

**For Immediate Release: March 31, 2015**

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## **Do Consumers Think Products Are Better When Companies Donate to Charity?**

Does hearing about a company's charitable donations raise your opinion of their products? According to a new study in the [Journal of Consumer Research](#), corporate social responsibility leads consumers to believe products are better quality.



“Corporate social responsibility can lead consumers to believe that the products of companies engaged in socially responsible activities are better performing. We attribute this to a ‘*benevolent halo effect*’ where positive attitudes toward a company translate into positive beliefs about the company’s products,” write authors Alexander Chernev and Sean Blair (both Kellogg School of Management, Northwestern University).

In four studies, the authors tested the impact of corporate social responsibility on consumer perceptions of product quality. In one study, consumers rated red wine as tasting better when told about a winery’s charitable donation to the American Heart Association. In other studies, consumers thought various products such as running shoes, tooth whiteners, and hair loss treatments performed better when told the companies donated to charity.

However, the *benevolent halo effect* was diminished when a company advertised its corporate social responsibility efforts. Advertising may not be the best approach for companies to inform customers about their charitable activities. Social media and public relations may be more effective in convincing consumers of the benevolent nature of a company’s actions and thereby increase the positive impact of corporate social responsibility on the perceived performance of a company’s products.

“Doing good can indeed translate into doing well. Contrary to the popular view among many executives that corporate social responsibility is unlikely to benefit their company, our findings suggest that in addition to benefiting society, corporate social responsibility can contribute to a company’s bottom line by improving consumer evaluations of their products,” the authors conclude.

Alexander Chernev and Sean Blair. “Doing Well by Doing Good: The Benevolent Halo of Corporate Social Responsibility.” *Journal of Consumer Research*: April 2015. For more information, contact Alexander Chernev (ach@northwestern.edu) or visit <http://ejcr.org/>.