Abstract

This study utilized a portion of Edelman Trust Barometer® data, and in-depth interviews with 60 participants in the US and China in exploring how publics in both countries perceived the concept of creating shared values (CSV), how corporate CSV behaviors affected public trust in corporations and their supportive behaviors toward the CSV-performing corporations, and the preferred communication channels and contents for accessing CSV information. Both qualitative and quantitative findings indicated publics in the US and China, though they may not have fully internalized the concept of CSV, welcome this idea. However, the interview data showed diverting views as to the feasibility of implementing CSV. Unlike most of the Chinese publics interviewed, American publics in the US expressed less correlation between corporate CSV behavior and public trust. Both US and Chinese publics supported CSV-performing companies, albeit in somewhat different ways. In terms of publics’ preferred communication channels, participants in the US expressed more variety in their preferred communication channels for accessing business and CSV information than their Chinese counter parts. However, social media were highlighted by participants from both countries as an important platform for accessing corporate information. Storytelling is the preferred format for publics in the US and China.

Acknowledgement: This research was funded by the Arthur W. Page Center. We appreciate the generosity of the Arthur W. Page Center, the constructive comments from the reviewers, and the collaboration with Edelman Public Relations. We also thank Zifei Chen and Bora Yook from University of Miami and Ronald Ding from Hong Kong Baptist University for their dedicated works in the data collection and transcribing data for this project.
Introduction

In the research of communication effectiveness, the value of corporate social responsibility (CSR) has always been a widely-discussed topic (Heal & Garret, 2004; Lee, Park, & Lee, 2013; Mcguire, Sundgren, & Schneeweis, 2013; Weber, 2008). Previous studies have shed light on the outcomes of CSR; however, opinions toward the value of CSR are inconsistent (Weber, 2008). Empirical studies demonstrated that CSR can bring positive outcomes to the dimensions of company image and reputation (Gray & Balmer 1998), employee motivation, retention, and recruitment (Lee et al., 2013), reduction of risks and cost (Heal & Garret, 2004), organization-public relationships (Hall, 2006), competitive advantage (Lichtenstein, Drumwright, & Braig, 2004), and ultimately higher sales, market share, and stock price (Salzmann, Ionescu-Somers, & Steger, 2005).

However, criticism of CSR motivations also has received wide attention. For example, May (2008) contended that publics will be skeptical of CSR intentions if corporations cannot provide an ethical alignment in its operation. Moreover, scholars also have advocated that CSR initiatives fail to accomplish corporate missions when corporations only focus on short-term profits and ignore stakeholders’ actual needs and concerns.

In dealing with such concerns, the creating shared value (CSV) idea proposed by Porter and Kramer (2011) provided a possible approach toward reconciling corporate profit-seeking agenda and concerns on corporate contributions to the society. At the same time, findings from industry studies have paved the way for implementing CSV. For example, the 2015 Edelman Trust Barometer® study showed that more than 80% of the study participants believed that corporations are able to take actions toward increasing profit while at the same time improving economic and social conditions in the society. The 2015 Cone study also revealed that 90% of Americans are likely to switch to brands associated with a good cause.

Furthermore, there have been some studies on corporations successfully integrating the idea of CSV into their operations. For example, Szmigin and Rutherford (2013) developed the Impartial Spectator Test (IST), the idea that corporations take a step back to view a situation and make the right ethical decision that creates values both for corporations and stakeholders. Lee, Moon, Cho, Kang, and Jeong (2014) examined the relationship between corporations and suppliers in the bakery industry. They developed a mutual firm foundation that created values for corporations and the society, so as to achieve regional development and long-term contracts between a corporation and its suppliers. Adopting a similar approach to Lee et al. (2014), Ghasemi, Nazemi, and Hajirahimian (2014) studied the transformation process from CSR to CSV of a steel company in Iran. They concluded that CEOs and corporate leaders should be open-minded and work with the community and society in identifying issues affecting all parties. High-tech companies such as Cisco contributed to Sichuan earthquake relief in China by establishing a long-lasting innovation program to drive both business returns and social impact (Marquis & Yang, 2014).

Ghasemi et al. (2014) concluded that corporations should be active in communicating CSR initiatives and engaging stakeholders so as to strengthen the trust between the company and the stakeholders. Meanwhile, Du et al. (2010) and Chaudhri (2014) also stressed the importance of communication in corporations’ efforts on resolving societal issues. In academia, little empirical research on CSV in corporate communication has been conducted since this concept was first introduced in 2011.

This comparative study, therefore, aimed to address the above-mentioned concerns, and the gap in the published literature by examining the public’s response to CSV in the United States (US) and China using interviews and the Edelman Trust Barometer® survey.
data from a stakeholder management perspective. It provided empirical evidence to elucidate public perceptions of CSV, positive effects of CSV, and preferred CSV communication messages and channels. The US and China were selected for two main reasons. First, they represent the largest markets in, respectively, North America and the Asia-Pacific region. Second and more importantly, these two largest markets differ from each other in local market conditions such as economic, social, cultural, media, and political contexts, and in the relationships among the central government, corporations, and publics (Bortree, 2014; Hung-Baesecke, Chen, & Boyd, 2016).

Literature Review

**CSR versus CSV**

The concept of CSR has been debated for several decades. Carroll’s (1999) definition, “the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (cited in Montiel, 2008, p. 500), has been most widely quoted. In general terms, CSR refers to corporations’ striving to create a beneficial impact on society at large by pursuing what has been termed “a balanced triple-bottom line” (Elkington, 2004), comprising economic, environmental, and social sustainability (Bansal, 2005; Mohr, Webb, & Harris, 2001).

In recent decades, CSR has, from the governance and public perspectives, converged with the concept of “sustainability” requiring a long-term development approach (Lee, Moon, Cho, Kang, & Jeong, 2014). This is mainly because the essence of CSR is to create beneficial impacts on the economy, environment and/or society that confer sustainability on the market, environment or community (Du, Bhattacharya, & Sen, 2010). Continuity of CSR initiatives is necessary for the beneficial impact to occur; without such an outcome, CSR initiatives would be perceived as self-serving, enacted for the purpose of window-dressing or profit-making. This movement has led corporations, governments, and general publics to welcome the CSV approach proposed by academicians (Moore, 2014). The European Commission’s revised 2011 definition of CSR and its strategy is a good exemplar of the change (Moczadlo, 2015). CSV refers to “policies and operating practices which enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates” (Porter & Kramer, 2011, p. 66). In other words, CSV initiatives aim to create profits and social benefits at the same time. The authors pointed out three key ways to create shared value: re-conceptualize products and markets, redefine productivity in the value chain, and empower local cluster development. They also acknowledged CSV as a new way of doing business by both gaining credibility of stakeholders and improving economic and social conditions of the market (Porter & Kramer, 2006). For example, Cisco (a high-tech company) contributed to earthquake relief in Sichuan, China, by building tech-enabled classrooms, hospitals, and other buildings in the disaster-struck areas. The practice not only helps people in Sichuan resume their normal lives but also creates new markets for its products (Marquis & Yang, 2014). CSV differs from CSR in two aspects. First, CSV *increases total economic and social values* rather than redistributing “values already created by the firm” (e.g., to solve a social issue using the money earned by existing business practices; Lee et al., 2014, p. 1) or “interest of stakeholders” (e.g., to increase employee salary by increasing product price for consumers). As a result, CSV is internally driven (Wójcik, 2016). Second, CSV *integrates social issues with the firm’s core business innovation* through operational changes and/or technical support while CSR
initiatives can be separate from the business practice. CSV demonstrates a clear linkage between corporate profit-making and societal development (Moczadlo, 2015) and addresses real societal needs rather than negotiated stakeholder demands (Scagnelli & Cisi, 2014). In other words, CSV is integral to corporate core business and strategy framework and economic gain of the corporation is an expected rather than assumed result of the corporate responsible behavior (Wójcik, 2016).

CSV has gained its popularity because its supporters view it as a positive approach that turns CSR (a normative concept of responsible business) into practice (Wójcik, 2016). However, CSV has been subject to two major critiques. First, CSV is a self-centered, profit-making behavior of a firm. That is, a firm will only perform CSV for social issues that are related to its core business. Second, although apparently popular among industry leaders, CSV has been subject to limited empirical examination. Based on the literature, the first research question was proposed as follows:

**RQ1:** What is the public perception of CSV in the US and China?

**CSV Effects on Corporations**

Scholars from various disciplines have examined the outcomes of CSR (e.g., Heal & Garret, 2004; Hung-Baesecke et al., 2016; Lee, Park, & Lee, 2013; Mcguire, Sundgren, & Schneeweis, 2013; Weber, 2008). Previous findings showed that CSR can engender positive effects on company image and reputation (Gray & Balmer 1998), employee motivation, and retention and recruitment (Lee et al., 2013), risk reduction and cost saving (Heal & Garret, 2004), organization-public relationships (Hall, 2006), public trust, word-of-mouth, and “benefit of doubts” to corporations in time of crisis (Hung-Baesecke et al., 2016), competitive advantage (Quyang, 2011), and corporate financial performance (e.g., sales, market share, and stock price; Salzmann, Ionescu-Somers, & Steger, 2005). However, scholars have also concluded that negative effects of CSR occur and publics fail to draw positive inferences about corporations when corporations cannot align social interests with corporate missions to make a real impact (i.e., peripheral CSR; Visser, 2010) or when CSR initiatives are for short-term profits (Du et al., 2010; Fein & Hilton, 1994; May, 2008). In addition, reactive CSR (i.e., CSR initiatives taken after receiving external demands or negative information about a corporation) tend to generate less influence on stakeholders than proactive CSR does (Groza et al., 2011).

Based on previous research findings, it is logical to argue that CSV – a CSR-related concept emphasizing the alignment between social needs and corporate core business through innovation – should have a positive impact on consumer attitude toward the corporation, trust in the corporation, support for the corporation, and business with the corporation because CSV proactively creates both economic and social value and tends to be implemented as a long-term initiative. Thus, the following research questions were proposed:

**RQ2:** What is the role of CSV in public trust in business in the US and China

**RQ3:** What is the effect of CSV on stakeholder supportive behavior to corporations in the US and China?

**CSV Communication Content and Channels**

To the best of our knowledge, there is no published study on CSV communication. Therefore, we will review studies done from the CSR communication perspective for possible leads in our investigation on how CSV should be communicated.
Scholars (e.g., Amaladoss & Manohar, 2013; Du et al., 2010) have contended that discussions on CSR have shifted from the perspectives of public relations and reputation management to enhancing corporate competitive advantage. In addition, Du et al. (2010) contended that, even though the benefits of CSR include positive corporate image, strong stakeholder-company relationships, product purchase, and employee retention, stakeholders’ low awareness of – and skepticism toward – corporate CSR activities have established hurdles to corporations’ attempts to maximize the benefits brought by CSR activities. Hence, effective CSR communication strategies comprising communication content, communication channels, and specific factors relevant to corporations and stakeholders should be included in CSR communication planning.

Previous research on CSR communication has included the topics of stakeholder involvement, media and communication channels (Morsing & Schultz, 2006; Morsing, Schultz, Nielsen, 2008), third-party endorsement (Morsing & Schultz, 2006), how and why of CSR communication (Kim & Ferguson, 2014), corporate reputation (Eberle, Berens, & Li, 2013), purchase intention (Chu & Lin, 2013), customer satisfaction and loyalty (Luo & Bhattacharya, 2006), and improved product evaluation (Brown & Dacin, 1997). With increasing globalization, transnational corporations have also strategized their CSR initiatives in host countries (Tang & Li, 2009).

**CSR and CSV communication in the US and China.** Du et al. (2010) contended that effective CSR communication helps to alleviate consumer skepticism on corporate motivations in their CSR activities. This is because the public tends to lack direct experience with the initiatives and therefore relies on messages from corporations to form an opinion. As suggested by CSR communication research, a message’s content, source, and channel of distribution all affect how the audience evaluates the information (Bortree, 2014; Kim & Ferguson, 2014). For example, US consumers prefer to receive CSR messages in the channels of a company’s owned media (e.g., local retail stores, websites, and social media platforms) and with the source of “the company in general” rather than from employees, CEOs, spokespersons, activists, and other stakeholders (Kim & Ferguson, 2014). By contrast, even though studies on CSR communication in China have identified the approaches of ad hoc philanthropy, strategic philanthropy, and ethical business conduct corporations being adopted in China, no studies have yet been undertaken on what communication channels Chinese publics prefer in accessing CSR information from corporations.

**CSR communication differences in the US and in China.** Tang, Gallagher, and Bie (2015) pointed out the scarcity of research systematically exploring differences in CSR communication and practices in the US and in China. CSR practices in the US started in the 1960s when corporations faced great social expectations that corporate practices should go beyond profit seeking (Chu & Lin, 2013). In the case of China, because of corporate globalization and China’s market changes, CSR was only introduced in recent years (Zu & Song, 2009). Tang and Li (2009) considered China’s CSR practices to be the continuous negotiation between corporations and the unique contexts of social, economic, and cultural settings.

Burton et al. (2000) showed that stakeholders in the US and Hong Kong Chinese have different expectations on corporate CSR approaches; US participants tended to focus on the non-economic approach of CSR, while Hong Kong participants preferred the economic CSR practices. Wang and Chaudhri (2007) found a view similar to the one held in Hong Kong among Chinese stakeholders on their expectations for organizations’ CSR practices.

In terms of CSR Communication, Tang et al.’s (2015) study comparing the CSR approaches portrayed on US and Chinese corporation’s websites illustrated significant
differences: the ethical rationale was the most cited one for corporate CSR engagement, followed in descending order by the discretionary rationale, legal rationale, and economic rationale. Employees and community were the most important stakeholders in CSR communication among the US corporations. For Chinese corporations, however, CSR was considered as ad hoc philanthropy (discretionary), strategic philanthropy (CSR activities focused on the segments of the community related to the corporate core business), and ethical business conduct (ethicality of the business practices, such as employee treatment, product safety, and so forth.). Conversely, employees were less emphasized in the Chinese corporate CSR initiatives.

CSR communication outcomes in the US and in China. Ramasamy and Yeung (2009) compared consumers in the US and China from the perspective of consumer willingness to reward or punish corporations for their CSR behaviors. Chinese consumers, coming from a more collectivist society, tend to be more supportive of corporations engaging in more socially responsible behaviors than US consumers. In investigating the different behaviors of consumers in the US and in China, Chu and Lin (2013) also took the same approach on rewarding and punishing corporations to judge how well the companies performed their CSR initiatives, and found that, compared with US consumers, Chinese consumers were more likely to reward socially responsible companies and punish those with poor CSR performance records. Furthermore, Chinese consumers exhibited a higher level of expectations on CSR behaviors than American consumers. The literature review suggested the final research question:

RQ4: How can corporations effectively communicate with publics for CSV practice in the US and China?

Methodology

To elucidate public perceptions of CSV, positive effects of CSV, and preferred CSV communication messages and channels, the study utilized qualitative data of 60 in-depth interviews and quantitative data drawn from Edelman Trust Barometer® survey for examination.

In-depth Interviews

Method appropriateness. Daymon and Holloway (2002) argued that, in the disciplines of public relations and marketing communication, communicators develop relationships with stakeholders so as to actively create, amend, and reconstruct meanings. The function of strategic communication, therefore, is to shape how and what we know at the individual and societal levels. In our research, the exploration on how publics’ views on how organizations should fulfill their responsibilities for society fit what Holloway and Wheeler (2010) identified as the aim of conducting qualitative research: the information shared by the participants is context-bound and relevant to participants’ life experience. Participants’ views on their expectations of corporate social responsibility are shaped by their experiences with organizational behaviors and the information they have been exposed to via media reports and peer information sharing on how organizations should engage with society.

Sampling. In this qualitative study for exploring publics’ views in the US and China, we employed a purposeful sampling. A total of 60 in-depth interviews were conducted by phone, from January 2016 to May 2016, targeting 30 Americans living in the US and 30 Chinese living in China. Among the 30 interviewees in each country, 14 were informed
Public Relations Journal  
Vol. 11 Issue 4 (May 2018)  
Special Issue: International CSR  
© 2018 Institute for Public Relations

Public (i.e., aged 25-64, holding at least a bachelor's degree, having income in the top 25% of the age group, and consuming much business information from the media). All the interviews were audio-taped with participants’ consent for purposes of transcribing. The demographic information of the interviewees is as follows:

Among the 30 participants from the US, 16 were females and 14 were males; a total of 17 participants were informed publics. The average age of the participants was 35.5 years old. The ethnicity profiles of the participants were as follows: 14 Caucasians, 10 Asians, Five African Americans, and one Hispanic. There were eight participants from the northeast USA (New York, Massachusetts, and Connecticut), two from the northwest (Washington), two from the midwest (Ohio and Michigan), two from the midsouth (Texas and Tennessee), 11 from the southeast (Florida, Georgia, South Carolina, and North Carolina), and five from the southwest (California).

Among the 30 mainland Chinese participants, there were 16 females and 14 males, including 14 informed publics. Interview participants resided in various cities of China because of their current employment. Nine interviewees were from southern China (Guangdong, Guangxi, Hong Kong, and Guizhou, Hainan), eight from northern China (Beijing, Provinces of Shandong, and Liaoning), and 13 from the Zhejiang and Greater Shanghai region.

A semi-structured interview protocol was used to ensure all researchers consistently addressed central topics with the interviewees. The interview protocol was originally designed in English and refined by three pilot interviews with Chinese participants in the US. The finalized interview protocol was translated into Chinese and then back translated by an outside bilingual researcher with the purpose of accuracy. The average interview time was 65 minutes.

Data analysis. van den Berg (2007) and Huberman and Miles (1994) suggested three stages of qualitative data analysis: data display, verification, and reduction. In the data display and verification stages, themes and patterns were identified from participants’ responses to each research question. Grbich (2007) also suggested conceptual mapping as a means for researchers to discover the relationship between themes. In the third stage, final analytical conclusions were drawn based on reduced and displayed data and identified themes (Berg, 2007). To obtain a complete picture, the interview transcripts were kept in the original language and then translated to English after analysis.

Survey Data

Survey data used in this study to address RQ1 were drawn from the US and China samples of the Edelman Trust Barometer® (ETB) from 2014 to 2016. ETB is a global study that randomly surveyed respondents aged 18 and above from more than 25 countries online. ETB’s sample size in each market varied year by year. It was 1000 in both the US and China in 2014 and 2015, and in 2016 it was 1491 in the US and 1241 in China as given by Edelman.

Results

Public Perception of CSV

Understanding of CSV among the US participants. Not all of the US participants understand the concept of CSV. Most of them showed a vague understanding of it by regarding shared value as something that is mutually important, beneficial or agreed between two parties. When asked to define CSV, their answers suggested something similar to CSR.
For example, one media editor from Seattle said, “To me, it means that corporations are doing something that is good for society that society needs. Something that does benefit to the society.” Another participant (a corporate lawyer in New York City) considered CSV can only happen internally because “employees within the company will have shared values, shared goals, and shared purpose, and that’s sort of like a driving factor behind the company.” However, some participants, because of their professions, could still catch the meaning of CSV, despite never having heard of it. For example, one professor from a business school in the New England area considered the “shared value” should not only be economically related but also include “social, the life of the employees, the communities, and in the society.” Shared value creation should include “other stakeholders rather than shareholders and senior management.” One public relations practitioner from the Boston area said, “Shared values have to benefit everyone… It’s in the best interest of everyone.”

Almost all (n = 27) participants agreed with the definition of CSV proposed by Porter and Kramer (2011). Several participants considered it possible to implement CSV. For example, one marketing analyst mentioned the diversity among members in a corporation’s board and that different values and issues can be addressed and incorporated in the corporate strategic planning. Most participants argued that consumers and employees should be involved in CSV implementation, especially at the planning stage. A financial analyst in Miami suggested it should involve informed consumers and key opinion leaders rather than ordinary consumers. While several participants suggested steps for CSV implementation in practice, a professor of business articulated a set of steps a corporation should go through for creating shared values. These steps best summarize what the others proposed:

- Identify the corporate mission and values aligned with the founders/leadership’s values and the founding principles.
- Keep the promise as is.
- Write down the promise and act on it.
- Listen to people in the community by conducting surveys or focus-group interviews.
- Proactively reach out to third parties outside the organization, for example, non-profit organizations, community members, experts, etc.
- Create a team specifically dedicated to corporate social responsibility issues.

It should be noted that when identifying corporate mission and value, the professor considered a corporation should support relevant causes or issues in society, related to when the business it does and the industry it is in, because “matching the issues with the corporation’s own mission and value is important.” Other comments from the participants on facilitating effective CSV implementation included: (1) being authentic, transparent and honest, (2) cultivating a CSV culture among the employees that can empower the employees to create shared value in relations to their daily activity, and (3) making a detailed project plan for CSV performance, including its activities, invested resources and timeline.

Quite a few participants were doubtful as to whether CSV is realistic. One corporate lawyer who considered CSV could not likely happen inside an organization thought CSV is very idealistic because external publics or consumers may not have a shared value with the company. A financial analyst in Miami stated that the idea of corporations making profits and solving social issues at the same time sounds like “a no brainer” and he considered, in reality, corporations can only choose either one:
Without some kind of major breakthrough, you're willing to do something that's more money but it's going to do good for the environment. But another private company’s come out there and provides the same service but they're going to do it a little bit cheaper and it's not going to be as good for the surroundings. The majority of customers are going to want [the latter]. We all say that we want well for the environment and for society. But if something's a dollar cheaper somewhere, we're all rushing over there.

*Understanding of CSV among the Chinese participants.* Compared to the participants from the US, Chinese participants could not really understand the meaning of shared values unless further examples were provided. One remark from a property manager in Shanghai reflected this kind of confusion: “so, when you say ‘value,’ it means profit? How much can I gain?” In addition, some participants were not sure whether “value” is to be understood only in the economic sense, or in both monetary and non-monetary sense.

Mirroring one of the perceptions held by the US participants, some Chinese interviewees also mentioned shared values between employees and companies because, as one engineer from Shandong Province considered, “companies should get employees familiar with what companies care about so that employees know how to contribute.” Some participants conceptualized “value” in a similar manner to the US participants. For example, a TV news anchor said:

> For me, creating shared values should involve deliveries of benefits, not only to the company, but also to the society. If a corporation cannot deliver benefits to the society, at least, there should be no harm brought to the society… For the situation in China now, there are a lot of concerns on food safety, environment, etc. The minimum expectation toward those corporations is they do not bring harm to the people and the society.

For some interviewees, the concept of creating shared value is a win-win approach that “fosters positive interactions between corporations and the society.” One manager from a media company in Shenzhen considered creating shared value is integral to business transactions for ensuring a profitable outcome. He said it is very natural for companies to identify people’s need so that companies can develop their business models to fulfill those needs and make profits from their models. An interviewee from a public opinion agency in Hong Kong held a similar view to the media company manager. She further emphasized that the value created should be “mutually beneficial” to both companies and stakeholders because the stakeholders also participate in value creation.

As for the CSV implementation, the comment shared by the news anchor whose profession put him in a position to report on different situations of social injustice shows a more pessimistic viewpoint:

> In China, because of the unbalanced regional development, people in the less developed areas can only afford very inexpensive products and food. Therefore, as long as they do not need to spend a lot of money, they do not care about any implications of social issues brought by how the products were made.

When discussing the steps for developing shared values for corporations, most of the participants did not elaborate detailed procedures. However, an interesting observation on their perspectives showed their different cultural characteristics. Unlike the U.S. participants who mentioned identifying corporate mission and values as the first step, Chinese
participants emphasized the relational perspective as the initial step for developing shared value. Most of them mentioned “identifying stakeholders that interact with companies,” “participating in community activities,” “collaborating with local NGOs,” and “partnering with local governments.”

**Survey findings.** To investigate the public perception of CSV in the US and China, the ETB asked the participants to indicate the extent to which they agree with the statement “a company can take specific actions that both increase profits and improve the economic and social conditions in the communities where it operates” using a 9-point Likert-type scale (1 = strongly disagree and 9 = strongly disagree). Table 1 shows a high level of positive attitude toward CSV in both the US and China across the three years, with the average mean ranging from 6.85 to 7.57. The longitudinal data also revealed that the public attitude toward CSV in both nations has been fairly consistent in this period. When comparing CSR belief between the two nations, the data suggested no difference of public attitude toward CSV between the two nations in 2014 and 2015. In 2016, however, the US participants reported a slightly more positive CSV attitude (M = 7.57, SD = 1.463) at a significant level than their mainland Chinese counterparts (M = 7.04, SD = 1.41; t = 6.43, p < .001).

<table>
<thead>
<tr>
<th>US</th>
<th>China</th>
<th>US vs. China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 (n = 725) M = 7.57, SD = 1.463</td>
<td>2016 (n = 613) M = 7.04, SD = 1.410</td>
<td>t(1313.479) = 6.428, p &lt; 0.001</td>
</tr>
<tr>
<td>2015 (n = 976) M = 6.99, SD = 1.717</td>
<td>2015 (n = 988) M = 6.85, SD = 1.632</td>
<td>t(1962) = 1.841, p = 0.066</td>
</tr>
<tr>
<td>2014 (n = 976) M = 7.41, SD = 1.558</td>
<td>2014 (n = 991) M = 7.33, SD = 1.489</td>
<td>t(1962) = 1.173, p = 0.241</td>
</tr>
</tbody>
</table>

To compare the level of CSV attitude in the US across the three years: F(2, 1733.969) = 28.413, p < 0.001 (Welch). Games-Howell pair-comparison results showed that CSV attitude in 2016 and 2014 are significantly stronger than that in 2015. Such attitude did not differ between in 2016 and 2014.

To compare the level of CSV attitude in the China across the three years: F(2, 1585.764) = 21.659, p < 0.001 (Welch). Games-Howell pair-comparison results showed that CSV attitude in 2014 was significantly stronger than that in 2016 and 2015. Such attitude did not differ between in 2016 and 2015.

**CSV Effects on Trust in Business**

**Views from the US.** Only a few US interviewees (n = 5) perceived CSV as a driver of trust in business. Those that did had three main reasons. First, CSV demonstrated the corporation’s giving back to society, leadership in solving problems, effort to cultivate its relationship with society, and ethical profit making (“not just making money for the sake of making money”). Second, CSV was a good initiative and value. And lastly, CSV, creating business in an innovative way that solves social issues, showed that the corporation is run by “smart people” and talented employees who foster public trust in the corporation. Several US participants, on the other hand, stated that CSV performance did not result in trust but rather
in their interest in the corporation, liking of the corporation, product/service purchase or preference of the corporation, and support for the corporation. One participant said she would place a stronger trust in the corporation performing CSV only once the business initiative had been proven to solve the social issue with real impact for a long term.

Those who viewed CSV as having no effect on their trust in business gave three explanations. First, for corporations that create negative social issues (e.g., a beverage company that sells drinks high in sugar, leading to obesity or diabetes), performing CSV was not an acceptable solution. As a dietician in Seattle argued, “the corporations should innovate their entire business operation to solve the social issue to gain trust.” Second, CSV performance was not a sufficient indicator for trust. Several participants argued that CSV performance could be a disguise or compensation for a corporation’s not-so-responsible behaviors and would not therefore drive their trust in the corporation. They wanted “the whole business to reflect social good”, and for the corporation to have no socially irresponsible practices while performing CSV. Third, two participants reported their skepticism on the motive of business innovation: whether it is for solving social issues as said or simply for making profit. Such skepticism led to their judgement that CSV has no relationship with their trust in a CSV-performing corporation. Lastly, the financial analyst in Miami argued that creating new business (i.e., supply) that solves social issues (i.e., demands) is a normal way of doing business from the demand-supply perspective. Thus, such an initiative would not drive his trust in the corporation doing it.

**Views from China.** Compared to their US counterparts, most Chinese interviewees agreed that CSV drives their trust in a corporation. Like some US interviewees, the Chinese interviewees believed that CSV reflects a corporation’s giving back to society, being socially responsible, and “benefiting the society as a whole rather than one individual,” as one sales director in Shanghai contended. As a project assistant in Hong Kong explained, “solving social issues through innovative business operation means that the corporation has been thinking about how to solve social issues especially when its CSV works.” Another interviewee added: “I trust the company doing CSV because as Jack Ma [Chairman of Alibaba Group] said, companies that have a better development in the future are those that can solve social issues.” In addition, a research assistant in Hong Kong considered performing CSV reflected a corporation’s good understanding of social needs and “its ability to adapt to such needs through innovation.” Surprisingly, many Chinese participants stated that it is “business innovation for solving social issues” shown in CSV that drives their trust in the corporation. Interestingly, some interviewees explained their increasing trust in business by CSV because new business initiatives usually result in new job opportunities.

Similar to their US counterparts, some Chinese interviewees said CSV performance only leads to trust building when the business initiative has a long-term impact on the intended solution to the social issue. Some interviewees argued that CSV can only trigger their trust in business when they can personally relate to the social issue a corporation aims to solve. Others did not see the effect of CSV on trust in business because (1) CSV leads to their recognition and support for the company rather than trust or (2) their trust in business was mainly formed by the quality of products or services.

**Positive Outcomes of CSV**

**Positive public supportive behaviors in the US.** Most of the interviewees in the US expressed their support for corporations’ creating shared values in their business operations. Their supportive behaviors included searching for more information about the company, willingness to purchase products from companies, and willingness to pay more for products.
The most commonly recalled corporations performing CSV in the mind of the US participants were Starbucks, Toms, and Ben & Jerry’s. A manager from Atlanta especially mentioned his willingness to pay more for those companies because of the company’s social agenda:

I buy coffee from Starbucks. And Starbucks has got a social agenda that they are pretty specific about. They are like, yes, we are getting coffee from these countries but we are also giving back to these countries. .. The Starbucks coffee isn’t cheap. I could go to Dunkin Donuts and get it cheaper. But I am not aware of what Dunkin Donuts social responsibilities are. I am aware of Starbucks’.

A financial analyst in New York City also elaborated on the benefits of creating shared values as a two-way street because, when a company is doing good, it will get more support from the public and its employees:

If a company is mutually beneficial, by definition, it’s helping society and it's helping itself. I think that as people benefit from that company and they see the good that it's doing and they appreciate the product they'll support it more. I think also that for the most part, employees will feel good about being a part of that company and I'm definitely a big believer that morale and motivation and pride in the company go a long way to furthering the business.

However, in terms of recommending the companies that create shared values to others, there are inconsistent answers. Some participants confirmed that they would recommend a company/brand that creates shared values to others; some said they would not. A participant from the service industry in Atlanta considered it a “personal thing” to be willing to recommend the companies that perform well in creating shared values to others because “I don’t feel comfortable suggesting or advertising for those brands.” An interviewee who was in the marketing staff of a biotechnology company in Memphis emphasized product and service quality as the key driver:

I think those things [creating shared values] are good to have, but probably not the key drive for me to recommend. The leading factor would still be the product or service they are providing. If they are providing equally good products or services, then I would probably recommend the company with the better image that gives back more. But that's not the driving factor, if that makes sense.

In addition, participants would not necessarily support the company creating shared values when it is in a crisis. Instead, they would decide whether to give support based on the cause of the crisis. Furthermore, a financial analyst from Charleston, South Carolina, considered ethics to be the most important factor in his action. He said, “If the company gets into an ethical dilemma… I actually will leave.”

Positive public supportive behaviors in China. Participants in China showed a more consistent attitude in how they support corporations creating shared values. All participants positively indicated that they would purchase the company’s products, would be willing to pay more for the products, willing to engage with the company, and would recommend the company to others. An engineer working in a state-owned enterprise in Shangdong considered CSV as a strategy for any corporation that plans to have long-term development in China. Therefore, he believed that “anyone who favors a win-win outcome should support CSV companies.”
In addition, an engineer from a German automotive company in China considered a company that creates shared value is more likely to enjoy long-term development because “creating shared values is more important than cost control.” He also considered it is his obligation to recommend CSV companies to others because, by doing so, he can also play a role in helping a society’s stable development:

No matter whether I am an employee of the company or a member of the society, I think creating shared value is a positive concept that helps our society’s development. Like what I said earlier, we hope to have a long-term vision for the society by creating shared values. We do not want to create unstable development and uncertainty for our society from a short-term view of cost control. This is the view of our company. So, when I recommend a CSV company, I feel I also have some contributions to our society’s development.

As for granting the benefit of a doubt when a CSV corporation experiences a crisis, Chinese participants reported more diverse views than did their US counterparts. For example, the proprietor of an advertising firm in Zhuhai was extremely firm in her support for a CSV company that faces a crisis. She considered that “there is always a risk in doing business. We cannot deny a company that simply did one mistake when it has developed a lot of good things for the society and the industry.”

Those participants who expressed disapproval for defending a CSV company in a time of crisis considered corporate integrity, being ethical and following the law to be of superior importance compared to creating shared values. Several participants happened to mention Baidu as an example to illustrate this shared viewpoint. As a professor from a university in Shanghai explained:

Even though Baidu has done a lot for the society, there are still some unethical behaviors in this company. We cannot tolerate the illegal and criminal behaviors simply because this company has done something good before. Being a person who has an obligation toward society, I will still say no to this company.

Preferred Communication Channels for CSV

Comparing the interview data between the US and China, participants in the US expressed more variety in their preferred communication channels for accessing corporate business and CSV information than their Chinese counterparts. However, participants from both countries highlighted social media as an important platform for them to access corporate information.

The US interviewees over all consumed CSV information via quite diverse channels from interpersonal words of mouth (WOM) to corporate websites, social media (Facebook, Instagram, and Twitter), corporate intranets, local news channels, TV, radio, corporate annual reports, online bloggers, influencers, and niche media. Interestingly, several participants who hold higher education degrees (at least bachelor degrees) and have higher income levels mentioned that they would place more trust in information obtained directly from a corporation via its various channels, including websites and interpersonal communication with the corporate employees. For example, one attorney from the Midwest said,

If the company is the one I may work for, I would look at their website. Most people should do that if they are looking for a company they may work for or do business with, or even just wanna invest in that. Or other news rather than just the press releases about the company. Then I also reach out to people who are either working for the company or do business with that company to find out how their relations are
with them. Sometimes I actually contact employees cuz they always have an HR
group or marketing group that you can talk to.

While quite a few participants would access corporate websites or watch mainstream
media for corporate news, a couple of participants expressed skepticism on the reliability of
information provided by corporations. One participant from the southeast talked about his
reluctance to read news provided by public relations practitioners on behalf of a corporation
because he considered that “… the news… was written by PR people to sell products, to
create demands for things.”

Some US participants also preferred not to rely on only one specific channel for
business news and CSV information because they believed in the importance of reading
about a story from different reporting angles provided by different sources of information, as
explained by one researcher from the southeast.

In addition to the mainstream news channels and the social media pages of those
media outlets, an interesting finding from one interviewee was that he would rather get
information from “people in the industry, influencers” because of the complex personal
networks that enabled some news to spread before getting into actual news media.

The Chinese participants showed a lot more consistency in their preferred information
channels for corporate information. Among the different online and offline communication
channels, Chinese social media (i.e., WeChat and Weibo) and TV news were the major
sources of CSV information for the participants. With the advancement of mobile phone
technology, people in Chinese have taken advantage for a great variety of purposes including
communicating with friends and families, information sharing, accessing news, and e-
commerce. Most of the participants mentioned that they subscribed to news from mobile
applications to access up-to-date information using their mobile phones. A participant who
worked in a bank in Shanghai reflected on this prevailing information consumption
phenomenon in China:

I subscribe to the WeChat public accounts of newspapers, such as Wall Street Journal
and Reuters, for reading business news… Most of the time, I read online news from
my mobile phone or computer… I rarely read printed newspapers now.

Similar to the views from some US participants, a couple of participants mentioned
reading CSV information from some corporate websites under certain circumstances, such as
when looking for a possible employment opportunity.

**Preferred CSV Communication Content**

When asked about the preferred content of CSV communication, the interview
participants in both the US and China did not specify which social issues they particularly
expect companies to mention as their CSV endeavors. Rather, they would like to see what
social issues have been identified by a company, its thoughts on the issues, and what it has
contributed to the solutions of the issues.

In addition to the content, the participants in both countries also shared their
preference of how CSV messages should be presented. Interestingly, both the US and
Chinese participants preferred to learn about corporate CSV performances in a storytelling
(i.e., real personal stories) format, rather than as slogans or broad statements. As a Chinese
interviewee added “personal stories that are sentimental or something customers can relate
to” can best communicate information on CSV performance to a corporation’s stakeholders.
Similarly, a US participant who is a member of the informed public added that “… it would
be best to hear from people who are receiving benefit from it, who are not related to the company.”

Nevertheless, there were participants in the US and China who did not believe corporate intentions when engaging in any CSV communication and activities. One US interviewee said, “You see ads where they are trying to say what it does, and when you read that you think, ‘yeah, right, please.’” Moreover, the interviewee also mentioned the importance of actions speaking louder than words. She said,

So they have these commercials and they look so good, and they say, we value our customers. But at the same time, you might hear about them having a sex discrimination law suit [with employees]. So you are talking about diversity, social responsibility on the one side, but if I go to the Department of Justice or Department of Labor website and I see that you’ve been terminating people because they had a disability, then I am not gonna think very much about what you are talking about.

Similarly, Chinese interviewees also considered that the impact of propaganda, promotion, or slogans could never be matched up to in real life. In other words, most participants want to see how the companies actually follow through, partly due to the fact that some interviewees lack trust toward the ethical practices of the companies under the backdrop of poor corporate governance and regulations.

**Discussions and Conclusion**

This first-of-its-kind comparative study contributes to CSV theory by investigating the public’s viewpoint of CSV, and examining the positive CSV effects among US and Chinese citizens. Numerous studies have focused on consumer skepticism of corporate CSR initiatives (e.g. Forehand & Grier, 2003; Yoon, Gürhan-Canli, & Schwarz, 2006). Given the frequent skepticism among consumers and stakeholders, Du, Bhattacharya, and Sen (2010) argued whether corporations should “only focus on altruistic, intrinsic motives, denying business-related motives in their CSR communication? Or should they be honest and acknowledge the business motives underlying their CSR initiatives?” (p. 12). At the same time, the research finding from Ellen, Webb, and Mohr (2006) showed that consumers recognized the multiple motivations of corporate CSR, and that they could understand corporations’ intentions when seeking business profits in their CSR initiatives. Whether it is to reduce consumer skepticism or to enhance public understanding on corporate CSR motives, Du et al. (2010) emphasized the importance of communication for enhancing public acceptance and understanding of corporate behaviors, and eliminating skepticism.

Porter and Kramer’s (2011) CSV concept proposes a corporate behavior that creates economic gain while simultaneously providing social benefits. The concept has been considered a possible pragmatic approach for (1) corporations’ conducting long-term socially beneficial programs and (2) addressing the concern of skepticism among consumers and stakeholders on responsible behavior of the corporation because in this concept, profit-making is an explicitly-stated dimension of the shared value co-created by the corporation and its stakeholders in the society. The Edelman Trust Barometer ® study has shown repeatedly in recent years that there is a high acceptance of CSV among publics around the world. This study, therefore, intended to employ both qualitative and quantitative methods for getting more insights from publics on their CSV perception, their preferred communication
channels and contents for accessing CSV information, and their behavioral support for CSV corporations.

There were more similarities than differences in how the participants perceive CSV. Both Americans and Chinese agreed the concept of CSV, but observed that CSV practice has rarely been seen in their markets to date. Moreover, even though CSV is well received, people in both countries expect CSV-performing corporations to work with the community (e.g., consumers, employees or non-profit organizations) on identifying the social values they wish to address while creating economic value. In other words, social issues targeted by corporations via their CSV initiatives should be perceived as important by both the community and the corporations.

The research findings also indicate that in both countries, CSV can drive public trust, favorable purchase decision-making, recommendations, and “benefit of doubts” in a time of crisis. However, the effect is more salient among Chinese than Americans. Evidence shows that people form a positive attitude toward socially responsible corporate behaviors of self-serving motive (i.e., economic value by profit making) as long as the behaviors result in a positive, real impact on society. This finding also provides support to what Ellen et al. (2006) found: consumers accept the idea that CSR programs can and should serve the needs of society and contribute to the bottom lines of corporations (i.e., CSV).

In addition, among the three supportive behaviors, Chinese are most willing to make recommendations. The finding is reminiscent of Ramasamy and Yeung’s (2009) study. China is a collective society that emphasizes greatly on social harmony and collective efforts in contributing to the society. In an emerging market where many local corporations have gone through similar experiences of establishing their business empires from scratch, people tend to have the empathy to support each other as long as the intention and motivations of their business operations are ethical. As a result, Chinese people recommend CSV-performing corporations to others as a means to help and support them.

It is also worth mentioning that among the three possible supportive behaviors to CSV-performing companies, both publics in the US and China were least willing to defend such companies at a time of crisis even if they have doubts on the companies’ responsibility for the crisis. This finding somehow reflects Kim, Kim, and Cameron’s (2009) research on the effect of CSR during a crisis. When an organization is experiencing a crisis, what publics care about are the attributes of the crisis, and how the organization is resolving the crisis. In this situation, the behavior of CSR or CSV, is likely to be perceived as “window dressing.” Our finding sheds light on people’s reluctance to defend a CSV-performing corporation in crisis because such behavior poses risks to one’s reputation by being associated with the corporation having questionable integrity or honesty, especially in a society of collectivism (e.g., China). Even though a corporation can only solve a crisis by taking corrective action, appropriate CSV initiatives can be used as a supplement strategy to gain apology acceptance or forgiveness after the crisis is resolved (Oh, Chen, & Hung-Baesecke, 2017).

As for the preferred CSV communication channels, as this study is the first on CSV communication, we employed the research on CSR communication channels in the discussion of the findings on the CSV communication channels. In our findings, US publics favored diverse channels in accessing CSV information, ranging from interpersonal communication channels, to traditional media, and to social media. For the publics in China, the Chinese social media, WeChat and Weibo, are the dominating source for obtaining CSV information. However, these findings are inconsistent with previous studies. Kim and Ferguson’s (2014) findings showed that consumer publics preferred company-controlled communication channels, for example, a company’s local stores, corporate websites,
promotion events, CSR-designated corporate websites, and annual reports. Moreover, their research also showed that US publics liked to see the CSR beneficiary to be the source of CSR information.

In our study, the implication from the finding of the mixed channels for CSV communication is that corporations should utilize different channels for engaging with stakeholders on their CSV initiatives. They should exchange views with the stakeholders, listen to their concerns on social issues, and report to stakeholders what the company has achieved and accomplished. Furthermore, Kesavan, Bernacchi, and Mascarenhas (2013) confirmed social media to be a useful tool for effective CSR communication. Social media contain the characteristics of being interactive, dialogic, and relationship building. Our findings on both US and Chinese publics’ preferred communication channels also showed the influence of social media. In the process of creating shared value with the publics, social media can be a powerful tool for soliciting views, discussing issues, disseminating information, and receiving feedbacks from the publics.

Wiener, LaForge, and Goolsby (1990) and Du et al. (2009) also have discussed the relationship between media credibility and controllability. The more a corporation can control the communication channels, the less credible the provided information is. Yoon, Gürhan-Canli, and Schwarz (2006) found in their study that consumers would have more positive response to a corporation’s CSR activities when they learned about the activities from a neutral source, or an independent organization. Thus, even though getting uncontrolled media reports on corporate CSV information can be more challenging than corporate controlled channels, corporations should endeavor to obtain coverage in uncontrolled media so as to gain credibility on corporate CSV information.

**Practical Implications**

Findings of this research suggest three major practical implications. Firstly, corporations should perform CSV if possible because CSV not only generates economic value by addressing social issues but also results in relational (public trust) and financial (purchase intention and preference) and reputational (WOM and defending the company) outcomes. Secondly, the CSV-performing corporations should explicitly communicate about their CSV initiatives via a diversity of channels (from interpersonal communication, traditional mass media with gatekeepers, to social media channels owned by corporations) in the US and predominantly social media platforms in China. Thirdly, effective CSV messages can focus on (1) the social issue (why the issue is crucial to the community), (2) innovation of the social-issue solution (why the solution is innovative and how the solution changes the business thinking or practice), (3) the efforts to make the solution happen, and (4) its impact on society (to what extent the social issue has been solved and the how society is much better off after the issue is gone) and on the corporation (its profit-making and other intangible gain to the corporation and its employees). CSV messages should be in a form of storytelling from the CSV beneficiary perspective or the perspective of the management or employee responsible for developing CSV initiatives.

**Limitations and Future Research**

The generalization of this exploratory study is limited due to the nature of qualitative method being used. The main purpose of this study is to gain insights into the public perception of and response to CSV rather than to generalize a theory. A follow-up study would be to conduct a survey to further validate the results among representative samples in the US and China. Another limitation lies in the secondary analysis of the ETB data, which
meant that we could not change the design of the survey questions. As a result, the analysis was limited in how much data could be used and which statistical analysis could be performed. Lastly, because of novelty of the CSV concept, the reported mechanism of CSV in trust and in supportive behaviors might be limited. Future research can conduct case studies by interviewing the stakeholders involved in real CSV initiatives. It is also suggested conducting longitudinal research to validate the reported findings.

References


