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# Customers need to relate: The conditional warm glow effect of CSR on negative customer experiences

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ABSTRACT

In this article, we develop and empirically test a theoretical framework explaining when and how Corporate Social Responsibility (CSR) might influence evaluative judgments following a service failure. Across three studies, we find that company CSR enhances evaluations, but this effect is bounded by the fundamental need for relatedness, which reflects the extent to which individuals feel connected to others. That is, CSR enhances evaluations when this need is heightened versus not heightened, and when experiences involve human interaction versus a Self-Service Technology (SST). The findings are replicated using different sampling sources, real and hypothetical customer experiences, various relatedness cues, multiple product categories, and different evaluative judgments. The findings demonstrate that CSR helps to offset negative evaluations following a service failure but only under certain conditions. The managerial and theoretical implications of the findings are discussed.

## 1. Introduction

Service failures are pervasive in service delivery and can be expensive for a company (Davidow, 2003) due largely to the fact that many service recovery strategies rely on some form of financial compensation (Smith & Bolton, 1998). While the cost of this compensation is generally balanced off by the potential of future returns, research has suggested non-financial recovery methods may prove effective. One such approach is to utilize corporate social responsibility (CSR), defined as a company's commitment to minimizing or eliminating harmful effects while maximizing societal benefits (Choi & La, 2013; Mohr, Webb, & Harris, p. 46, 2001). However, much remains unknown about CSR as a service recovery approach. For example, prior research has focused primarily on the main effect of CSR (Thomassen et al., 2020), with few articles examining boundary conditions. In addition, factors specific to the buyer-seller relationship (Bolton & Mattila, 2015) and the framing of the CSR message (Alhouti, Wright, & Baker, 2019) have been identified, but the CSR literature has largely ignored the consumer. Third, exactly how CSR helps firms recover from a service failure remains unclear (Choi & La, 2013; Bolton & Mattila, 2015). Lastly, prior work has yet to consider the impact of technology-mediated service deliveries such as self-service technologies (SST), which companies are rapidly adopting (Robinson et al., 2020).

The current research seeks to address these issues. Drawing on self-determination theory (SDT; Deci, 1980; Deci & Ryan, 1985), we predict that relatedness, or the extent to which consumers feel connected to the people around them (Deci, 1980), plays a critical role in the effectiveness of CSR on service recoveries. When relatedness is heightened, consumers feel a strong sense of connection to society and often feel socially close to others (Deci, 1980), drawing their focus toward the interests, motives, and goals of other people (Lee & Robbins, 1995; Master & Walton, 2013). This aligns with the aim of CSR, which is intended to provide long-term benefits to others (e.g., by reducing carbon emissions, improving labor policies, or helping those in need). Accordingly, in the context of a service recovery, we predict that CSR will be more effective when consumers feel a heightened sense of relatedness.

To understand how relatedness might influence CSR recovery effectiveness, we draw from the social perception literature, which identifies warmth and competence as two universal dimensions of human cognition (Fiske, Cuddy, & Glick, 2007; Judd et al., 2005; Sen, Du & Bhattacharya, 2016). Warmth pertains to attributions of kindness, sincerity, and thoughtfulness, whereas competence denotes effectiveness, capability, and intelligence (Aaker, Garbinsky, & Vohs, 2012). We

propose that in the context of a service failure, communicating CSR activities to those who feel a high sense of relatedness should enhance perceptions of company warmth. This occurs because CSR activities provide long-term benefits to a society to which individuals who feel a heightened sense of relatedness feel connected. As a result, we contend that these individuals will perceive actions benefiting society, and the companies that perform them, as warmer (i.e., kinder, more caring and compassionate).

We further anticipate that warmth will influence perceptions of company competence and evaluative judgments following the service failure. This account is consistent with theory and considerable evidence in the social cognition literature demonstrating the primacy of warmth. That is, both warmth and competence are interrelated, but warmth is superordinate to competence, both in terms of temporal order (warmth → competence) and its effects on judgment (see for a review, Fiske et al., 2007). Lastly, consistent with theory linking relatedness with social connectedness, we anticipate that the impact of relatedness on CSR recovery effectiveness will be bounded by the social interaction of the service. More specifically, we predict that relatedness will influence CSR recovery effectiveness when the service involves human interaction, but not when the service encounter involves a self-service technology (SST).

To the best of our knowledge, this research is the first to investigate the potential effects of relatedness in shaping reactions to service failures. The lack of research pertaining to relatedness in this context is somewhat surprising given that successful service recoveries have been shown to be related to interactional justice (Blodgett, Hill, & Tax, 1997) and rapport (Gremler & Gwinner, 2000), concepts that would appear to be similar to relatedness. As such, introducing relatedness to the service recovery literature appears to be warranted. Further, this research offers additional insights to the nascent literature on the role CSR activities play in the service recovery process. Recent research has provided evidence of the positive impact of CSR on service recoveries (Bolton & Mattila, 2015; Choi & La, 2013). The current study goes beyond this direct effect to provide evidence of the role of relatedness and assesses a proposed serial mediation model that includes warmth and competence.

Lastly, we investigate the impact of communicating CSR activities on service recovery efforts in both human and SST contexts, thus providing an important boundary condition to our effect. The use of SST, whether it be via online platforms or robots/artificial intelligence (AI), is growing significantly and is expected to continue to do so (Wright & Schultz, 2018). For example, the global SST market is expected to grow from $26 billion in 2019 to almost $57 billion in 2026 (Patni, 2020). The use of AI represents one of the biggest sources of innovation in services today (Huang & Rust, 2018). A recent study by SOTI (2019), a mobile and technology consultancy, found that 73% of consumers surveyed prefer retail SST over human service providers. Accordingly, it is important to gain additional insights into how consumers interact with SST relative to humans and the impact these interactions have on outcomes.

In what follows, we provide a brief overview of the service failure literature. We then relate the service failure and CSR literature, along with self-determination theory, specifically as it pertains to relatedness, which serves as the basis for the development of our hypotheses. The hypotheses are also presented in this section along with the appropriate justification. Next, we present Study 1, a field experiment designed to test how CSR and relatedness influence reactions to a service failure. Study 2, tests the proposition that warmth and competence serially mediate the relationship between CSR, relatedness, and post-failure satisfaction. Finally, we present Study 3, which is designed to test the interpersonal nature of the experience (i.e., involving a person vs. SST). Finally, we provide a discussion of our results.

## 2. Theoretical foundation and hypotheses

### 2.1. Service failures and recovery approaches

A service failure can be defined as occurring when the service delivered does not match a customer's expectations (Oliver, 1980) and are generally considered to be inevitable in service delivery. The past decades have seen a wealth of research conducted to better understand the source of service failures (e.g., Bitner, Booms, & Tetreault, 1990) as well as the strategies service providers might use to overcome these failures (e.g., Kelley, Hoffman, & Davis, 1993). The goal of a service recovery is to move the consumer from a state of dissatisfaction to one of satisfaction (Hocutt, Bowers, & Donavan, 2006).

Research related to service recovery has led to a number of suggestions regarding how firms might optimally recover from service failures. It is commonly expected that when a failure occurs, firms should try to act quickly to address the failure (Johnston, 1995) and offer a sincere apology (Roschk & Kaiser, 2013). Service recovery efforts are generally understood to work through enhancing the customer's perceptions of justice, particularly interactional, procedural, and distributive justice (Blodgett, Hill, & Tax, 1997). Beyond recovering quickly and providing a sincere apology, a number of other approaches to service recovery have been suggested, many of which contain some compensatory element. Financial compensation, discounts, or free items have all been suggested as approaches to return the customer to a pre-failure level of satisfaction (Kelley, Hoffman, & Davis, 1993). However, given the costs and uncertainty associated with service recovery efforts (Joireman et al., 2013; Michel, Bowen, & Johnston, 2009), firms are motivated to identify recovery approaches that are less reliant on purely financial compensation.

Recent research has suggested that CSR activities might be a method to overcome service failures (e.g., Fatma, Khan, & Rahman, 2016). La and Choi (2019) found that justice impacted consumer perceptions of CSR, which in turn positively impacted repatronage intentions. Bolton and Mattila (2015) found that CSR can positively impact satisfaction and that this is differentially impacted by the type of relationship (e.g., communal vs. exchange). Here we suggest that communicating CSR activities can improve post-recovery outcomes, but that this depends on the extent to which customers experience a sense of relatedness.

### 2.2. The need for relatedness

According to self-determination theory (SDT; Deci, 1980; Deci & Ryan, 1985), humans possess a fundamental and universal need for relatedness, among other basic psychological needs (i.e., competence and autonomy). Prior research has demonstrated a causal link between relatedness and prosocial behaviors. For example, Pavey, Greitemeyer, and Sparks (2011) situationally heightened relatedness using different priming techniques (i.e., a sentence unscrambling task and writing task) and found that relatedness led to more prosocial tendencies and behaviors relative to when relatedness was not primed. They also present process evidence that this effect occurs because heightening relatedness promotes feelings of connectedness to others. These findings are consistent with the research of Twenge and colleagues (Twenge et al., 2001, 2007), who found that social exclusion (the opposite of relatedness) reduced prosocial behaviors and feelings of empathy for others. What is clear from this prior work is that relatedness promotes feelings of social connection, which enhances the extent to which individuals become focused on and interested in socially responsible actions. What remains unclear, however, is whether relatedness would similarly impact how consumers respond to CSR communications following a service failure.

We argue that relatedness may be particularly important in the context of CSR and service failures because CSR activities are aimed at benefiting others and service deliveries often incorporate social interactions (Ryan & Deci, 2000). Relatedness can also be innate or primed to increase feelings of social connectedness (Ryan & Deci, 2000; Pavey, Greitemeyer & Sparks, 2011) and can be incorporated into a brand's personality (Sentis & Markus, 1986). Doing so allows for relationship-building opportunities with companies, which is valuable in a service failure context because these relationships can shield the company from

adverse reactions (Hess, Ganesan, & Klein, 2003). As such, relatedness can be utilized as an aspect of a brand's personality. Thus, consumers who are attached to or interacting with brands with a heightened sense of relatedness can subsequently experience feelings of connectedness (Kim & Drumwright, 2016; Loroz & Braig, 2015).

### 2.3. CSR and perceptual judgment

CSR has been shown to influence a variety of perceptual judgments (Sen, Du, & Bhattacharya, 2016). Consumers often assume that firms engaged in CSR activities proactively consider the welfare of stakeholders beyond shareholders and that these firms prioritize issues beyond immediate self-interest (Mish & Scammon, 2010). In other words, consumers infer reputational characteristics that align with a firm's CSR activities, such as compassion, caring, protectiveness, and soft-heartedness (e.g., Sisodia, Sheth, & Wolfe, 2003). By engaging in CSR activities, these firms are presumed to be concerned about improving the well-being of broader social groups (O'Toole & Vogel, 2011). This is consistent with the "warm glow" halo effect often associated with CSR activities (Chernev & Blair, 2015; Habel et al., 2016). Thus, communicating CSR activities, which consumers feel benefit society (Mish & Scammon, 2010), affects how consumers perceive the company and its actions, which, as discussed above, impacts perceptions following a service failure (Bolton & Mattila, 2015; La & Choi, 2019). We argue, however, that this relationship depends on the feelings of relatedness experienced by the consumer, and that CSR and relatedness will jointly impact consumer satisfaction following a service failure. Based upon prior research and theory, we propose the following:

**H$_1$**: Relatedness will positively moderate the positive relationship between CSR and satisfaction following a service failure.

### 2.4. Warmth and competence as the key mechanisms

It has long been recognized in the social perception literature that warmth and competence are two universal dimensions of human cognition, regardless of whether judgments are being made about individuals or groups (Fiske et al., 2007; Judd et al., 2005). Generally speaking, warmth is used by individuals to infer intent, whereas competence reflects traits that are related to ability (Fiske et al., 2007).

Brands and organizations strive to cultivate perceptions of warmth and competence (Aaker et al., 2012). According to Aaker, Vohs, and Mogilner (2010), warmth typically includes attributions of kindness, sincerity, and thoughtfulness, whereas competence denotes effectiveness, capability, and intelligence. Promoting perceptions of warmth and competence can lead to several emotional and behavioral outcomes for firms. For example, companies perceived as warm and competent are met with feelings of admiration (Fiske, Cuddy, & Xu, 2002), as well as with enhanced commitment and engagement (Aaker, Garbinsky, & Vohs, 2012; Aaker, Vohs, & Mogilner, 2010). This is particularly important as lacking either characteristic can result in negative perceptions (Kervyn, Fiske, & Malone, 2012).

Research in the services domain has provided some preliminary evidence linking CSR activities with perceptions of company warmth and competence, but the evidence remains mixed. For example, successful service situations incorporating green initiatives have been found to increase perceptions of both warmth and competence (Gao & Mattila, 2014). Other research has demonstrated a similar pattern whereby CSR communications influence perceptions of competence as well as warmth (Brown & Dacin, 1997; Judd et al., 2005). What is consistent across these prior findings is the association of CSR activities with perceptions of warmth (Gao & Mattila, 2014; Bolton & Mattila, 2015). For example, Aaker, Vohs, and Mogilner (2010) find that consumers inherently associate non-profit (vs. for-profit) firms with greater perceptions of warmth. Yet, other research shows that the impact of CSR on either warmth or competence depends on the relationship type (Bolton &

Mattila, 2015). In addition, the theoretical explanation linking CSR with competence is more tenuous than that between CSR and warmth. For example, according to Bolton and Mattila (2015, p. 142), "the signal value of CSR for competence is unclear." Moreover, others argue that there is a relationship between perceptions of warmth and competence (Judd et al., 2005; Rosenberg, Nelson, & Vivekananthan, 1968), and that, depending on the context, warmth can influence competence or vice versa (Cuddy, Glick, & Beninger, 2011).

While the preponderance of evidence supports the importance of warmth and competence in terms of perceptual judgment, little research to date has sought to understand the nature of the relationship between the two. One of the most comprehensive examinations of how warmth and competence are related (Judd et al., 2005) concludes by noting, "the questions of how they are related needs a dynamic and complex answer, made so in part by the complex web of motivations that underlie human judgment" (p. 910). Needless to say, a comprehensive examination of this is beyond the scope of this paper, but there exists some evidence that warmth might precede competence when consumers are making judgments.

Support for this conclusion can be found in part in Lazarus and Folkman's (1984) stress and coping theory. This theory suggests that when faced with a situation, individuals engage in a two-stage process. The first stage, appraisal, allows a determination of the potential threat posed in the situation. Warmth is generally used to assess the motivation or intent of others, so it stands to reason that assessments of warmth would take precedence over assessments of competence in the appraisal stage. Further support for the contention that warmth precedes competence comes from Abele and Bruckmüller (2011). Over four studies, they find that (1) words associated with warmth were recognized faster than those associated with competence and (2) were assessed more quickly with regard to valence, (3) warmth traits were inferred more quickly from behavioral descriptions than competence traits, and (4) warmth traits were mentioned before competence traits in descriptions of other people. From this, Abele and Bruckmuller interpreted their findings "as demonstrating a preferential processing of communal (i.e., warmth) information" (p. 945). To summarize, Fiske et al. (2007) state in a review article that "warmth is judged before competence, and warmth judgments carry more weight in affective and behavioral reactions" (p. 77). Accordingly, we anticipate that feelings of perceived warmth and perceptions of company competence will serially mediate our effect, thus explaining H$_1$. Therefore, we propose the following:

**H$_2$**: The perception of company warmth followed by the perception of competence will serially mediate the relationship between relatedness and communicated CSR on satisfaction following a service failure (H$_1$).

### 2.5. The moderating role of the social interaction of the service

Many firms are replacing traditional, face-to-face services with technologies that minimize or eliminate human interaction. No prior research has compared how these emerging technologies, such as those characterized as Self Service Technologies (SST), differentially impact specific service recovery approaches. Below we will provide support for the notion that when service failures occur, the CSR and relatedness interaction proposed in our hypotheses will be less likely to occur in an SST context than in a human-mediated service encounter.

Hypothesis 1 suggests that when a service failure occurs, satisfaction will be more favorable when relatedness is heightened than when it is not. On the face of it, one might expect that higher levels of relatedness could lead to lower satisfaction following a service failure because the connection with the service provider causes higher levels of disappointment. However, there is evidence that relatedness can at least attenuate negative evaluations, if not cause them to be more positive. For example, Wan and Wyer (2019) found that when a customer shared

an incidental similarity with a service employee (in this case the same last name), the customer attributed less responsibility to the service employee and evaluated the service quality higher when observing a service failure. Therefore, evidence exists that relatedness (e.g., an incidental similarity) can act to reduce the negative evaluations that might otherwise be associated with post-failure evaluations. Furthermore, relatedness is a message appeal that emphasizes benefitting and interacting with others (Sheldon & Gunz, 2009; Zhang, Lin, & Wang, 2019), which makes it less impactful when service failures are devoid of social interaction such as in SST services.

We believe that for SST-mediated service encounters, the interaction between CSR and relatedness proposed in H$_1$ will not be present. The reasoning for this comes from the simple fact that people are less likely to find themselves feeling "close" to others when using a technology, even in cases where the firm is trying to use CSR as a cue to heighten perceptions of relatedness that might then spill over to the SST. However, in human-mediated service encounters, the use of CSR paired with a heightened sense of relatedness will likely lead to more positive evaluations due to the human interaction that has occurred during the service delivery process. That is, ceteris paribus, we anticipate that the relatedness and CSR interaction (predicted in H$_1$) is more likely to occur when the experience involves a human interaction versus SST. Stated formally,

**H$_3$**: Communicating a company's CSR activities will lead to higher loyalty intentions following a service failure when relatedness is heightened (vs. not heightened) and the experience involves a human interaction (vs. SST).

## 3. Study 1 - CSR and relatedness

The purpose of Study 1 was to test our foundational hypothesis that communicating company CSR following a service failure is more likely to improve evaluations when relatedness cues are present compared to when they are not present. In Study 1, we assessed consumer satisfaction following a service failure using a field experiment.

### 3.1. Method

#### 3.1.1. Pretest

Prior to the field experiment, a total of 191 US adults (53% female; $M_{age} = 36$), recruited through Mturk, completed a pretest of our manipulations. First, participants reviewed a flyer promoting a corporate event on healthy eating habits that promised attendees free samples (see Appendix A for details). Participants were then told to imagine they had attended the event, but that the free samples had not been provided (service failure). Participants also viewed a trifold that manipulated CSR (communicated/not communicated) and relatedness (present/not present) in a 2 × 2 between subject design (see Appendix B for details).

After reviewing the trifold, participants were asked to complete a series of manipulation checks. The CSR manipulation check is adapted from prior CSR research (Brown & Dacin, 1997; Folse, Niedrich, & Grau, 2010). Specifically, participants indicated their level of agreement with the following statements: "*This company is a socially responsible company,*" "*This company is a good corporate citizen,*" "*This company has a legitimate interest in helping the community,*" "*Helping others appears important to this company,*" and "*This company's donations benefit the community more than it benefits the company.*" The items were averaged to form a composite scale ($\alpha = 0.92$), such that higher values indicated greater perceived company CSR. An ANOVA revealed that participants perceived the company's CSR as more socially responsible when the CSR manipulation was present than when it was not ($F(1,189) = 13.42, p < .001, M_{CSR\ communicated} = 4.68, M_{CSR\ not\ communicated} = 4.02$).

Following the CSR manipulation check measure, participants indicated the extent to which the company fosters a "*socially disconnected*" or "*socially connected*" environment. An ANOVA revealed that participants

perceived the company to be more socially connected when the relatedness manipulation was present than when it was not ($F(1,189) = 4.56, p < .05, M_{CSR\ present} = 5.45, M_{CSR\ not\ present} = 5.03$).

#### 3.1.2. Participants and design

One hundred and twenty-two business students (53.70% female; $M_{age} = 19.59$) at a university located in the northeast US were recruited to participate in a field experiment in exchange for extra credit. Importantly, participants were informed that this was a corporate event hosted by a local company and were not aware of the experiment. All participants experienced the same service failure and answered the same questions. Participants were randomly assigned to conditions in a 2 (CSR: communicated, not communicated) × 2 (Relatedness: present, not present) between-subjects design.

#### 3.1.3. Procedure

A local bakery agreed to host a corporate event on campus. Participants received a promotional flyer and were asked to sign up in advance (see Appendix A for promotional materials). According to the flyer, the event was a way for the local company to reach out to potential customers, give a talk on nutrition, and allow participants to sample products. To set expectations for the service failure, participants were informed multiple times that free samples would be offered at the event. For example, during the sign-up process, an image of the flyer was presented along with a statement informing participants that signing up would ensure an adequate number of free samples.

The service failure included stating at the beginning of the event that the free samples would not be available. Moreover, coordinators intentionally started the event late and attributed the tardiness to an equipment malfunction. Following this announcement, the owner provided a brief talk in accordance with the promotional material. After participants heard the talk and experienced the service failure, they were handed a survey along with the company trifold designed to manipulate CSR and relatedness. Specifically, participants in the relatedness condition received a trifold communicating the company's efforts to foster social connections and the CSR condition emphasized the donations the company provides to nonprofits (see Appendix B for materials).

Once participants reviewed their respective trifolds, they indicated their level of satisfaction with the company on a 7-point scale adapted from Spreng, MacKenzie, and Olshavsky (1996) and anchored from *Very dissatisfied* to *Very satisfied* and *Disappointed* to *Pleased*. Responses across items were then averaged ($r = 0.90, \alpha = 0.94$), such that higher values indicated higher satisfaction with the company following the experience.

### 3.2. Results and brief discussion

Analyses were conducted using a two-way Analysis of Covariance (ANCOVA) with CSR, relatedness, and their interaction as independent variables. Gender was controlled for in the model for two reasons. First, female consumers tend to favor healthy food more compared to male consumers (Hardin-Fanning & Gokun, 2014). Second, it is important to control for potential gender matching effects (Alhouti et al., 2014), given that the event speaker was female.

Analysis of participants' satisfaction with the company revealed the expected two-way interaction effect ($F(1, 117) = 4.77, p < .05$; see Fig. 1) and no significant main effects ($ps > 0.08$). Consistent with H$_1$, when CSR activities were communicated, satisfaction was higher in the relatedness present condition ($M = 6.19, SD = 0.97$) than in the relatedness not present condition ($M = 5.37, SD = 1.38; F(1, 117 = 8.07, p < .01$). Furthermore, when CSR activities were not communicated, satisfaction did not vary between the relatedness present ($M = 5.72, SD = 1.18$) and relatedness not present conditions ($M = 5.81, SD = 1.09; F(1, 117) = 0.10, p = .75, n.s.$).

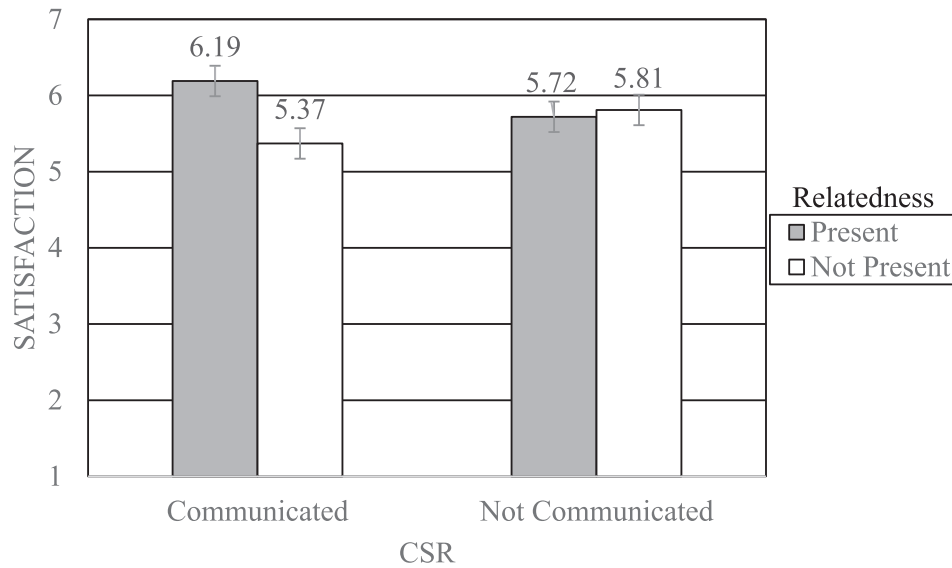We explored other contrasts within the interaction effect. For

**Fig. 1.** Study 1: satisfaction as a function of csr and relatedness.

individuals in the relatedness present condition, there was no significant difference in satisfaction ratings in the CSR communicated ($M = 6.19$, $SD = 0.97$) and CSR not communicated conditions ($M = 5.72$, $SD = 1.18$; $F(1, 117) = 2.29$, $p = .13$). Similarly, for individuals in the relatedness not present condition, there was no significant difference in satisfaction ratings in the CSR communicated ($M = 5.37$, $SD = 1.38$) and CSR not communicated conditions ($M = 5.81$, $SD = 1.09$; $F(1, 117) = 2.62$, $p = .11$).

When participants experienced a service failure, their reactions were more positive when the company communicated its CSR activities and relatedness was heightened, thus supporting H$_1$. Table 1 summarizes the mean differences across studies. In Study 2, we examine the proposed mechanism underlying this effect (H$_2$). Consistent with prior research linking CSR with variations in perceptual judgements related to warmth and competence (Bolton & Mattila, 2015) and providing support for the primacy of perceptual warmth (Fiske, Cuddy, & Glick,

2007), we anticipate that the conditional effect of CSR activities on evaluative judgments will be mediated by perceptions of company warmth followed by competence.

## 4. Study 2 – The mediating roles of warmth and competency

### 4.1. Method

#### 4.1.1. Participants and design

A total of 161 US adults (65.84% female; $M_{age} = 37.37$) were recruited via Mturk for a product evaluation study. Participants were randomly assigned to conditions in a 2 (CSR: communicated, not communicated) × 2 (Relatedness: present, not present) between-subjects design.

**Table 1**
Mean differences between conditions across studies 1–3.

| | Mean | Statistics | Mean | Statistics |
|---|---|---|---|---|
| **Study 1** (2-way interaction, $F(1, 117) = 4.77$, $p < .05$) | | | | |
| | **CSR communicated** | | **CSR not communicated** | |
| Relatedness present/Relatedness not present | $M_{\text{relatedness present}} = 6.19*$ vs. $M_{\text{relatedness not present}} = 5.37*$ | $F(1, 117) = 8.07$, $p = .005$ | $M_{\text{relatedness present}} = 5.72*$ vs. $M_{\text{relatedness not present}} = 5.81*$ | $F(1, 117) = 0.1$, $p = .75$ |
| **Study 2** (2-way interaction, $F(1, 157) = 5.17$, $p < .05$) | | | | |
| | **CSR communicated** | | **CSR not communicated** | |
| Relatedness present/ Relatedness not present | $M_{\text{relatedness present}} = 2.80$ vs. $M_{\text{relatedness not present}} = 2.12$ | $F(1, 157) = 0.75$, $p = .02$ | $M_{\text{relatedness present}} = 2.38$ vs. $M_{\text{relatedness not present}} = 2.63$ | $F(1, 157) = 0.70$, $p = .41$ |
| **Study 3** (3-way interaction, $F(1, 297) = 4.16$, $p < .05$) | | | | |
| **Human interaction** | | | | |
| | **CSR communicated** | | **CSR not communicated** | |
| Relatedness present/ Relatedness not present | $M_{\text{relatedness present}} = 4.27$ vs. $M_{\text{relatedness not present}} = 3.49$ | $F(1, 144) = 5.79$, $p < .05$ | $M_{\text{relatedness present}} = 3.76$ vs. $M_{\text{relatedness not present}} = 3.81$ | $F(1, 144) = 0.02$, $p = .89$ |
| **SST interaction** CSR communicated/ CSR not communicated | $M_{\text{relatedness present}} = 4.13$ vs. $M_{\text{relatedness not present}} = 4.27$ | $F(1, 153) = 0.2$, $p = .66$ | $M_{\text{relatedness present}} = 3.93$ vs. $M_{\text{relatedness not present}} = 3.57$ | $F(1, 153) = 1.27$, $p = .26$ |

* These mean satisfaction ratings are calculated while controlling for gender.

#### 4.1.2. Procedure

Participants were welcomed to a study on consumer judgment, informed of our interest in their reaction to a retail scenario, and randomly assigned to one of the two relatedness conditions (i.e., present or not present). Participants assigned to the relatedness present condition were informed that the survey consisted of two separate studies combined for convenience, with the first being a writing exercise. The writing task was adapted from previous research (Pavey, Greitemeyer, & Sparks, 2011) and was designed to increase participants' focus on relatedness. Specifically, participants were asked to take two minutes and write about a time when they felt socially united and connected with other people. Participants assigned to the relatedness not present condition proceeded directly to the scenario.

We selected this relatedness manipulation based on pretesting in which a separate sample from the same population ($N = 66$) was randomly assigned to one of the two relatedness conditions (i.e., present or not present) before indicating their current level of relatedness according to three 9-point scales anchored from *Socially disconnected* to *Socially connected*, *Close to other people* to *Far from other people* (r), and *I feel alone* to *I feel connected with others*. The three items were averaged to form a composite scale ($\alpha = 0.74$), such that higher values indicated greater relatedness. These ratings were then submitted to a *t*-test which revealed that relatedness ratings were significantly higher following the writing task ($M = 6.04$, $SD = 1.74$) versus the relatedness not present condition ($M = 5.10$, $SD = 1.86$; $t(64) = 2.12$, $p < .05$). Thus, this manipulation was carried forward to the main study.

In the main study, following the relatedness manipulation, all participants were presented with the following service failure scenario adapted from Smith, Bolton, and Wagner (1999):

> Imagine the following experience with a hotel. You are traveling and looking forward to getting to your hotel and checking in. You will be staying at hotel XYZ for several nights, and the hotel has a Four-Diamond rating from AAA.

Participants in the CSR condition only were then told: "Hotel XYZ also makes regular donations to environmental causes." All participants then read about a negative service failure adapted from Smith, Bolton, and Wagner (1999):

> You arrive at the hotel at approximately 7:00 pm and go to the front desk to check in. The representative at the front desk looks up your prepaid reservation and informs you that your room is ready. However, it is not the type of room (in terms of number and size of beds) that you had preferred and reserved.

We then had participants indicate their level of satisfaction with the hotel on a 7-point scale adapted from Spreng, MacKenzie, and Olshavsky (1996) and utilized in Study 1. Responses across items were then averaged ($r = 0.80$, $\alpha = 0.89$), such that higher values indicated a higher satisfaction with the hotel following the service failure.

We then measured our proposed mediators utilizing scales adapted from Bolton and Mattila (2015). Specifically, to assess perceived warmth, participants indicated their agreement with the following statements: "*This hotel is concerned for others*," "*This hotel cares about its customers*," "*This hotel is caring*," and "*This hotel is helpful*." Answers were rated on a 7-point scale anchored from *Strongly disagree* to *Strongly agree*. These items were averaged to form a composite scale ($\alpha = 0.92$), such that higher values indicated greater perceived hotel warmth. To assess perceived competence, participants indicated if they considered the hotel to be "*Capable*" and "*Competent*" on a scale anchored from *Not at all* to *Very*. These two items were averaged to form a composite scale ($r = 0.91$, $\alpha = 0.95$), such that higher values indicated greater perceived hotel competence.

### 4.2. Results and brief discussion

*Satisfaction ratings.* We submitted participants' satisfaction to a two-way ANOVA, with CSR, relatedness, and their interaction as independent variables. This analysis revealed the expected two-way interaction effect ($F(1, 157) = 5.17$, $p < .05$). Consistent with H₁, when company CSR was communicated, participants in the relatedness present condition reported higher satisfaction ratings following the service failure ($M = 2.79$, $SD = 1.51$) relative to those in the relatedness not present condition ($M = 2.12$, $SD = 1.14$; $F(1, 157) = 5.75$, $p < .05$). Moreover, when CSR was not communicated, satisfaction ratings did not vary across the relatedness present ($M = 2.38$, $SD = 1.27$) and relatedness not present conditions ($M = 2.63$, $SD = 1.17$; $F(1, 157) = 0.70$, $p = .41$, *n.s.*).

We explored other contrasts within the interaction effect. Satisfaction ratings for individuals in the relatedness present condition did not differ across the CSR activities communicated ($M = 2.79$, $SD = 1.52$) and CSR activities not communicated conditions ($M = 2.38$, $SD = 1.27$; $F(1, 157) = 0.70$, $p = .41$, *n.s.*). Unexpectedly, however, the same analysis in the relatedness not present condition revealed that satisfaction ratings for those in the CSR activities communicated condition were marginally lower ($M = 2.12$, $SD = 1.14$) than the satisfaction ratings in the CSR not communicated condition ($M = 2.63$, $SD = 1.17$; $F(1, 157) = 3.09$, $p = .08$).

*Perceived warmth.* We submitted participants' warmth perceptions to a two-way ANOVA, with CSR, relatedness, and their interaction as independent variables. This analysis revealed a two-way interaction effect ($F(1, 157) = 7.73$, $p < .01$). When company CSR was communicated, participants in the relatedness present condition perceived the hotel as being marginally warmer ($M = 3.19$, $SD = 1.55$) relative to those in the relatedness not present condition ($M = 2.74$, $SD = 1.14$; $F(1, 157) = 2.78$, $p < .1$). Conversely, when CSR was not communicated, participants in the relatedness present condition perceived the hotel as being significantly less warm ($M = 2.41$, $SD = 1.55$) relative to those in the relatedness not present condition ($M = 3.04$, $SD = 1.14$; $F(1, 157) = 2.78$, $p < .1$)

We explored other contrasts within the interaction effect. Individuals in the relatedness present condition perceived the hotel as being warmer when CSR activities were communicated ($M = 3.19$, $SD = 1.56$) than when CSR activities were not communicated ($M = 2.41$, $SD = 1.20$; $F(1, 157) = 8.19$, $p < .01$), but among individuals in the relatedness not present condition, there was no significant difference in perceptions of warmth in the CSR communicated ($M = 2.74$, $SD = 1.10$) and CSR not communicated conditions ($M = 3.04$, $SD = 0.98$; $F(1,157) = 1.19$, $p = .28$).

*Perceived competence.* We submitted participants' competence perceptions to a two-way ANOVA, with CSR, relatedness, and their interaction as independent variables. This analysis revealed a two-way interaction effect ($F(1, 157) = 7.65$, $p < .01$). When company CSR was communicated, participants in the relatedness present condition perceived the hotel as being equally competent ($M = 2.85$, $SD = 1.55$) relative to those in the relatedness not present condition ($M = 2.36$, $SD = 1.14$; $F(1, 157) = 2.56$, $p = .11$, *n.s.*). Conversely, when CSR was not communicated, participants in the relatedness present condition perceived the hotel as being significantly less competent ($M = 2.04$, $SD = 1.55$) relative to those in the relatedness not present condition ($M = 2.75$, $SD = 1.14$; $F(1, 157) = 2.78$, $p < .1$).

We explored other contrasts within the interaction effect. Individuals in the relatedness present condition perceived the hotel as more competent when CSR activities were communicated ($M = 2.85$, $SD = 1.69$) than when CSR activities were not communicated ($M = 2.04$, $SD = 1.31$; $F(1, 157) = 7.14$, $p < .01$), but among individuals in the relatedness not present condition, there was no significant difference in competence perceptions in the CSR communicated ($M = 2.36$, $SD = 1.18$) and CSR not communicated conditions ($M = 2.75$, $SD = 1.28$; $F(1, 157) = 1.58$, $p = .21$).

*Mediation analysis.* We hypothesized that perceived warmth and

perceived competence (H$_2$) would serially mediate the joint effect of CSR and relatedness on post-failure satisfaction ratings. We tested this prediction using Process Model 85 with serial moderated mediation (Hayes, 2018; Preacher, Rucker, & Hayes, 2007). The index of moderated mediation for the hypothesized serial mediation was significant, as the confidence interval did not contain zero ($b = 0.13$, 95% confidence interval [0.02, 0.31]); thus, H$_2$ was supported (see Fig. 2). Consistent with our predictions, in the relatedness present condition, the pathway from CSR activities communicated to satisfaction through perceived company warmth and competence was significant (indirect effect = 0.09, 95% confidence interval [0.01, 0.24]). However, in the relatedness not present condition, the pathway from CSR activities communicated to satisfaction through perceived company warmth and competence was not significant (indirect effect = $-0.04$, 95% confidence interval [$-0.11$, 0.02]), demonstrating full moderated serial mediation. These results support our theoretical framework, suggesting that communicating CSR activities leads to higher post-failure satisfaction when relatedness is heightened because these factors enhance perceptions of company warmth, which subsequently increases perceptions of company competence.

Study 2 provides evidence that focusing on relatedness increased the perceived warmth of the company engaged in CSR. A company that is seen as warm increased perceptions that the company was also competent, which explains the observed effects on satisfaction ratings. Study 3 demonstrates an important boundary condition that is directly tied to our theoretical account. Specifically, given the social nature of relatedness, we examined whether consumer reactions to CSR and relatedness would vary when the service failure experience itself involved an interaction with a human compared to a SST.

## 5. Study 3 – Human vs. SST interaction

### 5.1. Method

#### 5.1.1. Participants and design

A total of 306 US adults (39.6% female; $M_{age} = 32.87$) were recruited via Mturk for a study related to a shopping experience. Participants were randomly assigned to conditions in a 2 (CSR: communicated, not communicated) × 2 (Relatedness: present, not present) × 2 (Experience Type: human interaction, SST interaction) between-subjects design.

#### 5.1.2. Procedure

Participants were welcomed to the study and informed of our interest in their reaction to a retail scenario. Specifically, participants were told that they had learned about the opening of a new store through a social media post. Participants then viewed one of four possible social media posts, as shown in Appendix C. CSR activity (10% of all sales allocated to helping animals in need) was either communicated (CSR communicated condition) or omitted (CSR not communicated condition) from the social media post. Along with varying the presence of CSR, we also varied relatedness through the presence or absence of the following quote by Bear Grylls: "*To me, adventure has always been the connections and bonds you create with people when you're there. And you can have that anywhere.*"

Participants were then presented with one of two possible service failure experiences adapted from Chelminski and Coulter (2011). The scenarios differed in terms of whether the service involved a human or a SST. The scenario was presented as follows, with the adaptation to a self-service technology context shown in italics and parentheses:

You decide to visit the new store because you want to buy a new shirt. Upon entering the store, you notice that it has a nice ambiance, with pleasant music playing in the background. There are a few other customers in the store. After browsing for a few minutes, you find a shirt that you really like. Unfortunately, you don't see your size on the display shelf, so you approach the service counter (*in-store kiosk*). The store clerk is on the telephone (*the kiosk screen is frozen*). After about five minutes, the clerk approaches you and asks (*the words on the kiosk screen asks*)

"How can I help you?" When you tell her you were unable (*when you select the option*) to find the shirt in your size, she responds (*the kiosk indicates*) that "all of the merchandise is on the shelves, your size is not available at the store."

After reading the service failure, participants indicated their intentions to remain loyal to the store on a 7-point scale utilizing an adapted version of Kim and Lennon's (2012) loyalty scale. Specifically, participants indicated how likely they were to engage in the following: "*Visit this store again*", "*Recommend this store to others*", "*Consider this store your first choice*", "*Continue to purchase at this store if prices increase somewhat*", "*Pay a higher price than competitors charge to purchase items at this store*", and "*Discourage others from purchasing at this store*" (r). These items were averaged to form a composite scale ($\alpha = 0.82$), such that higher values indicated greater intentions to be loyal to the store.

The CSR manipulation check included the same items utilized in Study 1, with the name of the company replaced with the name of the store. Responses were averaged to form a composite measure ($\alpha = 0.92$), such that higher values indicated a greater disposition toward CSR. The relatedness manipulation check included a bipolar item utilized in Study 1 that asked participants what personality trait best describes the store. The attribution manipulation check included a bipolar item that asked participants whether the experience was influenced more by a person or machine. The item was rated on a 7-point scale anchored with "*machine/person.*" A manipulation check item to determine whether the type of attribution of the service failure affected the evaluation was included. Specifically, the service failure manipulation check item came from Arnold et al. (2014). It asked participants to rate the shopping experience on a 7-point scale anchored by "*negative/positive.*"

### 5.2. Results and brief discussion

*Manipulation checks.* A series of ANOVAs on our manipulation check measures revealed that participants perceived the company as more socially responsible when CSR activities were communicated than when they were not communicated ($F(1,303) = 3.50$, $p = .06$, $M_{CSR \ communicated} = 4.93$, $M_{CSR \ not \ communicated} = 4.64$), that participants perceived the store as more socially connected when relatedness was present than when relatedness was not ($F(1,303) = 6.81$, $p < .05$, $M_{relatedness \ present} = 5.03$, $M_{relatedness \ not \ present} = 4.50$), and that participants perceived the experience as more related to a person when it involved a salesperson rather than a kiosk ($F(1,302) = 69.36$, $p < .001$, $M_{human \ interaction} = 5.61$, $M_{SST \ interaction} = 3.84$). Finally, the evaluation of the service failure did not vary according to experience type ($F(1,302) = 0.04$, *n.s.*, $M_{human \ interaction} = 4.04$, $M_{SST \ interaction} = 4.08$).[1]

*Loyalty intentions.* An ANOVA on participants' loyalty intentions revealed the expected three-way interaction effect ($F(1, 297) = 4.16$, $p < .05$; see Fig. 3) and no significant main effects or two-way interactions ($ps > 0.10$). The interaction effect of CSR and relatedness predicted in H$_1$ was present when the experience involved a human interaction ($F(1,144) = 3.09$, $p = .08$) but not when it was an SST interaction ($F(1,153) = 1.23$, p = .27, *n.s.*). Consistent with H$_3$, in the human interaction condition, when CSR activities were communicated, loyalty intentions were higher in the relatedness present condition ($M = 4.27$, $SD$

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[1] A pretest utilizing Mturk participants was conducted to determine whether the perceived severity of the service failure varied according to service type. Using the scale from Hess, Ganesan, and Klein (2003), participants rated the service according to the following anchors: "*mild service problem/major service problem,*" "*insignificant service problem/significant service problem,*" and a reverse-coded item "*major service problem/minor service problem.*" These items were measured on a 7-point scale, and responses were averaged to form a composite scale ($\alpha = 0.81$), such that higher values indicated greater perceptions of service failure severity. The severity of the service failure did not vary according to experience type ($F(1,110) = 0.32$, *n.s.*, $M_{human \ interaction} = 4.29$, $M_{SST \ interaction} = 4.13$).
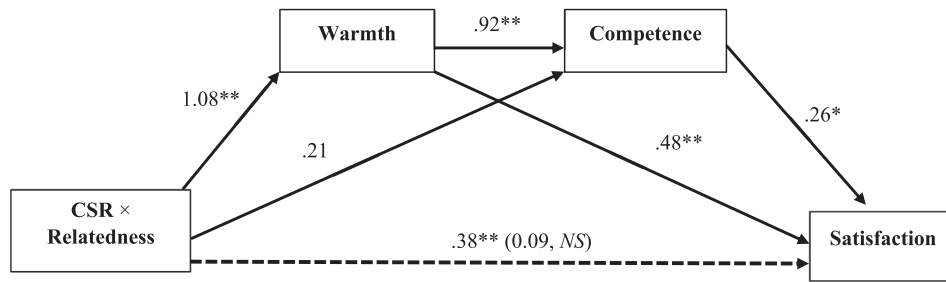
**Fig. 2.** Moderated mediation model in study 2. *$P < .05$. **$P < .01$ Notes: To reduce visual clutter, the main effects of CSR and relatedness are not shown but are available on request. Bias-corrected and accelerated estimates of 95% Cl for the indirect effects are as follows: CSR × Relatedness → Warmth → Competence → Satisfaction: ($b = 0.26$. 95% confidence interval [0.04, 0.63]).
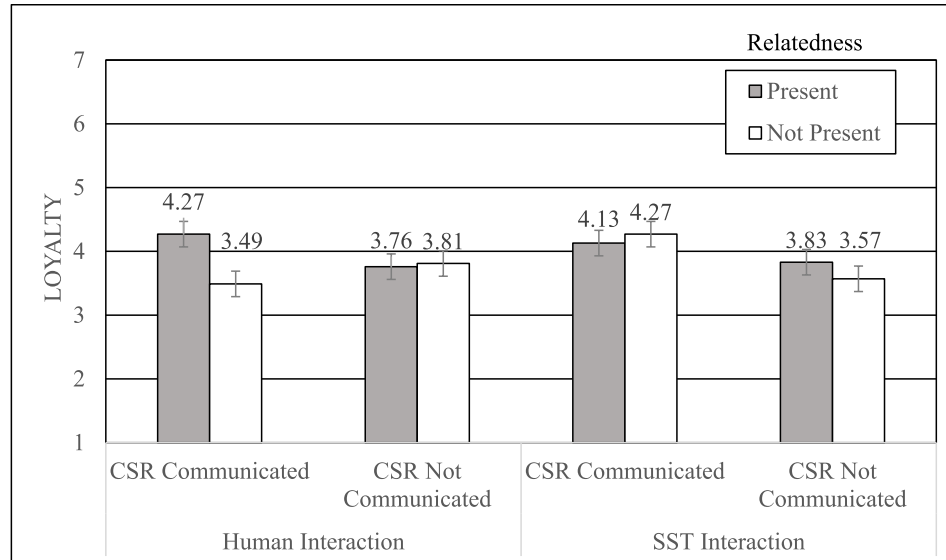


**Fig. 3.** Study 3: loyalty as a function of experience type, csr, and relatedness.

$= 1.35$) relative to when relatedness was not present ($M = 3.49$, $SD = 1.48$; $F(1, 144) = 5.79$, $p < .05$). Moreover, when CSR activities were not communicated, loyalty intentions did not vary according to the relatedness present ($M = 3.76$, $SD = 1.58$) and not present conditions ($M = 3.81$, $SD = 1.34$; $F(1, 144) = 0.02$, $p = .89$, *n.s.*).

We explored other contrasts within the interaction effect. In the human interaction condition, individuals in the relatedness present condition reported similar satisfaction ratings when CSR activities were communicated ($M = 4.27$, $SD = 1.35$) than when CSR activities were not communicated ($M = 3.76$, $SD = 1.58$; $F(1, 144) = 2.18$, $p = .14$), and among individuals in the relatedness not present condition, there was no significant difference in satisfaction ratings in the CSR communicated ($M = 3.49$, $SD = 1.48$) and CSR not communicated conditions ($M = 3.81$, $SD = 1.34$; $F(1, 144) = 0.88$, $p = .32$).

When the context of the service failure included an interaction with a salesperson, the same effects reported in Studies 1 and 2 occurred where CSR with relatedness influenced consumer evaluations. When the context involved a SST, however, the interaction of CSR and relatedness was no longer significant.

## 6. General discussion

Drawing on theory suggesting that relatedness encourages individuals to feel more connected and concerned with helping others (Pavey, Greitemeyer, & Sparks, 2011), this research examines how relatedness influences CSR as a service recovery approach. We argue that relatedness should increase the positive effects of CSR on consumer

satisfaction following a service failure and that this occurs through a serial process involving perceptions of company warmth and competence. Our predictions are based on three tenets: (a) relatedness enhances the extent to which individuals feel connected with others; (b) CSR is implicitly designed to help others; and (c) feeling connected with others increases the positive effects of socially responsible actions on perceptual judgments. Consequently, the impact of relatedness, in this context, should decrease for services involving SST.

A set of three studies provided support for our predictions as well as the underlying mechanism. Study 1 demonstrated the basic effect that relatedness moderated the effect of CSR on satisfaction ratings following a service failure. That is, the positive effect of CSR on satisfaction occurred when relatedness was heightened versus not heightened. Study 2 provided support for the mediating roles played by warmth and competence. Support was then obtained for a theoretically derived boundary condition that illustrated an important aspect of the proposed process account. The effect was mitigated when the service encounter was mediated by a self-service technology versus a human (Study 3).

### 6.1. Implications and contributions

One of the benefits of CSR is that it helps to bolster consumers' perceptions of the company following a negative experience (Joireman et al., 2015; Klein & Dawar, 2004). Furthermore, CSR has been shown to be more impactful in service-based industries (Casado-Díaz et al., 2014). Despite the ubiquity of CSR activities, only a few studies have

investigated the impact of CSR in terms of the service domain (e.g., Joireman et al., 2015). The current research builds upon these prior findings by demonstrating how relatedness and CSR influence evaluative judgments following service failures. Consumer reactions following service failures are more positive when relatedness is heightened compared to when it is not. Consistent with prior research showing the benefits of CSR in terms of mitigating negative information and events, we demonstrate a positive effect in terms of attenuating the effects of a service failure (Albus & Ro, 2017; Klein & Dawar, 2004). However, our results show that this effect is contingent upon relatedness, a construct that has not previously been studied in the service failure or CSR domains. This contribution is important because CSR does not always lead to a positive effect and its effect is often influenced by other factors (Alhouti, Johnson, & Holloway, 2016; Luchs et al., 2010; Newman, Gorlin, & Dhar, 2014). The findings also illustrate that relatedness alone does not influence perceptions following the service failure, but the presence of CSR creates this positive effect. This means that companies communicating one but not both of these elements (relatedness and CSR) could find themselves in jeopardy during service failure incidents.

The findings demonstrated in Study 2 show that our effect is mediated by warmth, followed by competence. These findings are particularly relevant to service failures. Companies perceived as warm and competent are met with feelings of admiration (Fiske et al., 2002). Consumers are also more engaged and committed to warm and competent companies (Aaker, Garbinsky, & Vohs, 2012; Aaker, Vohs, & Mogilner, 2010). Our findings, however, suggest that companies may want to prioritize warmth in particular, given its primacy in terms of perceptual judgement (Fiske, Cuddy, & Glick, 2007). Responding appropriately to service failures is critical in terms of fostering and maintaining these perceptions. Companies should consider service failures as a crucial opportunity to communicate their core values, which should be focused on social connectedness, compassion, and warmth.

We further substantiate our conceptual model in Study 3, where we manipulate the social interaction of the service encounter. That is, given that a relatedness cue increases social connectedness, its moderating effect on CSR depends on the interpersonal nature of the service. Our findings contribute to a growing body of CSR literature documenting a CSR halo effect, which is commonly explained by increased perceptions of warmth (Bolton & Mattila, 2015; Brown & Dacin, 1997; Habel et al., 2016). This explanation is further supported by the serial influence of warmth on perceptions of competency.

The effect of CSR and relatedness is present when the context of the service failure is interpersonal. Relatedness highlights the feeling of belonging to a community, which heightens the desire to support the community in terms of socially responsible behaviors (Twenge et al., 2007). When relatedness is heightened, consumers feel closer to all people, even the salesperson who is the source of the service failure (Dahl, Honea, & Manchanda, 2005). However, a heightened sense of relatedness is less impactful in the SST context. A motivation for utilizing SST is to avoid interactions with employees (Meuter et al., 2000). The findings indicate that customers who are low in relatedness may self-select SST, whereas those who are high in relatedness may prefer an interaction with sales personnel.

CSR by firms is already widespread, with approximately 81% of companies currently engaging in CSR activities (Governance and Accountability Institute, Inc. 2018). Firms that engage in CSR (Kotler & Lee, 2008) should consider measuring or situationally manipulating a general sense of relatedness if they wish to minimize the adverse consumer reactions that often accompany service failures. Companies could also determine the relatedness of consumers through established scales measuring relatedness (e.g., Sheldon & Gunz, 2009). This approach gives companies a general impression of whether particular customers perceive themselves to be socially connected.

Furthermore, companies can encourage consumers to reach out to the company about their complaints through social media. Consumers tend to utilize social media platforms when they want to feel more

socially connected (Sheldon, Abad, & Hinsch, 2011). Complaining on social media provides companies with an opportunity to address a service failure with a consumer who is feeling more related because of the consumer's utilization of a social media platform. Consumer complaints that are submitted through email can receive an automatic response acknowledging that the complaint has been received and reiterating the company's dedication to CSR and a culture of social connectedness.

Given that both CSR and relatedness are essential to reducing the negative effect of a service failure, companies should consider framing their CSR in a relatedness context. For example, CSR activities could focus on volunteer initiatives with people from the community. Communication of the CSR initiatives on a company website should portray employees and people from the community volunteering together.

Companies can also situationally manipulate relatedness by fostering a social environment, communicating a belief in social connectedness, and presenting questions to consumers that would encourage thinking in a socially connected manner. This research provides several examples of how a company can situationally manipulate relatedness. Specifically, a company can communicate relatedness through brand positioning, marketing materials, or social media. One company that is well known for its CSR positioning is TOMS, which has built its business model on a buy-one-give-one strategy. In their efforts to expand, TOMS started to move away from their buy-one-give-one model and toward a coffee shop model. This strategic move allows the company to create a community for its consumers and to inspire them to act in alignment with the company's mission of wanting to contribute to the world (Mycoskie, 2016). Thus, the development of relatedness is intertwined with the business. Our results suggest that companies may want to create an environment that enhances a sense of relatedness when implementing CSR. This strategy would help protect the company from the negative reactions that commonly follow a service failure.

### 6.2. Limitations and future research

As in any research study, there are limitations to this one. While we do include a field study to strengthen confidence regarding the generalizability of our research, the fact that the field study was somewhat "controlled" limits our findings to some extent. Conducting a field study that is not on a college campus would be preferable. While evidence suggests that Mturk is a valid method of collecting data (Wright & Goodman, 2019), there is no way to guarantee the representativeness of a particular population, which may have a minor impact on our results.

This research examined the interactive effects of relatedness and CSR on the perception of a service failure, but CSR activities extend well beyond this particular context. Researchers should determine how the effects demonstrated herein extend to other forms and instances of CSR. Furthermore, the context of the service influences how consumers respond to a service failure (Smith, Bolton, & Wagner, 1999). Researchers should explore the importance of context in how consumers react to a service failure when relatedness and CSR are present. They could also examine how relatedness interacts with other variables to improve the perception of a company following a service failure. For example, collectivist and individualist consumers respond differently to service recoveries (Mattila & Patterson, 2004). Relatedness more closely relates to a collectivist mindset, so a company's relatedness image could be more effective when a collectivist mindset is primed.

Researchers should also explore how perceptions of authenticity affect the results reported in our paper. Authenticity is impactful in terms of how consumers perceive CSR initiatives (Alhouti, Johnson, & Holloway, 2016). Furthermore, the degree to which consumers feel the company will fulfill its CSR promises impacts the service recovery process (Alhouti, Wright, & Baker, 2019). An alternative explanation for why relatedness is important in CSR initiatives is that CSR initiatives devoid of relatedness could be perceived as less authentic or might provoke feelings of skepticism about whether the company will follow

through with its CSR initiatives. Future researchers should examine whether authenticity and trust in a CSR message diminishes the effect of

relatedness when CSR is present.

## Appendix A

Promotional material in study 1
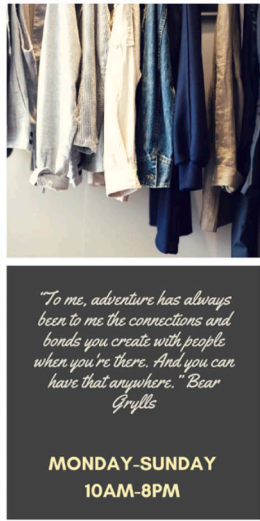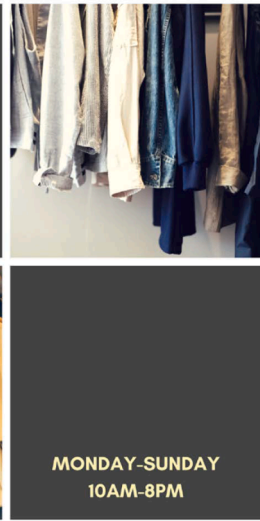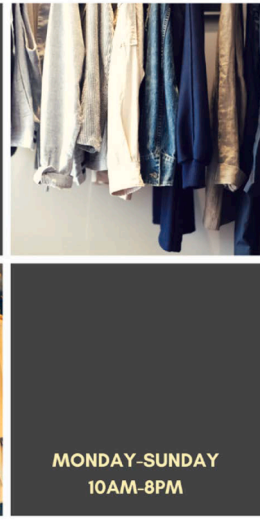


## Appendix B

Experimental stimuli in study 1

| CSR Factor: | Relatedness Factor: | |
| --- | --- | --- |
| | High | Control |
| CSR |  |  |
| No CSR |  | **<No tri-fold>** |

**Appendix C**

Experimental stimuli in study 3

| | Relatedness Factor: | |
|---|---|---|
| CSR Factor: | High | Control |
| CSR |  |  |
| No CSR |  |  |

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