Financial Communication - Profitability Signals in Marketing

Understanding the Complex Impact of Profitability Perception on Customer Firm Attitudes

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Abstract:

This thesis explores how perceived profitability impacts consumer attitudes toward firms, focusing on the mediating roles of Perceived Competence, CSR involvement, Motive Purity, Effort, Quality, Risk, and Trust. Employing a quantitative experimental design, the study surveyed 225 consumer responses to profitability cues in advertisements for a fictional outdoor clothing brand, comparing scenarios of profitable, unprofitable, and neutral firms. Findings revealed that most mediators, including competence, effort, quality, and trust, positively and significantly mediated profitability to firm attitudes, while motive purity mediated a negative relationship. However, CSR involvement and risk exhibited no significant mediating effects, reflecting theoretical insights despite rejection of their hypotheses. These findings provide practical guidance on whether firms should communicate profitability to customers or not and contribute theoretically by deepening the understanding of consumer psychology in contexts related to profitability.

Key words:

Perceived Profitability, Customer Firm Attitude, Profitability Signals, CSR, Effort, Motive Purity, Quality, Risk, Trust, Competence, Altruistic, Egoistic

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1. Introduction

In the contemporary business landscape, where transparency and corporate accountability are more valued than ever, the perception of a company's profitability plays a critical role in shaping consumer behavior and attitudes towards brands. While profitability is often seen as a straightforward indicator of a company's success and viability, its impact on consumer perception is complex and multifaceted. This thesis explores the psychological effects of profitability perception on customer attitudes, delving into how consumers interpret and react to signals of a firm's financial success.

The notion that a company's financial performance can influence attitudes is not novel, at least not for investors. However, there is a lack of understanding regarding how it affects customers and the exact mechanisms behind these processes. Profitability, often communicated through annual reports, branding, marketing communications, and media commentary, can be perceived as a marker of quality and reliability or as a signal of corporate greed, depending on the context and the consumer's values. This dichotomy forms the essence of the research problem: how does the perception of profitability impact customer attitudes, and what are the implications for firm strategy?

Given the increasing scrutiny on how companies achieve their profits and the rising consumer advocacy for ethical business practices, understanding the nuances of profitability perception has become crucial for marketers. This study seeks to uncover the psychological impacts of perceived profitability and provide actionable insights that can help firms navigate the complex interplay between financial success and customer attitude toward firms.

By examining this relationship, the thesis will contribute to the broader discourse on marketing strategy and consumer psychology, offering a nuanced view of how profitability perceptions can be managed to foster positive consumer relationships. The insights gained could guide firms in crafting marketing strategies that allow them to take advantage of the potential positive aspects of profitability signals while mitigating the negative effects to ensure a positive consumer attitude.

1.1 Purpose

Firms today in all shapes and sizes signal profitability through their marketing strategies. This prompts questions about how these signals shape customer psychology, influence their attitude toward the firm, and ultimately affect their purchasing intentions and decisions. Therefore, the

purpose of this study is to examine how the perception of profitability shapes customer attitudes toward firms.

Initially, it may appear that profitability is linked to positive customer attitudes and behaviors toward a particular company. However, we as authors believe this relationship to not be that straightforward. Customers might assume that a profitable company is successful and competent, suggesting that it is delivering quality products or services effectively. However, it may also be so that consumers often question the underlying factors contributing to a firm's profitability. Are increased profits driven by genuine demand, or do they stem from a focus on shareholder value, excessive markups, or questionable practices - leading to more negative consumer perceptions? These perspectives laid the foundation of our selection of mediators in this study to examine how various factors influence the relationship between profitability and firm attitude. The theoretical purpose is therefore to explore this relationship in depth and uncover the mechanisms that mediate the impact of perceived profitability on customer attitudes. Further, the study aims to guide firms in effectively allocating resources by determining whether highlighting profitability signals fosters desirable consumer perceptions or necessitates redirecting efforts to address less favorable views.

1.3 Delimitations

In this study, we have focused exclusively on the psychological impact of perceived profitability on consumers. To explore this, we signaled profitability through an advertisement for an outdoor clothing company. However, the study's primary objective is not to examine *how* firms should signal profitability but rather to determine *if* they should. We therefore assumed that the strategies firms use to signal profitability are already established and focused instead on understanding the effects of these perceived signals on consumer attitudes toward the brand. That said, we acknowledge that our method of signaling profitability may have influenced consumer perceptions and responses, as it was not possible to fully isolate the profitability signals in our approach. Despite this limitation, this study examines the psychological reactions triggered once these profitability signals, which can take various forms, are perceived by consumers.

1.4 Expected Contribution

This thesis seeks to provide a significant contribution to understanding how consumer perceptions of firm profitability influence their attitudes. While profitability signaling is a well-studied area in the context of corporate relations, primarily aimed at attracting investors, this thesis shifts the focus to an under-explored domain: the impact of profitability signals on consumers. By

examining the psychological effects of perceived profitability, this research seeks to fill a critical gap in existing literature.

The expected contribution of this research is twofold. Theoretically, it advances the understanding of the mechanisms through which profitability signals shape consumer attitudes, with a particular emphasis on mediating factors. Practically, it offers actionable insights into whether firms should signal their profitability to consumers or not. This will allow for a more effective allocation of resources. By examining the mediating effects, this study will not only answer if a firm should signal their profitability but also why, offering firms a nuanced framework to guide strategic decision-making.

2. Theory

After reviewing literature, we found no studies specifically examining the relationship between perceived profitability and firm attitude, nor its potential mediators. This reveals a clear research gap, which this study aims to fill. Since no exact studies exist on this topic, we have not been able to rely on a pre-existing theory. Therefore, this theory section will aim to review the relevant research and theories we have identified, building a reasoning through various theoretical frameworks to hypothesize the dynamics at play.

This theoretical exploration seeks to bridge the gap by examining how perceived firm profitability influences customer attitudes. We also investigate mediating factors to uncover the psychological mechanisms shaping consumer responses. Through this lens, we aim to clarify how profitability signals contribute to the formation of positive or negative attitudes toward firms. To build this foundation, we will first explore theories that explain and support the link between perceived profitability and firm attitude, shedding light on key psychological mechanisms. We will then analyze theoretical frameworks for each mediator, offering a deeper understanding of how these factors influence the relationship.

2.1 Profitability

2.1.1 Perceived Profitability and Firm Attitude

Profitability is a business's ability to generate profit, the revenue remaining after covering all expenses. Product profitability focuses on the financial returns of individual products and is relatively easy to measure. In contrast, firm profitability represents the organization's overall financial performance. It is influenced by operational efficiency and strategic decisions, while also carrying broader implications that can affect consumer perceptions and behaviors differently from

those of investors (Horton, 2024). This thesis will focus on the firm's overall profitability and its impact on customer attitudes.

Attitude is defined as *"*a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor*"* (Eagly & Chaiken, 2007), viewing it as an evaluative mental process in customers' minds. In marketing, attitudes are critical because they have the potential to impact other variables - both mental, such as consumer intentions, and behavioural, such as purchasing decisions - creating significant theoretical and managerial interest. Understanding attitudes towards firms helps marketers develop strategies that foster favorable perceptions (Ajzen, 1991).

Profitability, as a marker of success, has parallels in other domains where perceived success fosters positive attitudes. For instance, studies on sports teams demonstrate that a successful team fosters increased loyalty and positive sentiments among fans (Cialdini, 1976). Fans who identify strongly with their team are particularly sensitive to indicators of success, which can enhance their emotional connection to the team. Similarly, when customers develop a strong identification with a firm, they may become increasingly attuned to its profitability, perceiving it as a reflection of shared success. This sensitivity suggests that firms signaling profitability might effectively leverage such indicators by cultivating a brand relationship that resonates with customer identity, thus fostering a positive attitude toward the firm.

Moreover, theories from social psychology shed light on how people respond to visible signs of success amongst people. Although research shows that individuals may experience negative emotions when comparing themselves to more successful others - a phenomenon often linked to self-esteem and social comparison - these competitive dynamics are less pronounced in customer-firm relationships (Locke, 2003). Unlike comparisons made with close peers, customers typically do not view firms as direct competitors. Consequently, profitability cues from firms may evoke more positive associations, as customers view corporate success not as a personal rival but rather as an affiliation opportunity. This distinction highlights a unique customer response pattern, where a firm's visible profitability may foster a sense of shared identity and enhance overall firm attitude (Garcia et al., 2013). Furthermore, other research suggests that individuals are often drawn to associate themselves with successful others, a tendency rooted in the desire for social affiliation and positive self-regard (Cialdini, 1976). This inclination extends beyond interpersonal relationships and can similarly apply to customers' relationships with firms. Customers may be more inclined to associate themselves with successful and profitable companies, as this affiliation enhances their self-image, in contrast to associating with an unsuccessful firm.

Even though profitability is essential for businesses, research indicates that overemphasizing it can result in negative consumer attitudes. This occurs because consumers may perceive that a singular focus on profitability comes at the expense of other values they prioritize in today's conscious market, such as social value (Bhattacharjee, 2011). We will further explore these reasons in subsequent sections of our theory section, where we discuss key mediating variables and related hypotheses.

2.1.2 Theoretical Framework

Social Comparison Theory: Social Comparison Theory examines how individuals evaluate themselves by comparing their abilities, achievements, or opinions against others (Garcia et al., 2013). This process of social comparison can evoke various responses, from motivation to improve oneself (resulting in a positive attitude) to feelings of resentment, envy, or stress (leading to a negative attitude). When applied to the customer-firm relationship, this theory suggests that customers may evaluate their own self-concept based on a firm's perceived success, such as profitability. Depending on the context, this comparison can either foster a positive association with a successful firm or, in rare cases, prompt a less favorable response if customers feel threatened by the firm's success.

Psychological Continuum Model: The Psychological Continuum Model (PCM) provides a framework for understanding how individuals form and deepen their identification with teams across four stages: Awareness, Attraction, Attachment, and Allegiance. This model is relevant in understanding the process by which customers develop attitudes toward profitable firms. Initially, customers become aware of a firm's profitability as a marker of relevance. This relevance triggers attraction, where positive attitudes begin to form based on the firm's perceived status and financial health. Over time, customers may progress to attachment and ultimately to allegiance, solidifying a strong relationship with the firm. PCM highlights that even early stages, like attraction, allow for positive attitudes to develop, suggesting that profitability signals alone can positively influence customer attitudes, where consumers use profitability signals as a sign of relevance. The model also highlights the importance of relationship-building as customer identification with a firm deepens, suggesting that profitability signals can play a crucial role in fostering attachment by strengthening the customer's connection to the brand. When customers begin to see themselves as part of the firm's identity, the firm's success becomes intertwined with their own sense of achievement (Funk and James, 2001).

Social Identity Theory: Trepte and Loy (2017) describe Social Identity Theory as proposing that individuals derive part of their identity from their membership in social groups, aligning themselves with groups that reflect positively on their self-concept. Although traditionally applied to human-to-human interactions, we propose that this theory can extend to the customer-firm relationship, where customers view firms as groups they might belong to. Indicators of a firm's success, such as profitability, can enhance customers' identification with the firm, much like sports fans derive a sense of self-esteem from their association with successful teams. In this way, the firm can become an integral part of the customer's self-concept, just like a sports team becomes embedded in a fan's identity. Success often serves as a desirable trait with which individuals want to align, making them more likely to adopt a favorable attitude toward a profitable firm. When customers perceive a firm as successful, it not only enhances their self-concept but also fosters a sense of "in-group identification". This connection entails cognitive awareness of belonging, a favorable comparison to other "out-group" firms, and emotional significance derived from the affiliation (Trepte and Loy 2017).

However, Social Identity Theory also highlights the risks associated with emphasizing profitability, as not all consumers identify with qualities linked to financial success. In modern society, attributes such as innovation, sustainability, entrepreneurship, and ethical practices are increasingly valued (Doshi and Noble, 2023). The connection between these qualities and profitability is often ambiguous, and focusing heavily on profitability may clash with these ideals. Some consumers may view profitability as unappealing, associating it with exploitation or resource waste in light of global societal needs. For these individuals, lower profitability might serve as a more appealing signal, reflecting priorities such as entrepreneurship and social impact that align more closely with their self-concept. As a result, firms that place excessive emphasis on profitability risk alienating consumer segments that value these contrasting ideals, potentially limiting their broader appeal.

Attribution Theory: Signals of profitability often prompt consumers to question why a firm is profitable, and attribution theory explains that consumers assign causes to profitability signals, shaping their attitudes. Positive attributions, such as efficiency, or high-quality offerings, can enhance perceptions of the firm. However, unfavorable attributions - such as greed, exploitation, or prioritizing shareholder interests over customer or societal value - can lead to negative perceptions. For instance, profitability tied to cost-cutting measures that compromise quality, employee well-being, or sustainability may evoke distrust. Similarly, high pricing strategies perceived as unjustified can make a firm seem exploitative. External attributions, such as profitability resulting from market dominance or anti-competitive practices, may reinforce

negative attitudes, suggesting profitability stems from unethical behavior rather than competence or effort (Savolainen 2013).

Based on our theoretical framework, we anticipate a significant relationship between perceived profitability and firm attitude. However, due to the conflicting nature of the proposed theories, we remain open to the possibility of this relationship being either positive or negative.

H1: Perceived Profitability has a significant direct relationship with Firm Attitude.

2.2 Perceived Competence

2.2.1 Perceived Competence and Profitability Perception

Competence encompasses reliability, intelligence and successfulness, suggesting that a brand possesses the capability and proficiency necessary to deliver its offerings effectively (Aaker 1997). It is implied that a profitable company must effectively manage its resources and demonstrate the capability to deliver its offerings, establishing a strong association between profitability and the firm's competence in the minds of consumers. A profitable company is not merely seen as financially successful; it is also perceived as adept at resource management, ensuring operational efficiency and effectiveness.

Additionally, profitability can serve as a form of societal endorsement, signaling the firm’s competence through its financial success. Observing a company’s profitability, consumers often infer that other consumers have found the firm as capable in delivering quality products and services effectively. This perception of broader validation boosts confidence in the brand and reinforces positive attitudes toward the firm. Even when consumers lack personal experience with a company's offerings, profitability can therefore enhance the perception of competence, as it suggests popularity, effectiveness, and the ability to meet market demands. (Sirgy, 1982).

Perceptions of competence are shaped by customer expectations, brand personality, and the nature of the brand's communications. When competence is perceived as integral to a brand’s personality, the perception of profitability is more likely to lead to a positive firm attitude. Brands with a competence-oriented personality are linked to traits such as efficiency, expertise, and success (Aaker, 1997). As profitability can serve as a clear indicator of success, brands signaling profitability are likely to be perceived as embodying competence as part of their brand personality. This reinforces the positive relationship between profitability and competence, as profitability aligns seamlessly with the competence dimension of brand personality.

Profitability signals can backfire if they conflict with other core values that define a firm's identity, potentially undermining the perception of those values. For instance, brands that emphasize traits such as sincerity - associated with honesty and warmth - may face a disconnect if signals of profitability appear misaligned with these qualities. Kervyn et al. (2021) suggest that while profitability can enhance perceptions of competence for brands positioned as reliable and efficient, it may generate skepticism for brands that prioritize warmth or ethical values. Similarly, Aaker (1997) notes that when signs of competence - such as profitability - seems inconsistent with a brand's core values, it can diminish its positive impact. Therefore, for competence to mediate a positive relationship between perceived profitability and firm attitude effectively, this suggests that the firm should inherently embody competence as an aspect of its identity (Aaker, 1997).

2.2.2 Theoretical Frameworks

Signaling Theory: Signaling theory explains how firms use observable actions, such as profitability, to convey unobservable product qualities in markets with information asymmetry. Successful and reliable producers can differentiate themselves through costly signals that unsuccessful sellers are unable to imitate. Profitability can serve as a critical signal of a brand's competence. Given that consumers often lack complete information about a company's inner workings, profitability becomes an observable outcome that they can leverage to gauge a firm's effectiveness. Profitability signals lead consumers to interpret this as evidence of competence in managing and providing their offerings in an effective manner. As a mental shortcut, profitability simplifies the decision-making process by reducing the need for complex and resource-intensive evaluations. (Kirmani and Rao, 2000)

Brand Knowledge and Equity: The favorability of brand associations play a crucial role in shaping consumer perceptions. In instances where a brand lacks strong awareness, brand image plays a more prominent role (Keller, 1993). Profitability can activate positive associations that contribute to a favorable attitude toward the firm, with competence being one of these associations. Profitability serves as a cue for the competence of product attributes, allowing consumers to infer quality even without direct experience. Additionally, profitability functions as a key indicator of brand equity by reflecting attributes and perceived benefits tied to the brand's image. It compensates for gaps in brand equity by signaling the firm's competence, reinforcing consumer confidence in its offerings.

Self-Concept Theory: Self-Concept Theory highlights how consumers' perceptions of competence are closely linked to their personal identity and aspirations. Consumers are naturally drawn to brands that reflect qualities they see in themselves or wish to embody (Sirgy, 1982). Firms can

prove their competence through being profitable and competence resonates with individuals' self-image and aspirations. This connection is further amplified in modern branding, as the anthropomorphization of brands strengthens the emotional bond consumers form with them (Kervyn et al., 2021). As a result, a brand's perceived competence reinforces consumers' own sense of competence and achievement by association. In contrast, buying from an unprofitable brand may create a sense of dissonance, as the brand's perceived lack of success and therefore competence conflicts with the consumer's self-concept. This misalignment can weaken the consumer's attitude toward the brand, as it may fail to reflect the qualities they value or aspire in themselves.

2.2.3 Perceived Competence and Firm Attitude

Empirical studies show that perceived competence positively influences customer attitudes, as it reflects firm qualities consumers prioritize, such as efficiency, expertise, and reliability (Kervyn et al., 2022). These attributes are essential in shaping firm attitudes, as they convey that the brand has the knowledge and capability to consistently meet consumer expectations. This perception of competence builds confidence in the brand, assuring consumers of its reliability. As a result, consumers develop a positive attitude toward the firm, reinforcing the belief that choosing the brand is a well-informed and dependable decision.

Theoretical frameworks highlight that profitability often implies competence, but as previously mentioned, its positive impact on firm attitude may depend on how effectively it aligns with broader brand values. When competence is a central aspect of the brand's personality, profitability is more likely to reinforce a positive firm attitude by signaling efficiency, expertise, and success (Aaker, 1997). However, this alignment can become nuanced when other values, such as sustainability or warmth, are integral to the brand's identity. If signals of profitability conflict with these values, the likelihood of competence-related profitability signals positively influencing firm attitude diminishes (Kervyn et al., 2021).

While we recognize potential challenges in competence serving as a positive mediator between perceived profitability and firm attitude, we maintain that the positive effects of competence will dominate. Our theoretical framework posits a strong link between perceived profitability and competence, which fosters a positive firm attitude. This relationship would only weaken if competence clearly contradicted the firm's identity - a scenario we argue is uncommon. Therefore, our hypothesis anticipates this positive relationship.

H2: The relationship between Perceived Profitability and Firm Attitude is positively mediated by Perceived Competence.

2.3 Perceived CSR involvement

2.3.1 Perceived Profitability and CSR Involvement

Corporate Social Responsibility (CSR) encompasses a company's commitment to ethical practices, sustainability, and social welfare (Sheehy, 2014). In today's increasingly socially conscious marketplace, consumers who perceive a firm as profitable expect it to have both the resources and the responsibility necessary to undertake meaningful CSR initiatives (van Doorn et al., 2017). This expectation suggests that a profitable company is not only capable but also, in a way, responsible for addressing societal needs and aligning with ethical standards, signaling a broader commitment beyond simple financial gain (Doshi and Noble, 2023). This perceived financial capacity can influence customer perceptions of the brand and create a dilemma for firms, especially if consumers are sensitive to how a company prioritizes its profits (van Doorn et al., 2017).

The critical question is how consumers interpret the profitability of a firm: Do they view it as a benefit to shareholders alone or as an advantage for a wider array of stakeholders? If consumers view profitability as benefiting a broad range of stakeholders and driving CSR efforts, perceived profitability will have a positive correlation with perceived CSR involvement. However, if profitability is seen as shareholder-focused, this relationship will be negative, particularly if direct communication of financial success is interpreted as solely self-serving. Furthermore, profitability signals might prompt consumers to either presume that the firm has achieved financial success by not engaging in CSR or that its profitability is a result of its CSR efforts. Ultimately, the impact of profitability on perceived CSR involvement depends on whether consumers see it as aligned with modern ethical expectations or as purely a pursuit of shareholder interests.

Research in this area is mixed, and there is no clear indication if profitability leads to high or low perceived CSR involvement. Some studies suggest CSR efforts resonate more with consumers when they come from less profitable or emerging companies, where CSR may form a core aspect of brand identity. On the other hand, there is evidence that CSR initiatives may be best suited to already profitable companies, as these efforts often require significant resources that might otherwise impact product quality or market positioning. This perspective implies that firms should ideally engage in CSR only if they have the financial strength to support it without compromising other aspects of their offerings. With this perspective, profitability signals a company’s capacity to engage in meaningful CSR, and the lack of it can raise questions about the firm's ability to sustain such efforts. (van Doorn et al., 2017)

Further, there is a chance that there is a correlation with low profits and high CSR engagement since these companies invest all their money into CSR initiatives. In other words, firms with high CSR engagement *should* not be showing any profits. This might not be the case, and signals of high profits might cause customers to assume that they *will* invest in CSR initiatives. Further, there may be no definitive correlation, as perceptions of the relationship between perceived profitability and perceived CSR involvement can vary significantly across different segments. Firms could potentially address this ambiguity by clearly communicating how resources are allocated. Despite these varying perceptions, research highlights that perceived CSR involvement remains a critical mediator, as it plays a significant role in shaping customer attitudes toward the brand based on corporate image, whether it being positively or negatively (van Doorn et al., 2017).

2.3.2 Theoretical framework

Social Identity Theory: Social Identity Theory suggests that individuals' self-concepts are shaped by their affiliations with social groups, influencing behaviors and attitudes that align with group values and norms. When profitability is perceived to support ethical practices, such as CSR initiatives, consumers are more likely to align with the brand, fostering positive attitudes. However, if profitability appears tied to unethical behavior, it can conflict with consumer values and lead to negative perceptions. In a market where CSR is increasingly prioritized, consumers often favor brands that demonstrate social and environmental responsibility. By engaging in meaningful initiatives, firms can enhance their reputation and strengthen emotional bonds with consumers who see these actions as aligning with their personal values. This alignment reinforces consumers' self-identity, positioning the firm within their "ingroup" (Verkuyten 2021). Through this connection, profitability tied to visible and authentic CSR efforts can significantly enhance consumer attitudes, emphasizing shared values and fostering deeper trust.

Stakeholder Theory: Stakeholder theory emphasizes that businesses should create value for all stakeholders, not just shareholders. Profitability serves as a signal of a firm's ability to meet the diverse expectations of stakeholders, extending beyond financial returns. While profitability is often associated with prioritizing shareholder interests, it also sets new expectations for companies to address broader societal and customer needs. For shareholders, profitability is both a desirable attribute and a critical factor in investment decisions (Almeida et al., 2022). However, this raises the question of how profitability signals impact stakeholders beyond shareholders, such as customers and society, particularly as consumer expectations increasingly focus on CSR initiatives. Can profitability reliably indicate benefits that are favorable to all stakeholders, or does it risk signaling unfavorable outcomes for non-shareholder groups?

Utility Theory: From a utility perspective, consumers engage in rational trade-offs between various product attributes, such as price and performance. When CSR initiatives are involved, consumers may weigh these charitable efforts against tangible product features, influencing their view of the firm. For instance, a brand with weaker product performance might compensate for this by making stronger commitments to social causes, thus positively impacting consumer perception (van Doorn et al., 2017). An unprofitable firm, reflecting weaker performance, may thus benefit from signaling strong CSR involvement, as consumers might perceive the firm's limited profits as a result of its dedication to sustainable practices. This can create a positive perception, as consumers may view their support for the brand as contributing to a meaningful cause, thus reinforcing the firm's favorable firm attitude despite lower profitability. Hence, CSR initiatives can act as a compensatory attribute of firms, though important to note is that it can also serve as an additional value-adding attribute, benefiting profitable companies as well. (van Doorn et al., 2017)

Sustainability Liability: CSR initiatives may not always result in favorable firm attitudes due to the concept of Sustainability Liability, which emphasizes that sustainability efforts, while well-intentioned, can sometimes produce unintended challenges or negative perceptions for organizations. For instance, consumers might perceive CSR efforts as a signal that the firm is diverting resources or focus away from core aspects like product quality, efficiency, or innovation, thereby assuming a trade-off between sustainability and other key attributes. This assumption of trade-offs may apply not only to unprofitable firms with limited resources but also to profitable firms that seemingly have the capacity to invest in CSR without compromise. Such perceptions can weaken the positive association between CSR engagement and favorable firm attitudes, potentially resulting in an insignificant or even negative correlation. (Luchs et al., 2010)

2.3.3 Perceived CSR Involvement and Firm Attitude

Today's consumers increasingly prioritize social and environmental values, actively choosing products that align with their beliefs and commitments (Doshi and Noble, 2023). This purchasing behavior suggests that an increasing amount of consumers hold favorable attitudes toward brands that prioritize corporate social responsibility initiatives. Brands that demonstrate a genuine commitment to CSR principles create a sense of value congruence with consumers, strengthening their connection to the firm. Consumers often view their purchases as a way to support causes they care about, which fosters deeper affinity for brands actively promoting these values. The positive impact of CSR involvement on customer attitudes is further supported by Hasan et al. (2016), whose research indicates that sustainability initiatives enhance profitability due to attracting a broader customer base.

CSR activities can also generate emotional responses, creating feelings of pride and connection as consumers recognize a company's positive impact. This emotional bond often translates into a favorable brand attitude, as consumers become attached to brands that consistently act responsibly. Social identity theory offers insights into this dynamic: supporting a CSR-active brand can enhance a consumer's social identity, allowing them to feel part of a larger, positive movement. Additionally, buying from socially responsible brands can bring a sense of moral satisfaction, reinforcing consumers' perception that their purchases contribute positively to society. For consumers with a strong self-concept of social responsibility, a firm's CSR involvement can greatly enhance its image. (Verkuyten 2021)

In competitive markets, CSR can also differentiate a brand from its peers. Consumers may favor brands with robust CSR commitments over those without, given their products are similar in quality and price. Utility theory suggests that consumers derive added value from CSR initiatives, perceiving these efforts as additional benefits that enhance the overall value proposition of a brand, beyond the functional qualities of the product itself (van Doorn et al., 2017).

Although most literature indicates a positive relationship between firms CSR involvement and firm attitude, this effect can vary depending on firm characteristics. Interestingly, CSR initiatives can sometimes negatively impact consumer attitudes toward luxury brands, as these efforts may conflict with the exclusivity or prestige associated with such brands. Therefore, company and brand characteristics play a critical role in determining the success of CSR engagement; while some brands may see positive consumer responses, others may find that CSR has little effect or, in some cases, even detracts from their firm appeal (van Doorn et al., 2017). Furthermore, CSR initiatives may not always result in favorable firm attitudes due to the concept of sustainability liability, which emphasizes that sustainability efforts can sometimes cause customers to assume that their efforts come at the cost of other important attributes of their offerings (Luchs et al., 2010).

Thus, while CSR generally enhances consumer attitudes, the impact is nuanced. As today's ethically conscious market tends to favor CSR, this relationship is generally positive, though it is often more complex than it initially appears (Almeida et al., 2022). Given these nuances - both in the relationship between perceived profitability and CSR involvement, and between CSR and firm attitude - our hypothesis remains open to either positive or negative outcomes.

H3: The relationship between Perceived Profitability and Firm Attitude is mediated by Perceived CSR Involvement.

2.4 Perceived Motive Purity

2.4.1 Perceived Profitability and Perceived Motive Purity

It is highly likely that consumers question the motives behind a firm's profitability signals when forming their opinion about the brand. Customers are likely to evaluate whether a firm's perceived profitability aligns with or contradicts its stated motives. Perceived motive purity refers to consumers' assessments of the underlying motivations behind a firm's activities and efforts. Perceived motive purity distinguishes between egoistic motives, focused on self-gain like profit maximization, and altruistic motives, focused on benefiting others (Song and Kim 2019). This distinction is critical as consumers increasingly examine the sincerity of corporate actions in today's conscious market, where any perceived insincerity can further harm the firm's reputation.

The critical question is whether consumers perceive a firm's profitability as driven by self-serving egoistic motives or by genuine altruism. Does their profitability reflect genuine, altruistic intentions that benefit society and consumers, or is profitability viewed as a strategic effort primarily aimed at enhancing the firm's image and financial gains? A potential conflict exists between profitability and altruistic motives, potentially creating consumer skepticism (Blazing, 1998). Profitability is often interpreted as self-serving, which can undermine perceptions of a firm's motive purity and reinforce the association between profitability and egoistic motives.

Managing consumer skepticism is critical for profitability to not contradict motives of firms and requires transparent communication of the firm's intentions (Saltzstein and Kasachkoff, 2004). The concept of "impure altruism," a blend of altruistic and self-serving motives, often heightens consumer skepticism, as altruistic actions may be perceived as insincere and primarily driven by self-interest. Negative consumer reactions often stem from perceived discrepancies between a firm's stated altruistic motives and the self-serving benefits consumers believe it actually pursues. This discrepancy can intensify skepticism, as it is not just the presence of self-serving motives but the potential deception about them that drives consumer mistrust. Although, research shows that firms *acknowledging* both public-serving and firm-serving motives experience less skepticism and receive more positive firm attitudes compared to those that only highlight public-serving motives while self-serving benefits are evident (Forehand and Grier, 2003). Therefore, firms can benefit from signaling their profitability as it will enhance their transparency and reduce customer skepticism. Especially, when profitability of a firm is evident, communicating its profitability together with its stated motives can help minimize discrepancies. By openly acknowledging both

self-serving and altruistic motives, firms encourage customers to perceive their stated motives as more genuine and altruistic.

The concept of perceived fit influences how the perception of profitability affects the customers view of the firm's motive purity. When a firm's stated motives are not aligned with the business - such as a tobacco company funding cancer research - they are often perceived as self-serving rather than altruistic, a phenomenon known as high benefit salience (Ellen et al., 2000; Yoon et al., 2006). This perceived misalignment reduces sincerity and increases skepticism, undermining the firm's credibility. This suggests that a firm's profitability signals must align with its stated motives - or conversely, that the stated motives must be perceived as fitting the profitability signals - to foster a perception of altruistic motives. This alignment is especially important given the natural tendency for profitability signals to be viewed as conflicting with altruistic intentions (Blazing, 1998). Firms can further address this by strategically framing their profitability as both a result of and a resource to support their altruistic motives. By clearly demonstrating that their financial success stems from these motives and is reinvested to sustain them, firms can reduce any perceived misalignment. This approach can also delegitimize the intuitive conflict between the self-serving nature of profitability signals and altruistic motives, aligning profitability with their stated values (Song and Kim, 2019).

2.4.2 Theoretical Frameworks

Attribution Theory: Attribution theory offers a framework for understanding how consumers interpret the motivations behind a firm's actions, and how they relate to the firm's profitability. This theory focuses on the reasons consumers assign to observed outcomes, guiding them to assess whether a firm's profitability stems from altruistic intentions, such as genuine societal contributions, or from self-centered, profit-driven strategies. When consumers attribute a firm's profitability to altruistic motives, they tend to form a more favorable impression, viewing the success as an indicator of ethical, consumer-oriented practices. Conversely, if they perceive profitability as solely benefiting the firm's interests, their attitudes may shift negatively, as they interpret these actions as self-serving. Thus, attribution theory highlights the critical role of perceived motives in shaping consumer attitudes toward profitable firms. (Blazing, 1998)

Persuasion Knowledge Model: The Persuasion Knowledge Model (PKM) posits that consumers are becoming increasingly aware of the tactics and motives underlying marketing efforts, enabling them to critically evaluate the sincerity of a firm's actions. As consumers develop this "persuasion knowledge," they become more skilled at detecting attempts to influence their perceptions and behaviors (Barone et al., 2000). Skepticism arises when consumers perceive a mismatch between

the firm's stated altruistic goals and what they suspect may be underlying profit motives. To mitigate skepticism and foster trust, transparency and an honest portrayal of motives are essential. This approach reduces the likelihood of perceived manipulation, allowing consumers to create a more positive attitude toward the firm.

2.4.3 Perceived Motive Purity and Firm Attitude

Research suggests that firms perceived to act out of altruistic motives, without an expectation of direct personal financial gain, are generally viewed more favorably by customers (Song and Kim 2019). When customers believe that a firm's motives are primarily self-serving, they are more likely to view the company with a negative firm attitude. In contrast, a perception of altruistic motives - where consumers believe that the company genuinely aims to contribute to others - are met with more favorable attitudes (van Doorn et al., 2017).

To understand how perceived motive purity influences firm attitude, it is essential to highlight that the positive perception customers develop toward a firm is shaped by their own altruistic motives (focused on broader societal benefits) and egoistic motives (focused on their own personal benefits from the firm's offerings). Customers evaluate a firm's motives on these two dimensions, considering not only how the firm's actions align with societal well-being but also how they directly benefit the individual consumer. Signals of profitability influence consumer perceptions across both dimensions. While profitability may have a stronger connection to motives that directly benefit the customer, it is essential for firms to balance both dimensions to maximize the positive impact of perceived motive purity on firm attitude. Our findings suggest that firms should communicate their motives in a way that highlights both societal contributions and direct customer benefits to foster stronger positive attitudes.

Given the complexities surrounding the effect of perceived profitability on perceived motive purity, our hypothesis allows for both positive and negative relationships.

H4: The relationship between Perceived Profitability and Firm Attitude is mediated by Perceived Motive Purity

2.5 Perceived Effort

2.5.1 Perceived Profitability and Perceived Effort

Perceived effort reflects the degree to which consumers believe a company invests significant energy and resources into creating its products or services. High supplier effort is often associated

with commitment, hard work, and motivation, which has the potential to positively influence customer attitudes (Söderlund and Sagfossen, 2017).

Profitability can play a key role in shaping consumers' perceptions of a company's effort. Financial success is frequently interpreted as the result of dedication and hard work in areas such as product innovation, marketing, and operational excellence. Profitability implies not only the efficient use of resources but also a company's ability to overcome challenges and achieve superior outcomes (Adams, 2005).

In a competitive marketplace, success is rarely achieved without substantial effort. Consumers view profitability as evidence that a firm has excelled in critical areas, such as customer acquisition, operational efficiency, and financial management. Profitability signals suggest the company has exerted significant effort to attract, retain, and satisfy customers while maintaining stable operations. Conversely, perceptions of unprofitability may lead consumers to associate the firm with insufficient effort or even laziness, detracting from the firm's appeal (Gibson 2024).

Söderlund and Sagfossen (2017) further find that effort is associated with confidence. Therefore, confidence signals, such as the advertisement of financial success, might further strengthen profitability signals relationship to perceived effort. Thus, there is strong theoretical support for profitability signals to act as a powerful signal of effort, enhancing positive brand attitudes by highlighting the company's determination to excel in a demanding marketplace.

2.5.2 Theoretical frameworks

Signaling theory: Perceived effort can be examined through the lens of signaling theory, which posits that perceived effort acts as a credible indicator of a firm's dedication to quality and commitment. Profitability can be used as a heuristic of the firm having invested significant time, money, and energy to achieve and sustain its success, signaling commitment to consumers. Signals of profitability can be used to reduce the information asymmetry between the sender (firm) and receiver (customer) to convey supplier effort, inclining the customer to reciprocate their effort by forming a more favorable attitude toward the firm. (Connelly et al, 2010)

Equity theory: Equity theory proposes that consumers evaluate a firm by assessing the balance between their inputs, like favorable attitudes, and the outputs, such as the benefits they receive. Profitability indicates that the firm has made substantial efforts in delivering its offerings, encouraging consumers to seek fairness in the exchange. When consumers perceive the firm's efforts as surpassing their own inputs, this positive imbalance prompts them to reciprocate - such

as by developing a favorable attitude - as they seek to restore balance and fairness. Conversely, if consumers perceive insufficient effort relative to their contributions, consumers may feel a sense of unfairness, leading to negative attitudes. Hence, when consumers perceive that the firm's efforts outweigh their own, this positive discrepancy contributes to a positive firm attitude (Adams, 2005).

2.5.3 Perceived Effort and Firm Attitude

Consumers are sensitive to the perceived effort exerted by the firm, where consumers attribute more generosity to retailers who make tangible contributions. Just as individuals may judge a gift-giver based on the effort involved in selecting a gift, consumers may judge firms based on the effort they exert (van Doorn et al., 2017). Furthermore, Ziano et al (2023) writes that perceived effort serves as a strong heuristic of a firm's dedication to greater value and excellence, which brings support for perceived effort translating into a positive firm attitude.

Söderlund and Sagfossen (2017) find that customer satisfaction increases when consumers perceive significant effort from suppliers. This supports a positive relationship between perceived effort and a firm attitude, as we argue that customer satisfaction can be equated with a favorable perception of the firm. When there is a noticeable imbalance - where supplier effort outweighs consumer effort - customers tend to feel they are receiving more than they give, enhancing their positive attitude toward the firm. Profitability can amplify these perceptions, as financial success suggests that the firm's efforts have been successful. Just like with equity theory, this discrepancy suggests that consumers value companies that deliver substantial effort and tangible benefits, encouraging them to "give back" through positive firm behavior.

Our theoretical framework suggests that perceived effort serves as a positive mediator between perceived profitability and firm attitude. Accordingly, our hypothesis predicts this positive relationship.

H5: The relationship between Perceived Profitability and Firm Attitude is positively mediated by Perceived Effort

2.6 Perceived Quality

2.6.1 Perceived Profitability and Perceived Quality

In previous research, perceived quality has been defined in various ways but is commonly described as "*a consumer's judgment of a product's performance*" (Zeithaml, 1988). The literature

distinguishes between subjective perceptions of quality - based on individual impressions - and objective quality, which reflects measurable attributes of a product or service (Snoj et al., 2004).

Empirical studies show that two primary factors influence quality: objective quality and customer expectations. Objective quality refers to measurable attributes such as functionality and durability. However, it is customer expectations - shaped by subjective factors like brand reputation, prior experiences, word of mouth, and accessible information - that significantly affect perceived quality (Mitra & Golder, 2006). These subjective expectations influence how customers perceive quality, often independently of the product's actual attributes. Importantly, signals of profitability likely influence subjective perceptions of quality by shaping customer expectations and providing cues about a firm's stability and performance. Rowley (1998) highlights that perceived quality can be understood as "*an appraisal of a firm's performance from the customer's perspective*." She further explains that quality is a multidimensional construct, with corporate quality as one dimension, reflecting profitability. This suggests that when profitability signals strong financial performance, customers are more likely to view the firm favorably, which positively impacts their perceptions of the firm's quality and brand. Thus, perceived profitability is likely to play a significant role in shaping how customers assess and interpret quality.

While the literature provides a theoretical foundation for why signals of profitability likely influence customers' perceptions of quality, the underlying mechanisms may operate in different ways. Profitability can signal to customers that a company is a high performer with broad market appeal, attracting a large customer base. This aligns with the herd behavior model in economics, where individuals base their decisions on the actions of others rather than personal evaluations (Banerjee, 1992). Customers may interpret the brand's widespread appeal as a sign of high quality, assuming that others possess credible information about the quality. However, profitability might also carry a more ambiguous signal. Customers may perceive that a company's success stems from cost-cutting or quality compromises, especially if the firm relies on its established reputation or premium pricing to maintain an image of quality. In such cases, profitable firms might strategically reduce quality, expecting that consumers will struggle to directly assess it (Kirmani and Rao, 2000). This dual perspective highlights that while profitability often reassures customers of quality, it can also raise concerns about how success is achieved, potentially by sacrificing quality.

2.6.2 Theoretical frameworks

Cue utilization theory: Cue Utilization Theory posits that consumers rely on both intrinsic and extrinsic cues - such as product features, brand reputation, and advertising, to evaluate quality before purchase. The theory can help explain how perceived quality mediates the relationship between perceived profitability and firm attitude by translating financial performance cues into

consumer judgments of quality. When consumers interpret signals about profitability it has the potential of becoming cues indicating good performance, which boosts their quality perception, leading to a more favorable attitude toward the firm (Reimer and Kuhen 2005).

Signaling theory: Customers are influenced by signals about quality, especially when they cannot directly assess it or when information asymmetry exists. In such cases, they rely on indicators such as price, brand reputation, and advertising. Profitability, for example, signals quality by showing that the firm has satisfied customers and sustained demand, which low-quality firms cannot achieve long-term. Thus, profitability would, according to the theory, act as an indicator of product quality (Connelly et al, 2010).

Resource Advantage Theory: Resource Advantage Theory provides a framework for understanding how perceived profitability might influence perceived quality and thereby affect attitudes toward a firm. The theory emphasizes that a firm's success stems from its ability to leverage valuable resources, such as brand reputation, operational capabilities, and innovation, to stand out in a competitive market (Barney and Clark 2007). Perceived profitability can signal that the firm effectively utilizes these resources to deliver value, which customers may interpret as evidence of high product or service quality. This perceived quality, in turn, can foster trust and enhance customer attitudes. While the theory does not explicitly state this process, it supports the idea that profitability signals resource effectiveness, making perceived quality a plausible mediator in the relationship between perceived profitability and firm attitude.

2.6.3 Perceived Quality and Firm attitude

Based on the study *"The Influence of Perceived Risk, Perceived Quality, Brand Attitude, and E-WoM on Purchase Intention"* by Nuzula and Wahyudi (2022), perceived quality was found to have a significantly positive effect on customer purchase intentions, with willingness to buy increasing as customers perceive higher quality. The study concluded that an increase in perceived quality enhances the perceived value of a product, which in turn drives purchase intentions. While our study focuses on the relationship between profitability and firm attitude, this provides valuable insight into the role of perceived quality. We, as authors, propose that if consumers exhibit strong purchase intentions, it is likely they also hold a positive attitude toward the firm. Therefore, this study supports the assumption that perceived quality not only influences purchase intentions but also contributes to shaping a positive firm attitude.

Building on the presented theory, we propose that, while some theories suggest a negative relationship, the majority of evidence points to perceived quality functioning as a positive

mediator between perceived profitability and firm attitude. Accordingly, our hypothesis predicts a positive relationship.

H6: The relationship between Perceived Profitability and Firm Attitude is positively mediated by Perceived Quality.

2.7 Perceived Risk

2.7.1 Perceived Profitability and Perceived Risk

Perceived risk, as defined by Zhao and Li (2012), refers to "the uncertainty customers feel regarding potential negative outcomes of purchasing from a company." This concept encompasses risks associated both with the transaction and the product's usage. Unlike objective risk, which is based on measurable factors, perceived risk is shaped through subjective mental processes, where individuals form personal assessments of potential threats (Mitchell, 1998).

To extend the definition of risk and to view it as a multidimensional concept, a framework of 5 dimensions of risk was presented by Jacoby and Kaplan (1972). In this framework, risk is divided into different categories based on its type and characteristics: functional, physical, financial, social, psychological, and time risk (later added by Mumal 1999). These dimensions collectively impact consumer risk perception, which varies by individual, product, and context. In the context of profitability, a company's profitability can affect customers' risk perceptions in various ways. Functional and physical risks may appear lower, as profitable companies are often expected to offer reliable, well-made, and safe products. Financial risk might be reduced if customers perceive the company to be stable and low risk of going bankrupt reducing concerns about returns, guarantees or risk of fraud, while social risk could feel lessened, as buying from a company with many other customers may enhance and facilitate social approval. Psychological risk may ease as customers feel confident they are making a well-informed and reliable choice, while time risk appears lower when the product's reliability reduces concerns about potential delays or time lost on delivery issues, returns, or repairs.

In a study conducted on how humans perceive risk by Florea (2015), it was concluded that risk is affected by an intrinsic and extrinsic "halo-effect". This means that human risk perception can be disproportionately shaped by a single dominant factor, which may be either internally driven or externally driven. Internally driven halo effects occur when an individual's cognitive processes cause one specific characteristic, such as a single dimension of risk, to dominate their overall risk assessment. For instance, a consumer might perceive that purchasing from a profitable company reduces financial risk, leading them to view the company as low-risk overall. In contrast,

externally driven halo effects arise from external cues, such as advertisements or public messaging, that influence perceptions. In the context of perceived profitability, external signals like marketing campaigns highlighting profitability can trigger an external halo effect, making profitability the dominant factor shaping the perception of overall risk. The implication of this study is that through the halo effect, humans are likely to view one dominant factor as decisive in their risk perception. This suggests that profitability could overshadow and dominate other risk-related factors in customers' minds.

2.7.2 Theoretical frameworks

Signaling theory: Signaling theory (Connelly et al., 2010) provides a useful framework for understanding how perceived profitability can reduce perceived risk. When a company signals profitability, it conveys cues about its stability, reliability, and reassurance about delivering on its promises. These signals can alleviate concerns across various risk dimensions, such as financial, functional, and psychological, thereby reducing overall perceived risk.

Social Amplification of Risk Framework (SARF): The Social Amplification of Risk Framework (SARF) explains that how risks are communicated and interpreted through social and cultural channels shapes their perceived significance. Risks can be amplified, making them seem more severe, or attenuated, making them appear less significant, depending on the narratives and context in which they are presented. In the context of profitability, when a company communicates its financial success, this can attenuate perceptions of financial risk, as profitability is often associated with stability and reliability. Consequently, this reduced risk perception can enhance customer trust in the company and its products. (Kasperson et al. 2022).

2.7.2 Risk Perception and Firm Attitude

In a study conducted on “Consumer trust in e-commerce in the United States, Singapore and China“ by Thompson and Jing (2007), it was tested how perceived risk may affect the customers attitude. Although this study was conducted in relation to e-commerce, the results and correlation between the variables serves as a valuable indication for our study on how perceived risk may affect firm attitude, and thus becomes highly relevant. The study showed a significant and negative relationship between perceived risk and attitude (for all three countries it was tested in), which serves as an indication that the same mechanism may occur in this study.

Furthermore, research suggests that perceived risks and their impact on individuals are influenced by the actual severity of the risk and the individual's vulnerability to it, highlighting that both the perception of risk and the consumer's susceptibility affect how individuals mentally process risk

(Snoj et al., 2004). This implies that when the risk is significant and the potential harm to the individual is substantial, it is more likely that the perceived risk of the situation will have a stronger impact on their firm attitude, compared to situations where the risk is less apparent or the consequences are less severe.

Drawing on the presented theory, we propose that perceived risk acts as a negative mediator between perceived profitability and firm attitude, with higher perceptions of profitability reducing perceived risk. Thus, our hypothesis anticipates this negative relationship.

H7: The relationship between Perceived Profitability and Firm Attitude is mediated by a reduction in Perceived risk

2.8 Perceived Trust

2.8.1 Perceived Profitability and Perceived Trust

Trust has garnered significant attention in academic research due to its strategic importance and its central role in fostering strong company-customer relationships. It is particularly crucial because transactions often depend on trust to bridge potential information asymmetries between the parties involved (Isaeva et al, 2020). In simple terms, trust can be defined as "an individual's positive expectation in which someone has belief and confidence in the words, actions, and decisions of others" (Yang et al., 2023). Mayer et al. (1995) expand on this definition, describing trust as a "psychological state in which one party (the trustor) is willing to be vulnerable to the actions of another party (the trustee), based on the expectation that the trustee will act in the trustor's interests or fulfill their commitments." This highlights that trust encompasses confidence in the reliability, integrity, and benevolence of the other party. It often results in risk-taking and cooperation, making trust a cornerstone of successful customer-firm relationships and business transactions.

According to the Trust and Risk Theory (Mayer et al., 1995), perceived trustworthiness is determined by three key factors: ability, benevolence, and integrity. Ability refers to a firm's expertise and competence, demonstrating its ability to successfully fulfill customer expectations. Benevolence reflects the firm's commitment to prioritizing customer interests in both decision-making and fostering relationships. Integrity relates to honesty and the commitment to keeping promises (Nguyen et al., 2013). In this context, a firm's profitability may signal strong ability, as profitability can reflect effective skills and competencies that enhance trustworthiness. Profitability could also relate to benevolence, suggesting that the firm considers customer interests in its strategies. However, it might also indicate a shift toward standardization at the expense of

individual customer needs. Regarding integrity, profitability might suggest the firm fulfills promises to customers, leading to broader success. Nevertheless, we, as authors, argue that ability is most closely linked to profitability, as it directly reflects the firm's performance and operational success.

A study by Flavián et al. (2005) on the financial sector revealed that corporate image significantly and positively influences customer trust. Corporate image was defined as the "aggregate process by which customers compare and contrast various attributes of companies," including perceptions of the brand and associated characteristics. The findings highlight that a strong corporate image fosters greater trust among customers. We, as authors, believe this study is particularly relevant to our research, as profitability is a key component of corporate image. Profitability serves as a signal of stability and success, enhancing customers' perceptions of corporate image. Consequently, it is likely to influence trust in a similar manner, further validating our focus on the role of profitability in fostering trust.

2.8.2 Theoretical frameworks

Signaling theory: Signaling theory suggests that perceived profitability enhances trust, mediating the relationship between profitability and firm attitude (Connelly et al., 2010). Profitability signals stability and reliability, reducing customer uncertainties. When customers interpret profitability as a sign of a firm's reliability and long-term viability, it fosters trust, which in turn shapes a more favorable firm attitude.

*Attribution theory:*Attribution Theory, which examines how individuals assign causality to events and behaviors, helps explain how customers interpret a firm's profitability and its impact on trust and firm attitudes. Customers who attribute high profitability to internal factors, such as efficiency or innovation, are more likely to trust the firm, leading to positive attitudes. In contrast, attributions to negative external factors, like cost-cutting that harms employees or quality, can reduce trust and foster negative attitudes. Trust mediates this relationship by shaping how attributions about profitability influence overall firm perception (Savolainen 2013). Attribution Theory thus clarifies how beliefs about the causes of profitability affect trust, which in turn shapes customer attitudes toward the firm.

2.8.3 Perceived Trust and Firm Attitude

Since trust is built on the trustor having positive expectations about the trustees actions and fulfillment of expectations, Nguyen et al. (2013) argue that this means that trust is posited to directly be linked to the customers attitude towards the trustor. This would imply that if the

customer mentally has formed trust it goes hand in hand with having formed a certain attitude towards the company.

To determine what the research shows regarding this relationship the same study mentioned in (2.7.3) on “Consumer trust in e-commerce in the United States, Singapore and China“ by Teo and Liu (2007) can be applied. In the study it was also tested how perceived trust may affect the customers attitude. The study showed a significant and strongly positive relationship between perceived trust and attitude (for all three countries it was tested in), which suggests that the same mechanism may occur in this study and where trust would serve as a significant mediator.

Building on the presented theory, we suggest that perceived trust serves as a positive mediator between perceived profitability and firm attitude. Therefore, our hypothesis predicts a positive relationship.

H8: The relationship between Perceived Profitability and Firm Attitude is positively mediated by Perceived Trust.

3. Method

In this section of our thesis, we present and discuss our chosen scientific approach, which involves employing a quantitative methodology through an experimental survey.

3.1 Scientific Approach to the Research Design

In our study, we have had a deductive approach, where we on the basis of what is known within existing theories have deducted our hypotheses (Bell et al., 2022). A deductive approach to the relationship between theory emphasized the testing of theories. Guided by theoretical foundations, we designed and administered a survey to gather data, enabling us to test the proposed hypotheses. Through the survey data, we assessed whether empirical support existed for each hypothesis, forming the basis for the discussion and conclusions.

Our epistemological stance aligns with positivism, which supports applying natural science methods to examine social phenomena. Under this view, reality is considered objective and independent of individual perception (Bell et al., 2022). Thus, the most effective way to gather data was through direct measurement of constructs via survey, allowing for an objective analysis of how profitability perceptions influence attitudes toward firms.

Our study adopts an ontological position of objectivism, which aligns with our deductive approach and positivist perspective. Objectivism holds that social phenomena and their meanings exist independently of social actors, suggesting that these phenomena are real and observable regardless of individual perceptions or interpretations (Bell et al., 2022). In this view, social categories and phenomena are present in everyday life as objective realities, existing independently from those who interact with or observe them.

With that being said this study was a quantitative research study where we emphasized quantification in the collection and analysis of data. We analyzed how customers' attitudes toward firms are affected by their signals of profitability. Each participant was assigned to one of three groups with different scenarios enabling a comparative analysis.

3.2 Pilot study

We conducted a pilot survey via Qualtrics to assess the relevance and clarity of our proposed variables. This process helped ensure that participants could understand the mediators, see their realistic connections, and respond accurately to the questions. The pilot survey, conducted from October 27th-31st, 2024, involved a sample of 15 participants. Feedback confirmed that each mediator and variable was appropriate for our study; *Perceived Competence, Perceived CSR Involvement, Perceived Motive Purity, Perceived Effort, Perceived Quality, Perceived Trust, and Perceived Risk*, leading us to retain them all in the final questionnaire. Insights from the pilot study also helped refine the variables and questions for the main survey.

3.3 Main questionnaire and variables

3.3.1 Questionnaire

Our survey was conducted in English to attract a broad range of respondents, aiming for a diverse sample without targeting a specific demographic segment. The respondents on Prolific included people from Europe, Asia, North America, South America, and Africa. The survey included a total of 36 questions and one attention check to ensure respondent attentiveness and response quality. Each mediator in our model had three questions designed to measure its role as a mediator between Perceived Profitability and Firm Attitude. The Perceived Profitability variable was measured by three questions to overall assess its correlation with Firm Attitude without mediating effects. Additionally, we included three questions to gauge respondents' further intentions as customers, focusing on their behavior after forming an attitude toward the firm. The survey also gathered demographic information through six questions about age, gender, income, education,

employment status, and place of residence. These demographic questions allowed us to identify any response patterns across specific segments.

Our survey employed a between-subjects experimental design, dividing participants randomly into one of three groups. Each respondent was asked to review an advertisement for an outdoor clothing company (All three ads can be found in Appendix A), with each group viewing a different version of the ad. All participants were exposed to different financial metrics, reflecting the profitability signals of the firm. These metrics included Net Profit Growth, Return on Investment (ROI), and Net Income to Sales Ratio (NI/Sales). Net Profit Growth measures the percentage increase in net profit over a specific period, reflecting the company's ability to grow its earnings. Return on Investment represents the efficiency of the company in generating returns relative to the cost of investment, showcasing how effectively the company uses its capital to produce profits. Lastly, Net Income to Sales Ratio indicates the percentage of revenue that remains as profit after accounting for all expenses, providing insight into the company's profitability relative to its sales. In addition to the metrics, profitability was in words clearly stated in the different ads (except the neutral ad).

Group 1 viewed an “Unprofitable Firm Ad,” highlighting the company’s lack of profitability and positioning it as “driven by a passion that goes beyond profits.” This ad presented less favorable financial metrics, including “Net profit growth: -10%, ROI: -5%, NI/Sales: -15%.” Group 2 viewed a “Profitable Firm Ad,” which emphasized the company's strong financial standing, describing it as a “profitable company” with “a robust return on investment” and a “solid financial foundation.” The ad displayed positive financial metrics, such as “Net profit growth: 50%, ROI: 30%, NI/Sales: 15%.” Lastly, Group 3 viewed a “Neutral Firm Ad,” which excluded any mention of profitability or specific financial metrics. After viewing one of the three ads, each participant proceeded to answer survey questions regarding their perceptions of the company based on the ad they had seen. This design allowed us to measure how different profitability cues impacted respondents’ attitudes toward the firm.

3.3.3 Variables & Measurement

This section provides an overview of the variables discussed in the theory section and explains how they were measured in the questionnaire. While each variable was assessed using three similar questions to ensure reliable measurement, we will not include all the individual questions here to avoid redundancy. All measurement items were either adapted from established scales in prior literature or developed based on theoretical definitions. For example, competence items were guided by Aaker (1997) and trust items by Flavián et al. (2005). When no exact prior measures

existed, we constructed items grounded in theoretical definitions, refined via our pilot study (see 3.2). The full questionnaire, including all specific questions, can be found in Appendix B.

Variable	Description	Scale
Perceived Profitability	Captures consumers' perceptions of a company's financial performance.	1 (Low perceived profitability) - 10 (High perceived profitability)
Perceived Competence	Measures how consumers perceive a company's ability to deliver high-quality products and manage resources effectively.	1 (Low perceived competence) - 10 (High perceived competence)
Perceived CSR Involvement	Evaluates perceptions of a company's commitment to social and environmental causes.	1 (Low perceived CSR involvement) - 10 (High perceived CSR involvement)
Perceived Motive Purity	Assesses perceptions of the motivations behind a company's actions.	1 (Perceived egoistic motives) - 10 (Perceived altruistic motives)
Perceived Effort	Reflects perceptions of the energy and dedication a company invests in its operations.	1 (Low perceived effort) - 10 (High perceived effort)
Perceived Quality	Evaluates perceptions of the quality of a company's products or services.	1 (Low perceived quality) - 10 (High perceived quality)
Perceived Risk	Measures consumers' perceived uncertainty or risk associated with purchasing a company's products or services.	1 (Low perceived risk) - 10 (High perceived risk)
Perceived Trust	Captures consumers' trust in a company's reliability and outcomes.	1 (Low perceived trust) - 10 (High perceived trust)
Firm Attitude	Assesses consumers' overall evaluation of and attitude toward the company.	1 (Bad attitude) - 10 (Good attitude)

3.4 Data collection and statistical methods

Our survey was conducted via Qualtrics. Data was gathered both by Profilic (136 respondents / 60% of our data) and distributed digitally through various channels (89 respondents / 39.5%). This means that we got a number of 225 respondents in total. Data was gathered from October 31st-November 6th, 2024. Digitally, the link was distributed through Facebook, (both our own pages and public groups), Email (mainly SSE), as well as Text (friends and family). In all PROCESS models, we collected the following control variables: age, gender, income, and education. However, these were not further used in the analysis, as the focus was to examine the relationship between perceived profitability and firm attitude, as well as the potential mediators.

3.4.1 Data Quality

To ensure data quality, we required all participants from Prolific to provide their Prolific ID in the questionnaire. This enabled us to manually review each response, verifying that participants had completed all questions within a reasonable time. This process allowed us to identify and reject

participants who left questions unanswered or failed control questions included in the questionnaire. For respondents not recruited through Prolific, we relied more on their answers to control and demographic questions to ensure data quality. As a result, we rejected a total of 23 participants (not included in the count of 225 respondents) who provided insufficient responses.

3.5 Reliability and Validity

To ensure robustness, the study also incorporates validity and reliability checks. Reliability and validity are related to each other as if a measure is not reliable, it is not valid. Reliability refers to the consistency of measurements, indicating whether repeated assessments of the same variable produce similar results. Validity, on the other hand, indicates how accurately a measurement captures the phenomenon it is meant to represent. Important to note is that high reliability does not necessarily mean that validity is high (Söderlund seminar, 2024).

3.5.1 Reliability

To ensure reliability for each variable, we included three questions designed to assess the same construct. By averaging the scores from these questions, we aimed to achieve consistent measurements, verifying that repeated assessments would yield similar results. Additionally, we evaluated reliability using Cronbach's alpha in SPSS, applying it to the responses for the three questions associated with each variable. Cronbach's alpha is a measure of internal reliability that calculates the average of all possible split-half reliability coefficients. It ranges from 0 (no internal reliability) to 1 (perfect reliability), with 0.8 generally considered an acceptable level of reliability (Bell et al., 2022). The variables profitability (α=0.945), competence (α=0.906), CSR (α=0.931), effort (α=0.944), quality (α=0.942), trust(α=0.945), and attitude (α=0.949) all showed excellent reliability with alpha values above 0.9. The Motive Purity variable had a Cronbach's alpha of 0.875 and Risk having an alpha of 0.811, still indicating good reliability. Overall, the results demonstrate high internal consistency, with two exceptions still being within good ranges. Since our study was conducted during one point in time and because our respondents were anonymous we did not have the chance to calculate the stability of our test through test-retest measures, nor the inter-rater reliability.

3.5.2 Validity

Validity concerns the degree to which a measurement truly captures the concept it is intended to measure (Söderlund seminar, 2024). A valid measurement must also be reliable, as consistency in results (reliability) is foundational to ensuring that the measure accurately reflects the intended construct (Bell et al., 2022).

Face validity was established through a pilot study involving respondent feedback to ensure the measures visibly reflected the intended concepts (Bell et al., 2022). Content validity was achieved by reviewing survey questions to ensure all relevant aspects of each construct were represented, with language refined for clarity and precision. This process was guided by an extensive literature review on profitability perception and firm attitude, followed by a pilot survey to refine items further.

Convergent validity was ensured by including three items per variable, each designed to measure the same construct, allowing us to confirm consistency across items (Bell et al., 2022). Construct validity was reinforced by grounding survey items in established theories and definitions from previous research, ensuring alignment with accepted theoretical frameworks.

Predictive validity was tested by introducing intention variables as indicators of future behavior. A strong positive correlation between firm attitude and purchase intentions confirmed that the survey accurately predicts related behaviors, further validating the instrument.

3.5.3 Firm attitude's impact on intention

To ensure the validity of our dependent variable, firm attitude, we conducted a correlation analysis with variables that are theoretically aligned with it. Specifically, we examined whether company attitudes influenced participants' behavioral intentions, including their intent to seek further information, recommend the company to others, and choose the company over competitors in the future. As anticipated, the results demonstrated a strong positive correlation between attitude and intentions ($r = 0.873$, $p < .001$).

3.5.4 Attention Check

Surveys often demand considerable cognitive effort, which can lead participants to select the first plausible option or, in extreme cases, respond randomly, thereby diminishing the experiment's effectiveness and statistical power (Krosnick, 1991; Oppenheimer et al., 2009). We used an attention question (also called Instructional Manipulation Checks) to identify such participants by asking participants to select an option that represented a color (see Appendix B). Participants who answered incorrectly were excluded from the final analysis to ensure data quality. Furthermore, to minimize potential biases, we randomized group assignments, which helped control for order effects and prevent systematic patterns in responses. The survey was also partially distributed through Prolific, which limited the chance of participants knowing each other and discussing the survey content, reducing the risk of influence or shared responses.

4. Result

In this section, we present the results of our experimental survey, focusing on those relevant to the hypotheses. Complete summaries of ANOVA Post Hoc Scheffe results are available in Appendices C, G, H and F while variable means, standard deviations, and the correlation matrix can be found in Appendices D and E.

In SPSS, we conducted preliminary checks to confirm that the data satisfied the necessary conditions for the planned analyses. These included testing for normality and homoscedasticity, which are assumptions of One-Way ANOVA (Emerson, 2022), and evaluating multicollinearity, which is an important consideration for regression-based analyses such as the Process Model by Andrew F. Hayes (Hayes et al., 2012). Normality was assessed using a Q-Q plot in SPSS, which confirmed that the data followed a normal distribution. Homoscedasticity was examined through a Breusch-Pagan test in R ($p = 0.1822 > 0.05$), indicating no significant issues with heteroscedasticity. Multicollinearity was evaluated using Variance Inflation Factor (VIF) values. While most variables showed VIF values below 5, Quality (7.275) and Effort (5.161) exceeded this threshold. To address this, we ran separate Process Models in SPSS for Quality and Effort to avoid multicollinearity issues with their coefficients and ensure the robustness of the results.

4.1.1 One-way Anova with Post Hoc Scheffé

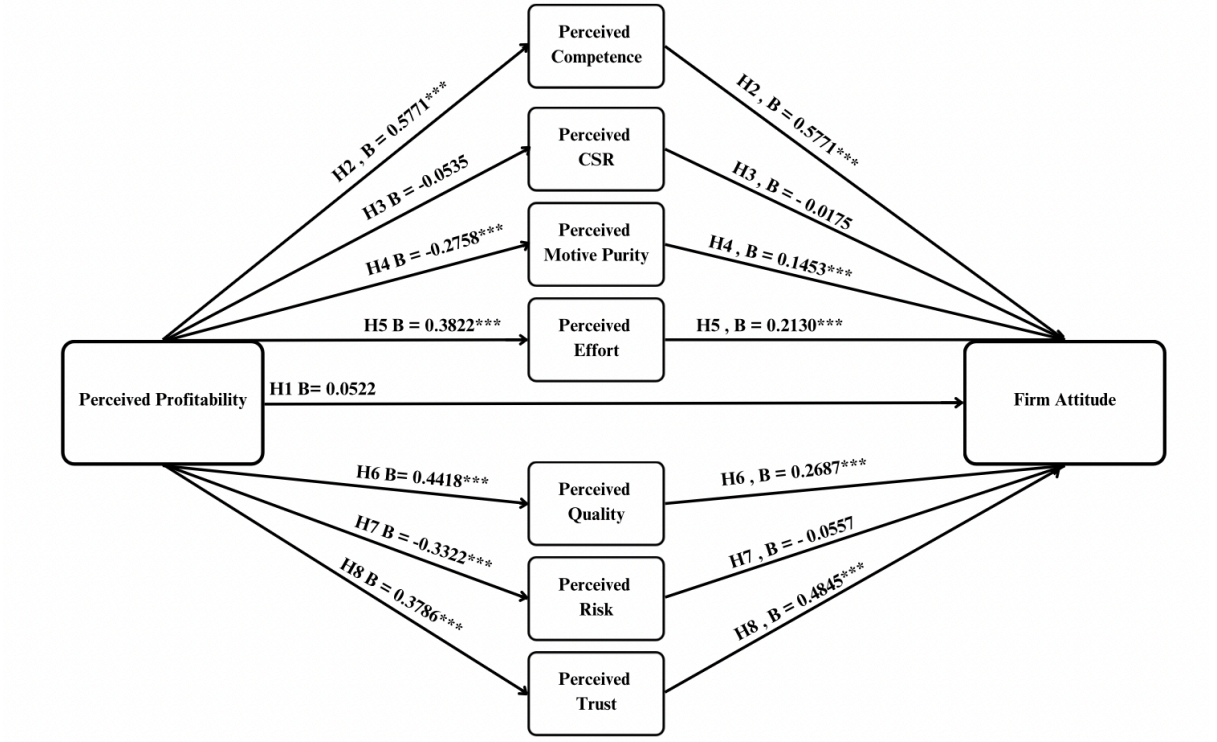
We conducted a one-way ANOVA to analyze the means and significance levels of groups exposed to unprofitable, profitable, and neutral advertisements. The results related to Hypothesis 1 are summarized below, with results for all variables available in Appendices C and G. This analysis examined differences in firm attitude (dependent variable) across levels of perceived profitability (independent variable) and found a significant difference in means. The Post Hoc Scheffe test revealed significant differences between the profitable and unprofitable ad groups but not the others.

4.1.2 Results Andrew F. Hayes process model

The analysis of Hypothesis 1 is complemented by Andrew F. Hayes's Process Model (version 4), which was applied to Hypotheses 1 through 8 to evaluate the direct effect and the indirect effects and their significance. The model below details the effect of profitability on each variable, the effect of each variable on attitude, and the overall direct and indirect effects. The results show a significant total indirect effect and an insignificant direct effect, supporting H1. Significant indirect

effects were found for Competence, Motive Purity, Quality, Effort, and Trust as mediators, supporting H2, H4, H5, H6, and H8, while H3 (CSR) and H7 (Risk) were rejected.

4.1.3 Visual summary of results from Andrew F. Hayes Process Model



*Significance level: *** = p <0.001, *** p <0.01, *p <0.05*

4.1.4 Results Hypotheses 1-8:

H1: Perceived Profitability has a significant direct relationship with Firm Attitude.	Empirical support not found
H2: The relationship between Perceived Profitability and Firm Attitude is positively mediated by Perceived Competence.	Empirical support found
H3: The relationship between Perceived Profitability and Firm Attitude is mediated by Perceived CSR Involvement.	Empirical support not found
H4: The relationship between Perceived Profitability and Firm Attitude is mediated by Perceived Motive Purity	Empirical support found
H5: The relationship between Perceived Profitability and Firm Attitude is positively mediated by Perceived Effort	Empirical support found
H6: The relationship between Perceived Profitability and Firm Attitude is positively mediated by Perceived Quality.	Empirical support found
H7: The relationship between Perceived Profitability and Firm Attitude is positively mediated by a reduction in Perceived Risk	Empirical support not found
H8: Results Hypothesis 8: The relationship between Perceived Profitability and Firm Attitude is positively mediated by Perceived Trust.	Empirical support found

5. Discussion

5.1 Hypothesis 1

5.1.1 Discussion

Our findings showed that perceived profitability does not have a direct relationship with firm attitude, but rather an indirect relationship. Further, this relationship was found to be significantly positive. At first glance this seems contradictory to literature, however theory does point to a relationship that is not straightforward but influenced by various mediating factors. These mediators explain the underlying mechanisms driving the connection between perceived profitability and firm attitude. The absence of a direct significant relationship reinforces the critical role of mediators in shaping this dynamic. The finding that 82.3% of the variance in customer attitudes was accounted for by our proposed mediators underscores the significance of these variables within the model. Rather than attributing the relationship to an undefined or unmeasurable factor, our study identifies specific mediators that bridge the gap between profitability signals and consumer attitudes. This underscores the complexity of the relationship and highlights the necessity of examining intermediate variables to fully understand how perceptions of profitability influence firm attitude.

Contrary to concerns that customers might feel threatened by a firm's success or view an emphasis on profitability as conflicting with other customer values, our findings for our comprehensive hypothesis do not support these risks. Instead, our results align with the Psychological Continuum Model (PCM), suggesting that profitability acts as a trigger for awareness by serving as a marker of relevance, fostering customer attraction and positive attitudes toward the firm. This attraction can evolve into deeper stages of attachment and allegiance as customers identify more strongly with the firm and its qualities. By continuously communicating profitability as a marker of success, firms can strengthen this relationship, reinforcing customer desire to identify with the firm. (Funk and James, 2001)

Our findings align with Social Identity Theory, suggesting that consumers view profitability as a positive firm attribute that resonates with their self-concept. As a marker of success, profitability encourages consumers to associate themselves with the firm, fostering a sense of “in-group” identification. Similar to how sports fans derive self-esteem from associating with winning teams, customers tend to associate themselves with profitable firms, with signs of success reinforcing their connection and deepening their affiliation with the firm over time. Profitability was shown to reinforce positive attitudes, outweighing the potential risk of profitability enforcing negative firm attitudes amongst customers who may not identify with profitability-driven values. While this

disconnect may exist for specific consumer segments, it was not observed in our study (Trepte and Loy 2017).

Attribution theory further explains the role of mediators in this relationship. Consumers often question the underlying reasons for a firm's profitability, attributing it either to positive factors, such as efficiency and competence, or negative factors, such as exploitation or greed. Our findings suggest that in this study, profitability was largely perceived as a result of positive attributes rather than negative ones. This aligns with the observed significant indirect relationship and the lack of a direct relationship, reinforcing the importance of these mediating factors in explaining how profitability translates into positive firm attitudes. (Savolainen 2013)

5.1.2 Implications

Our findings support the potential for firms to leverage profitability signals to foster a positive brand attitude. Given that our study finds an overall positive relationship between profitability perceptions and firm attitude, we encourage firms to communicate their profitability to positively influence customer attitudes.

5.2 Hypothesis 2

5.2.1 Discussion

The results provide support for Hypothesis 2, confirming that perceived competence mediates the relationship between perceived profitability and firm attitude.The mediation analysis using the Andrew F. Hayes process model confirms that perceived competence is a positive mediator between perceived profitability and firm attitude. Consistent with Aaker's (1997) framework, which links competence to traits like reliability, intelligence, and success, our findings show that profitability strengthens these attributes, ultimately improving overall firm attitude.

Signaling theory offers further insight into these results, demonstrating how profitability serves as a visible and credible signal of competence in markets with information asymmetry. Profitability acts as a heuristic, enabling consumers to infer deeper, unobservable qualities about the firm, such as effective management and high-quality products (Kirmani and Rao, 2000). This is particularly relevant when brand familiarity is low, as observed in our study, where profitability signals help build confidence in the firm’s capabilities to meet customer expectations. Moreover, our findings support that profitability signals enhance brand equity by conveying competence, reinforcing consumer perceptions of the firm as dependable and efficient (Keller, 1993).

Our findings also validate self-concept theory, where they suggest that profitability reinforced competence as an extension of consumers' self-image, contributing to a favorable firm attitude (Sirgy, 1982). Unlike other dimensions, such as sincerity, competence aligns seamlessly with profitability, which may explain the observed positive relationship. Profitability did not conflict with consumers' values in this study; instead, it reinforced perceptions of the firm as capable and efficient, fostering a positive response.

However, our study did not explore how profitability signals might impact brands with sincerity or warmth as core aspects of their identity. In such cases, profitability signals might generate skepticism if they conflict with these aspects, potentially leading to a negative or insignificant relationship (Kervyn et al., 2021; Aaker, 1997). In our experiment, profitability signals may have reinforced the perception of competence as integral to the brand's identity, as profitability serves as a marker of success. Hence, the positive mediation observed here may be specific to firms perceived as competence-oriented. However, as previously noted, we believe such conflicts are relatively uncommon, and therefore, the support for our hypothesis remains broadly applicable.

5.2.2 Implications

The findings suggest that firms can strategically leverage profitability as a signal of competence to enhance firm attitudes. Profitability as a heuristic can be advantageous for firms looking to attract and retain customers in competitive markets or introduce themselves in new regions.

However, firms that prioritize sincerity or warmth as key aspects of their brand personality should interpret our findings with caution, as we did not specifically investigate this dynamic. Research suggests that the strong link between profitability and competence could create challenges for these brands, potentially leading to conflicting consumer perceptions. This could therefore be a relevant avenue for further research. Nevertheless, as we consider these negative associations to be uncommon and our results demonstrate a positive mediating role for competence, we recommend that firms utilize profitability signals to enhance positive customer attitudes.

5.3 Hypothesis 3

5.3.1 Discussion

Based on the findings, we reject Hypothesis 3 as our results do not support the mediating role of perceived CSR involvement between profitability and firm attitude. The mediation analysis using the Andrew F. Hayes process model reveals that perceived CSR involvement does not significantly mediate the relationship between perceived profitability and firm attitude. This is likely due to the

conflicting theories we found supporting both a negative and positive relationship between perceived profitability and CSR involvement and perceived CSR involvement and firm attitude.

Profitability signals demonstrate an insignificant relationship with perceived CSR involvement, aligning with the conflicting insights presented in our theory section. Profitability may suggest that a firm has the financial resources to support meaningful CSR initiatives; however, our findings indicate that consumers do not inherently equate this capacity with actual commitment. Profitability can be interpreted as a signal that the firm allocates resources across all stakeholders, but it might also suggest a focus on maximizing shareholder value (Almeida et al., 2022). In some cases, profitability could imply that the firm has succeeded by neglecting CSR efforts, prioritizing financial gain over societal contributions. In other cases, profitability might appear aligned with CSR investments. Conversely, an unprofitable firm might be perceived as genuinely committed to CSR, allocating resources toward societal contributions, explaining its lack of financial success. Alternatively, unprofitability may signal a lack of capacity to engage in meaningful CSR initiatives, raising questions about the firm's ability to balance ethical commitments with operational effectiveness.

Furthermore, the relationship between perceived CSR involvement and firm attitude was found to be insignificant, likely due to the complex and nuanced dynamics underlying this relationship. While much of the existing research suggests a positive correlation between CSR involvement and consumer attitudes, our study revealed conflicting theoretical perspectives and did not find this relationship to be neither positive nor significant. This lack of significance may stem from the interplay of factors highlighted by theories such as social identity theory and sustainability liability. Social identity theory suggests that CSR initiatives can foster positive attitudes by resonating with consumers who identify with the firm's commitment to societal and environmental concerns (Verkuyten 2021). Contrasting this, sustainability liability posits that CSR efforts may lead consumers to question whether a firm's focus on social or environmental initiatives compromises other critical attributes like product quality, usefulness, or reliability (Luchs et al., 2010). This duality likely contributed to the insignificant relationship observed in our study. As Utility Theory suggests, consumers often navigate trade-offs, and our findings indicate that perceived CSR efforts may not always function as a complementary attribute but also a conflicting one. While supporting a firm with CSR involvement may enhance a consumer's sense of social identity by aligning with meaningful causes, consumers may also perceive these efforts as coming at the expense of other important aspects of the firm's offerings. The weight consumers assign to these trade-offs likely varies among individuals, explaining the mixed responses and the absence of a clear relationship in our findings.

5.3.2 Implications

Our study found that CSR involvement did not significantly mediate the relationship between perceived profitability and firm attitude, limiting the actionable insights we can offer firms regarding this specific dynamic beyond the theoretical perspectives outlined in our research. However, the relationship might be better understood if profitability signals are communicated in conjunction with and aligned to CSR initiatives. This is an avenue for future research, as our study did not specifically explore this interaction.

5.4 Hypothesis 4

5.4.1 Discussion

Based on these results, we find sufficient evidence to support Hypothesis 4, as the findings confirm that perceived motive purity mediates the relationship between profitability and firm attitude. The Andrew F. Hayes' process model confirms that perceived motive purity significantly mediates the relationship between profitability and firm attitude, although in a negative manner. In essence, profitability signals are negatively linked to perceptions of altruistic motives, which ultimately contributes to a negative impact on customer attitudes. So, while there is an overall positive relationship between perceived profitability and firm attitude, the mediation effect of perceived motive purity introduces a negative influence, thereby diminishing the strength of the positive effect.

Our findings suggest that consumers view profitability with skepticism, attributing it to egoistic motives of the firm. These motives are typically associated with a firm's pursuit of financial gain, and our study confirms this perception, demonstrating that profitability is frequently linked to self-serving intentions. Specifically, our results suggest that consumers perceive profitability as driven by motives focused on financial exploitation rather than a contribution to others. This perception creates a disconnect between profitability and motives purity in the eyes of consumers. In other words, our results suggest that consumers see profitability and altruistic motives as conflicting, which contributes to a negative firm attitude. Furthermore, our findings align with existing research on the relationship between motive purity and firm attitude. Studies consistently highlight that firms perceived as driven by altruistic motives tend to be viewed more favorably by consumers, and our results confirm this positive relationship. This suggests that projecting altruistic intentions is advantageous for firms, which profitability appears to contradict.

It is worth noting that our study did not explore the concept of “impure altruism,” where firms acknowledge both public-serving and self-serving motives. Research suggests that transparency in

recognizing dual motives can help mitigate consumer skepticism and foster a more positive firm attitude. According to the persuasion knowledge model, consumers are increasingly aware of the tactics and motives behind marketing efforts, which aligns with our findings. Because we did not communicate specific motives behind the firm's profits, this lack of transparency likely contributed to heightened skepticism and a subsequent negative impact on firm attitude. These findings bring support for the importance of aligning profitability messaging with clear, altruistic motives that resonate with consumer expectations. Additionally, our study did not test the concept of perceived fit. The negative, significant relationship might be due to a misalignment between profit and altruistic motives which could potentially be mitigated by communicating how the said profit stems from or can further support their stated motives.

Furthermore, the use of advertising may have inherently suggested self-serving motives, which complicates our ability to isolate the impact of profitability signals alone. Advertising itself could have influenced respondents' perceptions of motive purity, leading to more negative attitudes. Thus, it is possible that profitability might have been perceived as more altruistic if conveyed through a neutral channel rather than an advertisement (Yoon et al., 2006).

5.4.2 Implications

Our findings suggest that signals of profitability can lead to perceptions of low motive purity, resulting in a negative firm attitude. Therefore, firms must exercise caution in how they communicate profitability when considering how this affects their motive purity, as it may cause consumers to view the firm as self-serving, which can harm the attitudes customers hold toward the brand.

As previously stated, there may be an opportunity to mitigate the negative relationship by openly acknowledging self-serving and altruistic motives, aligning profitability with altruistic motives, and utilizing alternative methods to signal profitability. These approaches may be especially beneficial when profitability signals are unintentional, helping to reduce negative perceptions and foster more positive consumer attitudes. These mechanisms were not tested in our study and could therefore be an avenue for future research.

5.5 Hypothesis 5

5.5.1 Discussion

Based on these findings, we find support for Hypothesis 5, as our results validate the mediating role of perceived effort in the relationship between profitability and firm attitude. The Andrew F.

Hayes process model analysis finds perceived effort to be a crucial mediator between profitability and firm attitude, suggesting that perceived effort plays an essential role in how profitability positively influences firm perception. Our findings suggest that customers view supplier effort as both a contributing factor to a firm's profitability and a positive attribute of the firm, as it fosters more favorable attitudes toward the organization.

Our results indicate a significant positive relationship between profitability and perceived effort, as achieving profitability in today's competitive market requires substantial dedication to customer acquisition and retention, meeting customer needs consistently, and maintaining operational efficiency. Our findings further align with signaling theory, demonstrating that profitability serves as a key indicator of the effort exerted by a firm (Connelly et al, 2010). In contexts of information asymmetry, profitability functions as a heuristic, enabling customers to evaluate the firm's motivation and use it as a basis for forming their opinions about the company.

Furthermore, our findings support equity theory is at play as customers view profitability as the firm putting in a lot of effort across key areas within the firm, where in order to balance customer effort with supplier effort, the customer gives back to the firm by forming a positive attitude toward them. When consumers perceive that the firm's efforts outweigh their own, the positive discrepancy contributes to a favorable firm attitude. Consumers value companies that deliver substantial effort and tangible benefits, encouraging them to "give back" through positive behavior. When profitability is paired with perceived effort, it strengthens the perception of a fair value exchange, reinforcing positive consumer attitudes. (Adams, 2005)

5.5.2 Implications

Söderlund and Sagfossen (2017) found that firms can enhance customer attitude by signaling supplier effort through visible actions or communication strategy. Our study suggests that profitability signals can be one of these strategies. Firms can strategically leverage profitability signals to convey an impression of substantial effort, reinforcing positive consumer attitudes.

The concept of "effort discrepancy", where consumers perceive that the firm's efforts surpass their own, presents a valuable opportunity for firms to encourage positive attitudes by the use of profitability signals. Our findings support that profitability signals can motivate customers to "give back" to the firm by a favorable firm attitude.

5.6 Hypothesis 6

5.6.1 Discussion

Based on these findings, Hypothesis 6 is supported, as our results confirm the mediating role of perceived quality in the relationship between profitability and firm attitude. Our findings indicate that perceived quality serves as a significant mediator in the relationship between profitability and firm attitude, supporting the theoretical proposition that quality plays a crucial role in linking profitability to firm attitude. The process model analysis revealed key findings regarding the relationship between perceived profitability, quality, and firm attitude. It confirmed that profitability has a significant relationship with perceived quality, aligning with several theories discussed in the literature review. This supports the notion that subjective quality (Snoj et al., 2004) is shaped by customer expectations, influenced by their perceptions and knowledge of the company (Mitra & Golder, 2006). Furthermore, it reinforces the idea that quality serves as a performance indicator for a firm (Rowley, 1998). The positive mediating effect of profitability on quality suggests that profitability is interpreted as a positive signal, rather than a sign of cost-cutting measures that might undermine quality (Kirmani & Rao, 2000).

This process aligns with signaling theory (Connelly et al., 2010), where profitability acts as a signal of quality, reducing information asymmetry and reassuring customers about the firm's reliability. Furthermore, Resource Advantage Theory (Barney & Clark, 2007) supports these findings by suggesting that profitability signals the firm's effective use of valuable resources, reinforcing the idea that perceived profitability can indicate high-quality products or services, which in turn positively impacts customer attitudes.

Additionally, the analysis found that perceived quality has a significant and positive effect on firm attitude. This finding is consistent with Nuzula and Wahyudi (2022), who demonstrated that perceived quality influences the willingness to buy, further confirming that perceived quality positively affects firm attitude.

5.6.1 Implications

The findings for H6 show that quality mediates the relationship between perceived profitability and firm attitude. Practically, managers should understand that signaling profitability is beneficial, as it can improve customer perceptions of quality and enhance firm attitude.

5.7 Hypothesis 7

5.7.1 Discussion

Given the findings, we reject Hypothesis 7 and can not say that perceived risk is a significant mediator in the relationship between Perceived Profitability and Firm attitude. The Process Model revealed that risk had an insignificant mediating effect in the relationship between perceived profitability and firm attitude, leading to the rejection of Hypothesis 7 (H7). However, while risk

did not emerge as a significant mediator, the findings still provide valuable insights into the interplay between profitability, risk, and firm attitude, which can be connected to established theoretical frameworks.

The analysis showed that profitability maintained a significant negative relationship with risk, even though the overall indirect effect was insignificant. This finding aligns with theoretical perspectives discussed in the literature, suggesting that customers' subjective perceptions of risk are influenced by signals of profitability. Profitability cues appear to reduce consumers' perceived threats, as profitable firms are often seen as more stable and reliable. Given that risk is a multidimensional concept, encompassing factors such as financial, social, and functional risk, the impact of profitability signals may vary based on individual customers. For example, profitability might alleviate financial risk for some consumers while reducing social risk for others. Furthermore, the halo effect may amplify the influence of a dominant risk dimension, shaping the overall perception of risk.

The results also revealed that risk did not have a significant impact on firm attitude, which is inconsistent with the findings of Thompson and Jing (2007), who identified a significant negative relationship between perceived risk and attitude in their study on e-commerce. This discrepancy may be due to differences in context. Thompson and Jing's study focused on e-commerce, where risk perceptions are often heightened, whereas the present study analyzed general firm attitudes. Additionally, their study employed a broader definition of attitude, which may explain differences between firm-specific attitudes and general consumer attitudes.

The insignificant effect of perceived risk on attitude can be explained by the context (outdoor clothing) not signaling severe consequences of potential negative outcomes, leading most individuals to perceive it as low-risk. As a result, risk does not have a significant impact on attitude (Snoj et al., 2004). However, in contexts where higher risks or potential losses are involved, such as with products other than outdoor clothing, perceived risk could have a more significant effect on firm attitude, but this needs further testing.

5.7.2 Implications

The findings suggest that risk is not a significant mediator in the relationship between perceived profitability and firm attitude. However, a closer look reveals that perceived profitability still affects perceived risk, even though it does not significantly impact firm attitude. This means that if managers are just interested in decreasing risk, profitability does according to the findings significantly reduce perceived risk.

5.8 Hypothesis 8

5.8.1 Discussion

Based on these findings, we cannot reject Hypothesis 8, as our results validate the significant mediating role of trust in the relationship between perceived profitability and firm attitude. The process model identified trust as a significant mediator in the relationship between perceived profitability and firm attitude. This finding suggests that consumers are more likely to perceive profitable firms as trustworthy, which positively influences their overall attitude toward the brand.

This aligns with the perspective supported by Flavián et al. (2005), who found that corporate image - which can be influenced by profitability - plays a significant role in shaping perceived trust. A strong corporate image enhances trust by reinforcing perceptions of the firm's reliability and effectiveness. The underlying mechanisms can be explained through signaling theory (Connelly et al., 2010) and attribution theory (Savolainen 2013). Signaling theory posits that profitability acts as a signal of a company's trustworthiness, while attribution theory suggests that consumers associate profitability with positive attributes that enhance trust. Together, these frameworks serve as theoretical explanations to why trust proved to be a significant mediator.

The results also revealed a significant effect of trust on firm attitude, supporting Nguyen et al.'s (2013) assertion that higher trust is strongly linked to the formation of positive attitudes toward a company. The causal effect of trust on attitude observed in the process model is consistent with findings from Teo and Liu's (2007) study, which demonstrated a significant positive relationship between trust and attitude.

5.8.2 Implications

The findings suggest that it is advantageous for firms to communicate their profitability, as this information positively influences customers' attitudes through the mediator of trust. By emphasizing profitability, firms can improve consumer perceptions and foster more favorable attitudes toward the company.

6. Conclusion

This study investigated how perceived profitability impacts customers' firm attitude, focusing on the mediating roles of perceived competence, CSR involvement, motive purity, effort, quality, risk, and trust. The findings address a theoretical gap by providing a nuanced understanding of the mechanisms through which perceived profitability influences consumer attitudes.

Our findings supported the mediating role of all variables except perceived CSR involvement and perceived risk. CSR involvement showed no significant mediating effect, likely due to conflicting theoretical perspectives, with neither a significant link between profitability and CSR involvement nor between CSR involvement and firm attitude. Additionally, while profitability influenced risk, risk itself did not significantly affect firm attitude, resulting in an insignificant overall mediating effect. Nonetheless, these findings provide meaningful insights. For our other mediators, significant effects were observed. Perceived motive purity played a unique role, mediating a negative relationship between profitability and firm attitude. In contrast, the remaining variables - competence, effort, quality, and trust - mediated a positive relationship. Support was thus found for all hypotheses except Hypotheses 3 and 7.

Overall, this study establishes a positive and significant indirect relationship between perceived profitability and firm attitude, and therefore our findings indicate that it is beneficial for firms to signal profitability to attract more positive customer firm attitudes. The significance of the indirect effect underscores the critical role of the proposed mediators in shaping this relationship. By examining these mediators, this thesis offers a deeper and more nuanced understanding of how profitability influences consumer attitudes. These insights highlight the complex mechanisms at play, providing both theoretical contributions and practical implications for firms.

7. Theoretical Contribution and Managerial Implications

This thesis extends existing research by exploring how perceived profitability influences customer attitudes through psychological mediators rather than direct effects. It contributes to signaling theory and attribution theory by showing that profitability signals shape consumer perceptions primarily via competence, trust, and effort. Importantly, the study highlights that motive purity can mediate a negative relationship - adding nuance to how consumers interpret profitability, not as inherently positive but dependent on perceived intent.

For managers, the findings suggest that profitability signals can improve customer attitudes when linked to perceptions of competence, effort, and trust. However, if seen as purely self-serving, they may harm perceptions of motive purity. Brands emphasizing ethics or CSR should be transparent about both financial and social goals to avoid skepticism. In short, firms should align profitability messaging with their brand identity and values to ensure it strengthens rather than weakens customer relationships.

8. Suggestions for further research

Our study was limited by both sample size and time constraints, which restricted the scope of the conclusions we could draw. Future research should focus on utilizing a larger sample size and extending the study duration to gather more comprehensive data and generate more precise conclusions. Expanding the sample size and timeframe would provide a deeper understanding of the complexities surrounding the impact of profitability perception on firm attitude.

In our study, the perception of profitability was tested through advertisements, which introduced additional variables such as brand elements, design, and messaging cues that may have influenced participants' responses. The use of advertising as the medium may have further shaped perceptions, making it challenging to isolate the specific effect of profitability signals on customer attitudes. To address this limitation, future research should aim to isolate profitability signals through alternative methods, allowing for a more accurate assessment of their effect on consumer attitudes and the role of the proposed mediators. Experimental designs could compare different presentations of profitability signals, such as varying profit margins, growth rates, or financial statements, to identify which aspects most influence consumer attitudes and behaviors. This approach would allow for clearer conclusions about the role of profitability in shaping firm attitudes and offer more targeted insights for marketing strategies.

Future research could explore how transparency in communicating profitability and CSR efforts influences consumer perceptions, which would give further insights into the mediating roles of perceived motive purity, CSR involvement, and perceived competence. Aligning these signals may help firms navigate the complexities of consumer attitudes, particularly when addressing the skepticism associated with perceived self-serving motives. By openly acknowledging both egoistic and altruistic motives, firms could improve the alignment between profitability signals and altruistic intentions, mitigating the negative relationship between perceived profitability and motive purity observed in this study. This approach may also help clarify the insignificant mediating role of CSR involvement found in our research, as integrating transparency with CSR efforts could strengthen the perceived authenticity of altruistic actions and reduce skepticism. Additionally, this alignment provides an opportunity to investigate how competence-oriented brands may benefit more effectively from profitability signals, as these signals align with their core identity. Conversely, firms with sincerity or warmth as key brand dimensions may face challenges in integrating profitability signals, requiring alternative strategies to navigate these potential misalignments. Exploring how profitability signals interact with various brand personalities could offer further insights into their impact on consumer perceptions and attitudes.

In our study, the identified mediators accounted for 82.3% of the variance in firm attitude, demonstrating the model's robustness while leaving room to explore additional variables that could enrich the understanding of the relationship between perceived profitability and firm attitude. Similarly, although data on potential moderators, such as age, was collected, no significant effects were observed beyond this variable. Future research could benefit from investigating other moderators, such as political views, which may offer valuable insights into how individual differences influence perceptions of profitability and their impact on firm attitudes.

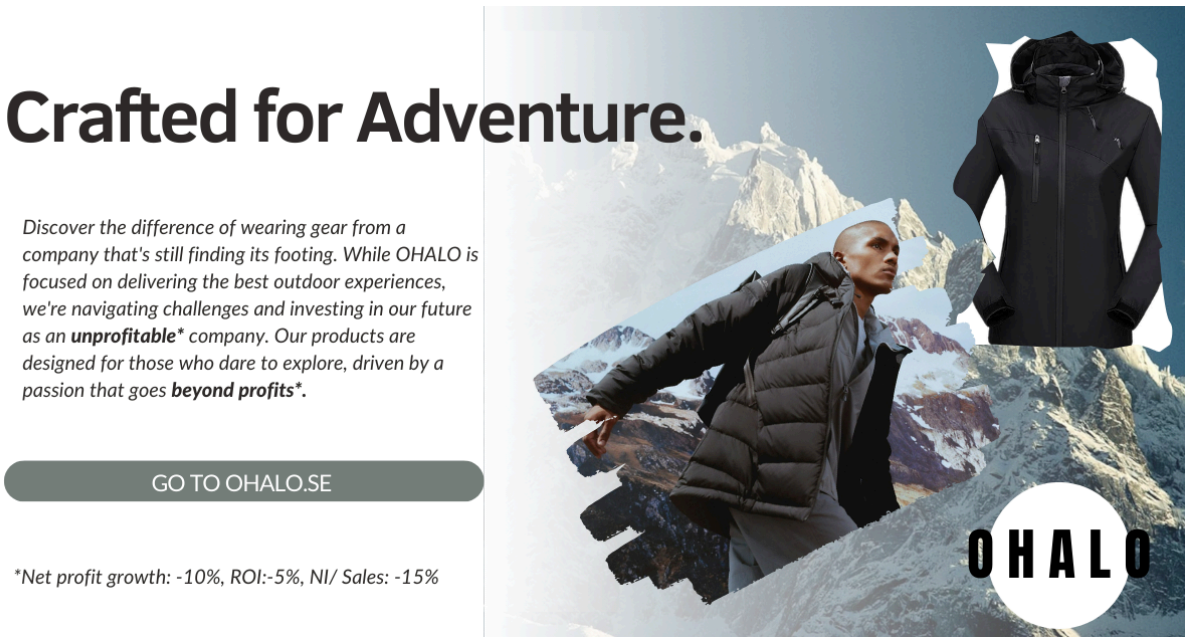
9. Appendices

Appendix A: All different Ads

Profitable Ad:



Unprofitable Ad:



Neutral Ad:



Appendix B: Questionnaire:

Variable	Question	Scale
Perceived Profitability	Q1: On a scale from 1 to 10, how profitable do you believe this company is?	1 (Not profitable at all) - 10 (Highly profitable)
	Q2: How successful do you think this company is in terms of its financial performance?	1 (Not successful at all) - 10 (Very successful)

	Q3: How likely is it that this company generates high profits?	1 (Very unlikely) - 10 (Very likely)
Perceived Competence	Q1: How competent do you believe this company is at delivering high-quality products?	1 (Not competent at all) - 10 (Extremely competent)
	Q2: To what extent do you think this company is effective in managing its operations and resources?	1 (Very ineffective) - 10 (Very effective)
	Q3: Do you believe this company is skilled in managing its resources to achieve long-term success?	1 (Not skilled at all) - 10 (Highly skilled)
Perceived CSR	Q1: How committed do you believe this company is to supporting social and environmental causes?	1 (Not committed at all) - 10 (Extremely committed)
	Q2: To what extent do you think this company engages in ethical business practices that benefit society?	1 (Not at all) - 10 (To a great extent)
	Q3: How responsible do you think this company is in contributing to community welfare and sustainability initiatives?	1 (Not responsible at all) - 10 (Highly responsible)
Perceived Motive Purity	Q1: To what extent do you believe this company's socially responsible actions are motivated by its own financial gain?	1 (Completely motivated by financial gain) - 10 (Completely motivated by objectives)
	Q2: How much do you think this company genuinely cares about making a positive impact on society beyond just increasing profits?	1 (Does not care at all) - 10 (Cares a great deal)
	Q3: Do you feel this company's actions are more focused on benefiting itself or on benefiting the greater good?	1 (Completely focused on itself) - 10 (Completely focused on the greater good)
Control Question	Select the option that best describes a color:	1. Airplane, 2. Flower, 3. Apple, 4. Red
Perceived Effort	Q1: How much effort do you believe this company puts into ensuring high-quality products or services?	1 (No effort at all) - 10 (A great deal of effort)

	Q2: To what extent do you think this company goes above and beyond in delivering customer satisfaction?	1 (Not at all) - 10 (To a great extent)
	Q3: How dedicated do you think this company is to improving its products or services through continuous effort?	1 (Not dedicated at all) - 10 (Very dedicated)
Perceived Quality	Q1: How would you rate the quality of this company's products compared to others in the same industry?	1 (Very low quality) - 10 (Very high quality)
	Q2: To what degree do you believe this company consistently delivers products that meet your expectations about quality?	1 (Never meets expectations) - 10 (Always exceeds expectations)
	Q3: How confident are you that this company's products or services are reliable and well-made?	1 (Not confident at all) - 10 (Very confident)
Perceived Risk	Q1: How risky do you believe it is to purchase and use the products from this company?	1 (Not risky at all) - 10 (Very risky)
	Q2: How likely do you think it is that choosing this company's products could result in a negative outcome?	1 (Very unlikely) - 10 (Very likely)
	Q3: To what extent do you feel uncertain about the performance or reliability of this company's products?	1 (Not uncertain at all) - 10 (Very uncertain)
Perceived Trust	Q1: How trustworthy do you perceive this company to be?	1 (Not trustworthy at all) - 10 (Very trustworthy)
	Q2: How confident are you that choosing this company's products or services will lead to a positive outcome?	1 (Not confident at all) - 10 (Very confident)
	Q3: To what extent do you trust the performance and reliability of this company's products or services?	1 (Do not trust at all) - 10 (Trust completely)
Firm Attitude	Q1: What is your overall evaluation of this firm?	1 (Bad) - 10 (Excellent)

	Q2: How favorable is your overall attitude toward the company?	1 (Very unfavorable) - 10 (Very favorable)
	Q3: To what extent do you feel positively about the company as a brand?	1 (Not positive at all) - 10 (Very positive)
Intentions	Q1: To what extent would you recommend this offering to a friend?	1 (Very unlikely) - 10 (Very likely)
	Q2: To what extent are you interested in searching for more information?	1 (Not interested at all) - 10 (Very interested)
	Q3: How likely are you to choose this company's product or service over competitors in the future?	1 (Very unlikely) - 10 (Very likely)
Personal Questions	Q1: What is your age?	Free response
	Q2: What is your gender?	1. Male, 2. Female, 3. Non-binary/third gender, 4. Prefer not to say
	Q3: What is your annual household income?	Free response
	Q4: What is the highest level of education you have completed?	1. High school, 2. Bachelor's degree, 3. Master's degree, 4. Doctoral degree, 5. Other
	Q5: What is your current employment status?	1. Unemployed, 2. Student, 3. Self-employed, 4. Employed part-time, 5. Employed full-time, 6. Retired, 7. Other
	Q6: Where do you currently reside?	Municipality (Free response)

Appendix C: Results One-way Anova

One-Way ANOVA

Dependent Variable	Sum of Squares (Between Groups)	df (Between Groups)	Mean Square (Between Groups)	F	Sig.	Sum of Squares (Within Groups)	df (Within Groups)	Mean Square (Within Groups)	Total Sum of Squares
Profitability	580.218	2	290.109	68.633	<.001	938.388	222	4.227	1518.605
Competence	141.326	2	70.663	18.415	<.001	851.884	222	3.837	993.210
CSR	98.402	2	49.201	10.279	<.001	1062.631	222	4.787	1161.033
Motive Purity	298.235	2	149.117	44.094	<.001	750.753	222	3.382	1048.988
Effort	5.380	2	2.690	0.591	0.555	1010.620	222	4.552	1016.000
Quality	30.267	2	15.134	3.475	0.033	966.834	222	4.355	997.102
Risk	61.155	2	30.578	7.190	<.001	944.059	222	4.253	1005.214
Trust	18.146	2	9.073	2.213	0.112	910.024	222	4.099	928.170
Attitude	179.74	2	89.87	18.817	<.001	1060.08	222	4.775	1239.82

Appendix D: Results Means and Standard Deviation

Summary of Means and Standard Deviation

Variable	Mean	N	Std. Deviation
Profitability	5.7674	225	2.6037
Competence	6.3407	225	2.1570
CSR	5.1259	225	2.1640
Motive Purity	5.9052	225	2.2767
Effort	6.8667	225	2.1297
Quality	6.4081	225	2.1098
Risk	4.3207	225	2.1184
Trust	6.2459	225	2.0356
Attitude	6.2785	225	2.1932

Appendix E: Correlation Matrix

Correlation Matrix

	Profitab	Compet	CSR	MotiveP	Effort	Quality	Risk	Trust	Attitu
Profitab	1	.714**	-.061	-.332**	.467**	.545**	-.408**	.484**	.518**
Compet	.714**	1	.174**	-.129	.695**	.758**	-.537**	.702**	.739**
CSR	-.061	.174**	1	.616**	.437**	.364**	-.023	.421**	.398**
MotiveP	-.332**	-.129	.616**	1	.162*	.062	.142*	.153*	.181*
Effort	.467**	.695**	.437**	.162*	1	.886**	-.440**	.767**	.792**
Quality	.545**	.758**	.364**	.062	.886**	1	-.530**	.836**	.836**
Risk	-.408**	-.537**	-.023	.142*	-.440**	-.530**	1	-.530**	-.525**
Trust	.484**	.702**	.421**	.153*	.767**	.836**	-.530**	1	.867**
Attitu	.518**	.739**	.398**	.181*	.792**	.836**	-.525**	.867**	1

*Note: Correlations marked with ** are significant at the 0.01 level. Correlations marked with * are significant at the 0.05 level.*

Appendix F: Summary Results Hypothesis 1-8

Results One Way Anova

Dependent Variable	Sum of Squares (Between Groups)	Mean Square (Between Groups)	F	Sig.
Attitude	179.74	89.87	18.817	<.001

Results Post Hoc Scheffe

Dependent Variable	(I) AD	(J) AD	Mean Difference (I-J)	Std. Error	Sig.
Attitude	Unprofitable ad	Profitable ad	-0.99865	0,357638	<.001
Attitude	Unproftiable ad	Neutral ad	-1,64279	0,363159	.228
Attitude	Profitable ad	Unprofitable ad	0.99865	0,357638	<.001
Attitude	Profitable ad	Neutral ad	-0,55583	0,351223	.087
Attitude	Neutral ad	Unprofitable ad	1,64279	0,363159	.228
Attitude	Neutral ad	Profitable ad	0,555833	0,351223	.087

Appendix G: Results One-way ANOVA with Post Hoc Scheffe Means

Group 1: The people who say the unprofitable ad. (N= 73)

Group 2: The people who saw the Profitable ad. (N= 75)

Group 3. The people who saw the Neutral ad.(N= 77)

ANOVA Post Hoc Scheffe results - Means

Variable	Group 1	Group 2	Group 3
Profitability	3,47	6,27	7,31
Competence	5,24	6,49	7,17
CSR	6,78	5,88	5,16
Motive Purity	6,68	5,04	3,85
Effort	6,65	6,91	7,02
Quality	5,87	6,6	6,71
Risk	5,03	3,74	4,25
Trust	5,86	6,56	6,29
Attitude	5,87	6,49	6,44

Appendix H: Results One-way ANOVA with Post Hoc Scheffe Mean differences

ANOVA-Post Hoc-Scheffe Results

Dependent Variable	(I) AD	(J) AD	Mean Difference (I-J)	Std. Error	Sig.
Profitability	1	2	-3,84583	0,336485	<.001
Profitability	1	3	-2,8	0,34168	<.001
Profitability	2	1	3,845833	0,336485	<.001
Profitability	2	3	1,045833	0,330493	.007
Profitability	3	1	2,8	0,34168	<.001
Profitability	3	2	-1,04583	0,330493	.007
Competence	1	2	-1,92857	0,320601	<.001
Competence	1	3	-1,25079	0,32555	<.001
Competence	2	1	1,928571	0,320601	<.001
Competence	2	3	0,677778	0,31485	.101
Competence	3	1	1,250794	0,32555	<.001
Competence	3	2	-0,67778	0,31485	.101
CSR	1	2	1,622917	0,358069	<.001
CSR	1	3	0,903333	0,36356	.048
CSR	2	1	-1,62292	0,358069	<.001
CSR	2	3	-0,71958	0,351645	.126
CSR	3	1	-0,90333	0,36356	.048
CSR	3	2	0,719583	0,351645	.126
MotivePurity	1	2	2,822024	0,30097	<.001
MotivePurity	1	3	1,640635	0,305612	<.001
MotivePurity	2	1	-2,82202	0,30097	<.001
MotivePurity	2	3	-1,18139	0,295571	.001
MotivePurity	3	1	-1,64063	0,305612	<.001
MotivePurity	3	2	1,181389	0,295571	.001
Effort	1	2	-0,37321	0,349196	.566
Effort	1	3	-0,25905	0,354586	.766
Effort	2	1	0,373214	0,349196	.566
Effort	2	3	0,114167	0,342932	.946
Effort	3	1	0,259048	0,354586	.766
Effort	3	2	-0,11417	0,342932	.946
Quality	1	2	-0,83958	0,341548	.051
Quality	1	3	-0,72889	0,34682	.112
Quality	2	1	0,839583	0,341548	.051
Quality	2	3	0,110694	0,335421	.947
Quality	3	1	0,728889	0,34682	.112
Quality	3	2	-0,11069	0,335421	.947
Risk	1	2	0,778571	0,337501	.072
Risk	1	3	1,293016	0,342711	.001
Risk	2	1	-0,77857	0,337501	.072
Risk	2	3	0,514444	0,331446	.302
Risk	3	1	-1,29302	0,342711	.001
Risk	3	2	-0,51444	0,331446	.302
Trust	1	2	-0,43452	0,331361	.425
Trust	1	3	-0,70286	0,336476	.115
Trust	2	1	0,434524	0,331361	.425
Trust	2	3	-0,26833	0,325417	.712
Trust	3	1	0,702857	0,336476	.115
Trust	3	2	0,268333	0,325417	.712
Attitude	1	2	-0.99865	0,357638	<.001
Attitude	1	3	-1,64279	0,363159	.228
Attitude	2	1	0.99865	0,357638	<.001
Attitude	2	3	-0,55583	0,351223	.087
Attitude	3	1	1,64279	0,363159	.228
Attitude	3	2	0,555833	0,351223	.087

Appendix I: AI-Questions

(1) What AI tools have been used, and how?
The AI tool used in this essay is ChatGPT, both its website version and app.

(2) In what ways have these tools contributed to improving the quality of the thesis?
AI was utilized in two main areas: enhancing language and spelling and generating topic ideas. Initially, ChatGPT was instrumental in brainstorming potential topics for the essay, enabling us to identify a subject of interest and streamline our literature search. Additionally, ChatGPT supported language improvement by assisting with spelling, phrasing, and finding synonyms, helping us articulate ideas more precisely and making the essay clearer and easier to read.

(3) What potential risks were identified in using AI, and how were they mitigated?
Using AI poses risks, particularly when relying on it for sources or content, as AI may provide outdated or inaccurate information or fabricate references. This concern was raised during a session with the librarian, prompting us to avoid using AI for theoretical content or references and ensuring a critical approach to its outputs.

(4) What insights were gained from using AI tools in the thesis writing process?
AI proved highly beneficial for generating creative ideas, accelerating the topic selection process, and enhancing the essay's language quality. It helped avoid repetitive wording and misspellings, significantly contributing to the overall clarity and readability of the text.

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