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## The value of CSR for consumers

Study conducted in Czech Republic

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**Declaration:**

I hereby declare that I am the sole author of the thesis entitled “The value of CSR for Czech consumers”. The study was conducted in Czech Republic. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague, on June 23, 2016

Signature:

Elise Faradji

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## Abstract

Nowadays, consumers' purchasing behavior is influenced by new factors, such as the social and environmental implication of companies. This is why; Corporate Social Responsibility (CSR) is a growing trend, which companies need to look after carefully. However, implementing an efficient CSR strategy is a complex process for corporations; especially since the core concept of CSR remain quite blurry. The goal of this study is to analyze the perception of consumers towards CSR, to find out about the value creation that CSR produce for consumers and its impact on their purchasing behavior. This paper will ultimately help companies to implement their CSR strategy more efficiently. This study aims to contribute by conducting an in-depth analysis of consumers' attitudes and behavior towards CSR. If most of researchers are using a quantitative approach, this study means to deal with the issue with a qualitative perspective. Indeed, twelve semi-structured interviews will support the findings. On top of those practical and physical interviews, some theoretical knowledge will be added to the construction of the argument, especially to bring a framework that shows the importance of all types of value creation (functional, emotional and social). The findings of the thesis emphasize the facts already proven by other researchers; value creation is fundamental to make consumers care about CSR. However, the study will show how much skepticism towards CSR can impact negatively consumers' purchasing behavior. The research will help companies implementing more successful CSR strategy and develop new solutions to reach customers and influence their purchasing behavior through the creation of value for them.

**Keywords:** Corporate and Social Responsibility, value creation, consumers' benefits, purchasing behavior

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## Introduction

### Background of the topic

In a context of intensive globalization, it is important to underline the fact that markets, movement of goods, humans and knowledge have never been freer. Borders of countries are more open than ever, even if we acknowledge a recent closure due to terrorism threat. However, the corporate enthusiasm of the 1990s for globalization has been followed by somber reflections on its destructive impact upon an array of areas, such as social and environmental fields (Convesi, 2012).

Indeed, it is true that globalization helped emerging countries to develop their economies, brought a rich and diverse social and cultural mix across the world and improved standards of living for so many countries. However, globalization also brought darker consequences and most people have now a different outlook about the worldwide integration. Customers, for instance, are giving more and more importance to the impact that companies have on our societies. Therefore, companies have to incorporate this vector in their strategy to reach customers and keep up with the competition.

As Convesi brought to light the areas that have been neglected in the process of globalization are the social and environmental aspects. Therefore, the challenge for companies is to focus on their impact in these fields, specifically through their Corporate Social Responsibility (CSR), hereafter “CSR” and the role that can have managers and leaders to make CSR a success. Indeed, leaders mold firms’ strategic practices, and the leaders’ choices for the firms reflect their personality and values (Christensen, Mackey & Whetten, 2013). This argument is supported by some research studies that have shown that consumers are more and more interested in the social practices of companies (Auger Burke, Devinney and Louviere, 2003). Bonini & Miller (2009), consider also that the recent economic crisis has increased the public’s expectations of companies’ role in society.

The only thing that can hold companies from investing in CSR is that they are not sure it will have a positive financial impact on their businesses. Therefore, they can be reluctant in investing financial and human capital into CSR. However, companies need to keep in mind that CSR is tightly linked to brand image and to the performance of products.



Nevertheless, not all researchers and authors agree on the benefits of CSR and it is still a quite young concept, this is why companies are hesitating. If the notion of ethical and responsible consumption is clearly rising according to Uusitalo & Oksanen (2004), a gap still exists between the intention of having an ethical consuming behavior, and the actual purchasing process of consumers (Boulstridge and Carrigan, 2000). In order to give an objective outcome, it is necessary to appreciate the different opinions about CSR. This analysis will allow to understand how customers are affected by CSR and how companies can at the same time have a positive impact regarding CSR and take advantage of it.

Chernev & Blair (2015) consider that socially responsible behavior is beneficial to society and corporate reputation, whereas the relation is less obvious with consumers' perception of the products performance and the financial results.

After many research about purchasing behavior, it is now crystal clear that the mains factors of decision for customers are the price, the quality and more broadly the value for money consumed. After these three, the loyalty intervene as well as the familiarity that customers may have with the brand. However, the ethical factor is just a plus. Right now, most consumers are not willing to pay more for product more responsible. Previous research suggests that there are three main indications of a successful CSR: a positive product evaluation (Brown & Dacin, 1997), a purchase intention (Sen & Bhattacharya, 2001), and customer satisfaction (Luo & Bhattacharya, 2006). In other words, the success translates into stronger brands (Hoeffler & Keller, 2002).

Most of the researchers that have devoted studies to CSR have mainly focused on the impact of CSR for companies (e.g. the value created by CSR for companies, such as the improvement of the brand image). The main issue resides on the fact that companies are only caring about how profitable their engagement will be on a financial level, when they should first focus on which value will be brought to consumers by their CSR engagement. Indeed, this extra value brought to consumers will encourage them to pay a higher price for a given product, and only then, companies will be able to see the financial results. This might be the reason why authors like Green and Peloza (2011) consider that the focus should be put on analyzing the value created for consumers, who might only support the engagement of a firm in CSR if they receive a positive value in exchange of their favorable purchasing behavior.

## Objectives of the thesis

The side effects of globalization have led customers to care about the social and environmental impact that companies have. This explains the necessity for companies to have an ethical responsibility and even implement a CSR strategy. Many studies have shown the meaningful correlation that exists between ethical responsibility and the perception of customers towards a given brand. Nonetheless, it seems quite difficult for companies to implement a successful CSR strategy, especially since some parts of the notion remain blurry. Another point which is important to notice is that most of the existing literature deal with one aspect of the concept at a time; the purchasing behavior of consumers or the financial impact for companies. Therefore, corporations have a hard time to contemplate the outcomes expected.

The main objectives of this study are to analyze the perception of consumers towards CSR, to explore the value created for consumers by CSR and finally to how the impact on consumers' purchasing behavior. The final goal of this research is to give companies insights about how to implement CSR more efficiently. One of the main goal of this paper is also to compare the existing research in order to clarify the definition of CSR and to understand the angle of consumers in order to help companies implement a successful CSR strategy.

The study intends to contribute with an in-depth analysis of the attitudes of consumers towards CSR through a qualitative approach, to differentiate with most of the existing research. As leaders and managers have a fundamental role in the engagement of companies in CSR, it is necessary to persuade them of the importance of CSR for their brand image and eventually their financial results in the long run.

Thus, the research question will focus on the importance of value creation for consumers and how this value creation for customers is built up by companies' CSR engagement. This focus can help fill the attitude-behavior gap (Robert, 1996) and ergo improves the profit for corporations. Therefore, the research question is the following: "How the value creation for consumers can enhance the impact of CSR for companies?"

This paper does not mean to be the miracle solution for companies to have a successful CSR strategy. However, it will bring some inputs to help them figure out if CSR is appropriate for

them. As customers are the major stakeholders regarding the CSR process, it is needed to understand more thoroughly their purchasing behavior and the impact that value creation have on these attitudes.

## Chapter 1 – Literature Review

If CSR is nowadays a trendy concern, it is quite recent for researcher to devote time to the question. Scholars started to look into it in the 1990s (Crane, mc Williams, Matten, Moon & Seigel, 2008). However, the impact that companies have on societies is not a new interest. According to Carroll (2008), the roots of CSR can be tracked back for decades. CSR was first approached as an American concept back to the beginning of the 20th century (Craps, 2012). However, before it did not gain much interest before the middle of the 21th century.

The rising interest of the general public towards CSR can first be explain by scandals such as Enron's', which clearly discouraged people to keep supporting businesses. Another factor for this recent growing awareness is the important pressure inflicted on companies by trade unions and non-governmental organizations. Indeed, these latest intend to enforce the respect of human rights and try to encourage companies to adopt responsible methods. Since half a century, the interest regarding CSR has grown so much that we can now say it is a global phenomenon. However, if the construct is shared over the world, we can appreciate some big differences in the way it is enforced in companies' management. Moreover, some companies are obliged by law and regulations to take initiatives (Carroll, 2008).

### 1. Definitions and clarifications about CSR

There is not just one definition for CSR. Indeed it is such a wide concept. Therefore, the literature can provide many definitions, which this research will try to clear up.

The main methods that form CSR can differ from sensitivity to environmental and societal issues, to child and animal abuses, but also to the fairness to human rights, employment and labor practices, and finally corruption and bribery, (Beckmann, 2007).

Although a lot of scholars have devoted research about CSR, it is still lacking of global and widely accepted definition (Clarkson, 1995). Companies are somehow disoriented about CSR (Dahlsrud, 2008), as theoretical development and measurement are quite complicated (McWilliams, Siegel & Wright, 2006). It is astonishing to realize that in over twenty years of time, it is still very difficult to get a proper definition of this concept. Indeed, as Banerjee (2001) and Jones (1980) say, CSR remain a wide and vague construct that obstruct many companies to use it.

Nevertheless, CSR do have really wide goals. Therefore, it cannot be outlined in one single definition (Crane et al., 2008). This point of view is also defended by Kakabadse, Rozuel, & Lee-Davies (2005) and Jones (1980), which consider that CSR needs to be acknowledged as a process rather than a set of results for companies. Considering that environment of corporations is very changing and varying, it does not make any sense to have only one unchanging definition.

However, if it is accepted that the concept of CSR cannot have a single definition, Van Marrewijk (2003) still think that it is necessary to somehow reach a definition of the construct that needs to be in ad equation with the different directions than companies can take.

Even if the concept of CSR is often approached by scholars that mainly want to contribute in defining it, the different interpretations are matching one another since they all refer to five main dimensions: the environmental and social aspect, the economic and stakeholder aspect, and the voluntariness aspect (Dahlsrud, 2008). Hence, the issue regards now the context rather than the definition itself (Dahlsrud, 2008). This brings the study to an important point: the impact that the context is having on the concept of CSR.

The final definition that will be used in this thesis is the one that the European Commission gave in 2002 and which is built on Dahlsrud (2008) work. According to these researchers, CSR is “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European communities, 2002).

## 2. Different perspectives of CSR

In this section, the researcher will go into a more in-depth description of the different views towards CSR. In order to achieve this, the research will analysis the arguments used rather by opponents or defendants scholars to defend their opinions. The so called “opponents” will be the researchers that have been defending that companies must not integrate CSR, whereas, the “defendants” will be the ones supporting that companies have to be responsible in terms of CSR.

The point of view of defendants relies on the stakeholders and societal approach (Van Marrewijk, 2003). They argue that companies have to be responsible for the integration of CSR in their activities as it is greatly helping them to improve their profit and results (Van Marrewijk, 2003). On the opposite side are the opponents that relies on the argument that a company’s first role is to focus on the shareholder dimension which is maximize the profit as much as possible (Buhr and Grafström, 2007). Opponents say that CSR represents a “distraction from the economic role firms are playing, which is to generate profits” (Buhr and Grafström, 2007). Jensen (2002) brings more explanations to these views clarifying that the stakeholder approach is considering that every stakeholders should be taken into consideration by the leaders and managers when the shareholders approach focuses increasing the company’s profits and improving the value of firms

Even though these two approaches clearly deviate one from the other, some scholars such as Smith (1863) have shown that both could work together. Indeed, generate more benefit can help societies to have a positive impact on societies. Smith (1863) also stands for his well-known theory of “the invisible hand”, which clearly encourage business to improve their profits to ultimately increase the society. For this researcher and economist, the stakeholders and shareholders are then linked, can work together and even help one another to grow. Although, Smith brought these theories a couple of centuries ago, his argument are still of current matter. Nevertheless, there is still no construct that integrates the two approaches and it may seem a bit easy to apply Smith’s “invisible hand” to CSR, since many determinants impact its actual efficiency Therefore, the study will now focus on the arguments hold by both sides.

## 2.1. The standpoint of defendants

If CSR have been researched by many authors since several decades, it is important to notice that the arguments brought to light years ago are still of a current matter.

The main argument of defendants is that if corporations are investing on the social level, it will be in their self-interest in the long run, Davis (1973). This point of view contradicts the researchers that relies on the fact that it does not make sense to spend money to increase profits. Indeed, the defendants of CSR are emphasizing the strong correlation between business and society to convince companies they would benefit if they had a positive impact on society.

One of the benefit a company can get through implementing CSR within its management is to have a positive brand image, therefore, the amount of customers reached by the company can improve (Davis, 1973). Also, being engaged on the social level internally will provide the corporations with more involved employees. Thus, the company can expect to be more performant.

Davis (1973) is also drawing attention on the fact that companies can retain power out of the impact they have on societies, and this can be achieved only if they implement CSR. David & Blomstrom, 19971) even think that society gives a “charter” for company to exist, and if corporations are not matching society’s expectations, they can lose their reason to exist. Therefore, they have to fulfill the needs of society (Davis & Blomstrom, 1971). Hence, it is, according to both of these authors, fundamental to implement CSR in order to keep a social power.

Finally, social and environmental issues are growing and everybody on the planet will eventually suffer from it, directly or indirectly, including companies and their profits. This being a fact, it is obvious than everybody would benefit from solving this issues, and that therefore, companies would be granted of a positive impact by implementing CSR (Davis, 1973). The importance of implementing CSR straight away resides in the fact that if corporations are waiting for it to be of vital matter, they will have to spend more time and money on these issues, and then, less on their main strategies related to direct profit.

## 2.2. The outlook of opponants

The opponents of CSR are pointing out that companies should not, or are not able to implement such concept and at the same time correctly fulfill their first function, which is to generate profit (Robert, 2003).

According to Robert (2003), a corporation is “an idea, an imaginary entity, without substance or sensibility”. Therefore, this author put forward that corporations are unable to be “responsible”. This responsibility relies on the people that are running the companies, which cannot take actions on the corporation’s scope (Robert, 2003). Milton Friedman shares Robert’s word as he says that businesses can only have artificial responsibilities (Friedman, 1970). The well-known economist and Nobel Prize winner also agrees on the fact that only people within a corporation can take responsibilities on an ethical level.

Another argument of opponents of CSR lies in the fact that ethical engagement is driving companies away from their main goal. That’s what Porter & Kramer (2011) are defending. Indeed, these authors have been saying that companies are basically participating enough to society’s well-being by making profit. Hence, profit has a positive impact on the economy of a society, by generating employment, paying wages and therefore increasing purchasing power, but also for investment in the national state but also abroad, making the country competitive on a worldwide level. Following these theories, which clearly refers to the shareholders approach, the improvement of social well-being will be a consequence from the profit earned by shareholders. At this point of the research, we can also note the similarity to this approach with Smith theory: “the invisible hand”.

Moreover, some authors that have devoted time to prove the benefits of implementing CSR, have also researched the negative points of adopting this concept. This is the case of Davis (1973) which reminds that the performance of a company is measured by financial and economic indicators and that, therefore, the main purposes of a business are economic and financial. This is the reason why managers and stakeholders are focused on improving the profit of companies (Davis, 1973). Furthermore, it is admitted that CSR costs a lot to implement. As a result it can be an important financial risk to implement, and Davis (1973) even claims that it could lead a fragile company to bankruptcy. In order to avoid this, companies need to find a way to offset these expenses, for example, by raising the price of the company’s

products. However, this would have a negative effects on both the competitiveness of the company compare to similar supplier but also for the company's image in customers' minds, which would not buy as much products, leading for example to a reduction of sales. Finally, the most important argument to oppose to the implementation of CSR is that, in some ways, it could drive to reduce the social positive consequences that businesses have through their economical results. Indeed, a reduction of sales – to keep the same example – would cause a raise of the unemployment rate, which would go completely the opposite way of CSR goals.

### 2.3. The view of companies

Firms' approaches toward CSR have been researched a lot, if not the most. Indeed, many authors have been trying to bring to light the fact that CSR is a positive thing for companies. Indeed, scholars, have spent time showing the efficiency of CSR for companies, the outcome that they could get from the construct or even how important it is to invest in a CSR strategy.

In 2008, Smith put forward the fact that firms needed to care about CSR as they needed to keep stakeholders happy and motivated. Indeed, customers, investors or even employees care about social and environmental responsibility as they are directly involved in the construct. Therefore, they are a real motivation and create genuine incentive for companies (Smith, 2008). However, there are also other factors that can motivate companies to implement CSR.

Van Marrewijk (2003) classifies the reasons for firms to engage in CSR into three categories. The first one gather all the society's pressures. Indeed, due to the work of many associations and non-profit organizations, people in the community are getting progressively more aware of the benefits of being socially and environmentally responsible. Therefore, they are pressuring companies, which can make a much bigger move than individuals, to get involved. The second category of reasons collects all the governments' regulations that force companies to respect certain quotas regarding social and environmental duties. Finally, the third reason for companies to implement CSR is their own genuine interest. Lots of companies develop an authentic concern towards the responsibilities they have in the present to make the future a better place or at least not to aggravate the current problems we may face nowadays.

In 2006, the Interdepartmental Commission for Sustainable Development brought more information to supplement Van Marrewijk's approach (2003). Indeed, the Commissions stated



that firms were motivated by two categories of factors to engage in CSR. First, internal factors – employees and managers’ genuine concerns – and second, external factors – customers and governments’ pressures. This element correlate with Van Marrewijk’s approach that assume that companies are “obliged to” or “made to do so”.

Amongst all these factors, many researchers tried to show that the customers’ perceptions remain the most important factor to provide a successful CSR. Indeed, CSR can only be productive and efficient if customers are convinced of the honest commitment of companies towards CSR (Yoon, Gurhan-Canli & Schwarz, 2006). However, it is quite straightforward that customers’ perceptions are far from unanimous and above all far from positive. A study conducted by Mohr et al. (2001) highlighted that 7% of the customers did not believe companies were truthfully altruistic when 29% claimed that companies were just self-interested. The others agreed on saying that companies had many motivations in implementing CSR.

If lots of time and research have been used to improve knowledge about CSR, it still remains complicated for company to succeed in implementing it. This failure can be explained by the clear misunderstanding of companies about customers’ desires. Indeed, customers’ reactions, attitudes and behaviors are very complicated and it is hard to prevent them (Bhattacharya and Sen, 2004). From now on, researchers need to focus on customers’ attitudes towards CSR (Yoon et al., 2006)

#### 2.4. The perspective of consumers

This part aims to find out whether CSR can really influence the purchasing behavior of consumers or not. Researchers are not unanimous about the answer.

In the first place, let’s devote some time to the authors that think CSR does have a real shot at influencing customers’ purchasing behavior. D’Astous and Legendre showed in a study dating of 2009 that customers were sensitive to companies that had ethical engagement and developed positive attitudes towards products coming from these CSR committed corporations. Another point is made by Uusitalo and Oksanen (2004) regarding the fact that ethical and responsible consumption is becoming trendy. CSR practices are on the rise in society’s mind, therefore, it can influence consumers’ purchasing behavior. A survey gives 90%

of customers claiming they take CSR features into consideration when processing to a purchase (Smith, 2008).

However, some other authors are more reluctant when it comes to the influence CSR may have on customers' purchasing behavior. Actually, there is a big difference between the intention of purchasing a product coming from a CSR engaged company and the actual buying process (Boulstridge and Carrigan, 2000). Roberts (1996) supplements that idea and even give a name to that construct, calling it the "attitude-behavior gap". Indeed, people may have the sincere intention to buy a product involved in CSR over a classical product, but after combining other factors of decision – price for instance – they may change their minds. Besides, the most important factors that are determinant for the purchasing process are known to be the price, the value for money, the quality of the product and the brand awareness. Boulstridge and Carrigan (2000) add that ethical factors will never be favored by consumers over these classical ones. These authors put forward that the brand-image, may be as good as it can be, will only reinforce a decision that has already been made. A direct consequence of this theory is that responsible firms have very little reward for being social and environmentally friendly whereas irresponsible corporations are never punished much for unethical practices. Thus, the question companies find themselves facing is: why should they invest money for something that will not surely pay off? Furthermore, studies have shown that the purchasing process is already quite complicated and that customers are not willing to add more criteria (Carrigan and Attalla, 2001). Another counter-argument regarding the influence CSR might have on purchasing process is that CSR does not grant product with more attributes or features that could benefit customers directly (Aaker, 1997). Mohr et al. (2001) also emphasize that survey about CSR are hardly representative because of the attitude-behavior gap. Indeed, it does not cost anything to answer a survey when on the opposite, processing to an ethical and responsible buy cost some extra money that process to a mainstream purchase.

Another point that this study want to bring to light is the clear lack of information about the value of CSR for consumers. If we can find in the literature a lot of studies about the value of CSR for companies, the similar topic is hardly approached for consumers. Nevertheless, it seems to be a major part of the solution to implement a successful CSR. It is true and logical that customers will care and support CSR engaged companies only if they benefit from their positive purchasing behavior (Green and Peloza, 2011). Green and Peloza (2011) also advance

that a “win-win” situation is necessary for both parts – customers and companies – to get involved in CSR and assure its success. Seth, Newman and Gross (1991) supplement that idea by highlighting the fact that no matter the industry, creating value for consumers is essential and fundamental to get their support. Moreover, Seth et al. (1991) give five values that are influencing the customers’ purchasing behaviors. According to them, people are deciding to buy a product regarding the value they get on the emotional level, the social level, the functional level, but also the supply and egocentric levels. However, twenty years later, Green and Peloza (2011) criticize this model by pointing out that it is not suited for CSR purchases specifically. This argument is backed up by Costello and Osborne (2005) which judge the supply and egocentric value too “weak and unstable” for a socially responsible product purchase. Therefore, in 2011, Green and Peloza simplified the model by giving only three values to take into consideration in the purchasing behavior of customers; emotional, social and functional.

The first value is the social one. It comes from the fact that in society, individuals judge each other according to their behaviors, including what they buy. It is not a breakthrough to acknowledge that people are under the influence of a strong social pressure. That is to say, people will be considered by their social group granted on what they buy. Hence, most customers want to make a good impression in their social circle, and motivated by this idea, will be encouraged to buy ethical products.

The second value is the emotional one. This value deals with the feeling customers may have when buying a socially responsible product. Indeed, most people will generate a positive feeling by making something good for the environment or on the social level. It is true that studies show that altruistic behaviors give a good feeling to people. Many associations and non-profit organizations rely on this idea to operate. It is the case of “Les Restos du Coeur” in France, which depend entirely of the good will of people and company to give away food and goods for the poorest.

Finally, the third value is the functional value. This is the most material idea. It refers to the actual benefit the customers have when processing to a purchase related to CSR. The functional value is tightly linked to price and quality features. Indeed, either the consumers will benefit on a financial level or on a practical level. Green and Peloza (2011) put forward

the example of a campaign that gives a free lipstick for five used lipsticks brought back to the shop. By doing this, customers are both acting for sustainable development and getting an actual benefit from their actions.

### 3. Theoretical framework

Corporate Social Responsibility is a construct that is getting more and more interest and space in the corporate world, but also in the society. Indeed, consumers are keeping eyes on the responsibilities corporations take or not regarding ethical issues. Thus, many companies have lately been either rewarded by their customers for an ethical involvement or punished for irresponsible actions on social or environmental levels.

Customers are the main source of profit for corporations. Therefore, it clearly appear fundamental to understand and satisfy their needs. As a matter of fact, CSR can only be successful if customers are supporting it. Until now, researchers have only been focused on the measurement of CSR to prove its relevance for companies on a financial level. However, this approach has been misleading companies in a wrong direction. Indeed, before trying to measure the results, CSR needs to be successful, and in order to achieve such a state, companies need to understand consumers' expectations and create value for them through their CSR strategies as they are the only ones that can create financial value to companies.

Accordingly, Green and Peloza (2011) clearly outline that to succeed their CSR engagement, companies need to makes consumers aware of what is CSR and create value for them so they can reach a win-win situation. Customers are the only indicators for the evaluation of the relevance of a CSR strategy for a given company (Bhattacharya and Sen, 2004). This is so far, the only way to measure CSR efficiency, no KPI of any kind can attest or encourage a company to implement a CSR strategy or engage on the ethical level. Therefore, this study intends to give information and explanations about the perceptions consumers have of CSR and how companies can create value for them through their CSR engagement.

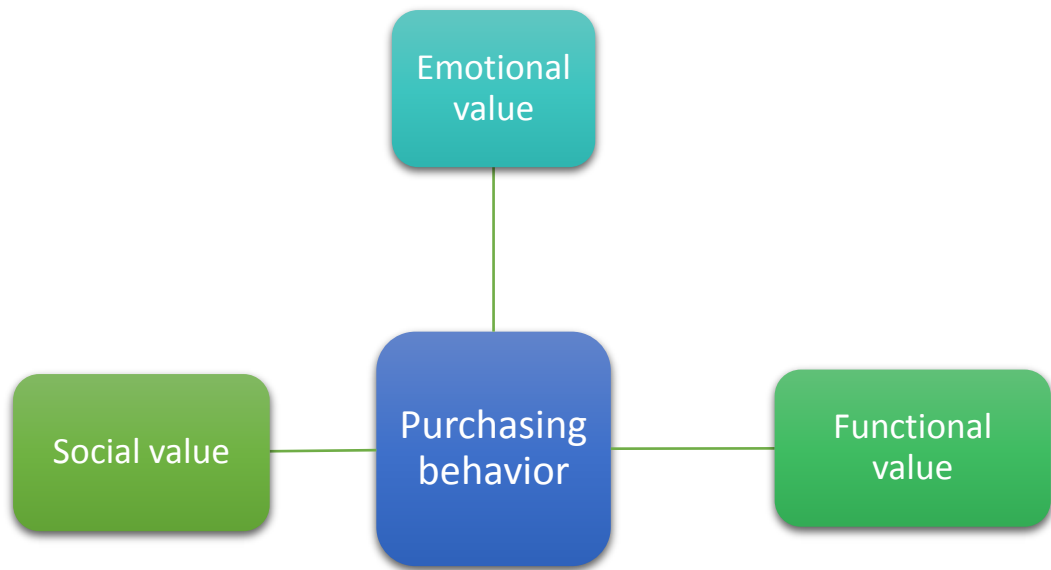


Figure 1: Theoretical framework

## Chapter 2 – Methodology

### 1. Research objectives

So far, this research highlighted the clear lack of knowledge about the creation of value for consumers, which appears to be the main issue in implementing a successful CSR strategy. Indeed, until now, most authors devoted studies to the value CSR could create for companies, and how could we measure this value. However, this approach has obviously not been enough for companies to make their CSR successful. Therefore, this study aims to assess the possibility of initiating a profitable CSR strategy through the creation of value for consumers. The researcher will walk through that by analyzing consumers' point of view over CSR.

This paper will observe the perception of consumers about CSR, investigate the value created by CSR for consumers and how can it influence their purchasing behavior. The overall end to this research is to help corporations to carry out a profitable CSR strategy.

The research question is addressed as follow: “How the creation of value for consumers can improve the incidence of CSR for companies. This study will try to give a concrete answer to this question by dealing with three objectives:

Research objective 1: **Perception and knowledge of consumers about CSR**

As argued previously, CSR interest has been rising a lot amongst the general public the past few year, but also and above all, the topic has been largely discussed by corporate and business leaders and managers, as well as studies by many authors and researchers. It is now fundamental for businesses that are engaged or planning to commit to CSR to get a good understanding of the customers’ opinion on CSR in order to reach them more easily. Indeed, companies depend on customers’ willingness to include CSR in their purchasing process. Moreover, as the definition of CSR is still blurry and hardly reaching a consensus, therefore, having the view of consumers on this construct might help to get a clearer picture of it and thus get a better control of its appliance.

Research objective 2: **Link between CSR policies and consumers’ purchasing behavior**

This theme aims to discuss the gap between the attitude and the behavior of consumers. As learnt before, the literature shows that social activities and programs of associations or non-profit organizations have a positive impact on consumers’ purchasing decision (Van Marrewijk, 2003). This part of the research will help to find out about an eventual correlation (other than just theoretical) between CSR policies and consumers’ purchasing behavior. This will help to appreciate if the attitude-behavior gap can be reduced and affect the success of CSR.

Research objective 3: **Impact of value creation for consumers on their purchasing behavior**

We have acknowledged in the literature chapter that customers will support the CSR engagement of companies only if they can benefit from it through the creation of value (Boulstridge and Carrigan, 2000). Indeed, customers will have a positive purchasing behavior and include CSR features of products in their purchasing process if they gain direct value from their purchase. This research objective also mean to categorize the different kind of value that can be created through CSR, and which value have a real impact on customers’ purchasing behavior. This study is based on the model of Green and Peloza (2011) that includes the three most relevant values: social, emotional and functional. The goal is to identify if a value is more

influential than the others. This way, corporations would focus on the most interesting value that could make their CSR engagement efficient. The researcher will also spend some time to comprehend if consumers consider other important thing, besides the creation of value, through the interviewees' declarations. Eventually, the goal is to make consumers more aware about ethical behavior and encourage them to include more responsible factors in their purchasing process.

These three research objectives are connected to one another and will give a coherent frame to the study. Starting with the analysis of the perception that consumers have of CSR, this paper will then end with the assessment of the impact that value creation has on customers' purchasing behavior.

It is important to note that this paper will deal with the perceptions of consumers in 2016, as these observations might evolve pretty fast in the following years. Indeed, as Dahlsrud (2008) explained; "CSR is socially constructed in a specific context".

## 2. Experimental outlook

In order to find relevant knowledge and answer the three research objectives, this study will follow a qualitative approach. This approach can also be called "phenomenological" as it includes a philosophical perspective on top of a qualitative methodology. This approach highlights consumers' experiences and subjective interpretations. Indeed, in a phenomenologist viewpoint, the researcher needs to find out the vision that people have of the world, or how a construct appears to them. In this situation, it is relevant since the study aims to understand how CSR is perceived by consumers in order to analyze the impact of value creation on their behavior.

This paper will also follow a relativistic approach. Indeed, as it will deal with the analysis of perceptions, which cannot be objective, it is important to remember that there is not one universal truth. Actually, all the answers collected through the interviews depend on the context. This implies also that the results found are subjects to evolve. The current context being seen as a "post-economic crisis" period of time, the views of consumers towards CSR will likely change in the future. At the same time, the results found in 2016 will probably differ from the one collected by authors in their previous research.

### 3. Methodological approach

This research wants to justify the importance of value creation for consumer. To verify this statement, the researcher need to process to an in-depth analysis of the data collected. Therefore, a qualitative research is the most appropriate way to obtain these outcomes.

Johanesson and Perjons (2012) show in their work that there are three methods to collect data: interviews, group discussions and questionnaires. According to the objectives of this research, the best way to collect and analyze data will be to interview consumers so they can share their opinions without any restriction. By speaking freely, they will allow the researcher to have a full understanding of the phenomenon. Most of the previous research about CSR have been following a quantitative approach. For this reason, this paper will use a qualitative approach in order to get a deeper analysis of the customers' perceptions and of the value creation they are looking for.

The researcher will also follow a deductive approach – as represented on the figure 2 below. Indeed, this paper will deduct an analysis based on what consumers think or feel about CSR and how value creation can be one of the most important factors to lead to its success. In 2010, Wilson explained that a deductive approach corresponds to a hypothesis that is made according to an existing theory. Afterwards, a strategy is conducted within the research to test the hypothesis and prove the findings. This research is based on the theory that value creation can be a key factor to lead to the success of CSR by having a positive impact on consumers' purchasing behavior. Therefore, a deductive approach seems to be the most relevant way to prove or question this theory. The theory will be tested through the research objectives. Actually, the sub-themes will help to collect empirical data that will verify the existing literature but also help make new findings about other factors that may be influential to CSR success in 2016. As the responses of the interviewees will be subjective, the researcher will have to adopt an interpretative method as well as a deductive one.



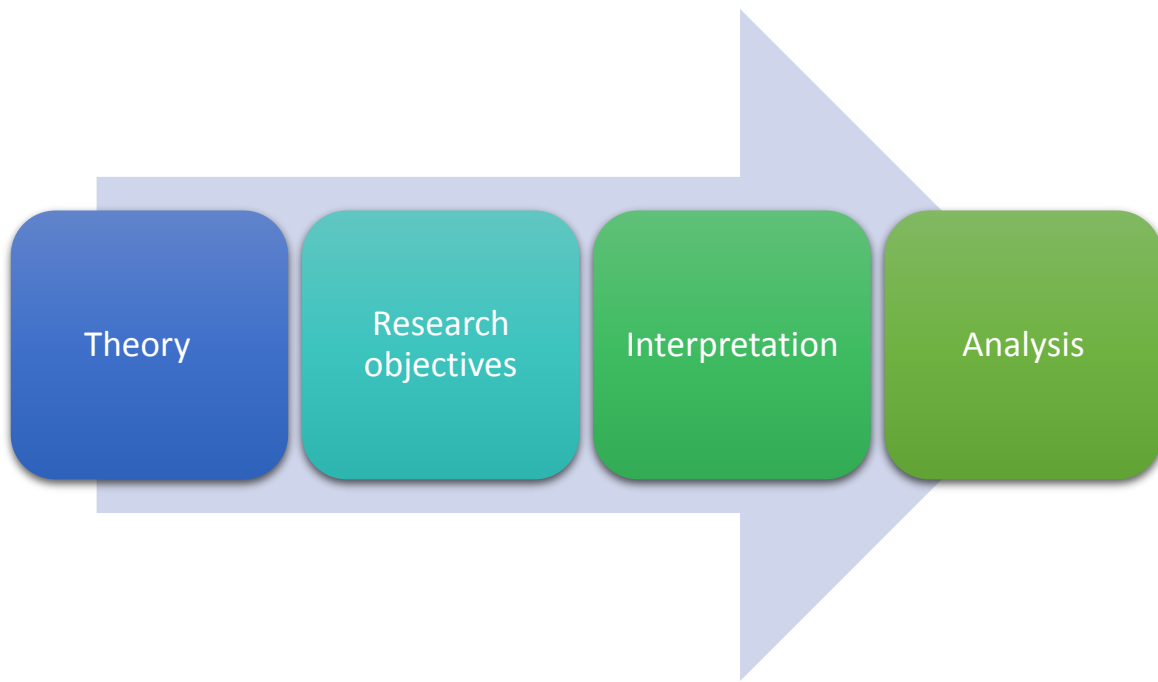


Figure 2: Research process - Interpretative approach

### 3.1. Collection of data

The collection of data will be accomplished thanks to semi-structured interviews. These kind of interviews are the most appropriate solution to gather qualitative data (Eriksson and Kovalainen, 2011). A qualitative research is the best way to have interactions with the respondents and direct reactions, which allow a better evaluation of the interviewees' opinions and feelings. This method of data collection will definitely help us to asses if value creation is influencing customers' behaviors. The researcher created an interview guide to structure the discussion with the consumers. The interviews will be divided into three themes that will help us classify the information to answer our three research objectives. The advantage of semi-structure interviews is that the respondents have some time to address other question or topic that might have been left out by the interview guide. In a way, they are freer and the researcher can let the discussion goes with the flow. This kind of interviews are consistent and helpful to gather thorough data that will allow the researcher to completely investigate every extent of the topic (Bryman and Bell, 2003).

### 3.2. Selection of interviewees

According to Rowley (2012) the size of the sample has to do with the research. Moreover, it must take into consideration the factor of time. Indeed, conducting and analyzing interviews take time. In accordance with these elements, Merriam (2009) and Rowley (2012) have agreed that a sample of 10 to 12 respondents was good enough for a new qualitative researcher. Given that this thesis is also restricted in time, it will be based on 12 conversations.

Regarding the matter of time, these 12 interviews will last from 30 to 45 minutes and will target mainly student from 20 to 30 years old. This choice have been made in order to avoid irrelevant respondents that would not know what CSR is at all. Indeed, it is admitted that current students have, at least once, been confronted to the concept of CSR in some courses. The goal is to reduce the risk of eventual interviewees' lack of knowledge. As a matter of fact, it would be a loss of time and would complicate the process of data analysis. However, to make the sample more representative and diverse, I also chose to interview two persons that differed from the original targeted respondents: two older person, that completed their studies and are now working.

### 3.3. Introduction of the participants

The researcher will briefly give information about the age and the main activity of the respondents, as well as the first bound the interviewees might have to the concept of CSR. The study being conducted in Czech Republic, all respondents are Czech people.

Darja is 22 years old. She is a student at the University of Economics of Prague. She is in her first year of Masters in International Business and have a general positive opinion of the concept of CSR.

Kristian is 26 years old. He is interning at SAP, an IT and software solutions company. He already heard of the concept of CSR but it gets a bit blurry when asked to define it. He says he "does not care much about it".

Marcela is 23 years old. She is in exchange at the University of Economics of Prague, completing her final year of Masters in Ethics and Sustainable Responsibility. She wants to work towards CSR to help companies implementing their CSR strategy.

Lukas is 24 years old. He is completing his final year of Master's Degree in International Business at the University of Economics of Prague. He does not have any experience towards CSR. However, he had a course about sustainable development that he really enjoyed.

Elena is 23 years old. She is completing her final year of Master's Degree in International Business at the University of Economics of Prague. She is, at the same time, interning in a local Czech marketing agency that sells textile products. She approached CSR in some of her classes but does not have special knowledge about it.

Stefan is 24 years old. He is graduated with a Masters in Human Resources and is now studying to have a specification in International Human Resources Development at the University of Economics of Prague.

Kamila is 25 years old. She completing her last year of Masters in International Business. She is writing her thesis about the social considerations in an intercultural company.

Milan is 24 years old. He is completing his final year of Masters in International Law at Charles University, in Prague. He says he "does not feel very concern by the concept of CSR".

Mariana is 21 years old. She is completing a Bachelor in Marketing at Charles University in Prague. She wants to study a Masters in International Marketing. She never had a class related to CSR or work in a company involved in sustainability.

Filip is 22 years old. He was born in Russia but emigrated to Czech Republic 5 years ago. He is completing his Masters in International Business as well as working in a Czech advertisement agency. He says he "clearly feel the difference of concern towards CSR between Russia and Czech Republic".

Jakub is older than the rest of the interviewees. He is 48 years old and is lecturing at the University of Economics of Prague. He is teaching Project Management and is also working for DHL in Prague, Czech Republic. He is very interested in CSR.

Ida is also a bit older than the average age of the initial sample chosen. She is 35 years old and is working full time at Hard Rock Café Prague as a General Manager. She has been in contact with the concept of CSR as it is an important part of Hard Rock Café strategy.

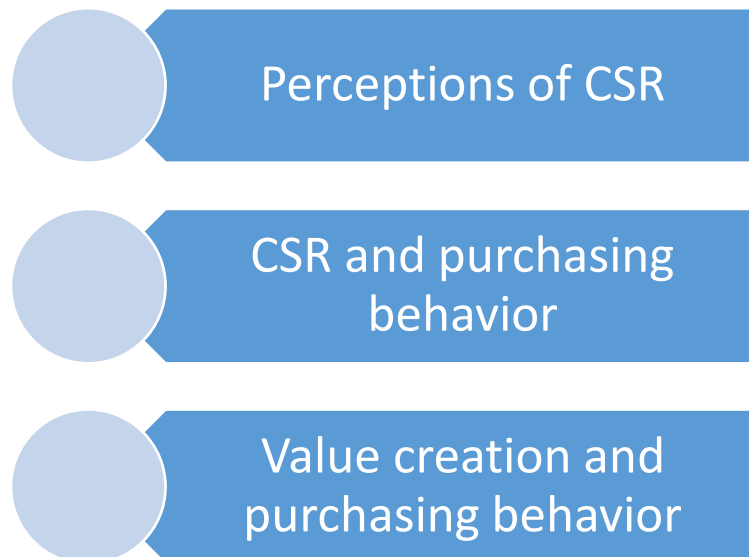
### 3.4. Ethical consideration

The ethical consideration have an important role in this thesis. Indeed, the researcher is responsible towards the respondents and have to give them certain guarantees. Therefore, before the beginning of each conversation, the researcher will be clear about the goal of the study and will assure that the paper will not have any commercial or financial purposes. Moreover, the researcher has to make sure that all respondents agree with their speech being quoted in the thesis and will affirm that all the testimonies will be kept anonymous. To respect that engagement, the names will be changed as they do not bring any relevant knowledge to the research. In addition, the interviews will stay confidential, even after the thesis is achieved. The goal of these ethical considerations are to earn the trust of the interviewees, but also to respect the ethical aspect before conducting the interviews. This measure will help the respondents to feel confident and therefore give trustworthy and reliable data.

## Chapter 3 – Findings

The research implies twelve semi-structured interviews that will help to understand what CSR refers to in 2016. In order to find out more about CSR, the study will focus on the perceptions of consumers towards the construct but also on the impact that value creation have on their behaviors. This chapter aims to introduce the empirical results and the most relevant findings found in the interviews. To preserve the anonymity of the respondents and respect ethical consideration, the names used have been selected randomly amongst the most common Czech names, as the study is conducted in Republic Czech.

The following findings will be presented according to the three themes of the interviews (see below) to answer the three research objectives defined earlier.



## 1. Customers' perceptions of CSR

### 1.1. General knowledge about the concept

In the first theme, the interviewees were asked about their general knowledge of CSR. If some of the respondents were not sure about the concept, the researcher used context to explain CSR has to do with the positive impact companies may have in society. After a quick introduction to the subject, all of the respondents were able to explain what CSR was to them.

The first interviewee was Kristian. He basically think that the value customers get out of CSR is not very meaningful

*"CSR covers the whole spectrum of social and environmental good practices that companies integrate in their business strategies. I think that it is a great initiative, but the problem is that the concept is very vague and does not bring value to consumers: (Kristian)"*

Marcela, another respondent, also agrees on the fact that the concept of CSR is quite blurry. However, she emphasizes on the fact that she can hear the term more and more in the society:

*“First of all, I have to say that CSR is a vague notion, even though it seems to be more and more important in our society from what we hear. I consider that it is amazing that as consumers, we do not really know what it is, while it is gaining more and more importance. I would relate this concept to the responsibility of companies and the fact that they have to enhance their positive impact on human rights and social aspect, but also environmental aspect” (Marcela)*

Nevertheless, some the interviewees said CSR was a complex concept rather than an unclear one. One of them even think it would be almost impossible to define precisely:

*“The concept of CSR is the obligation for organizations whatever their field of activity, to integrate the environmental and social impacts that they have, in their business strategies and actions. However, such a concept is complex and consequently almost impossible to define” (Lukas)*

If the results immediately show that all customers relate CSR to social and environmental dimensions, it is important to notice that the term “voluntary” is clearly missing out. Indeed, people see the involvement of companies towards CSR as an obligation rather than a deliberate engagement. In the next section, the researcher will bring to light a certain critical argumentation towards the concept of CSR.

## 1.2. Consumers’ critics about CSR

In a nutshell, this first section explained how complex and vague of a concept CSR appear to consumers. Even though they all knew about it, not all were convinced by the good of its purpose. Therefore, these first results led to another sub-theme: the critics of consumers about CSR.

Darja, for instance, does not think that having a clear definition of the concept is the main element to contribute to the success of CSR, as everybody has its own perceptions of it. However, she questions the sincerity of companies regarding CSR purposes.

*“The companies should guarantee that they respect their engagements to gain the trust of the consumers. I think that people are very skeptical towards this construct, not because they consider it to be vague, but mainly because they don’t trust in the good faith of companies.” (Darja)*

Elena agrees with Darja about the real challenge of businesses regarding CSR. For her, corporations have to earn the trust of consumers:

*“CSR is mainly a public relation trick, which makes the companies look better, more aware and ready to integrate other values than profits. However, it does not mean that they really contribute, but more that they are hiding behind a facade and rely on hypocrite good values to sell more.” (Elena)*

If customers are very skeptical about companies' sincerity towards CSR, it is because they have been tricking their customers a lot lately. That is what Stefan talks about. He even introduces the notion of “green washing”:

*“I would say that companies fall into the simplicity of using CSR to improve their brand image. In other words, they use the “green washing” strategy, meaning that they only try to reach more consumers by doing so. I think that people are aware about it, which leads them to have a negative perception of organizations' intentions, in addition of all the manipulations that has been going on in the last few years. The latest example is the disaster of the Rana Plaza in Bangladesh where a company like Benetton which pretends to be socially responsible, actually had a production there.” (Stefan)*

The results of this section show that a lot of consumers are very puzzled about the sincerity of companies towards their CSR engagement. This fact could obviously have a very negative effect and limit the integration of CSR in customers' behaviors. Therefore, the study will focus on how purchasing behaviors of customers can be positively affected.

## 2. CSR and purchasing behavior

### 2.1. The disinterest of customers

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Once the research brought to light the main points of view of consumers about CSR, it need to perceive if they integrate the concept in their purchasing behavior. If most of the respondents had quite a critical opinion of CSR, almost all of them explained why they were skeptical. Only one was very rough and direct saying he did not care at all about CSR, without explaining his thought.

The first respondent to give a negative opinion about CSR was Kamila. She implied that she would not include the CSR engagement of companies in her purchasing behavior as it would change her way of shopping and she does not want to be bothered in her routine. She says:

*“I do not really care about which company is socially responsible when I have something to buy. The simple explanation is that unfortunately, I am not ready to change my consumer behavior. People do not like the idea of change. They like their routine and their own comfort, even if it is very selfish. It is sad to see that I am like everyone else.” (Kamila)*

Milan, the second respondent, thinks the buying process is enough complicated to add one more criterion:

*“Of course social and environmental impact of companies is important, but it is too complicated to integrate that factor as a consumer. It would mean that in addition of essential factors like price and quality, we would have to investigate who is really responsible or not and consequently waste a lot of time doing that.” (Milan)*

Nevertheless, another interviewee, Lukas, counterbalances the previous arguments. Indeed, he explains that CSR can have an impact, as long as it does not take over the other priority criteria. He says:

*“If two similar products would have the same price and features, we would choose the one with the most important responsibility from a social and environmental perspective.” (Lukas)*

Another aspect that could interfere with customers' opinions of CSR is the frame of society's mind. Indeed, Filip thinks that most people can be very influential regarding the general thought of society. He explains his thought:

*“The convenience remains the most important factor when you buy something, and unfortunately I don't integrate CSR. The point is: it is common to behave like that and nobody is going to judge you because you buy from an unethical company. For example, we all buy clothes at H&M which has a terrible policy when it comes to child labor, and nobody criticizes it. If it was “less normal”, maybe we would care more and it would influence our purchasing behavior.” (Filip)*



However, other respondents like Mariana justify their behavior by questioning governments' involvement in the success of CSR. She says:

*"I think consumers look for products fitting their personal needs, so they are indifferent to social responsibility of the companies. However I don't think that consumers are the one to blame, as I believe the government should take care of that by setting a minimum threshold of social responsibility for every single organizations" (Mariana)*

Another idea that lots of respondents came up with to legitimize their lack of regard towards CSR is based on the fact that consumers do not benefit directly from CSR. Kristian was the first respondent to bring it to light:

*"It does not bring any value and I would have to pay more. I am the one bearing the cost of the CSR without being able to measure its effectiveness. I don't just want to reward a company for any CSR activity, since I am skeptical towards the CSR intention of the company, which defends its self-interest most of the time" (Kristian)*

After gathering information and first testimonies of this second part, we can clearly acknowledge a lack of interest that exists within consumers' mind.

## 2.2. Brand loyalty and product attachment

To enlighten the correlation between CSR and purchasing behavior, the study also needs to deal with another subtheme which referred to the attachment consumers may have for a brand or a product. Indeed, brand or product loyalty interferes a lot in customers' purchasing behavior and may reduce the opportunities of CSR to succeed. The question I tried to lead customers to be: "How would you feel or react if your favorite brand was following irresponsible practices?" The results clearly show important differences between the one that do have a favorite brand and the ones that do not. The research identifies even more consistency when dealing with technological product. Obviously, the main example that the respondents brought up was Apple.

Actually, for respondents that brought Apple up, the attachment to the brand and the product is so powerful that they do not care about the social and environmental impact of the company. They seem to be very dependent on the products, as some of them explained that

they are aware about the negative impact of the company on the social and environmental aspects of society. Kamila, one of them, tries to explain:

*"I actually know that Apple does not have a good social and environmental impact, but I could never sanction them by not buying their phone. It is simply the best mobile I had in my life. And I will always have an iPhone since it has the best features, no matter what the impact of the company is" (Kamila)*

Another respondent backs up Kamila's opinion; For Marcela, the features of the product totally overcome the eventual engagement of the company towards CSR:

*"I know that Apple is not very ethical in its production, but I would simply never stop purchasing an iPhone which is the best solution for me when it comes to phones" (Marcela)*

Hence, the respondents that have a preferred brand – Apple for 4 interviewees – will definitely not punish that specific company by stop using and purchasing its products as they think they are the best on the market. Therefore, these customers do not consider the social and environmental engagement of companies as a decision factor.

However, for the rest of the interviewees, if some of them seem ready to sanction a company that has a negative impact on social and environmental aspects of society, some others join the "fans of Apple". They base their arguments on the quality of products and on the fact that they are not ready to modify their purchasing routine. Kristian, for instance, would not punish irresponsible companies as his priority criteria are quality and features of the products:

*"I care about the product value and quality when buying something. If a product is good enough according to my criteria, I buy it without even considering if the brand was accused of unethical practices. Even if I know something bad about the company, I will buy it because that's the product I want. Unfortunately people like their selfish routine and defend their own interest when buying something." (Kristian)*

Furthermore, amongst the people willing to sanction unethical companies, Mariana pointed out the fact that it is actually easier to sanction a company that have a negative impact on society rather than reward a responsible company. She admits:

*“Of course if I know that a company has a really bad social and/or environmental impact, I would stop buying from them, in case there is a substitute to their product. However, it makes me think that I am actually more willing to sanction a company for an irresponsible behavior, than reward a company for being responsible.” (Mariana)*

### 3. Value creation and purchasing behavior

Once the study gathered information about consumers' behavior and measured the integration of CSR in their purchasing behavior, the research need to focus on the most important part which is the one about the value that can be created by CSR for consumers and how this could change purchasing behaviors. It appeared to be the most important section as some solutions are apprehended and discussed to improve the opinion consumers have of CSR. These solutions could afterwards help companies to succeed their CSR strategy and financial results. The findings of this part bring concrete idea of how companies could boost the sensitivity of consumers towards CSR so they would integrate it in their final purchasing decision.

#### 3.1. The values' influence on customers

The main subtheme approached in this section was the impact of the values on the purchasing behavior of consumers. The findings of this part are dealing with the three values of Green and Peloza (2011): social, emotional and functional. These values are supposed to be the most influential towards the purchasing behavior of customers. The main goal is to see if consumers actually care about these values, which one is the most important and therefore, on which one companies need to focus to reach consumers and make them incorporate the criterion of CSR in the decision making process.

All of the respondents agreed on the fact that the social value is the least accurate value. However, this could be the value with the most potential to influence customers. Although, nowadays, the social value had no impact: nobody put any pressure on a social level regarding ethical purchase. Elena states:

*"If the pressure would be big enough I would think about it, and I would probably take it into consideration. But for now, there is almost no pressure from society; people don't judge you based on CSR, so it does not influence my behavior." (Elena)*

Lukas agrees with this vision, adding that it could change if people were more aware:

*"I don't care about the social value, because people do not even know which organization is responsible or not, making them unable to judge you based on that." (Lukas)*

If this value is the least important right now, it has a real potential to become one of the most influential. Indeed, the opinion of other people can have a very strong authority on consumers' behavior. Darja agrees and mentions:

*"For now, I consider social value to have a really restricted impact on my behavior, but I am convinced that this value could become a big deal if the awareness about this construct would increase..." (Darja)*

However, the emotional value appear to be very suggestible when it comes to consumers' purchasing behavior. For some of the respondents, this value is linked to their interests, and as consumers base their purchase on their interests, it can have an important impact.

Marcela explains that emotional value is the one that influences her the most:

*"Since I am really interested in human rights and environment, emotional value is logically one of the values I am looking for when buying something -out of technological products- and I would feel good realizing a good action, which motivates me to evolve towards a CSR behavior." (Marcela)*

On the other hand, Kristian, another respondent agrees with Marcela, but also bring up the fact to get real emotional value, some consumers may want to do more than buy from a responsible company. He states:

*"I think that this value can influence me to act responsibly, but I have to admit that I expect more than the emotional value when buying something. I consider that if you really trust in something, you do not have to rely on the companies to do it for you and then buy a product: you should engage in a cause you believe in by yourself. For example, I give 30€ monthly to*

*Doctors Without Borders, because I support their actions and feel good for doing this from an emotional standpoint.” (Kristian)*

This leads me to the third value, which corresponds to the functional value, the most important one according to the interviewees, as all of them ranked this the most important value for them, followed by the emotional value, and finally the social value. Indeed, this probably has to do with the selfishness of people as mentioned by Jakub:

These results introduce the third value: the functional content. This value actually overstep the two first one: emotional and social. All respondents claimed this value would be the first one they would care about when purchasing a product. The second one, (very close to the first one for some interviewees) would be the emotional value. Finally, the social value comes last.

Jakub support this order of priority and explains that the social value comes last because people are very self-centered

*“I think that the functional value is the easiest to use for convincing consumers to adopt a responsible behavior. In fact, this value helps them defend their own interests, make them stick to their normal life and habits, which is what people look for as they are selfish.” (Jakub)*

The idea of “selfishness” has been brought up by many respondents. This notion echoes another value that is close to the functional value and that is the “egocentric value”. The current society is very individualistic, which implies that in order to succeed, CSR has to be functional for customers, since it is the value that influences them the most. Indeed, customers consent to the fact they care a lot about their personal routine, needs or desires.

One of the respondents, Stefan, agrees and explains:

*“This is the most important value for me, even if I there is a paradox in it. I am willing to pay more for a product to one condition: if it is responsible for me. In other words, the impact linked to CSR has to be positive and concrete for me as a physical person. For example I buy my fruits and vegetables on local markets, but the reason for doing this is because it is better for my health, not because of the support to local production and employment, or because they*

*reduce the impact of pesticides for the earth. Sadly this is a selfish mentality, but many people think like that.” (Stefan)*

Another respondent, Marcela, agrees with Stefan and this idea of self-center orientation. She justifies herself:

*“If functional value is so important to convince me, it is because this is what serves the best my own interest: I have the example of my cosmetics that I buy from Lush. Of course this is great to know that they produce locally and ecologically from an emotional perspective, but this does not create any direct benefit for me. I have to admit that the decisive factor is the positive personal impact the products have on me, as they are better for my skin and consequently for my health.” (Marcela)*

The results of this sub-theme contribute to prioritize the three different values and highlight the importance of the functional value, and to a certain extent, the egocentric value. Indeed, the most important concern of people is their well-being, comfort and health. Most respondents actually consent to admit they are acting in a selfish way. However, if it is currently the most important value to reach customers, the social value has a strong potential in becoming an influential force to affect customers’ behaviors.

### 3.2. A trend to be encouraged

Now that the study approached the impact of values on customers, the interviews aimed to reach another level; the researcher will try to get the respondents to generate some eventual solutions to improve the sensitivity of consumers towards CSR. The goal is to help companies implement a successful CSR strategy. One of the solutions brought the most by the respondents were the idea of creating a trend in order to turn the social value in one of the most important.

One of the respondent, Darja, seem to be well aware of this need and explained this idea very well:

*“People are very easy to manipulate, through trends, which then become a way to judge each other. I strongly believe that the social value could become the best influence to spread responsible behaviors. I think it should be the same process than it works for fashion to impact*

*our generation and make us integrate it as a standard of life, something to do not to be apart in the society. I think it should start in influent places, like New York or Berlin and spread the trend to become responsible, it would have a big impact on our generation, instead of being influenced by really conservative people.” (Darja)*

Another respondent agrees with Darja. Indeed, Mariana, who said in the previous theme, she was more willing to sanction an irresponsible company than reward a responsible one, explains that it is always very incentive to be part of a movement:

*“I think that such a concept has to be driven by trends if companies want to make it successful and interesting for them. If I am more willing to sanction a company, this is usually when the media cover it massively, when we hear a lot about something bad that a company does: then everyone is aware of it, and the snowball effect makes that you want to sanction the company too to be part of the movement, and follow the trend. This is why I am convinced that it could work the other way around, if we would make a trend of rewarding responsible companies.” (Mariana)*

Finally, Jakub, also share this idea and he even go deeper as he has a vision of the future. He is convinced, trend is the way to go:

*“The real problem is that you can’t expect people to act responsibly by themselves. You have to take them where you want them to go, and the best way to target our generation is to create influential trends. I think it already started in fields like food, where social pressure starts to convince people: for example, more and more people are vegetarian or vegan because people influence each other around this trend. I am convinced that it can work for everything, not only for food, and that in the next 10 years it will have become the main trend to follow, and the main criteria to judge how trendy someone is.” (Jakub)*

Nevertheless, Jakub restrains his theory to certain fields, admitting that it does not apply to technological products or companies, as we acknowledged, are only judged for their features and quality.

This sub-theme clearly point out that if the social value is left out right now, it has a real potential to impact on consumers’ behavior in the future if companies arrange to generate

trend around CSR. As a result, consumers would then integrate the construct in their purchasing process.

### 3.3. The transparency requirements

Later on, the discussion was led to address other solutions, especially regarding the lack of interest that consumers are demonstrating. Most of all respondents consented to say that the transparency of companies regarding their implementations of CSR was absolutely fundamental.

Indeed, in the former sections, the respondents brought up that they were very skeptical about the real purposes of companies when these later engaged in CSR. If this apprehension is mainly due to all the scandals that happened with major companies in the last few years, it is also because of the lack of transparency. As a matter of fact, companies provide consumers with very few information about their CSR engagement.

One of the respondents, Filip, clearly acknowledge that the lack of transparency is a major problem. He points out that customers are tired of being fooled. As he explains in the following, consumers need proves:

*“I strongly believe that the biggest matter to raise the awareness and confidence of consumers is the transparency of companies. They have to work on the fact that people are skeptical, and consequently bring relevant proves about the respect of their commitments, but also about their actual results. It is not enough to communicate about it through well elaborated marketing speeches or nice communications on their website. People won’t accept to be fooled again, and the transparency is the step towards confidence leading to more responsible behaviors” (Filip)*

Another interviewee, Kristian, even mention the “manipulations” that he believes, are operated by companies, and that disfavor the success of CSR:

*“If CSR has a negative connotation to a lot of people, this is because of all the cheating that has been going on, all the scandals that people heard about when some companies were supposed to be responsible according to what they were saying, until the point we find out this is a lie used by these companies to work on their brand image. People want to see a real*



*change, and it starts by turning their skepticism into confidence. According to me, transparency is a central notion that companies should keep in mind, to prove consumers their good faith” (Kristian)*

Transparency appears to be a key factor to CSR success, especially since customers claimed they would be ready to act and buy ethically if they were guaranteed that companies were sincere towards their engagement. This idea is supported by Marcela”

*“Even if I am skeptical, there is no doubt that CSR is good and important, and of course I am ready to evolve towards a more responsible behavior. I think that our selfishness also comes from a clear lack of transparency from companies, we always doubt about the honesty of their intentions, because everything seems to be a greedy marketing technic. We need proves of their engagement, a way to follow-up, track their impact, and avoid finding out we have been fooled once more after years spent thinking that this or that company was pretending to be responsible.” (Marcela)*

Moreover, some respondents like Ida, demonstrate concretely how companies could be transparent to consumers regarding their practices:

*“Companies really need to think about their technics of communication, and define the most efficient channel to inform consumers if they want to address our skepticism. To me, the social media are the most useful and relevant to use as my generation is always very connected to these platforms such as Facebook or Twitter. The advantage is that these tools of communication offer great possibilities to interact with consumers in real time, post updates daily, instead of relying on an annual report that nobody would read or trust. Organizations should also think about ways to work in partnership with independent communicators to ensure a total transparency to us.” (Ida)*

Finally, this last theme of the interviews brought some very interesting ideas that could solve the issues companies are facing to succeed their CSR strategy. Indeed, according to the respondents, companies need to generate trend around CSR in order to increase the influence of the social value, but above all, they need to be truthful and transparent to consumers regarding their eventual engagement towards ethical practices.

The findings were based on the three themes defined according to the research objectives. In the next section, the research will analyze each theme and subthemes to observe which findings are relevant to our contribution. The structure of the themes and subthemes can be found below:



Figure 3: Structure of the interviews

## Chapter 4 – Analysis

In this chapter, the research will combine information from the literature review and findings from the interviews to analyze the results and observe the contributions that the paper can be carried out.

### 1. Customers' awareness of CSR

#### 1.1. General knowledge about the concept

The first element that the interviews helped me figure out was the perceptions that consumers had of the construct of CSR. It particularly shows that their knowledge was not constant within all the respondents, but above all, that it was not very intense.

The definition of CSR brought up in the literature part and given by the European Commission states that CSR is “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. The interviews meant to establish a parallel or at least a comparison of this theoretical definition and the idea that consumers had of the concept of CSR. If, some similarities were clearly observed; consumers seem to understand clearly the social and environmental aspects of CSR, almost none of the respondents linked the concept with the idea of “voluntary”. Most consumers believe companies engage in CSR because they are forced to. This outcome of the interviews contradicts Dahlsrud (2008), which claims that the voluntary nature of CSR is accepted by all stakeholders, consumers included.

However, this finding correlates with Kakabadse et al (2005) which emphasize on the importance that the context has when it comes to defining CSR. Interviewees also agree with Kakabadse et al (2005) by saying that CSR is complex construct based on multiple specifications of the environment, the organizations but also the individuals. As a result, it is very complicated to obtain a single definition, which was supported by a respondent – Lukas.

It is relevant to notice that these two features gathered by both the literature and the interviews do not have the same level of importance depending on who is speaking. Indeed, from a scientific perspective, it is more important to have a clear single definition of a construct, when from consumers’ perspective, it is more important to be sure about the voluntary nature of CSR. If Dahlsrud (2008) states that “the lack of a general definition can lead to confusion for companies, and obstruct academic debate and corporate implementation”, consumers, on the other hand, restrain their opinions to the fact that companies seem obliged to engaged in CSR, which therefore, question their sincerity. This is what the study will deal with in the next section.

## 1.2. Consumers’ critics towards CSR

Given that consumers believe CSR is a very broad and vague concept, the research has to enlighten the fact that they also are very critical about the construct. When asked how they would describe CSR, many respondents used the word “skepticism” in the interviews.

The results of the interviews clearly show that the sincerity of companies regarding their CSR engagement was highly questioned by consumers. This issue seem to be a major obstruction to the success of CSR. However, most authors (e.g. Clarkson, 1995) keep thinking that the problem is the deficiency of a consensus towards a general definition. Only Yoon, Gurhan-Canli and Schwarz (2006) are in line with the findings of this research. Indeed, their study demonstrated that CSR would only be efficient if customers felt their engagement toward the cause was sincere and selfless. This echoes perfectly with what one of the respondents said in the interviews. *“The companies should guarantee that they respect their engagements to gain the trust of the consumers. I think that people are very skeptical towards this construct, not because they consider it to be vague, but mainly because they don’t trust in the good faith of companies.” (Darja)*

The issue must be related to the negative opinion that customers have about CSR. This thought is shared by a study conducted in 2001 by Mohr et al. and we notice than 15 years later, their results are still relevant and matching ours. Their study brings up that only 7% of customers believe that companies have honest altruistic intentions, while 29% think they include CSR in their strategies only for self-interest purposes. This lead the research to attest that companies have not been able to improve this aspect of their image in the last 15 years. Indeed, this research put forward that most respondents were skeptical and not trusting companies regarding their intentions and engagement about CSR. This research focuses on 2016 as CSR is “socially constructed in a specific context” (Dahlsrud, 2008), however, it is now obvious that, so far, time does not influence consumers’ opinions towards CSR. Hence, the apprehension of consumers towards the honesty companies can give a reason for the failure of their implementation of CSR. It is very confusing and such a loss that the state of minds of society did not progress much and it is one of the final goal of this paper to make this change.

## 2. CSR and purchasing behavior

### 2.1. The disinterest of consumers

Now that the study gave a better outlook of the perceptions of consumers about CSR, the interviews will try to help figure out in which way they integrate it in their purchasing behavior. As this paper follows ethical considerations and use anonymity to get their testimonies, it will help the respondents to feel more comfortable and speak freely and sincerely.

So far, the most common comment that the study gathered in the findings is the most consumers actually do not include CSR in their purchasing behavior. That can be explained by the disinterest that consumers are showing, but also, by the negative critics that are made towards the sincerity of companies engaged in CSR.

Actually, Kristian, one of the first respondents, made a very interesting comment that summarize the reasons why customers are not very interested i: CSR and therefore, are very skeptical towards this concept: *"It does not bring any value and I would have to pay more. I am the one bearing the cost of the CSR without being able to measure its effectiveness. I don't just want to reward a company for any CSR activity, since I am skeptical towards the CSR intention of the company, which defends its self-interest most of the time"* (Kristian)

Nevertheless, some authors, such as D'Astous and Legendre (2009) do not agree with the findings of this paper. Indeed, for them, consumers are sensitive to companies and products socially and environmentally responsible. These researchers also found out that customers were developing positive attitude and behavior based on that sensibility. Uusitalo and Oksanen (2004) also brought up the fact that ethical and responsible consumption is growing up in society's minds. Even Smith (2008) is on line with these authors, as his research shows that 90% of consumers do integrate CSR in their purchasing behavior. If this paper agrees with the scholars previously mentioned on the fact that CSR has to be part of the organization, the results of this paper's interviews put forward clear differences about the impact that CSR may have on customers' purchasing behaviors.

One more counter-argument comes up when customers are asked if they integrate CSR when purchasing a product; the complexity of the purchasing process. As Kamila explained, the process of buying is already quite complicated with all the current decisional criteria (price, quality, value for money, etc) for consumers to bother change their daily routine: *"I do not really care about which company is socially responsible when I have something to buy. The simple explanation is that unfortunately, I am not ready to change my consumer behavior. People are scared of change and they like their routine and their own comfort, even if it is very selfish. It is sad to see that I am like everyone else"*, but also Milan who insists on the complexity of a purchase: *"Of course social and environmental impact of companies is important, but it is too complicated to integrate that factor as a consumer. It would mean that*

*in addition to essential factors like price and quality, we would have to investigate who is really responsible or not and consequently waste a lot of time doing that.”*

An interesting remark can be made by looking at the interviews' results. Irresponsible customers develop a certain kind of guilt as they do not entirely take responsibility for their actions. Indeed, they are trying to justify themselves, always using “us” or “we” instead of “I”. An author (Valor, 2007) complement this comment as he says that customers are decreasing their guilt by implementing a process of neutralization. This process is even called “denial of responsibility” by Strutton, Vittel and Pelton (1994).

Moreover, this research enlighten that even for consumers that mean to have an ethical purchasing behavior, they can be some negligence when actually processing to the purchase. It is important to underline the fact that time is not affecting the results. Indeed, these findings are matching Boulstridge and Carrigan's one (2000). Already 15 years before this research was conducted, authors referred to a gap that existed between the “intentions of having an ethical consuming behavior based on the CSR of companies and the actual purchasing process of consumers”. This phenomenon is entitled the “attitude-behavior gap” (Robert, 1996). This construct brings light to the difference that can be found between theoretical saying of consumers and their final purchasing decision. All the previously mentioned scholars proved that the most influencing factors that impact the purchasing behavior of consumers were the price, the quality, the value for money and the brand image. Most of consumers are not ready to include an additional factor like CSR in their purchasing decision, but even if they would, it would certainly not take over factors like price or value for money. Matching some of the interviewees' testimonies, Carrigan and Attalla (2001) explain this phenomenon by saying that the purchasing process is already complex with the existing decisional factors. This idea was actually also mentioned in this study by one of the interviewee; Milan. Mohr et al. (2001) even said in their research than survey about CSR were not reliable and representative as people might say they would include CSR concerns in their daily purchases but actually would not in their real life daily actions. Indeed, it does not cost anything to say something, when however, it does have price to put it into practice, especially when it comes to CSR considerations. Analyzing the part of the findings helped acknowledge that consumers are still a long way to integrate CSR in their purchasing behavior or purchasing process. This fact can be explained, mainly by the skepticism towards companies' sincerity, form the fact that most of people are

unwilling to change their daily habits and spend more time to consider another feature of a product they might want to buy. However, all of these reasons might be actual for certain persons but might also be factice argument to build the so-called “denial of responsibility”.

## 2.2. Brand loyalty and product attachment

As seen previously in the literature, another fact can explain the attitude-behavior gap, and that is the loyalty customers develop for a brand, a company or a specific product. As it is verified in the interviews, this fact is even truer for technological companies/products. Certain consumers are hiding behind this brand loyalty to cover and justify their irresponsible consumption.

The researcher Aaker (1997) states that customers need to benefit directly from the products’ features. This characteristics will then make the customer attach to the product, or to the company. This is backed up and verified by the empirical findings of this thesis. One of the respondent, Kamila, illustrates it: *“I actually know that Apple does not have a good social and environmental impact, but I could never sanction them by not buying their phone. It is simply the best mobile I had in my life. And I will always have an iPhone since it has the best features, no matter what the impact of the company is.”*

Thus, consumers can easily forget about the social and environmental involvement of a company if the product they buy are satisfying them the most (Aaker, 1997). Obviously, this statement shows the selfishness of consumers, which is fully acknowledged, especially by Kristian’s statement: *“I care about the product value and quality when buying something. If a technological product is good enough according to my criteria, I buy it without even considering if the brand was accused of unethical practices. Even if I know something bad about the company, I will buy it because that’s the product I want. Unfortunately people like their selfish routine and defend their own interest when buying something.”*

## 3. Value creation and purchasing behavior

After spending time to analyze customers’ perceptions of CSR and observing if they include it in their purchasing behavior, this thesis will now analysis the findings related to the value that consumers can benefit from through CSR. This part is the most important as it will propose solutions to improve the image of CSR in the eyes of consumers. This third section will also

analyze the results of the interviews to give concrete advice to companies so they can rouse the interest of consumers.

In this section, three subthemes were approached, the analysis will process according to the same logic. First, the analysis will spend time on the values that CSR can bring to customers, secondly on the fact that making CSR trendy can be a solution to enhance its attractiveness towards customers and finally on the fact that transparency is a requirement for companies to pursue their goals. As these three subthemes are very related to one another, this paper will give a global analysis rather than separate each sub-theme.

First, the analysis will deal with the impact of value creation on consumers' behaviors. As mentioned previously in the findings, this analysis is based on the values considered by Green and Peloza (2011) as the most influential for consumers: social, emotional and functional. The goal of this analysis is to define which values are prioritized by consumers, in order to help corporations to reach customers more easily. This will help companies to assess the relevance of implementing CSR to their overall strategy and measure its effectiveness (Bhattacharya & Sen, 2004).

During the interviews, the interviewees needed to be explained what the values referred to. Thus, the researcher used the definitions of Green and Peloza (2011). The social value refers to the judgement – positive or negative – that other members of the society will have of the person according to what he or she just bought. The emotional value refers to the feeling that consumers develop when buying a given product. Finally the functional value refers to the practical and technical benefits that customers get when buying a given product. As clearly observable in the interviews, these values do not have the same matter of importance for consumers. It seems that the functional value is the most influential as it implicitly refers to consumers' comfort or well-being of consumers.

One of the respondents, Jakub, explains why the functional value is the most important one to him. He even refers to selfishness, which was an argument brought by a number of interviewees: *"I think that this value is the most easiest to use for convincing consumers to adopt a responsible behavior. In fact, this value helps them defend their own interests, make them stick to their normal life and habits, which is what people look for as they are selfish."* (Jakub)



This statement corresponds with the results of Green and Peloza (2011) study. Indeed, they found out that the functional value is the “leading driver” that encourage consumers to integrate CSR in their decision-making process. This idea is also backed up by Essoussi and Zahaf (2008) who also claimed that the functional value was the most influential for consumers.

However, if the other values – emotional and social – are not as obvious as the functional value in term of influence on consumers, they do operate some authority on customers. Actually, as found in the empirical data, if the emotional value does not have as much impact as the functional one, it still affect some consumers. Sheth et al. (1991) define the emotional value as the development of feelings and affective states when acquiring a product. Green and Peloza (2011) complete this definition of emotional value by saying it refers to a “good feeling or a warm glow which comes from the action of buying something that has a positive impact”. Although it seems restricted, this thesis expose in the empirical data that the emotional value does have an impact on consumers. Kristian explains:

*“I think that this value can influence me to act responsibly, but I have to admit that I expect more than the emotional value when buying something. I consider that if you really trust in something, you do not have to rely on the companies to do it for you and then buy a product: you should engage in a cause you believe in by yourself.” (Kristian)*

The outcome of this research show that the emotional value is assimilated to an “extra” value. As defended by one of the respondents – Kristian – consumers “*expects more than this value when purchasing something*”. Therefore, if this aspect can be seen as an extra argument to convince customers to buy a product that is socially and environmentally responsible, it cannot be the only value that consumers will get from this purchase, because it would not be enough.

A hierarchy can also be made between the emotional and the social value regarding the influence they operate on customers’ behaviors. At this point of the research, the social value seems to be the least important and influential regarding customers’ purchasing behaviors. However, as implied by one of the respondents – Elena – this could change over the coming years:

*“If the pressure would be big enough I would think about it, and I would probably take it into consideration. But for now, there is almost no pressure from society; people don’t judge you based on CSR, so it does not influence my behavior.”*

These results are supported by Green and Peloza (2011) who explain that the emotional and social value are often neglected in case of economic crisis. However, when the economy is in recession, the functional value is even more important for consumers when they make their decision about a purchase. As the current economic context (2016) is not bright, even though it is getting better, it could be a reason why the emotional and social value do not have much influence on consumers, who make their decision rather depending on the functional aspect. This make sense, as during an economic breakdown, customers redefine their priorities and focus on their own needs and interests.

Nevertheless, if the study show that social and emotional values are not impacting much customers’ purchasing behaviors, it implies that another value can influence customers. Indeed, if the functional value has a major role in decision-making, it can be complemented with other values, than authors have added to the ones exposed by Green and Peloza (2011). Sheth et al. (1991) developed a framework in which two more values were influencing customers’ behaviors: supply and egocentric values. However, these values refer to general purchases and therefore, might not be fitting CSR purchases. Moreover, these values are considered too “weak and unstable” to integrate CSR, according to Costello and Osborne (2005).

Nevertheless, according to the empirical results of this paper, the egocentric value seems to deserve to be included in the values influencing customers. Indeed, this value is connected with the functional value and appear to be relevant as most interviewees mentioned that most of their purchases were self-motivated. Therefore, if companies want to be relevant, they need to adjust to the individualistic society and the self-interest that consumers are looking for. In order to succeed their CSR strategy they need to focus on customers to gain their attention and be rewarded by their purchases.

The empirical findings also contradict a theory brought up by Mohr et al. (2002). Indeed, the researchers advanced that in order to impact consumers with value, first companies needed to communicate them the position of their CSR engagement. However, according to this study,

consumers are rather looking for benefits from the product, than they are looking for information about CSR or the engagement of the company producing the product purchased.

Even if most consumers have only a general knowledge of CSR, they all can talk about the values they are looking for when purchasing a product and what impacts their purchasing behavior. Almost all of the respondents even gave potential solutions to improve the influence of CSR on their decision-making process. Therefore, the research will now proceed to an in-depth analysis of the solutions brought up by consumers.

Once the interviews enlighten how important value creation was for consumers to include CSR as a purchasing criterion, it also gave a quick hierarchy of which value mattered the most for consumers. The research showed that the social value was the least important, which can be quite unexpected for such an individualistic society, in which the judgement of others weights more than it never did. If Green and Peloza (2011) gave an eventual explanation with the economical context, there is not a lot of information to explain this findings. Therefore, this paper will try to understand why the social value is so underrated by discussing consumers' perceptions of it. One of the respondent, Darja, believes that this value has the potential to become one of the most influential. When tackling this subject, a respondent also brought the idea of creating a trend toward the concept of CSR, explaining that this way, the social value could gain importance to influence people.

The respondents all appear well aware of the issue that companies are facing. One of the first respondent to bring the subject was Darja. She says: *"People are very easy to manipulate, through trends, which then become a way to judge each other. I strongly believe that the social value could become the best influence to spread responsible behaviors. I think it should be the same process than it works for fashion to impact our generation and make us integrate it as a standard of life. It should start in influent places, and spread the trend to become responsible. I believe it would have a big impact on our generation and the way we purchase."*

Darja's idea was shared by the majority of the respondents, especially Mariana and Jakub who gave example of the relevance of this solution. Indeed, Jakub explains *"the best way to target our generation is to create influential trends"*. He gives an example with the trends in the food industry: *"More and more people are vegetarian or vegan because people influence each other around this trend. I am convinced that it can work for everything, not only for food."*

Another example is given by Mariana to prove that trends do have an important influence. Indeed, she explains that people are influenced and more bound to react when they hear a lot about something: *“If I am more willing to sanction a company, this is usually when the media cover it massively, when we hear a lot about something bad that a company does, then everyone is aware of it, and the snowball effect makes you want to sanction also the company to be part of the movement, and follow the trend. This is why I am convinced that it could work the other way, if we would make a trend of rewarding responsible companies.”*

All the young interviewees emphasize on the importance that trends have on people. Even the two persons that were older, Jakub, 48, and Ida, 35, seem to agree on the fact that the real challenge for companies is to make the social value the most influential through trends to have a real power on the purchasing behaviors of consumers. Even if the importance of trends is acknowledged, there is a real lack of theory about it and about how to develop trends. Therefore, it would be useful and pertinent for researchers to spend time on that matter.

This thesis have enlighten how the different values influenced consumers, how important trends are to reach consumers and improve the impact of the social value, but an alternate question subsist: why consumers are so skeptical about CSR? This matter was considered in the last section of the interviews and consumers also brought solutions up to reduce that this doubtful apprehension.

The first point that the respondents came up with was the honesty of companies. This characteristic is not optional as the sincerity of companies is questioned. Therefore, companies need to be more transparent about their CSR engagement and the measures they are really putting into practice. Corporations need to communicate on that matter in order to gain customers' trust. This finding is consistent with the work of Du et al. (2010) who explains that if companies want to benefit from their CSR investment, they need to overcome the consumers' skepticism. Indeed, CSR cannot succeed without the positive involvement of consumers who are the best window for the brand image of company. This is why one of the first measure to implement a successful CSR strategy is to communicate effectively about it in very clear and transparent means. Mariana demonstrate this point:

*“Even if I am skeptical, there is no doubt that CSR is good and important, and of course I am ready to evolve towards a more responsible behavior. I think that our selfishness also comes from a clear lack of transparency from companies, we always doubt about the honesty of their intentions, because everything seems to be a greedy marketing technic. We need proofs of their engagement, a way to follow-up and track their impact, and avoid finding out we have been fooled once more after years spent thinking that this or that company was pretending being responsible.”*

The main situation that consumers want to avoid is for companies to mislead them about their true intentions. Indeed, that mistrust had risen a lot as a lot of irresponsible companies have fooled consumers in the past few years. Nevertheless, it is important to underline that consumers are looking for a very specific kind of transparency. The empirical results of the interviews conducted along this study show the kind of information that respondents are looking for and through which communication channels they intended to get it. Ida was one of them and explains that for her, social media should be the tools used by companies:

*“Companies really need to think about their technics of communication, and define the most efficient channel to inform consumers if they want to address our skepticism. To me, the social media are the most useful and relevant to use as my generation is always very connected to these platforms such as Facebook or Twitter. The advantage is that these tools of communication offer great possibilities to interact with the consumers in real time, post updates daily, instead of relying on an annual report that nobody would read or trust. Organizations should also think about ways to work in partnership with independent communicators to ensure a total transparency to us.”*

This thought is approved by the literature as authors have explained that the least control companies have on a communication channel, the most trusted it is and the most reliable it appear to consumers. Actually, Wiener et al. (1990) have explained that customers tend to be more negative and detracting when they find information through a source that, they believe, is not objective. As a result, the information available on a company website does not have much weight on consumers' minds. On the contrary, if companies chose to communicate about their CSR engagement through corporate sources, such as website or activity reports, they would not appear trustworthy to consumers. This point is supplemented by many authors

such as Yoon et al. (2006) and Simmons and Becker-Olsen (2006) who proved that in order to get positive reaction from consumers, companies needed to use neutral sources to communicate about their ethical and responsible engagement. For instance, some corporations are communicating through independent bodies that give information that cannot have been compromised by their self-interest.

This third section of the interviews gave empirical data that have helped analyze the relation between purchasing behavior and value creation. As demonstrated in this part, the purchasing behavior of consumers depend on the creation of values. These values have been hierarchically ordered: functional value being the most influential, it is followed by emotional and social values. However, the social value may have a strong possibility to become much more influential if CSR and ethical behavior become a trend. Finally, transparency seems to be the key to overcome the skepticism of consumers towards the sincerity of companies regarding CSR involvement.

## Chapter 5 – Conclusions

### 1. Discussion and critical reflection

The analysis of the three interviews' subthemes show a connection between the three research objectives that are related through a cause and effect relation.

According to the empirical data and the analysis, the negative opinion that consumers have towards CSR is influencing their perceptions and is even creating a process of "denial of responsibility" to legitimize their irresponsible purchasing behavior. By doubting the sincerity of companies' intentions in terms of social and environmental responsibility, consumers are losing an opportunity to have an ethical consuming behavior. Another reason for their irresponsibility towards social and environmental responsibility could also come from their selfishness as the first concern they have when purchasing a product is to cover their own interest.

However, this behavior can also be analyzed as a reaction in response to the disappointment consumers have developed towards companies which tricked them several time by the past.

Accordingly, the selfishness of consumers would be a result of their skepticism which was motivated by some mal-intended companies.

Moreover, even if most consumers have just a general knowledge about CSR, which means they do not know many specifications about the construct, it does not seem to be the reason that keeps them from buying responsible products. Yet it could be a result of their skepticism and lack of interest. Indeed, as they find companies not reliable towards their CSR commitments, most people would not bother learning about the concept. If buyers had a better opinion of the role of CSR in companies, they would probably be more interested to fill their knowledge, and could therefore develop their awareness.

Hence, the research have already approached two of the possible reasons why consumers are not caring more about CSR: selfishness and skepticism motivated by a lack of knowledge and interest. However, buyers are not fully disinterested by CSR. Most of the respondents involved in this study would be interested. Unfortunately, they spend more time avoiding being the victims of companies' manipulations and protecting themselves from scandals than evolving towards CSR. Therefore, the first concern for companies should be to earn the trust of their customers.

This analysis is matching the one about the impact of value creation. Indeed, the study showed that the two most influential values were the functional and the egocentric one. Again, these values can be seen as tools for consumers to protect themselves as the functional value refers to the quality and the egocentric value refers to the impact the product have on their own interests, well-being or health. This corresponds to the basic mechanism of self-defense: worried about the negative impacts that companies might initiate, consumers decide to defend their own interest above everything else.

However, it does not seem to be a strategic scheme to improve these two values as they do not impact in the long run. Indeed, the functional and the egocentric value will not improve consumers' perceptions of CSR. Businesses which want to implement a successful CSR strategy need to listen to consumers' requirements. As a matter of fact, lots of respondents knew very well what would help them engage and support CSR: transparency. As purchasers' trust is compromised, companies need to give reliable information to prove their good faith, and then cut down consumers' skepticism and rouse their interests towards CSR. This would also

obviously have a positive influence on the emotional value. Indeed, if they did not have to wonder about the eventual manipulations that are operated on them if they buy a given product, they would have more space for the feeling of satisfaction to pursue a noble cause.

Another element that companies cannot miss out is the social value, which consumers considered as the potential second most important value to impact their purchasing behavior. Actually, if corporations managed to increase the social pressure towards responsible buys, this value could have as much impact as the functional one. In order to reach that point, companies have to initiate trends and glow the image of CSR. This way, customers could influence each other in buying CSR goods. All of the interviewees consent to say that if companies can reduce the skepticism that exists about CSR, this concept could be one of the most important criteria for decision-making in the future.

Even if most consumers are willing to include CSR in their purchasing behavior, there is still one brake to the process, and that is the attachment to a product that consumers may have. Indeed, this loyalty to a brand or a product can obstruct the social and environmental responsibilities of consumers. The study shows that this phenomenon is even more accurate for technological products; indeed, most respondents gave the example of Apple and the iPhone. When people develop a certain kind of affection for a particular product, there is no other factor that can take over their decision, neither the price nor the CSR of the company.

According to this discussion, the analysis and the findings of this research, the causality between the three subthemes can be put forward. Therefore, the figure 4 is a representation of that causality right now, in 2016. It is showing the importance of skepticism on the rest of the process. The figure 5 for itself, emphasizes on the role of transparency and trends in the future in order to improve the influence of emotional and social values.

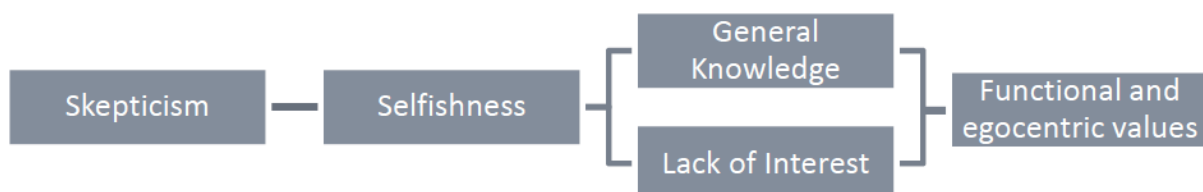


Figure 4: Representation of the causality in 2016





Figure 5: Representation of causality in the future

## 2. Conclusion of the research

The goal of this research was to analyze the awareness of consumers towards CSR and evaluate the impact of value creation on their purchasing behaviors in order to help companies implement successful CSR strategies.

The research aim to contribute to the literature with an in-depth analysis of consumers' attitudes regarding CSR. To do so, the study has apprehended a qualitative approach to differ with most of the previous research that were quantitative. Moreover, the study also followed a deductive and interpretative analysis of 12 consumers' semi-structured interviews.

The study was built around the research question "How can value creation for consumers improve the efficiency of CSR for companies?" Based on that research question, three research objective were enquired: first, the perception and knowledge of consumers about CSR, second the link between CSR activities and consumers' purchasing behaviors and third, the impact of value creation for consumers on purchasing behavior.

The findings of this thesis demonstrate that if consumers have just a basic knowledge about CSR, they are well aware of the social and environmental aspects that CSR implies. According to researcher the lack of knowledge could be the answer to the lack of interest. However, as reported by the consumers interviewed, the major problem remains the lack of interest, driven by an important skepticism about the true intentions of companies regarding CSR. Indeed, many scandals lately brought consumers to think that CSR was just a window to make more profit without specifically serving any social, economic or environmental cause.

The reluctance that customers have developed towards companies is boosting their selfishness and encourage them to care about their own interests rather than CSR. As a result, CSR does not impact consumer's' purchasing behaviors, implying that the attitude-behavior gap (Roberts, 1996) is still accurate in 2016. Indeed, if consumers are aware of the importance

of having a positive impact on the social and environmental level, they do not act concretely towards it. The mistrust of consumers against companies claiming to have ethical engagement is blocking the evolution to a more responsible behavior.

Nevertheless, the findings expose an eventual solution to improve the impact of CSR on consumers' behavior: the value creation (Green and Peloza, 2011). This study supplements the importance of the creation of value for consumers. The findings even point out a fourth important value – the egocentric one – on top of the functional, the emotional and the social ones. However, the importance of these values can be separated in two groups based on the period of time; in 2016, the functional and egocentric values have the most influence are consumers appear to be selfish, self-centered and base their purchases only on their own interests. The two other values; emotional and social seem to have a real potential but later in the future. Therefore, companies could focus on the two last values in order to have long term benefits and above all reduce the skepticism. Indeed, only a long term process can affect people mindset. To reach this goal, companies have two points to focus on: implementing transparency regarding their practices and initiating trends towards the concept of CSR. Even consumers claim they know how important it is to adopt responsible behaviors, and they appear to be convinced it can become a standard in the following years if companies implement the two solutions mentioned earlier. However, companies need to watch out for the attachment that consumers may have for a product as it can take over their ethical responsibilities, especially for technological products.

The research determines the corporations need to deal with customers' skepticism which appear to be the cause of the current failure of CSR. Companies also need to improve the impact of emotional and social values in order to have a positive influence on customers' purchasing behavior towards CSR. As a result, value creation for consumers would improve the impact of CSR for companies.

### 3. Suggestions for further research

The theoretical and empirical data of this thesis, added to the conclusions made are providing a better comprehension of the understanding that consumers have of CSR. It also allowed to bring to light the importance of creation of value for them.

Thus, this research could be complemented by future studies, especially quantitative ones, in order to verify if the lack of trust in the sincerity of companies is true in a much bigger sample of consumers. Indeed, it was quite unexpected to realize that all of the respondents involved in this study were not believing in the honesty of companies. It would be important to make sure that skepticism towards the concept is really a fact as it is the base of the negative opinion that consumers have of CSR. A quantitative research would also be useful to prove the importance of transparency and trends. Basically, a quantitative study would be helpful to acknowledge and assume all the findings of this qualitative study are accurate.

#### 4. Limitations of the research

First of all, the concept of CSR – as the literature showed – is evolving in the time and does not have one single definition. Therefore, the findings depend on the context of time – here 2016 – and could be inaccurate in the following years.

Second, the qualitative approach implemented was relevant to interpret and analyze consumers' opinions and perceptions. However, when the respondents had very different opinions, it limited the relevance of the findings as they could not be verified by a large number of consumers. Furthermore, the number of interviewees was limited to 12 as it was a new perspective to study CSR in a qualitative way, but again, it would be beneficial to the verify the findings, either by conducting a quantitative study or a qualitative one involving much more interviews.

Finally, most of the interviewees were between 20 and 30 years old, except for two of them, and it would be interesting and relevant to interview older persons, with different education and social experiences.

# Interview Guide

## Theme 1: Perception and general knowledge of CSR in Czech Republic (CR)

**Core question: What do you know about CSR?**

Follow-up questions:

1. How do you understand CSR (Corporate Social Responsibility)?
2. Can you list three words relating to CSR?
3. What is your personal and sincere opinion about CSR?
4. Would you say that people you know are well-educated regarding CSR?

## Theme 2: Level of awareness regarding CSR activities and companies in CR

**Core question: What do you know about how engaged companies are in CSR in CR?**

Follow-up questions:

5. Can you list three kinds of activities of Czech companies that you consider as part of CSR?
6. Are you able to give the name of one Czech company engaged in CSR, and one of its CSR activities?
7. Do you think it is easy to find information about companies' CSR policies in CR? How?
8. Would you say that you are well-aware of the level of engagement of Czech companies in CSR?

## Theme 3: Link between CSR policies and purchasing behavior of Czech consumer

**Core question: Do you integrate CSR concerns in your decision of buying?**

Follow-up questions:

9. Would you say that you care about which companies are socially responsible or not in your purchasing process?
10. If you knew that your favorite brand would follow unethical processes would you still buy its products?
11. Can you please list three important things that you integrate in your purchasing behavior?

12. If CSR is not one of your criteria, how do you explain it?

#### Theme 4: The impact of value creation on Czech consumer purchasing behavior

*This section is here to determine whether or not the creation of value for you, would have an impact on your purchasing behavior.*

**Core question: What do you expect when you buy a CSR related product? What added value/feelings are you looking for?**

Follow-up questions:

13. Would you expect a positive return in exchange of buying something based on CSR, or is it just a way to reward a responsible company?

14. does the judgement of others consumers and the image they have of you impacts your purchasing behavior? Why?

15. Do you have a good feeling or the impression of making a good action when you buy something CSR related? Why?

16. Does the feeling you have when you buy a good quality product for a good price would influence you favorably in buying a CSR related product? Why?

17. Can you please classify these three forms of values from the least important to the most important to you?

18. To finish, do you have on mind an example of an ethical purchase you made because the company through the CSR created one of these values for you?

Thank you for your time. Is there anything that you would like to add?

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