

## Executive Summary

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### **The Role of Regulative Institutions in the Effects of Social, Environmental, and Economic CSR Dimensions across Nations**

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Although it seems obvious that various CSR dimensions positively influence consumer behavior, numerous national studies have produced inconsistent findings regarding their effects. Internationally, CSR was mostly examined as ‘overall CSR’, i.e. the effects of one construct in a few countries; only one study analyzed these effects across nations and indicated the enormous relevance of regulative institutions as country context for CSR effects. The few international multidimensional CSR studies are limited to a few countries and come to contradictory results with regard to the most important CSR dimension. Moreover, these studies assume a moderating role by regulative institutions but are unable to theorize them when comparing only two countries. Across nations, multidimensional CSR effects have never been hypothesized or empirically tested. In particular, CSR dimensions may be favorable in one country but not in another and MNCs need to know whether social, environmental and economic CSR (equally) affects customer engagement behavior and how countries’ regulations moderate these effects across nations.

The authors fill this gap by providing novel insights into the cross-national effects of social, environmental and economic CSR dimensions and the moderation by country-specific regulative institutions by applying signaling theory rationales. This study contributes to signaling theory, which is established in studies on overall CSR, by initially theorizing multidimensional CSR in a cross-national context. The authors argue that consumers perceive CSR dimensions as multiple signals of MNCs’ goodwill based on different CSR activities. These signals convey information and act as cognitive shortcuts and consumers choose their engagement partners accordingly due to information asymmetry. The behavioral relevance is determined by signals’ observability, strength and fit. Country differences regarding regulative institutions influence the extent to which signals affect engagement behavior.

The authors empirically examine hierarchical data from 20,967 consumer evaluations of a German MNC that offers health or skin and beauty care products globally using multilevel structural equation modeling. The findings show that consumer-perceived social, environmental and economic CSR dimensions positively affect customer engagement behavior across nations. However, different and surprising effect strengths are revealed. Social CSR is shown to be a stronger predictor of customer engagement behavior than environmental and economic CSR. Interestingly, countries' regulative institutions moderate the multidimensional cross-national CSR effects differently. Country differences in regulative institutions positively moderate the effects of social and environmental CSR, while that of economic CSR is moderated negatively. Several alternative models, such as a sample of the three strongest competitors of the MNC in every country or alternative measures of regulative institutions, underline the robustness of our findings.

Scholars have encouraged research to study multidimensional CSR effects across nations. Consumers perceive CSR dimensions as different signals and rely on them in situations of information asymmetry. Across nations, social CSR has the strongest impact on engagement behavior as both share a common referent through social elements. We extend previous international studies, most of which have conceptualized CSR as an aggregated construct or captured it multidimensionally in few countries. This study contributes by generalizing multidimensional CSR effects and adding knowledge on the positive moderation of regulative institutions for social and environmental CSR effects and the negative moderation for economic CSR effects across nations. The findings of this study provide clear directives for MNCs' marketing and public stakeholders in dealing with multidimensional CSR impacts and applicable regulations from a consumer perspective.