016). The discrepancies between companies engaging in corporate misbehaviour and communicating ethical corporate stewardship has led to a jarring inconsistency that has further led to consumer scepticism (Brazel, Gimbar, & Maksymov, 2019). This phenomenon is supported by existing CSR studies and theories surrounding fit, congruence, and coherence. For example, in Du, Chen, Chi, & King (2019), the fit of values between consumers and their subscribed subculture resulted in positive marketing outcomes. In Japutra, Ekinici, & Simkin (2019), congruent values between brand and consumers lead to favourable marketing outcomes such as brand attachment. Furthermore, the congruence between celebrity image and brand image in CSR-related endorsements has shown to influence brand attitude and purchase intention (Paul & Bhakar, 2018). Consistency in values between brand and communications also leads to higher levels of coherence in communication messages (Collins, Lee, Sneddon, & Döring, 2017).

Although the practice of inconsistent values and behaviour is prevalent in the marketplace, no studies have provided empirical findings on PBE status vs non-PBE status.

Binomial Identity of Luxury Brands

CSR communication in the luxury industry faces another challenge to reduce scepticism because perceived motives are generally negative due to the binomial identity between CSR and Luxury (Kapferer, 2012). Kapferer (2012) mentions that “the challenge for sustainable luxury is the fact that its symbolic nature of irrationality, excess and inequality is not aligned with the symbolic nature of sustainable development, which represents equalitarian and humanitarian values, and encourage us to be frugal in our consumption”.

Luxury purchases are, by definition, irrational (Kapferer, 2012). A non-luxury handbag is a fraction of the cost of a luxury handbag, but the functional values of both handbags are the same. Irrationality can be seen as buying something not function, but for other reasons that are symbolic and/or hedonistic. Thus, luxury is bought out of emotions, not rationality. Luxury also means excess, whereas sustainability invites us to “meet the needs of current generation without compromising the future generation’s ability to meet theirs” (Brundtland commission, 1987). Luxury also exhibits social distinction as seen throughout history through caste social stratifications (Holt, 1998). CSR focuses on planet and people, and not only profit (Rinaldi, 2012). Among other identity values between Luxury and CSR, this disconnect causes disfluency and a decline in evaluations (Ahn, 2015; Torelli & Kaikati, 2018b).

The Binomial Identity Values of Luxury and CSR, coupled with recent reports and media coverage of fraud and scams (e.g., Ponzi schemes, identity theft, phishing), environmental scandals (e.g., Volkswagen Diesel-gate), wastage (e.g., Burberry), and environmental disasters (e.g., BP in the Gulf of Mexico), revealed the underbelly of corporate misfeasance, misconduct, and wrongdoing despite portraying good corporate citizenship. This has made consumers believe that most companies subscribe to “Shareholder Theory”, profit maximisation at all costs (Du, Bhattacharya, & Sen, 2010a; Ferrero, Hoffman, & McNulty, 2014; Jones & Wicks, 1999; Kim & Ferguson, 2014). These actions have created a society whereby consumers are sceptical towards the motives and actions of companies (Ellen, Webb, & Mohr, 2006; Foreh & Grier, 2003; Wood, 2000).

CSR Communication and Consumer Situational Scepticism

Scepticism is grounded in the Persuasion Knowledge Model (PKM) posited by Friestad & Wright (1994). When an individual encounters a persuasion episode, persuasion coping knowledge gets activated. Persuasion coping knowledge enables an individual to recognise, analyse, interpret, evaluate, and remember persuasion attempts, and to select and execute appropriate coping tactics. Therefore, when consumers are presented with persuasion attempts, they create knowledge from these persuasion goals and tactics. Consumers then use this knowledge to inform and skilfully cope with future persuasion attempts (Friestad & Wright, 1994). Communicating CSR involvement is a difficult undertaking because it can result in the opposite of the desired effect (e.g., Du, Bhattacharya, & Sen, 2010b; Wong & Dhanesh, 2016). For example, Eisingerich et al. (2011) showed that scepticism towards the company’s CSR communication can cause consumers to not only refuse to accept positive information regarding the brand but may even see positive information in a negative light. Scepticism

towards a company's CSR claims may also cause consumers to warn other consumers of this malpractice (Price, Feick, & Guskey, 1995; Dunn & Harness, 2019). Furthermore, scepticism towards CSR campaigns is incompatible with coveted marketing outcomes like Brand resonance (BR) and brand equity that require high levels of trust and emotional connection (Deb & Amawate, 2019; Theofilou & Watson, 2014; Keller, 2012; Moisescu, 2005). The importance of these strategies is heightened for companies in the luxury industry as they embark on mass-marketing strategies while engaging a growing proportion of luxury brand consumers who are increasingly conscious toward social and environmental causes (Bain & Company, 2015; Kapferer, 2015).

Scepticism has been shown to stem from dissonant cognitions (de Lanauze & Siadou-Martin, 2019). Inconsistencies lead to processing disfluency which further informs a judgment or choice (Alter and Oppenheimer, 2009). Inconsistencies between values and communications are the causes of negative evaluations towards marketing communications (Reber, Winkielman, and Schwarz, 1998; Winkielman and Cacioppo, 2001; Winkielman et al. 2006; Aydin 2018; Chatterjee, 2012; Chang 2013; Carroll and Luna, 2011). Failure to resolve this inconsistency may cause discomfort to recipients of the message which may, in turn, manifest as anger towards the brand, brand avoidance, and general negative evaluations.

There is a widening body of literature looking at the differences between CSR conducted by luxury brands vs non-luxury brands on consumer responses. Luxury brand CSR is shown to require more nuance and tact, likely due to the price premium leading higher expectations (Pelegrín-Borondo, Arias-Oliva, & Olarte-Pascual, 2017) and opposing values between CSR and luxury (Kapferer & Michaut-Denizeau, 2014; Achabou & Dekhili, 2013). Recent literature

has looked at the relationship of scepticism and luxury brand CSR in donation amount vs frequency commitments in reduction of scepticism (Sengabira, Septianto, Northey, 2020), whereby luxury brands making smaller but more frequent donations rather than large, one-off payments fare better at reducing scepticism. Another study looked at psychological power and the mediating role of processing fluency, whereby perceived high-power individuals evaluated luxury brand CSR communication more positively compared to low-power individuals in reducing scepticism (Chang, Jang, Lee, & Nam, 2019). A study by Kwon & Ahn (2020) concluded that reactance, which moderates relationships to scepticism, has a lower effect than attitudes towards behavioural intention. In fact, while there is a consensus in sponsorship literature on the positive relationship between high-fit and positive marketing outcomes, a study by Kim & Ferguson (2019) have highlighted results indicating the contrary when it comes a CSR context specifically how bad reputation firms benefit from CSR initiatives with lower fit. These studies are examples that have showcased counter-intuitive results which further support the increased need to examine the nuances between companies with contradicting values and scepticism.

Consumer Perceived Motives towards CSR Initiatives

Perceived motives are attributions made by consumers to understand the underlying reason behind certain actions of companies (Boush et al., 1994; Campbell & Kirmani, 2000). Fiske & Taylor (1991) defines Attribution Theory (AT) when "...the social perceiver uses information to arrive at causal explanations for events. It examines what information is gathered and how it is combined to form a causal judgment". AT in the context of Corporate Social Responsibility (CSR) states that a consumer's perception towards a CSR initiative is determined by consumer perceived attributions regarding the company's motives (Walker, Heere, Parent, & Drane,

2010). The subject of “why” companies engage in these CSR initiatives have raised more interest than “what” CSR initiatives these companies engage in (Gilbert & Malone 1995). Prior literature has established that motives, especially motives that are self-serving or have a conflict of interest (Hennes, Kim, & Remache, 2020) can cause consumers to question the underlying motives of CSR initiatives which may lead to scepticism. Consumers having prior knowledge of these non-altruistic motives (see Persuasion Knowledge Model in Friedstad & Wright, 1994) may lead to increased scepticism as well. A systematic review of literature on consumer scepticism by Chaudhary, Sharma, & Kalro, (2019) showed that scepticism of self-serving motives lead to unfavourable marketing outcomes such as distrust, doubt, dissonance. The existing literature has established four different motives when consumers evaluate a company’s CSR initiative: a) values-driven motives, b) egoistic-driven motives, c) strategic-driven motives, and d) stakeholder-driven motives (Ellen et al., 2006; Vlachos et al., 2009).

Values-driven Motives

Values-driven motives is perceived by consumers as an extension of a company’s moral, ethical, and societal ideals and standards (Ellen et al., 2000). Consumers believe that the company’s actions stem from ideologies that are at the core of the company’s philosophy. Values-driven attributions are authentic in the desire to contribute to society and is an extension of the core DNA of the company’s values (Becker-Olsen et al., 2006). Studies have shown that value-driven motives tend to lower scepticism toward a brand’s CSR initiatives because their CSR actions are consistent with or stems from their values (Hemingway & Maclagan, 2004; Ellen et al., 2000). Although luxury brands’ core values are typically incongruent with CSR values and may be under more scrutiny than non-luxury brands when performing CSR

initiatives, values-driven CSR initiatives may supersede the incompatibility between CSR and luxury (Kapferer & Michaut-Denizeau, 2014).

Previous studies have established a consensus regarding the moderating effects of perceived fit and commitment on the relationship between motives and scepticism. For example, in Elving's study (2013), high fit CSR initiatives tend to prevent consumers from raising questions regarding company motives when faced with CSR communication. Chaabouni, Jridi, & Bakini (2021) conducted a similar study on the moderating effects of commitment, showing that high commitment to CSR activity reduce the perception of non-altruistic motives under the assumption that the congruence of values in PBEs and CSR have similarities to fit and commitment.

Furthermore, the concept of PBEs corresponds to the salient attributes of values-driven motives due to their innate similarities whereby PBEs have brand values drive a brand's behaviour. Thus, it is a logical extension that PBE status will strengthen the effect of values-driven motives on reducing consumer scepticism and increasing consumer positive responses. Specifically, as long as CSR initiatives are perceived to be driven based on a company's values and principles, the effect of questioning the company's objectionable motives is weakened and scepticism is reduced. Therefore, this relationship is weaker if consumers perceive the company to be a PBE than a non-PBE. Building on the preceding discussion, H_{1a} is presented below:

H_{1a}: PBE status moderates the effect of values-driven motives on consumer situational scepticism. such that, values-driven motives lower consumer situational scepticism significantly more for PBE than non-PBE)

Egoistic-driven motives

Egoistic-driven motives is perceived by consumers as exploitative rather than supportive of the cause (Ellen et al., 2006; Vlachos et al., 2009). Consumers believe cause-exploitative companies are opportunistic with excessive intentions to profiteer from the CSR engagement and have relative disregard for the cause (Ratnakaran & Edward, 2019). These intentions are viewed as unethical, failing to benefit the social cause because the company is too invested in its own interest (Forehand & Grier, 2003; Vlachos et al., 2009). Egoistic-driven motives have led to lower levels of trust (e.g., Misani, 2017; Zasuwa, 2019), consumer loyalty (e.g., Vlachos, Tsamakos & Vrechopoulos, 2009), and company reputation (e.g., Wang & Lee, 2018). CSR initiatives stemmed from egoistic-driven values are seen as greenwashing, deceptive, and inauthentic behaviour. Luxury brands are often described to have egoistic values because status brands typically position themselves as premium and sell higher-priced products and services for self-enhancement, social distinction, and to boost one's ego (Wiedmann, Hennigs & Klarmann, 2012). However, luxury companies that have established their CSR values of stewardship towards profit, people, and planet, may lessen the effect of scepticism. Egoistic-driven motives represent a direct contradiction to the concept of PBEs and largely the reason behind scepticism towards CSR initiatives – profiteering and disregard to the cause, greenwashing, abuse, and self-serving. Therefore, when motives are perceived as egoistic-driven, positive PBE status of the company is likely to reduce consumers' scepticism towards the company's actions. Building on the preceding discussion, H_{1b} is presented below:

H_{1b}: PBE status moderates the effect of egoistic-driven motives on consumer situational scepticism. Such that, egoistic-driven motives increase consumer situational scepticism significantly more for PBE than non-PBE

Strategic-driven motives

Strategic-driven motives is perceived by consumers as the company's attempt to fulfil its corporate objectives while supporting the cause (Ellen et al., 2006; Vlachos et al., 2009). This win-win arrangement is the underlying incentive behind most for-profit companies engaging in CSR activities. Strategic-driven motivations stem from the fact that a for-profit company needs to be economically viable for survival (Ellen et al., 2006). However, the economic reasoning, rather than the moral reasoning behind such giving may raise doubts in the consumer's mind (Vlachos et al., 2009). This may cause consumer resentment because social causes are in the realm of values and principles rather than profits (Hollender, 2004). The fact that companies are engaging in CSR initiatives with profit in mind raises scepticism towards the true motives of such initiatives (Connors et al., 2017; Cai et al., 2012). While prior research has found that strategic-driven motives have some influence on consumer situational scepticism, strategic-driven motives are the cornerstone of all businesses regardless of luxury or non-luxury. However, since PBEs cascade decision making from the brand's core values, it is natural to assume that PBEs devise strategies and objectives that are aligned with CSR while non-PBE objectives fail to align CSR values. Therefore, it is likely that PBE status may result in lower consumer scepticism even when attributed as strategic-driven. Building on the preceding discussion, H_{1c} is presented below:

H_{1c}: PBE status moderates the effect of strategic-driven motives on consumer situational scepticism. Such that, strategic-driven motives lower consumer situational scepticism significantly more for PBE than non-PBE.

Stakeholder-driven motives

Stakeholder-driven motives is perceived by consumers as the company engaging in CSR due to stakeholder pressure (Vlachos et al., 2009). The company is compelled to conform due to the expectations of stockholders, employees, and society. Stakeholder-driven motives are insincere because it is seen as an attempt to avoid punishment rather than a reflection of the company's true principles (Smith & Hunt, 1978; Kim, Overton, Bhalla & Li, 2019). Research has shown that consumers perceive Stakeholder-driven motives as inconsistent and impermanent (Franklin 2008; Ogunfowora, Stackhouse & Oh, 2018). Stakeholder-driven companies engaging in CSR is believed to discontinue their initiatives when no one forces them to do so (Bhattacharya et al. 1998). Therefore, the impermanence and reactive nature of Stakeholder-driven Motives make it likely to increase scepticism in consumers. PBEs act in accordance of their values that stem from the stewardship of profits, people, and planet. Consumers who see a non-PBE companies action stemming from Stakeholder-driven motives may lead to scepticism because non-PBEs are focussing too much on profits, rather than people and planet compared to PBEs. Additionally, consumers may see appeasing stakeholders for the benefit of shareholders of the company as part of an 'out-group' especially if stakeholders have no direct part in the company (see Social Identity Theory in Tajfel, 1979). They may also assume that shareholder gain equates to their loss (see Zero-sum in Von Neumann 1953). Consumers may be more forgiving of non-PBEs perceived with Stakeholder-driven Motives in prior literature (Kim, Overton, Bhalla & Li, 2019) largely because there is no element of deception. However, PBE companies should see weakened negative evaluations when compared to their non-PBE counterpart due to duplicitous behaviour and dissonance between the communication of noble values and malicious behaviour. Building on the preceding discussion, H1d is presented below:

H1d: PBE status moderates the effect of Stakeholder-driven Motives on Consumer situational scepticism. Such that, Stakeholder-driven Motives lowers Consumer situational scepticism significantly more for PBE than non-PBE.

Brand resonance

Brand resonance (BR) is the apex of Consumer-based brand equity pyramid, conceptualised by Keller (1993) as “the differential effect of brand knowledge on consumer response to the marketing of the brand” (p. 2). Brand resonance is considered the most sought-after component of the consumer-based brand equity pyramid that is built on brand salience, brand imagery, brand performance, consumer judgements, and consumer feelings (Duman, Ozbal & Duerod, 2018; Kim, Nobu & Kim, 2020; Phau et al, 2014). Consumers with positive Brand resonance towards a brand react more favourably to its product, price, promotion, or distribution than a brand with neutral or lower Brand resonance which has created a consensus among scholars that a consumer with a stronger Brand resonance may prefer a certain brand, pay more for their products and services, as well as exhibit higher levels of loyalty (Keller, 1993, Keller, 2003, and Lehmann, 2006). Brand Resonance is a coveted marketing outcome in luxury products and services because it creates an emotional connection not commonly seen in non-luxury contexts. Constructs like purchase intention, are also not suitable mainly because luxury products are aspirational and purposefully priced just out of the consumer’s reach.

Consumers of luxury brands also typically exhibit strong levels of resonance towards the brands they own (Rindfleisch, Wong & Burroughs, 2006). Therefore, the success of many luxury brands hinges on a strong Brand resonance because of strong personal and hedonistic connections (Baghi & Antonetti, 2018). Without these hedonic connections, there will be little

difference between luxury and non-luxury products and services (Kapferer & Bastien, 2009). Brand resonance establishes a sense of connection between brand and consumer (Huang, Lee, Kim & Evans, 2015). However, the presence of consumer scepticism makes it difficult to form a connection with brands as showcased in Lin, Lobo, & Leckie (2017) where scepticism inhibits self-brand connection. Other studies like Tuškej & Podnar (2018) have established that scepticism lowers consumer-brand engagement and subsequently self-brand connection. Further support from a study by Skarmeas & Leonidou (2013) has already established the negative relationship between scepticism and brand resonance in the non-luxury, fast-moving consumer goods industry. This study attempts to extend this finding of Consumer situational scepticism and its effects of marketing outcomes in a luxury context. Building on the preceding discussion, H2 is presented below:

H₂: PBE status moderates the effect of consumer situational scepticism on brand resonance. such that, consumer situational scepticism dilutes brand resonance significantly more for PBE than non-PBE.

METHODOLOGY

Design, Stimuli Development and Procedure

To examine the moderating effects of PBE vs. non-PBE on perceived motive on consumer scepticism as well as brand resonance, the current study adopted a one-way (PBE vs. non-PBE) fully between subjects' factorial experimental design was adopted. Specifically, participants either evaluate a brand video of a fictitious luxury brand promoted to be a PBE entity or a non-PBE entity. The assignment of this manipulation of the moderating variable was randomised.

Prior to running the questionnaire, a pre-test study was used to ensure scale items were clear and easy to understand by the public and to delineate issues encountered by respondents (Zikmund, 2000). The first batch of pre-test consisted of 20 academics: a mix of PhD students and senior University staff. The goal of the first pre-test was to allow experienced survey designers to suggest finer changes within the survey. The second pre-test consisted of 10 students in a university. The study also showed no difference between the fictitious and non-fictitious used in the study. Respondents were presented with a one-minute brand video with audio and visual cues. The video showed a model adorning various jewellery pieces exploring scenic areas of European architecture with accompanying upbeat music. The concept of luxury is used in this study is defined as definition of luxury whereby brands are aspirational, scarce, and possess exceptional quality from Kapferer & Michaux (2015)'s definition. By extension, brands under the LVMH or the Kering Group fall under these parameters. The respondents were shown one of two experimental conditions; a company established in 2009 that has conducted CSR since inception (i.e., the PBE condition) or company established in 2009 that has conducted CSR recently (i.e., the non-PBE condition). Both conditions were designated a charity aimed at reducing irresponsibly sourced jewels and other raw materials to ensure that the CSR activity is perceived to be high fit and congruent with the brand. On the same screen,

the logo of a fictional luxury company (Vechetti) was shown. Design elements such as font sizes, brand colours, motifs, and imageries were kept constant. For each condition, a brief statement representing the tested manipulations was shown. Screenshots of the stimuli are shown in Appendix 1. Each respondent was exposed to only one ad stimulus and the assignment of the experimental condition was randomised. After watching the video, respondents recorded their reactions towards the stimulus they were presented. The measures and reliabilities are presented in the Appendix.

Oppenheimer, Meyvis, & Davidenko (2009) states that having manipulation checks in survey design decreases noise and increases the validity of collected data as well as increase the statistical power and reliability of a dataset. Thus, the current research used two attention checks (e.g., Kung, Kwok & Brown, 2018; Hauser & Schwarz, 2016) and two manipulation checks (e.g., Aronow, Baron & Pinson, 2019; Oppenheimer, Meyvis & Davidenko, 2009) to screen out unreliable data. The final section gathers demographic information from the respondents: gender, age group, annual income level per annum in AUD as well as the level of education. Demographic questions were designed to be in the last section because respondents that are already engaged in the survey tend to be more inclined to provide their details (De Vaus, 2013).

Data Collection

Data was collected using a consumer online panel through Qualtrics. It was collected over two weeks in four separate batches. A total of 412 responses were collected. A number of data cleaning procedures were undertaken. Respondent data was scanned for repeat IP addresses to prevent multiple attempts. Data were screened using SPSS for respondents who failed to exert

sufficient effort either through signs of straight-lining or unlikely completion times (e.g., 1/3 of median completion time). Data screening is done to increase the rigour of analysis and enhance the validity of study results using the methods described. Missing data was remedied through case deletion (Schafer, 1997). Outliers outside three standard deviations were dropped (Wiggins, 2000). Straight-lined data were also removed (Johnson, 2016). In total, 67 responses were removed after the screening process and 60 further responses were removed for failing attention checks, resulting in 285 valid responses that were coded for data analysis. Males made up 45.5% of the respondents. Most respondents were aged between 20 and 24 years (60.4%) followed by 25–30 years (13.9%). The data showed a standard deviation of 8.11 years with a mean age of 24.23 years. In terms of education, respondents mostly held a bachelor's degree (56.4%). These statistics were consistent in both conditions suggesting data homogeneity.

ANALYSIS AND RESULTS

Exploratory factor analysis was conducted using SPSS 25 to determine factorial structure. Total variance explained is 66.94% which is appropriate as suggested by Hair et al., (2012). The data were tested for normality (Oztuna, Elhan & Tuccar, 2006) and reliability (Beaver & Maxwell, 2014). The factors were rotated with Promax Rotation and the Maximum Likelihood factoring method (Hirose & Yamamoto, 2014). Initial factor structure showed 32 items with eight factor structures which coincides with the number of variables in the proposed model. Data were further tested for data adequacy and sphericity (Dziuban & Shirkey, 1974). The data exhibited convergent validity for having factor loadings at above 0.40 for sample sizes above 200. This is illustrated in the pattern matrix and discriminant validity for having correlations between factors not more than 0.70 as seen in the factor correlation matrix (Williams, Onsman & Brown, 2010).

Measurement model testing

An initial confirmatory factor analysis using the factor structure set forth by exploratory factor analysis with AMOS 24 showed eight factors and 33 items (refer to Table 2 for results). No items had high cross loadings and low factor scores therefore no scale items were deleted. Goodness-of-fit indices for the measurement model was $\chi^2/df \leq 3.519$; $RMSEA \leq 0.053$; $CFI \geq 0.912$; $SRMR \leq 0.058$; $PClose \geq 0.57$, which are acceptable as suggested by Hu & Bentler (1999). No further refinement was conducted on the scales. All composite reliabilities calculated from the parameter estimates derived through confirmatory factor analysis ranged from 0.731 to 0.925 and average variance extracted scores ranged from 0.516 to 0.746 (refer to Table 1). These values provided evidence of convergent validity (Fornell & Larcker, 1981). The AVE values were also used to assess discriminant validity which was demonstrated given the AVE values for all constructs were higher than the largest squared pairwise correlation between each construct (0.466) (Fornell & Larcker, 1981).

Table 1

Composite reliabilities, average variance extracted scores and correlations

	CR	AVE	MSV	MaxR (H)	BR	CSS	VAL	CA	STR	STA	RES	EGO
BR	0.925	0.713	0.466	0.931	1							
CSS	0.767	0.538	0.075	0.681	-0.144(0.027)	1						
VAL	0.822	0.537	0.156	0.828	0.173(0.030)	-0.098(0.010)	1					
CA	0.839	0.568	0.466	0.861	0.683(0.466)	-0.087(0.008)	0.364(0.132)	1				
STR	0.752	0.557	0.337	0.823	-0.203(0.041)	0.262(0.069)	0.288(0.083)	0.079(0.006)	1			
STA	0.767	0.556	0.302	0.791	0.165(0.027)	0.196(0.038)	0.395(0.156)	0.316(0.100)	0.549(0.301)	1		
RES	0.766	0.526	0.374	0.790	0.612(0.375)	-0.067(0.004)	0.190(0.036)	0.566(0.320)	-0.101(0.010)	0.165(0.027)	1	
EGO	0.731	0.577	0.337	0.543	-0.029(0.001)	0.275(0.076)	0.307(0.094)	0.065(0.004)	0.580(0.336)	0.477(0.228)	0.063(0.004)	1

Structural model testing

The relationship perceived motives had on Consumer situational scepticism and key luxury outcomes were examined. Overall, the base model goodness-of-fit indices were $\chi^2/df \leq 4.799$; $RMSEA \leq 0.060$; $CFI \geq 0.983$; $SRMR \leq 0.060$; $PClose \geq 0.078$ which suggests appropriate fit based on Hu and Bentler (1999). Both configural and metric invariance tests done prior to multigroup analysis suggested acceptable model fit; ($\chi^2/df=2.04$; $RMSEA=0.055$; $CFI=0.968$; $NFI=0.961$; $GFI=0.901$) for configural and non-significant p-value for metric invariance. Multigroup analysis using structural equation modelling with AMOS 24 examined the causal relationships identified in H1 and H2 using the PBE (N=138) and non-PBE (N=147) samples (refer to Table 3).

Values-driven motives lead to significantly lower consumer situational scepticism, supporting H_{1a} ($p < 0.001$ in both PBE and non-PBE conditions). Further results show support for H_{1b} indicating egoistic-driven motives significantly lead to higher consumer situational scepticism in both conditions ($p < 0.01$). The effects of strategic-driven motives and stakeholder-driven motives on consumer situational scepticism were insignificant at $p < 0.05$ in both conditions indicating no support for H_{1c} and H_{1d}. For H₂, the relationship is significant (both $p < 0.001$) in the expected negative direction, indicating consumer situational scepticism leads to lower brand resonance. For PBE and non-PBE status, multigroup analyses show that there is a significant difference in H_{1a} and H_{1b} confirming the moderating effect of PBE status on the relationship between values-driven motives and egoistic-driven motives to consumer situational scepticism ($p = 0.044$ and $p = 0.017$ respectively).

Table 2**Results**

HYPOTHESES	PBE (n = 138)	Non- PBE (n = 147)	P-value for differen ce
H _{1a} : PBE status moderates the effect of values-driven motives on consumer situational scepticism. Such that, values-driven motives dilutes consumer situational scepticism significantly more for PBE than non-PBE	- 0.399***	- 0.327***	0.044
H _{1b} : PBE status moderates the effect of egoistic-driven motives on consumer situational scepticism. Such that, egoistic-driven motives enhances consumer situational scepticism significantly more for PBE than non-PBE	0.435***	0.323**	0.017
H _{1c} : PBE status moderates the effect of strategic-driven motives on consumer situational scepticism. Such that, strategic-driven motives dilutes consumer situational scepticism significantly more for PBE than non-PBE	0.023	0.229†	0.177
H _{1d} : PBE status moderates the effect of stakeholder-driven motives on consumer situational scepticism. Such that, stakeholder-driven motives dilutes consumer situational scepticism significantly more for PBE than non-PBE	0.167	0.048	0.452
H ₂ : PBE status moderates the effect of consumer situational scepticism on brand resonance. Such that, consumer situational scepticism dilutes brand resonance significantly more for PBE than non-PBE	- 0.264***	- 0.373***	0.039

DISCUSSION

For PBE and non-PBE, SEM analyses show that there are clear relationships between perceived motives and scepticism. These findings are in line with previous findings (Teah, Sung, & Phau, 2021). As expected, H_{1a} supports the negative relationship between values-driven motives leading and consumer situational scepticism. Results suggest that consumers are less likely to be sceptical towards a company's actions when consumers perceive the underlying motives to be driven by wholesome values of the company such as helping vulnerable groups and environmental stewardship. Consumers perceive values-driven

motives to stem from benevolence and the desire to foster a positive change. Further, PBE status moderates the relationship between values-driven motives and consumer situational scepticism (note that consumer situational scepticism is a negative consumer response, thus the results shows that higher values-driven motives lead to more positive consumer responses in the form of lesser consumer situational scepticism). Such that, PBE status strengthen the negative relationship between values-driven motives and scepticism more than non-PBE. The results extend the literature on fit and congruence, whereby PBE status strengthens the positive effects of values-driven motives, reducing consumer situational scepticism. This is unsurprising given that the concept of PBEs corresponds to the salient attributes of values-driven motives due to their innate similarities. Our findings, however, is the first to demonstrate that the innate similarities of salient attributes between values-driven motives and PBEs tend to lower scepticism toward a brand's CSR initiatives. This phenomenon occurs likely due to consumers seeking consistency between the brand, the consumer and CSR values (see Balance Theory in Fritz, 1958; Teah, Sung, & Phau, 2021).

In H_{1b}, higher egoistic-driven motives lead to higher consumer situational scepticism is supported. Consistent with prior literature (Skarmeas & Leonidou, 2013; Teah, Sung, & Phau, 2021), the finding suggests that consumers are more likely to be sceptical towards a company's actions when consumers perceive the underlying motives to be driven by opportunistic behaviour looking to exploit the CSR initiative for the sole purposes of turning a profit. Further, egoistic-driven motives increase consumer situational scepticism in PBE more than non-PBE – contrary to hypothesis H_{1b}. This result is counterintuitive and unexpected because PBE status is considered favourable and should weaken the relationship between egoistic-driven motives and Consumer situational scepticism. However, the results may suggest that consumers have higher negative evaluations towards inconsistency and

deception carried out by PBE when compared to non-PBE. The positive relationship between egoistic-driven motives and consumer situational scepticism for luxury PBE status suggests that companies perceived with egoistic-driven motives violate the expectation of credible and truthful communication of a PBE which in turn leads to negative evaluations like scepticism. Therefore, consumers may be less forgiving to these PBE companies because it can be assumed that there is an intent to deceive. This result suggests that consumer evaluations are most positive when brands that position themselves as CSR champions (e.g., PBEs) and consistently fulfil their responsibilities. Evidently, if PBEs were to actively communicate CSR engagement but is perceived be deceptive, it will cause more detrimental effect than non-PBE.

This study also found that the relationship between strategic-driven motives and consumer situational scepticism is not significant. Previous literature has indicated contrasting outcomes on strategic-driven motives and stakeholder-driven motives in non-luxury studies (Connors et al., 2017). Strategic-driven CSR initiatives are a win-win situation; such that, companies provide support and solutions to societal issues while fulfilling their own financial goals (Groza, Pronschinske, & Walker, 2011; Vlachos et al., 2009). However, this behaviour can be perceived as manipulative and calculative (Kim, Nobi, & Kim, 2020), which draws away from the altruistic nature of CSR – giving without expectation of returns. The results suggest that consumers are not sceptical when luxury brands are perceived to have strategic-driven motives. There are two possible reasons. First, consumers may not expect luxury brands to be engaged in CSR due to the binomial identity values between luxury and CSR. Second, due to the binomial identity value, consumers may perceive a level of normality and therefore are more accepting when luxury brands engage in CSR initiative due to strategic-driven motives than non-luxury brands.

Similar to strategic-driven motives, stakeholder-driven motives were not found to have a significant relationship towards consumer situational scepticism in this study. Brands with high perceived stakeholder-driven motives are seen to pursue CSR initiatives only after pressures from stakeholders such as employees, consumers, special interest groups, government policies and laws, and/or market demand (Vlachos et al., 2009). CSR engagement in brands with high perceived stakeholder-driven motives are expected to stop after pressures are reduced, suggesting impermanence (Franklin, 2008). stakeholder-driven motives can however be perceived as positive whereby companies are perceived to adapt and listen to dynamic consumer expectations (Groza et al., 2011). PBE status was also hypothesised to strengthen the relationship between Stakeholder-driven Motives and Consumer situational scepticism because PBEs are expected to be self-motivated to do good as part of their core values. However, the results suggest that stakeholder-driven motives do not trigger scepticism in a luxury context. This finding is contrary to prior studies whereby scepticism is increased when brands are perceived to have stakeholder-driven motives (Skarmeas & Leonidou, 2013). This implies that consumers seem to be more forgiving with luxury brands when perceived with stakeholder-driven motives. Clearly, more exploration is required to understand strategic-driven motives and stakeholder-driven motives in luxury consumption (Kim et al., 2020) and opens possible future research to further determine if strategic-driven motives and stakeholder-driven motives are antecedents to consumer situational scepticism in luxury. PBE status was hypothesised to weaken the relationship between strategic-driven motives and consumer situational scepticism because consumers are more likely to see companies with similar values as part of their “in-group” whereby a company’s success is seen as a gain for “us”, instead of a gain for “them”. However, this novel finding suggests that consumers seem to be more forgiving with luxury PBEs when perceived with strategic-driven motives. This proposes the possibility that

consumers expect a luxury PBE's nature (as highlighted in the binomial identity values of CSR and luxury) to be in their nature to be engaging in profit-generating strategies. In addition, it is likely that the binomial identity values between luxury and CSR may suggest to consumers that luxury brands are expected to be driven by strategic-driven motives and stakeholder-driven motives, hence lowering expectations and subsequent disappointment and scepticism (see Expectancy Confirmation Theory in Oliver 1977). This counterintuitive finding is a further testament to further research required to understand the nuances between luxury and non-luxury contexts.

Supporting H₂, consumer situational scepticism leads to lower brand resonance. This provides support for H₂. However, there is a significant difference between PBE and non-PBE conditions, whereby PBE status weakens the negative relationship from consumer situational scepticism to brand resonance when compared to a non-PBE condition. In line with the literature, brand resonance establishes a sense of connection between brand and consumer through congruent values and principles between company and consumer. The relationship between consumer situational scepticism and brand resonance when moderated by PBE status is lower. In line with the findings, PBE status weakens the relationship between consumer situational scepticism and brand resonance, enhancing self-brand connection. This connection facilitates the establishment of brand resonance between brand and consumer, creating a “synch” in a mutually rewarding relationship (Keller, 2001). Therefore, brands should strive to reduce scepticism to assist in communication efforts geared towards creating a consumer-brand connection. This suggests that PBE status makes it easier for the brand to connect and resonate with the consumer base because they perceived as committed to CSR. This is particularly vital for the success of luxury brands as consumer connection forms a strong personal and hedonistic bond less prevalent in non-luxury products and services.

THEORETICAL AND MANAGERIAL IMPLICATIONS

This study highlights the importance PBE status in business decision making, especially in the context of consumer scepticism toward CSR initiatives. The study extends and validates a deeper view into consumer responses to PBE status within the luxury industry. In addition, it sheds light into the moderating role of PBE status towards luxury brand CSR initiatives and fundamentally addressed a gap within the research where no solutions were identified to bridge the binomial identity values of luxury and CSR. Due to the nature of the luxury industry, it has been portrayed to be more “wasteful” and has conflicting perceptions of what CSR stands for. By examining consumer scepticism and its effects on luxury marketing outcomes, the current paper presents empirical evidence of the moderating effects of PBE status and related impact on consumer scepticism toward luxury CSR initiatives. These novel findings pertaining to the moderating effect of PBE status can be employed by managers at high-level brand strategizing to optimise communication aimed at reducing scepticism PBEs will therefore find it beneficial to communicate their values when engaging in CSR initiatives.

Furthermore, our findings suggest that PBEs are met with higher consumer expectations than non-PBEs when engaging in CSR. This phenomenon is evidenced by the higher egoistic-driven motives to Consumer situational scepticism relationship in the PBE condition when compared to the non-PBE condition. Specifically, PBEs that deceive consumers with lipservice of environmental stewardship and community engagement but are in actuality exploitative and self-serving further worsens consumer evaluations. Brands without the resources or intent to fully pursue CSR engagement to its fullest commitment should be more careful when communicating CSR engagement. To execute CSR properly for luxury brands, especially for PBE, long-term planning and high-level strategizing is imperative to ensure communication campaigns and communication channels are not half-hearted, disingenuous attempts. Once a

PBE luxury company embarks in CSR engagement, it is a life-long endeavour that has to be seen through to have its intended effect. It is crucial for luxury brands to envisage CSR initiatives as part of the brand strategy, rather than an afterthought or a short-term marketing activity. Managers of luxury PBE company should therefore avoid investing in CSR initiatives and commitment that only garner short-term positive public opinion without long term positive impact on the general public.

Luxury brands perceived to have strategic-driven motives are upfront with their intent. The key understanding lies in “we make profits, at the same time, we help the community”. While not as wholesome as values-driven motives, strategic-driven motives do not transmit elements of deception, hence not evoking scepticism (Rost & Ehrmann, 2017). Managers can use this finding to craft their communications when communicating win-win scenarios for brands and consumers. However, while consumers seem to be more forgiving when brands are perceived to have strategic-driven motives, to lower existing scepticism, it is suggested that brands position themselves to be perceived to have values-driven motives.

PBE status tested in this study could assist managers to determine whether it is more beneficial to establish a brand extension with CSR values incorporated at inception or to expend resources to rework existing brand image and infrastructure to reflect CSR values. If existing brand values are exceedingly incongruent with CSR values, managers can choose to create a brand extension. If brands have CSR values and infrastructure already in place, fine-tuning and optimising brand practices may also be a viable option for managers to increase their brand image. It can also be used to inform a brand’s internal CSR policies or to create government social policies.

As the nature of CSR is intertwined with business and society, there are significant societal implications to this study. PBEs, when established properly, become a part of the larger community. Companies will hopefully increase their responsibilities towards people, planet, and profits with less uncertainty and resistance from consumers. As such, any additional literature in this area will forge a path towards ultimately melding both business and society into a consensus whereby companies can harmoniously conduct business with minimal pushback and chagrin from societal and economic actors. This paper highlights the importance of by demonstrating the cushioning effect of relationships towards PBE status when luxury brands engage in CSR. To our knowledge first paper to provide this empirical evidence. Managers can consider adopting PBE status to be perceived in a more favourable light.

Lastly, the study shed insight the differences between non-luxury and luxury, particularly strategic-driven motives and stakeholder-driven motives. Brands without intent or resources to pursue CSR may continue their activities at the cost of marginal positive consumer evaluations. It further reinforces the need for perceived motives in luxury vs non-luxury as separate areas of study. The study of PBE status holds significant managerial importance as not all brands can endeavour CSR engagement as a silver bullet to positive consumer evaluations. PBE status should be adopted by brands with a malleable brand image and infrastructure that is able to adopt CSR values. In essence, there is no ideal brand to mirror when it comes to CSR engagement. Rather, luxury brands should avoid mimicking other brands when it comes to CSR engagement as it depends largely on each brand's individual circumstances.

LIMITATIONS AND FUTURE RESEARCH

PBE status is ultimately a newly established construct. Needless to say, more research is required to form generalisations and efficacy of the variable. PBE status in a non-luxury context and multiple different product categories can also be tested in future research. Non-luxury outcomes such as attitudes, purchase intention, and PBE status effects on reinforcing brand communities are suitable examples.

In terms of research design, the results of this study were achieved through quantitative methods. Future studies can incorporate qualitative methods to further tease the nuances of PBE status and its effects on CSR and communication. Future studies can also directly incorporate non-luxury with luxury as a single study. In combination with past research, this study suggests that there are significant differences between motives (particularly Strategic-driven motives and Stakeholder-driven Motives) in luxury and non-luxury settings. The research is also limited to one brand (i.e., Bulgari) and one product category (i.e., jewellery). Adopting this study to a different brand and product category will increase the generalisability of the developed framework. This study investigated a single product category: jewellery. Future research can examine other luxury brand product categories such as bags, shoes, apparel, and automobiles. As jewellery is considered high cost and high involvement, other luxury products that are of lower cost and involvement such as perfumes and accessories may render dissimilar results as showcased in multiple studies (e.g., Kong, Wilmaier, & Ko, 2021; Kumagai & Nagasawa, 2016; Zhang & Cude, 2018).

This study did not focus on a specific demographic or psychographic group. It is suggested that cluster analysis is used to compare different demographic and psychographic groups. Future

research can investigate other age groups such as baby boomers who may have varying opinions towards CSR. This study focused on Oceania while other geographic regions such as Asia, the Americas, and Europe may yield different results. Varying psychographics such as attitudes towards CSR and lifestyles may also yield interesting findings for further generalisability. Furthermore, brand interaction in this study is limited to consumers. However, this can be extended to other stakeholders such as employees or community members. Future research can look at the perceptions of these other groups.

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Appendix 1

Scale Items, Source and Reliabilities

SCALE MEASURES	ITEMS
Values-driven motives Ellen et al. (2006); Vlachos et al. (2009) $\alpha = 0.805$	<ul style="list-style-type: none"> • has a long-term interest in the society • is trying to give back something to the society • has an ethical responsibility to help society • feels morally obligated to help society
Egoistic-driven motives Ellen et al. (2006); Vlachos et al. (2009) $\alpha = 0.730$	<ul style="list-style-type: none"> • is trying to capitalize on the growing social movement • is taking advantage of social causes • social problems is trying to benefit from the increased awareness of
Strategic-driven motives Ellen et al. (2006); Vlachos et al. (2009) $\alpha = 0.744$	<ul style="list-style-type: none"> • wants to keep its existing customers • hopes to increase its profits • wants to get new customers • hopes to increase its competitiveness
Stakeholder-driven motives Ellen et al. (2006); Vlachos et al. (2009) $\alpha = 0.756$	<ul style="list-style-type: none"> • they feel its employees expect it • they feel its customers expect it • they feel its stockholders expect it • they feel society in general expects it
Consumer Situational Scepticism Skarmeas & Leonidou,(2013); Forehand & Grier, (2003); Mohr et al., (1998); Obermiller et al., (2005) $\alpha = 0.701$	<ul style="list-style-type: none"> • it is doubtless/doubtful that this is a socially responsible retailer • it is certain/uncertain that this retailer is concerned to improve the well-being of society • it is sure/unsure that this retailer follows high ethical standards • it is unquestionable/questionable that this retailer acts in a socially responsible way
Brand resonance Gabrielli, Grappi, & Baghi (2012) $\alpha = 0.888$	<ul style="list-style-type: none"> • X would be my first choice • I consider myself to be loyal to X • I belong to X lovers • I like to be seen as a consumer linked to X • I keep myself informed about X news • I am willing to positively talk about X

CHAPTER 7

CONCLUSION

INTRODUCTION

This chapter synthesises findings across the three studies and provides a review and fulfillment of the research gaps and objectives followed by the general results. It is followed by the general discussion of the three studies. Finally, the chapter concludes with contributions, limitations and future directions, and concluding remarks.

GENERAL RECAP OF OBJECTIVES AND FINDINGS

Key Objectives

Research gap 1 highlighted the lack of empirical studies looking at Perceived Motives and its effects on Consumer Situational Scepticism in a luxury context. The first research objective was fulfilled with empirical testing of the exogenous variables looking at how Consumer Perceived Motives Influence Consumer Situational Scepticism.

Research gap 2 suggested an investigation of the effects of Consumer Situational Scepticism towards meaningful key outcomes for luxury brands. The second objective was fulfilled with empirical testing of the endogenous variables looking at how Consumer Situational Scepticism influence key outcomes of Luxury Brands namely Brand Resonance, Resilience to Negative Information, and Consumer Advocacy.

Research gap 3 suggests that there is a lack of research investigating communication strategies such as Perceived Fit and Commitment in a homogenous sample especially in a luxury context. This objective was fulfilled with empirical testing of the moderating roles of Perceived Fit and Commitment of the conceptual framework in Studies 1 and 2 respectively

Research gap 4 states that despite the growing number of “born and bred” and established luxury brands engaging in CSR, there is a lack of investigation looking at how established Luxury Brands and Principle-based Entities affect Consumer Situational Scepticism. The objective was fulfilled through empirical testing of the moderating role of Principle-based Entities as the background variable for the conceptual framework in Studies 1 and 2.

KEY FINDINGS

The key findings of the three studies are summarised in the following sections.

(a) Higher Values-driven Motives lead to lower Consumer Situational Scepticism

The results to the relationship between Values-driven Motives leading to Consumer Situational Scepticism is consistent in all research backgrounds and contexts: Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3). Standardised coefficients of the relationship between Values-Driven Motives and Consumer Situational Scepticism are between -0.319 to -0.535. Generally, the results showed that high levels of Perceived Fit and Commitment as well as PBE contexts led to a negative relationship between Values-driven Motives and Consumer Situational Scepticism.

Supported by existing literature such as Ellen et al., 2000; Skarmeas & Leonidou, 2013, these results suggest that consumers are less likely to be sceptical towards a company's actions when consumers perceive the underlying motives to be driven by wholesome values of the company. These communication strategies and company traits show effectiveness at reducing scepticism. Consumers perceive Values-driven Motives to stem from benevolence and the desire to foster a positive change. Companies with Values-driven Motives are perceived as companies whereby CSR is "doing good" is embedded in their identity and brand DNA (Skarmeas & Leonidou, 2013). The results in this study further indicate that consumer perceived Values-driven Motives explain a subtle variance of its effects on Consumer Situational Scepticism.

(b) Higher Egoistic-driven Motives lead to higher Consumer Situational Scepticism.

The results to the relationship between Ego-driven motives leading to Consumer Situational Scepticism is consistent in all research backgrounds and contexts: Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3). Standardised coefficients of the relationship between Values-Driven Motives and Consumer Situational Scepticism are between 0.322 to 0.517. Generally, the results showed Perceived Fit and Commitment as well as PBE contexts led to a negative relationship between Ego-driven motives and Consumer Situational Scepticism.

Supported by existing literature such as Ellen et al., 2006; Vlachos et al., 2009; Skarmeas & Leonidou, 2013, these results suggest that consumers are more likely to be sceptical towards a company's actions when consumers perceive the underlying motives to be driven by opportunistic behaviour looking to exploit the CSR initiative for the sole purposes of turning a profit. Consumers often perceive Ego-driven motives as self-serving and unethical; masquerading as providing a solution to society's problems only to abuse vulnerable parties (Skarmeas & Leonidou, 2013). The results in this study further indicate that consumer perceived Ego-driven motives explain a sizable variance of its effects on Consumer Situational Scepticism.

(c) Higher Strategic-driven Motives lead to higher Consumer Situational Scepticism.

The relationship between Strategic-driven Motives leading to Consumer Situational Scepticism is consistent in Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3) contexts which are statistically significant. Standardised coefficients of the relationship between Strategic-driven Motives and Consumer Situational Scepticism are between 0.134 to 0.186. The findings suggest that consumers are more forgiving with companies that engage in strategic-driven motives especially luxury brands when compared to other studies dealing with non-luxury brands (Kang & Atkinson, 2016; Dalla-Pria & Rodríguez-de-Dios, 2022; Teah, Sung, & Phau, 2021).

Supported by existing literature such as Vlachos et al., 2009; Skarmeas & Leonidou, 2013, these results suggest that consumers feel negatively about Strategic-driven Motives. Companies engaged in low Perceived Fit, low Commitment, and non-PBE CSR initiatives may strengthen the relationship between Strategic-driven Motives and Consumer Situational Scepticism because their dedication to social causes may be questionable. On the one hand, Strategic-driven CSR initiatives can be seen as a win-win situation. Companies provide support and solutions to some of society's issues while fulfilling their own financial goals. On the other hand, this behaviour draws away from the altruistic nature of CSR and can be seen as manipulative and calculative. It is surprising to note that consumers who perceive PBEs with Strategic-driven Motives did not have a weaker positive effect on Consumer Situational Scepticism. To be financially viable, companies must ensure economic goals are met but at the same time help society or they will cease to exist. As a PBE, it is likely consumers perceive born and bred companies practicing CSR as bread and butter of their business model. The intention is explicit and clear from the get-go. These values were part of the company since inception. There is no element of "hiding who you are" or "pretending to be someone you are not" in these situations.

Therefore, consumers may be more forgiving to companies in this context. However, it is interesting to note that some studies show that consumers feel mildly positive toward Strategic-driven Motives. These studies have suggested culture as a moderator (Vuković, Miletić, Čurčić, & Ničić, 2020). More research is required in this area to ascertain the discrepancies in these results. The results in this study further indicate that consumer perceived Strategic-driven Motives explain a small variance of its effects on Consumer Situational Scepticism.

(d) Higher Stakeholder-driven Motives lead to higher Consumer Situational Scepticism

The results to the relationship between Stakeholder-driven Motives leading to Consumer Situational Scepticism is inconsistent in the Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3) contexts. Standardised coefficients of the relationship between Stakeholder-driven Motives and Consumer Situational Scepticism are -0.074 and 0.098.

Supported by existing literature such as Ellen et al., 2006; Vlachos et al., 2009; Skarmeas & Leonidou, 2013, these results suggest that consumers are unsure about Stakeholder-driven Motives. Stakeholder-driven companies partake in CSR initiatives only after pressures from stakeholders cause them to do so. These pressures can come from employees, consumers, special interest groups, government policies and laws, and/or market demand. Stakeholder-driven Motives present mixed opinions. First, on the one hand, companies are seen negatively when they are not proactive in pursuing CSR initiatives when actively engaging with the community is the norm. Second, engaging in CSR initiatives only after backlash from stakeholders is perceived as “ticking boxes to appease consumers” or “fearing the repercussions”. However, some may see Stakeholder-driven Motives as companies “listening to their consumers” or “adapting to the dynamic consumer environment” which is considered positive. PBEs seem to perform better (weakens relationship between Stakeholder-driven Motives and Consumer Situational Scepticism) than non-PBEs in the high Perceived Fit context. Therefore, consumers seem to be more forgiving towards companies who act on society’s requests and pressures but are born and bred to do so. Some may even argue the incorporation of PBEs itself stems from the pressures of society. Companies engaged in low Commitment CSR initiatives may raise Consumer Situational Scepticism because their dedication to social causes may be questionable and addressing stakeholder pressure may be seen as a temporary solution to “appease” the pressure. This short-term band aid solution is seen a paying lip service to “get out of trouble” and is generally viewed negatively by consumers.

(e) Higher Consumer Situational Scepticism leads to lower Brand Resonance

The results to the relationship between Consumer Situational Scepticism leading to Brand Resonance is consistent across all three conditions: Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3). Standardised coefficients of the relationship between Consumer Situational Scepticism and Brand Resonance are -0.100 to -0.535. Supported by existing literature, these results suggest that consumers are more likely to experience Brand Resonance when they are less sceptical towards a company's actions. Consumer Situational Scepticism has been tied to feelings of doubt and manipulation. The results in this study further indicate that Consumer Situational Scepticism explain a sizable variance of its effects on Brand Resonance.

(f) Higher Consumer Situational Scepticism leads to lower Resilience to Negative Information

The results to the relationship between Consumer Situational Scepticism leading to Resilience to Negative Information is inconsistent across all three conditions: Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3). Standardised coefficients of the relationship between Consumer Situational Scepticism and Resilience to Negative Information are between -0.280 to -0.415 in the Perceived Fit and PBE contexts. The relationship was insignificant in the Commitment context. The high Perceived Fit context has a lower standardised coefficient as compared to the low Perceived Fit condition. It is also a point to note that the high fit condition has the lowest standardised coefficient among all the tested conditions.

Largely supported by existing literature, these results suggest that high levels of perceived fit between message and message source lowers disfluency. The consistency and congruence between company and CSR initiative has been shown to lower the cognitive state of consumer discomfort that can sometimes be difficult to articulate. Consumers feel that something is wrong with the pairing, but they cannot quite understand why. Scholars have shown that this discomfort is caused by incongruent pairing between message and message source. The PBE context has a lower standardised coefficient

as compared to the non-PBE condition. It is also a point to note that the non-PBE condition has the highest standardised coefficient among all the tested conditions. Also supported by existing literature, these results suggest that consumers are less resilient to negative information towards non-PBEs compared to PBEs. This phenomenon ties back to multiple sources of literature citing the fact that companies who actively engage in CSR initiatives are less likely to encounter prolonged backlash over negative news. The CSR initiatives act as “goodwill” or “padding” for news that may cause detriment to the company. The results in this study further indicate that Consumer Situational Scepticism explain a sizeable variance of its effects on Resilience to Negative Information.

(g) Higher Consumer Situational Scepticism leads to lower Consumer Advocacy

The results to the relationship between Consumer Situational Scepticism leading to Consumer Advocacy is inconsistent across all three conditions: Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3). Only high Perceived Fit and PBE contexts are significant at more than 95% confidence. Standardised coefficients of the relationship between Consumer Situational Scepticism and Consumer Advocacy are between -0.065 to -0.094. Supported by existing literature, these results first suggest that high levels of Perceived Fit between message and message source makes it more likely for consumers to talk about the company. Second, companies that are “born and bred” to practice CSR are also more likely to speak about the company. One possibility may be caused by a large rift between what the company stands for and opportunistic behaviour. This inconsistency in company behaviour forms a contradictory narrative which makes it interesting to share. Third, fictional companies may draw more scrutiny and advocacy-type behaviour because of the foreign and unfamiliar nature of the company. Opinions about new companies and brands have yet to be formed, therefore making it easy for consumers to talk about these companies and form favourable or unfavourable opinions. The results in this study further indicate that Consumer Situational Scepticism explain a marginal variance of its effects on Consumer Advocacy.

(h) Higher Brand Resonance leads to higher Resilience to Negative Information

The results to the relationship between Brand Resonance leading to Consumer Advocacy is consistent across all three conditions: Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3). Standardised coefficients of the relationship between Brand Resonance and Resilience to Negative Information are between 0.306 to 0.523. Although results are significant in all conditions, there is a statistically significant difference between Perceived Fit and PBE contexts. The high Perceived Fit condition has a higher standardised coefficient as compared to the low Perceived Fit condition. It is also a point to note that the high Perceived Fit condition has the highest standardised coefficient among all the tested conditions. Largely supported by existing literature, these results suggest that high levels of Perceived Fit and Brand Resonance between message and message source lowers Consumer Situational Scepticism. This lack of Consumer Situational Scepticism then builds “padding” or resilience towards negative information that may threaten the position of the company.

The non-PBE condition has a lower standardised coefficient as compared to the PBE context. It is also a point to note that the non-PBE condition has the lowest standardised coefficient among all the tested conditions. Like the high Perceived Fit condition, which is also supported by existing literature, these results suggest that consumers are less resilient to negative information towards non-PBEs compared to PBEs. There is a statistically significant difference between PBE contexts in the Commitment (Study 2) study. The non-PBE condition has a lower standardised coefficient as compared to the PBE condition. It is also a point to note that the non-PBE condition has the lowest standardised coefficient among all the tested conditions.

Supported by existing literature, these results suggest that consumers are less resilient to negative information towards non-PBEs compared to PBEs. As Brand Resonance is a key dimension to “loyalty”-type effects like brand attachment, brand love, Brand Resonance, and brand loyalty, this phenomenon protects brands and companies from negative news. In some cases, the brand or

company may even encounter consumers who are more “entrenched” into positive opinions towards the company and see themselves as a protector of the brand when faced with negative information. Therefore, CSR initiatives act as “goodwill” or “padding” for news that may cause detriment to the company. The results in this study further indicate that Brand Resonance explain a sizeable variance of its effects on Resilience to Negative Information. The results in this study further indicate that Brand Resonance explain a sizeable variance of its effects on Resilience to Negative Information.

(i) Higher Brand Resonance leads to higher Consumer Advocacy

The results to the relationship between Brand Resonance leading to Consumer Advocacy is consistent across all three conditions: Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3). Standardised coefficients of the relationship between Brand Resonance and Consumer Advocacy are between 0.575 to 0.802. Existing literature supports these findings. As brands achieve higher levels of Brand Resonance in consumers, consumers are more likely to share these positive experiences with their friends and family. While consumers are eager to share positive experiences, they are also keen to share negative experiences to prevent friends and family from encountering similar misfortunes. The results in this study further indicate that Brand Resonance explain a sizeable variance of its effects on Resilience to Negative Information.

Although results are significant in all conditions, there is a statistically significant difference between PBE and Commitment contexts. Surprisingly, the results show higher Brand Resonance leads to higher Consumer Advocacy is higher in non-PBEs when compared to PBEs. This finding is contrary to existing literature. In a non-luxury context, past literature has shown non-PBEs to have less favourable results. One possible explanation may be consumers are more eager to share and advocate brand information when the luxury brand is not “born and bred” to engage in CSR initiatives. There may be a possibility of subtlety involved in sharing information pertaining to luxury PBEs therefore

causing consumers to be less like to advocate these brands. The results in this study further indicate that Brand Resonance explain a sizeable variance of its effects on Resilience to Negative Information.

GENERAL DISCUSSION

Perceived Motives and Consumer Situational Scepticism

The results show that Values-driven Motives were found to lead to lower Consumer Situational Scepticism irrespective of the level of Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3) from the luxury brand. Conversely, it was found that Egoistic-driven Motives would result in higher Consumer Situational Scepticism. The finding suggests that consumers are more likely to be sceptical towards a company's actions when consumers perceive the underlying motives to be driven by opportunistic behaviour looking to exploit the CSR initiative for the sole purposes of turning a profit (Skarmeas & Leonidou, 2013). Consumers often perceive Ego-driven motives as self-serving and unethical; masquerading as providing a solution to society's problems only to abuse vulnerable parties (Ellen et al., 2006; Vlachos et al., 2009). This suggests that luxury brands should avoid being perceived as having Egoistic-driven Motives, especially when consumers are increasingly savvy to various marketing strategies. The perception of being self-serving and unethical would also contradict the intents and purposes of CSR.

While it was found in this study that Strategic-driven Motives lead to higher Consumer Situational Scepticism, previous literature has indicated contrasting outcomes on Strategic-driven Motives and Stakeholder-driven Motives (Connors et al., 2017). On the one hand, Strategic-driven CSR initiatives is a win-win situation; companies provide support and solutions to societal issues while fulfilling their own financial goals (Groza, Pronschinske, & Walker, 2011; Vlachos et al., 2009). On the other hand, this behaviour draws away from the altruistic nature of CSR and may be perceived as manipulative and calculative (Kim, Nobu, & Kim, 2020). The findings showed that Strategic-driven Motives increase Consumer Situational Scepticism in the luxury industry, which can be attributed to the difference in identity values between luxury and non-luxury whereby consumers are more likely to be sceptical of luxury brands. This is likely due to the nature of luxury businesses, which are often perceived as self-serving and calculated as opposed to public-serving and altruistic (Kapferer & Michaut-Denizeau, 2020).

While Stakeholder-driven Motives were not found to have a strong significant relationship towards Consumer Situational Scepticism, the current literature has revealed inconclusive results on its effects on Consumer Situational Scepticism. On the one hand, companies are seen as superficial to appease upset consumers when they are not proactive in pursuing CSR initiatives when actively engaging only after pressures from stakeholders such as employees, consumers, special interest groups, government policies and laws, and/or market demand (Bhattacharya et al.; Vlachos et al., 2009). This behaviour is impermanent because these companies only perform CSR when pressured (Franklin, 2008). However, some may see Stakeholder-driven Motives as adapting and listening to dynamic consumer expectations which are considered positive (Groza et al., 2011). The results of this study suggest that Stakeholder-driven Motives do not affect Consumer Situational Scepticism in the luxury industry. This extends existing literature (Kim et al., 2020) and opens possible future research to further determine if Stakeholder-driven Motives are an antecedent to Consumer Situational Scepticism in luxury.

Consumer Situational Scepticism on Luxury Outcomes

In line with past literature, the results also showed that Consumer Situational Scepticism led to lower Resilience to Negative Information (Elving, 2013; Skarmeas & Leonidou, 2013). Therefore, consumers are less likely to resist negative news regarding the brand if they are sceptical. Moreover, consumers who are sceptical toward the luxury brand's CSR initiative will be more likely to accept the news that paints the brand in a negative light. This would mean that the repercussions from negative publicity can in fact be even more detrimental to the brand if consumers are sceptical towards the brand. Brand Resonance and Resilience to Negative Information are sought-after by luxury brands (Kapferer & Michaut, 2015; Wong & Dhanesh, 2017). It is therefore, imperative to mitigate Consumer Situational Scepticism in the context of luxury brand CSR. While it was found that Perceived Fit (Study 1), Commitment (Study 2), and PBE (Study 3) does not moderate the

relationship between Consumer Situational Scepticism and Brand Resonance, it was found that consumers are even less resilient to negative information when there is a low Perceived Fit, Commitment, and non-PBE between the luxury brand and its CSR initiatives (Johnson & Grier, 2011; Praxmarer, 2011). If given a choice, luxury brands should consider the choice of Perceived Fit, Commitment, and PBE of CSR initiatives, especially if there may be potentially negative information about the brand.

The results further showed that there is a difference between Consumer Situational Scepticism and Consumer Advocacy in high vs. low Perceived Fit, Commitment, and PBE contexts. It was found that Consumer Situational Scepticism does not have a significant relationship with Consumer Advocacy in a low Perceived Fit, Commitment, and non-PBE situation, whereas a significant relationship was found in the high Perceived Fit, Commitment, and PBE condition. This suggests that in a low Perceived Fit, Commitment, and non-PBE condition, Consumer Situational Scepticism does not negatively impact advocacy as consumers may not see this as manipulative marketing. Whereas, when in a high Perceived Fit, Commitment, and PBE condition, it is perceived by consumers as manipulative, therefore leading to a negative impact on Consumer Advocacy.

Furthermore, it was found that Brand Resonance has a positive effect on Resilience to Negative Information. This relationship is more pronounced in a low Perceived Fit, Commitment, and non-PBE context. Therefore, if consumers have strong Brand Resonance towards the luxury brand, they would be more resilient towards the impact of negative information. Even within a low Perceived Fit, Commitment, and non-PBE context, brands would be able to buffer the negative information however such buffer is more effective in a high Perceived Fit, Commitment, and PBE in comparison to a low Perceived Fit, Commitment, and non-PBE context.

In line with previous literature, this study found that higher levels of Brand Resonance led to higher Consumer Advocacy. Consumers with higher levels of Brand Resonance are more likely to share their positive experiences through advocacy-type behaviour.

Moderating effects of Perceived Fit, Commitment, and PBE.

Previous studies have established a consensus regarding the moderating effects of Perceived Fit, Commitment, and PBE on the relationship between Perceived Motives and Consumer Situational Scepticism. For example, in Elving's study (2013), high Perceived Fit CSR initiatives tend to prevent consumers from raising questions regarding company motives when faced with CSR communication. However, in a study about fit between brand and the cause endorsed by a brand, it was found that scepticism was greater when the relationship between brand and cause was taxonomic rather than thematic (Mendini et al., 2018). A taxonomic relationship implies that entities share common features (like Tiffany & Co. taking care of the safety of diamond miners, Mendini et al., 2018); a thematic relationship implies that entities interact in same context (like Tiffany & Co. supporting restoration of the Statue of Liberty, for an overlap of an image with New York City, Mendini et al., 2018).

It was found that Perceived Fit (Study 1), Commitment (Study 2), and PBE vs non-PBE (Study 3) have varying moderating effects on the relationship between the four and Consumer Situational Scepticism. Unlike prior literature, it was found that all three moderators strengthen the relationship between Egoistic-driven Motives and Consumer Situational Scepticism (Elving, 2013; Skarmeas & Leonidou, 2013). One reason for this may be caused by the egoistic nature of luxury brands. Luxury brands perceived as egoistic are so negatively evaluated that even regardless of context, the CSR initiatives will not moderate the effect of Consumer Situational Scepticism (Boenigk & Schuchardt, 2013; Li et al., 2019).

In addition, prior literature has found that high Perceived Fit (Study 1) CSR initiatives in the non-luxury industry have a more favourable effect on marketing outcomes (Janssen et al., 2014). One explanation for this difference between luxury and non-luxury could be that luxury brands transcend the utilitarian nature of non-luxury goods, whereas non-luxury goods are focussed on the utility of their products. The latter therefore requires the CSR communication to have a higher product fit as evidenced in previous studies (Das, Mukherjee, & Smith, 2018; Palazon & Delgado-Ballester, 2013). Luxury goods are also focussed on the identity and personality of the brand as well as the hedonic nature of their products (Chang & Liu, 2012), which better aligns with portraying Values-driven Motives.

There is a possibility that “luxury brand” to “CSR” fit opens a previously unconceptualized type of fit which focusses on the more abstract nature of fit. Examples of this could be fit between brand personalities (Caprara, Barbaranelli, & Guido, 2001), or brand aura, rather than simple or superficial fit metrics. Another possible explanation is that luxury brands are seen to have limited product categories (jewellery, leather goods, etc...) and to find a very close and direct fit would limit the number of CSR initiatives. As such, consumers may be more willing to accept the lower levels of fit in the luxury industry. Therefore, as these two categories of goods serve a different purpose, it would likely require a differing measurement of Perceived Fit (Anido Freire & Loussaïef, 2018) and to treat CSR communication of these two categories of products (luxury vs. non-luxury) differently.

Chaabouni, Jridi, & Bakini (2021) conducted a similar study on the moderating effects of Commitment, showing that high Commitment to CSR activity reduce the perception of non-altruistic motives under the assumption that the congruence of values in PBEs and CSR have similarities to Perceived Fit and Commitment. In Study 2, high Commitment moderated the relationship between Brand Resonance and Resilience to Negative Information. This suggests that high Commitment to CSR initiatives is important in enhancing consumer’s perception of the brand and how in the event of

a scandal or negative press, consumers may be less receptive to negative information circulated. In addition, it would also provide a form of “buffer” to negative press, as it could be impossible to control the information received by consumers (especially in situations of consumer-generated media content). As a result, it is also important for luxury brands to treat CSR as a long-term brand strategy, rather than a short-term activity in the interest of gaining immediate positive public opinion. The long term and Commitment of CSR activities can also portray authentic and genuine interest in the welfare of the public, rather than jumping onto the CSR “bandwagon”. This consistency is relevant to enable CSR as a long-term brand strategy.

In the PBE study (Study 3), PBE status weakens the negative relationship from Consumer Situational Scepticism to Brand Resonance when compared to a non-PBE condition. In line with the literature, Brand Resonance establishes a sense of connection between brand and consumer through congruent values and principles between company and consumer. The relationship between Consumer Situational Scepticism and Brand Resonance when moderated by PBE status is lower. In line with the findings, PBE status weakens the relationship between Consumer Situational Scepticism and Brand Resonance, enhancing self-brand connection. This connection facilitates the establishment of Brand Resonance between brand and consumer, creating a “synch” in a mutually rewarding relationship (Keller, 2001). Therefore, brands should strive to reduce Consumer Situational Scepticism to assist in communication efforts geared towards creating a consumer-brand connection. This suggests that PBE status makes it easier for the brand to connect and resonate with the consumer base because they perceived as committed to CSR. This is particularly vital for the success of luxury brands as consumer connection forms a strong personal and hedonistic bond less prevalent in non-luxury products and services.

Through 3 separate studies, the objectives of this thesis and outcomes are as follows:

1. To validate Perceived Motives, an antecedent of Consumer Situational Scepticism in the CSR space in the luxury context. The results established the relationship in a luxury context and provided interesting results dissimilar to previous literature dealing with non-luxury contexts (e.g., Skarmeas & Leonidou, 2013; Ellen et al., 2006).
2. To investigate Consumer Situational Scepticism and its effects on luxury-centric behavioural outcomes. The results showed significance in outcomes such as Resilience to Negative Information, Brand Resonance, and Consumer Advocacy in the context of the luxury industry.
3. To develop the conceptual framework by extending Skarmeas & Leonidou (2013) model to the context of the luxury industry and examining the moderating relationships of communication strategies (Perceived Fit and Commitment) for future generalisability of communication strategies. The results showed that the framework is significant and achieved acceptable levels of model fit, hence its suitability for luxury study.
4. To develop the conceptual framework by extending Skarmeas & Leonidou (2013) to the context of the luxury industry and examining the moderating relationship and effects of Principle-based Entities on the luxury research framework.

CONTRIBUTIONS

Theoretical and Methodological Contributions

This thesis is theoretically based on the Stakeholder Theory which conveys the importance of considering the stakeholders' position and interests in business decision making. As organizations are increasingly committed towards long-term CSR strategies, the study extends theory on how its CSR commitment can affect a brand, and in turn, affect consumer responses to marketing outcomes (e.g., Resilience to Negative Information and Consumer Advocacy). By extending this theory to encompass a deeper view into consumer responses to CSR initiatives, the study also validates Stakeholder Theory in explaining CSR in the luxury industry. The findings highlight the importance of CSR for a business continuity perspective from a consumer perspective moving forward and should be a priority for brands and companies.

Taken from a consumer's perspective, the study provided insights as to the importance of CSR in enhancing Brand Resonance and negating negative consumer perceptions. In addition, the moderating roles of CSR Perceived Fit, Commitment, and PBE towards luxury brand CSR initiatives fundamentally addressed a gap within the research where most research has focused on FMCG or other non-luxury sectors (Amatulli et al., 2018; Dekhili & Achabou, 2016). By examining Consumer Situational Scepticism and its effects on luxury marketing outcomes presents empirical evidence of the effects of CSR activities and related impact on consumer behaviour.

Another methodological contribution of this thesis is that this is the first study to conceptualise PBE, and further test on the conceptual framework as a background moderating variable. While the conceptualisation of PBE and PBM are in its infancy (the thesis used this construct on a contextual basis), this thesis has established a gap in the general CSR literature regarding the PBE phenomenon. Furthermore, several companies have come up with PBEs (see Petit H and Stella McCartney) signifying an increased need for studies in this area.

Lastly, methodologically, the study provided a comparison to prior research on the difference between luxury and non-luxury sectors (Perceived Fit, Commitment, PBE), thus reinforcing the need for CSR communication to treat luxury brands and non-luxury brands as separate areas of study. More importantly, this study is the first to compare communication strategies in the luxury industry. Theoretically, it also opens a field for future studies to distinguish luxury and non-luxury as results vary based on the difference between the two. The differences highlighted between communication strategies signify managerial importance as to not take a one size fits all approach to assume that all CSR communication would yield similar results. While previous studies have addressed CSR of luxury brands, the extension to how motives play a critical role in shaping consumer perceptions (Consumer Situational Scepticism, Brand Resonance and Resilience to Negative Information), which can in turn influence action (advocacy) presents novel findings. This study therefore presents a conceptual model, which can also be generalized in future by extending to specific luxury categories.

Managerial contributions

Specifically, the study has presented new knowledge by extending the critical role of Perceived Motives in shaping consumer perceptions (Consumer Situational Scepticism, Brand Resonance and Resilience to Negative Information), which can in turn influence action (Consumer Advocacy), which may help managers cement the brand in the luxury space. Brands like Stella McCartney which were born and bred for CSR have established a strong CSR profile there is a shiny light for other brands like Gucci and Louis Vuitton who has a long-term CSR strategy should continue to work on it. Due to the nature of the luxury industry, it has been portrayed to be more “wasteful” and has conflicting perceptions of what CSR stands for. Further, the conceptual model offers a framework for future comparisons to other communication strategies. These two managerial implications extend current literature in research surrounding CSR communication strategies. Managers can adopt the conceptual model to generate further insight into their consumer brand perceptions in relation to CSR.

The investigation on Perceived Motives is an important facet to consider in executing communication strategies that portray motives that are genuine and authentic to the brand's values (e.g., values-driven motives) as opposed to negatively received motives (e.g., egoistic-driven motives) that are still seen to be profiteering off CSR initiatives. In addition, this would impact on the design of communication campaigns and the communication channels. In order to portray a positive image of a luxury brand, aligning CSR initiatives with brand values would therefore yield better reception from consumers. In a similar vein, it also implies that brands should ensure that CSR initiatives align well with brand values but also to ensure that the organization have clear vision and values. Further, egoistic-driven motives are ineffective in eliciting positive response from consumers. Therefore, brands should be monitoring and managing their perception and ensuring that their image is perceived as genuine and serving the public's best interest.

It is crucial for luxury brands to envisage CSR initiatives as part of the brand strategy, rather than an afterthought or a short-term marketing activity. If commitment is low, consumers become sceptical of the purpose and intents of the luxury brand. It would therefore discount the sincerity of luxury brands in their CSR investment as an activity to garner short-term positive public opinion without long term positive impact on the general public. Therefore, where a possible alignment of CSR initiatives with the brand strategy, vision and product would result in better consumer evaluations. In turn, the results also revealed that higher perceived commitment would enhance the relationship between Brand Resonance and Resilience to Negative Information. Suggesting that a high commitment of CSR activities would provide a buffer to negative press and consumers are less susceptible to boycott or they may be more forgiving of negative information they encounter about the brand. The communication strategies tested in this study could be developed into a blueprint for companies to follow which may further into the formation of companies' internal CSR policies or government social policies.

High Commitment moderated the relationship between Brand Resonance and Resilience to Negative Information. This suggests that high Commitment to CSR initiatives is important in enhancing

consumer's perception of the brand and how in the event of a scandal or negative press, consumers may be less receptive to negative information circulated. In addition, it would also provide a form of "buffer" to negative press, as it could be impossible to control the information received by consumers (especially in the situation of consumer-generated media content). As a result, it is also important for luxury brands to treat CSR as a long-term brand strategy, rather than a short-term activity in the interest of gaining immediate positive public opinion. The long term and commitment of CSR activities can also portray authentic and genuine interest in the welfare of the public, rather than jumping onto the CSR "bandwagon". This consistency is relevant to enable CSR as a long-term brand strategy.

This study is theoretically based on the Stakeholder Theory which conveys the importance of taking into account the stakeholders' position and interests beyond just brand image building. The study extends and validates a deeper view into consumer responses to CSR initiatives within the luxury industry offering brand strategists and managers many potential initiatives for consideration. It provided insights into the importance of CSR in enhancing Brand Resonance and negating negative consumer perceptions. In addition, it sheds light into the moderating role of Perceived Fit towards luxury brand CSR initiatives fundamentally addressed a gap within the research where most research has focused on FMCG or other non-luxury sectors (Amatulli et al., 2018). By examining Consumer Situational Scepticism and its effects on luxury marketing outcomes, it presents empirical evidence of the effects of CSR activities and related impact on consumer behaviour. Due to the nature of the luxury industry, it has been portrayed to be more "wasteful" and has conflicting perceptions of what CSR stands for.

LIMITATIONS AND FUTURE RESEARCH

The current research is not all-encompassing and provides opportunities for future research. Depending on marketing and communication goals, luxury brands have to choose favourable marketing outcomes that match their goals. This study is limited to three highly sought-after luxury brand marketing outcomes: Brand Resonance, Resilience to Negative Information, and Consumer Advocacy. There are other luxury brand marketing outcomes such as brand prominence (Butcher, Phau, & Teah, 2016), the pride of ownership (McFerran, Aquino, & Tracy, 2014; Sung & Phau, 2019), brand love (Sajtos et al., 2020), and luxury brand attachment (Shimul & Phau, 2018) that can be tested in future research. These constructs are luxury-specific and often used as a metric by managers.

This is the first study to look at principle-based marketing and principle-based entities. Although the Study used PBE in a contextual basis, the changing landscape of CSR and the luxury industry, coupled with literature identifying this gap, the study of PBE is at its infancy. More research is required to establish scale items and further conceptualise this phenomenon.

This study used fictional (*Vechetti*) and Non-fictional (*Bulgari*) brands. Although there were no significant differences between them, to truly examine the differences between companies that have CSR values since inception and companies that were established without CSR values and have subsequently jumped onto the CSR bandwagon, further research can be conducted native CSR luxury brands versus traditional luxury brands. For example, future studies can adopt brands like Stella McCartney which is “born and bred” brand for environmental and social consciousness versus Gucci which is a late adopter of CSR brand. Other studies can also look at CSR adoption relative to age of the company. It is noted that luxury brands have practised CSR decades ago but were unsure of how to communicate their efforts or simply did not communicate these CSR initiatives. The results of this study may potentially shed light on the long-term effects of PBE brands.

This study did not focus on a specific demographic or psychographic group. Past studies have indicated age, income, and education (collectively the formative variable, Socio-economic status) is a moderator

of luxury purchase, as well other personality traits and internal factors that are antecedents to luxury purchase. It is suggested that cluster analysis is used to compare different demographic and psychographic groups. Future research can investigate other age groups such as baby boomers who may have varying opinions towards CSR. This study focused on Oceania while other geographic regions such as Asia, the Americas, and Europe may yield different results. Varying psychographics such as attitudes towards CSR and lifestyles may also yield interesting findings for further generalisability. Furthermore, brand interaction in this study is limited to consumers. However, this can be extended to other stakeholders such as employees or community members. Future research can look at the perceptions of these other groups.

The results of this study were achieved through quantitative methods. Future studies can incorporate qualitative methods to further tease the nuances of CSR and communication. While quantitative analysis provides a broad understanding, quantitative analysis like focus groups and ethnography provided deeper level details. Current literature has compared non-luxury and luxury in independent studies, but no direct comparison is made. Future studies can directly incorporate non-luxury with luxury as a single study. The research is also limited to one brand and one product category. Adopting this study to a different brand and product category can again increase the generalisability of the developed framework. This study investigated a single product category: jewellery. Future research can examine other luxury brand product categories such as bags, shoes, apparel, and automobiles. As jewellery is considered high cost and high involvement, other luxury products such as perfumes and accessories.

Auxiliary mediating relationships of outcome variables were not measured in this study. For instance, Brand Resonance to Resilience to Negative Information would allow future studies to understand consumers who hold strong positive attitudes toward a retailer and their likelihood to demonstrate enhanced Resilience to Negative Information about the firm (Dick & Basu, 1994). Cognitive consistency processes can explain this relationship (Festinger, 1993; Festinger & Carlsmith, 1959). The former argues that people with certain perceptions about an object likely engage in selective attention

of information to block out any inconsistency with their attitudes (Fazio, 1990). The latter reflects people's need to maintain a coherent set of beliefs and attitudes about objects to appropriately drive information processing and acceptance (Frey, 1986). Therefore, consumers with strong attachments to a retailer are more likely to downplay or reject information that runs counter to their positive attitudes toward the retailer and less likely to accept such information as diagnostic and relevant to their decisions (Ahluwalia, Burnkrant, & Unnava, 2000).

Further, the relationship of Brand Resonance and Consumer Advocacy allows future studies to understand the relationship when consumers have high satisfaction with the company, experience notable and positive emotional experiences, and have high levels of commitment and loyalty (Brown, Barry, Dacin, & Gunst, 2005). Brand Resonance reflects a strong relationship between consumers and a retailer (Yoo et al., 2000). Such equity prompts consumers to give favourable recommendations of the company to others in their reference group. When consumers have a superior experience, they are likely to spread positive WOM to project a better image about themselves and their choices, reduce potential post-purchase anxiety or dissonance, express their concern about others, and help others make more informed choices (De Matos & Rossi, 2008; Ryu & Feick, 2007).

CONCLUDING REMARKS

There are four possible outcomes towards consumer evaluations when companies engage in CSR initiatives. First, companies engaged in CSR are perceived as intended – custodians of people, planet, and profit. Second, companies engaged in CSR are perceived as green-washing or opportunistic even though resources and effort are expended to increase consumer evaluations. This is arguably the worst outcome. Not only have resources been depleted, but the company's brand image also is tainted. The company would be better off not having communicated any CSR engagement at all. Third, companies who are not proactively engaged in CSR but are wrongfully perceived as socially conscious and responsible corporate entities. From a profit and loss perspective, the company received recognition for no resources expended. This arrangement would obviously be the ideal scenario. Examples of this would be Bill Gates and Microsoft. While Bill Gates is known for his charitable work inside and outside of the Bill and Melinda Gates foundation, Microsoft's brand image of CSR is largely due to its association with Bill Gates (Kim & Ji, 2021). Fourth, companies who do not engage in CSR have neutral consumer evaluations regarding their CSR engagement. The aim of this study is to steer companies away from scenario two through effective consumer communications.

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APPENDIX

APPENDIX A

Stimulus

Below is a link to the video stimulus used in the Non-fictional, Low Fit, non-PBE condition. Other conditions follow a similar format with only points of differences at the end of the video:

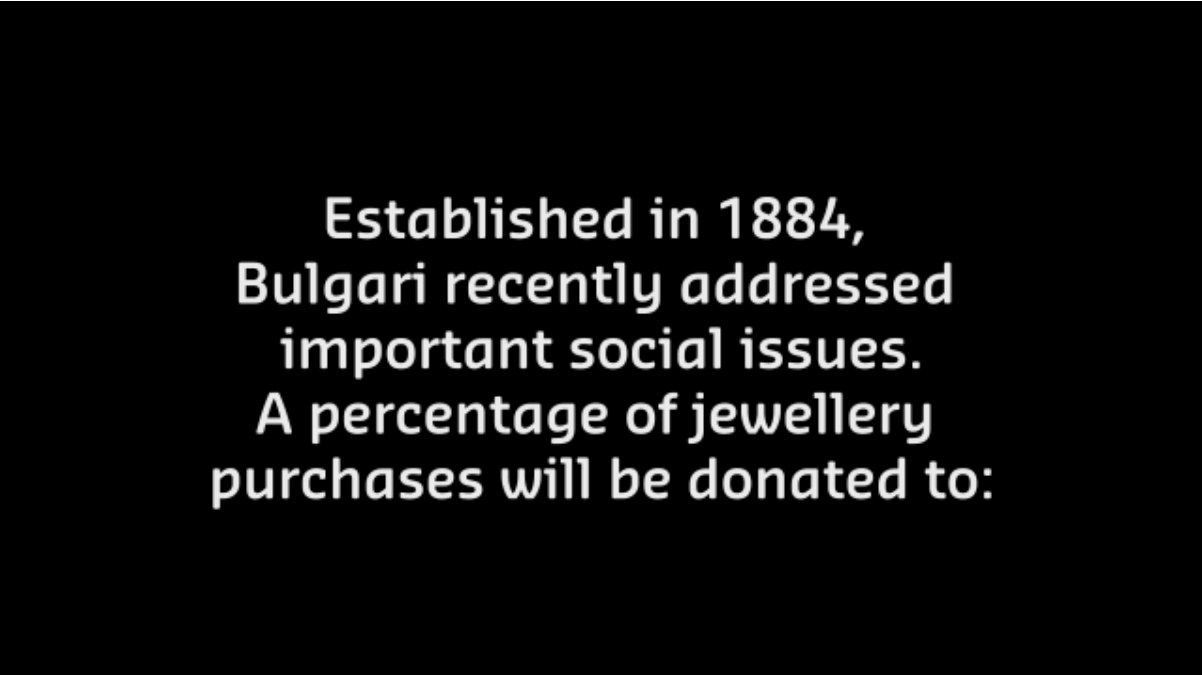
https://www.youtube.com/watch?v=-3fyCd-vaps&list=PLf6ujok1D85sWHvK4IdJkWtHEoODL_iZf&index=6

APPENDIX B

Points of difference

Non-fictional, non-PBE condition

The below is a sample illustrating a non-fictional (Bulgari), non-PBE (recently addressed important social issues) condition used in the video stimulus for the survey instrument.



**Established in 1884,
Bulgari recently addressed
important social issues.
A percentage of jewellery
purchases will be donated to:**

Non-fictional, PBE condition

The below is a sample illustrating a non-fictional (Bulgari), PBE (addressed important social issues since establishment) condition used in the video stimulus for the survey instrument.

**Bulgari has addressed
important social issues since
establishment in 1884.
A percentage of jewellery
purchases will be donated to:**

Low Fit manipulation



Fictitious manipulation

VECHETTI

Non-fictitious manipulation

BVLGARI

APPENDIX C

Survey Instrument

Start of Block: Introduction

Consumer Situational Scepticism towards Luxury Brand CSR

Dear Respondent,

The purpose of this study is to explore the effects of CSR on consumers' scepticism. It will take approximately 10 minutes to complete the survey and there are no right or wrong answers. Please answer all the questions in this survey form and give the response which most accurately reflects your views. Please note that your answers will be aggregated and treated with the strictest confidence.

Please note that you have a choice to participate in this survey and that you may end the survey at any time without giving a reason or justification.

In addition, you acknowledge that you have received information regarding this research and had an opportunity to ask questions. You believe that you understand the purpose, extent and possible risks of your involvement in this project, and you voluntarily consent to take part. Completion of the survey will be taken as evidence of consent to participate in this study.

I would like to thank you for taking the time to complete the survey. If you have any questions regarding the survey, please contact the researcher:

Kevin Teah: GPO Box U1987, Perth Western Australia 6845
Email: kevin.teah@curtin.edu.au

Page Break

Please ensure that you have your **sound** turned on before starting the survey.

End of Block: Introduction

Start of Block: STIM-BULG-LF



Please indicate the extent to which you agree to the following statements:

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I have heard of Bulgari.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate the extent to which you agree to the following statements:

	1	2	3	4	5	6	7
I think Bulgari products are very good .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think Bulgari products are not useful .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My opinion of Bulgari is very favourable .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate the extent to which you agree to the following statements:

	1	2	3	4	5	6	7
I am very familiar with Bulgari products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am very familiar with the types of retail stores that carry Bulgari products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am very familiar with the type of advertising that Bulgari currently uses.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

It's been 15 years since the global effort to ban conflict diamonds began. But the industry is still tainted by **conflict and misery**. Violence still plagues many diamond mines in Africa, with armed groups using force to seize or control diamond wealth. Diamonds from unethical sources are called **conflict or blood diamonds**.

Timing

First Click

Last Click

Page Submit

Click Count

Page Break

Below is an ad from a jewellery company. There will be questions later in the survey pertaining to the information found in this ad.

Please press play to start the ad.

An option to proceed with the survey will present itself after the ad.

Timing

First Click

Last Click

Page Submit

Click Count

Page Break

Please indicate the extent to which you agree to the following statements:

	1	2	3	4	5	6	7
The ad is believable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ad is truthful.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ad is realistic.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: STIM-BULG-LF

Start of Block: MO-BULG

Based on the previous advertisement, please indicate the extent to which you agree to the following statements:

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Bulgari has long term interest in society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari is trying to give back something to the society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari has an ethical responsibility to help society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari feels morally obligated to help society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Based on the previous advertisement, please indicate the extent to which you agree to the following statements:

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Bulgari is trying to capitalise on the growing social movement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari is taking advantage or social causes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari is trying to benefit from the increased awareness of social problems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Please select "Strongly agree"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Based on the previous advertisement, please indicate the extent to which you agree to the following statements:

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Bulgari wants to keep existing customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari hopes to increase its profits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari wants to get new customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari hopes to increase competitiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Based on the previous advertisement, please indicate the extent to which you agree to the following statements:

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Bulgari feels its employees expect it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari feels customers expect it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari feels stakeholders expect it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bulgari feels society in general expects it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: MO-BULG

Start of Block: CSS-BULG

Based on the previous advertisement, please indicate the extent to which you agree to the following statements:

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
It is doubtful that Bulgari is a socially responsible luxury brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is uncertain that Bulgari is concerned to improve the wellbeing of society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is unsure that Bulgari follows high ethical standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is questionable that Bulgari acts in a socially responsible way	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: CSS-BULG

Start of Block: OUT-BULG

Based on the previous advertisement, please indicate the extent to which you agree to the following statements:

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
If Bulgari did something I did not like, I would be willing to give it another chance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would be willing to excuse Bulgari if negative information about its activities was reported in the media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I head or read a negative story about Bulgari, I would be willing to forgive it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Based on the previous advertisement, please indicate the extent to which you agree to the following statements:

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
By sharing my experience with Bulgari, I assist other people towards a similar experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It makes me feel good to tell others about Bulgari	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have responsibility to society to tell others about my experiences with Bulgari	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I suggest to others about Bulgari	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I give suggestions to other people about the quality of Bulgari to help them have a similar experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Based on the previous advertisement, please indicate the extent to which you agree to the following statements:

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Bulgari would be my first choice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I consider myself to be loyal to Bulgari	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I belong to Bulgari lovers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like to be seen as a consumer linked to Bulgari	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I keep myself informed about Bulgari news	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am willing to positively talk about Bulgari	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: OUT-BULG

Start of Block: Demographics

Could you please tell us a few things about yourself?

What is your age (years)?

- 17 and under.
 - 18 - 24
 - 25 - 34
 - 35 - 44
 - 45 - 54
 - 55 - 64
 - 65+
-

What is your annual income? (only select one)

- 0 - \$20000
 - \$20001 - \$50,000
 - \$50,001 - \$100,000
 - \$100,001 - \$150,000
 - \$150,001 - \$200,000
 - Over \$200,000
-

What is your gender? (only select once)

- Female
 - Male
-

What is your highest level of academic qualification?

- Secondary
 - Diploma or certificate
 - Bachelor degree
 - Postgraduate degree
 - Others (Please specify) _____
-

What is your nationality? (only select one)

- Australian
- Singaporean
- Malaysian
- Chinese
- Korean
- South African
- Other _____

End of Block: Demographics

Start of Block: End

From the video, who was the jewellery company supporting?

- Save the Children
 - Responsible Jewellery Council
 - UNICEF
 - Rainforest Alliance
 - World Wide Fund for Nature
-

Which of the following companies do you think has the most fit with the jewellery company in the ad?

- Save the Children
 - Responsible Jewellery Council
 - UNICEF
 - Rainforest Alliance
 - World Wide Fund for Nature
-

When did this jewellery company start supporting the cause?

- Recently
 - Since establishment
 - Don't know
-

End of survey.

I would like to thank you for your time completing the survey.

Press "Next" to submit your responses.

End of Block: End

APPENDIX D

Ethics Form



Research Office at Curtin

GPO Box U1987
Perth Western Australia 6846

Telephone +61 8 9266 7863
Facsimile +61 8 9266 3793
Web research.curtin.edu.au

29-Oct-2019

Name: Ian Phau
Department/School: School of Marketing
Email: Ian.Phau@cbs.curtin.edu.au

Dear Ian Phau

RE: Ethics Office approval

Approval number: HRE2019-0747

Thank you for submitting your application to the Human Research Ethics Office for the project **Binomial Identity of Luxury Brands: The Role of Consumer Situational Scepticism**.

Your application was reviewed through the Curtin University Low risk review process.

The review outcome is: **Approved**.

Your proposal meets the requirements described in the National Health and Medical Research Council's (NHMRC) *National Statement on Ethical Conduct in Human Research (2007)*.

Approval is granted for a period of one year from **29-Oct-2019** to **28-Oct-2020**. Continuation of approval will be granted on an annual basis following submission of an annual report.

Personnel authorised to work on this project:

Name	Role
Teah, Jun-Huan	Student
Sung, Billy	
Phau, Ian	

Approved documents:

Document

Standard conditions of approval

1. Research must be conducted according to the approved proposal
2. Report in a timely manner anything that might warrant review of ethical approval of the project including:
 - proposed changes to the approved proposal or conduct of the study
 - unanticipated problems that might affect continued ethical acceptability of the project
 - major deviations from the approved proposal and/or regulatory guidelines
 - serious adverse events
3. Amendments to the proposal must be approved by the Human Research Ethics Office before they are implemented (except where an amendment is undertaken to eliminate an immediate risk to participants)

4. An annual progress report must be submitted to the Human Research Ethics Office on or before the anniversary of approval and a completion report submitted on completion of the project
5. Personnel working on this project must be adequately qualified by education, training and experience for their role, or supervised
6. Personnel must disclose any actual or potential conflicts of interest, including any financial or other interest or affiliation, that bears on this project
7. Changes to personnel working on this project must be reported to the Human Research Ethics Office
8. Data and primary materials must be retained and stored in accordance with the [Western Australian University Sector Disposal Authority \(WAUSDA\)](#) and the [Curtin University Research Data and Primary Materials policy](#)
9. Where practicable, results of the research should be made available to the research participants in a timely and clear manner
10. Unless prohibited by contractual obligations, results of the research should be disseminated in a manner that will allow public scrutiny; the Human Research Ethics Office must be informed of any constraints on publication
11. Approval is dependent upon ongoing compliance of the research with the [Australian Code for the Responsible Conduct of Research](#), the [National Statement on Ethical Conduct in Human Research](#), applicable legal requirements, and with Curtin University policies, procedures and governance requirements
12. The Human Research Ethics Office may conduct audits on a portion of approved projects.

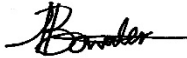
Special Conditions of Approval

None.

This letter constitutes low risk/negligible risk approval only. This project may not proceed until you have met all of the Curtin University research governance requirements.

Should you have any queries regarding consideration of your project, please contact the Ethics Support Officer for your faculty or the Ethics Office at hrec@curtin.edu.au or on 9266 2784.

Yours sincerely



Amy Bowater
Ethics, Team Lead