

# Consumer Behavior towards Corporate Social Responsibility

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**Abstract** Corporate Social Responsibility (CSR) is present in the daily lives of companies that act, either proactively or reactively, considering the concerns of consumers about the role they must play in society. Moreover, companies present different approaches when including CSR practices in their daily activities, with some companies taking a genuine, altruistic approach, while others prefer an approach that can be defined as opportunistic (attempting to mimic the previous ones). If the consumer is able to distinguish these companies, he will, eventually, give a reward to the altruistic ones (being willing to pay more for their products) and a penalty to the opportunistic ones. This paper intends to test this distinction, through an experimental study (Experimental Economics), to assess if CSR has an impact on consumers' choices and if they reward or penalize companies for their (genuine or opportunistic) practices. In this study, the BDM (Becker, DeGroot and Marschak) method was applied and statistical tests were carried out to ascertain whether the differences detected in the consumer's willingness to pay (WTP) are statistically significant or not for the different type of CSR activities considered. Results showed that consumers are willing to reward CSR initiatives that follow a reactive approach; that consumers' decisions are more moderate when rewarding initiatives of products that are naturally more expensive, and more impulsive when products are naturally cheaper; that the awards provided depend on the most appropriate CSR category for the industry in question; that there is no visible relationship between the market structure and consumer behavior and, finally, that gender, family income and education can be considered important sociodemographic indicators of consumer behavior.

**Keywords:** corporate social responsibility, experimental Economics, proactive versus reactive CSR, genuine versus opportunistic approach, consumer behaviour, reward versus penalty

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## 1. Introduction

Companies are increasingly supporting Corporate Social Responsibility (CSR) initiatives through corporate philanthropy, cause-related marketing, minority support programs, and socially responsible work practices (Drumwright & Murphy, 2001).

Existing studies (Cone, 2015) have shown that consumers consider that companies have the responsibility and opportunity to make social and environmental changes despite being for-profit entities. In fact, consumers expect companies to operate responsibly on social and environmental issues, and to produce responsible products whenever possible. Due to the growing consumers' concern of ethical and environmental issues, it is important to understand their perception of the reason for companies to get involved in CSR activities given that these influence consumer's

attitude towards the products and services offered.

There are two different types of organization's behavior: proactive, in which companies have a genuine and altruistic approach; and reactive, which consists of an opportunistic approach on which companies seek to imitate and be confused with altruistic companies.

In this study, we analyze companies' CSR approach (proactive or reactive) and motivation (guided by profit or not) towards consumer behavior. More specifically, how does consumer's willingness to pay (WTP) is affected (reward or penalize) for different CSR initiatives.

In Section 2, we review existing literature concerning this topic and the existing methods to analyze the consumer behavior towards CSR. Following, in Section 3, we delineate the methodology to be used in this paper. The experimental procedure, the discussion of the results and the limitations are

described in Section 4 and 5, respectively. Finally, in Section 6, we present the conclusion from the work and suggest future developments.

## **2. Literature Review**

### **2.1. CSR Definition**

The concept of CSR reflects the responsibility that companies' actions have and its impact on society given their impact on the lives of the citizens through products, services and position in relation to working conditions, human rights, health, environment, innovation, education and training. Nonetheless, there is a disagreement concerning the definition of this concepts since not all agents have the same perception about what is "socially responsible" (Crowther & Aras, 2008), hence the meaning differs according to different perspectives and social trends (Silberhorn & Warren, 2007). Through the analysis of several definitions available, (Dahlsrud, 2006), concluded that the most cited definition for CSR is "voluntary integration of social and environmental concerns in companies' business activities and in their relationship with stakeholders. Being socially responsible implies investing in the well-being of its workers, in environmental initiatives and in the relations with the stakeholders, and not just fulfilling legal obligations." (European Commission, 2001).

### **2.2. Proactive vs Reactive CSR**

Companies can adopt a proactive attitude (proactive CSR), actively supporting and participating in CSR (Du et al., 2007) or they can follow a reactive strategy, where they only invest in CSR because competition does and/or participates in activities of CSR to protect its image after some irresponsible action has occurred (Murray & Vogel, 1997).

Given that both strategies have very different objectives, the literature shows that consumers react more favourably to a proactive CSR (due to its altruistic nature) and, in contrast, negatively, to a reactive CSR (reacting to an irresponsible action has a negative effect on the consumer). Thus, while proactive initiatives result in more favourable attitudes towards the company, which intensifies consumer's purchase intention, reactive CSR leads to negative thoughts and attitudes on the part of

consumers towards the company (Becker-Olsen et al., 2006).

### **2.3. Strategic CSR**

In addition to comply with stakeholders' requirements (mainly consumers), companies also have duties to shareholders, thus, it is necessary to reconcile responsibilities to both (Husted & Salazar, 2006). In this regard, the entrepreneurial effort focuses on identifying activities and actions that are believed to be good for both business and society (Jamali, 2007). Although it is not easy for companies to increase profits for shareholders while fulfilling their responsibilities to society and other stakeholders, they are increasingly interested in ways to achieve greater profit and better social performance (Tichy et al., 1997). However, as pointed out by other studies, these activities can be expensive, and costs do not always cover benefits (Servaes & Tamayo, 2013). Lantos (2001, 2002) also argues that as CSR activities have a cost, that must be compensated in other parts of business, so that social responsibility should be directed mainly to those who are directly affected by the business - employees, customers, and shareholders.

### **2.4. Company's Motivation**

Although corporate social involvement is often considered beneficial for companies and society (Drumwright & Murphy, 2001), stakeholders do not always respond well to the "use" of social causes to boost corporate performance (Zasuwa, 2016). Some of the social initiatives may result in accusations by consumers that they may be exploring social issues to increase sales, jeopardizing the involvement of organizations in social causes and damaging their reputation (Yoon et al., 2006; Berglind and Nakata, 2005). Nevertheless, organizations that adhere to CSR practices do, in fact, influence the consumer's behavior towards them, that is, the perception that consumers have about what the company's true motivation is, influences its assessment towards the company (Becker-Olsen et al., 2006). However, several researchers claim that consumers accept corporate social activities from profit-driven companies (if they are perceived by consumers as sincere in serving the public interest) because they

are seen by society as for-profit entities (Kim & Lee, 2012).

### **2.5. Reward vs Penalty**

Consumers consider the involvement in CSR activities when making their purchasing decisions (Brown & Dacin, 1997), and may be willing to pay a higher price for certain products from companies with greater CSR involvement. Even if consumers are not willing to pay a higher price, they will possibly purchase products from companies that are socially responsible (McWilliams & Siegel, 2011). Consequentially, companies have increasingly adopted social causes, hoping that consumers will reward these organizations for their support in social programs (Levy, 1999). However, it is unlikely that consumers will blindly accept these initiatives as sincere, so they may or may not reward the company. In fact, it is possible to state that consumers will penalize companies that are perceived as dishonest in their social involvement (Sen & Bhattacharya, 2001). Pressure from the local community and regulatory agencies, as well as the activities of activist groups, are examples of penalties that companies may be subject to. However, these penalties can be extended to the price that the consumer is willing to pay for companies' products.

### **2.6. Product relation with CSR**

Even if the initiatives are well intentioned, if they are not related to the technological skills and the company's products, they can lead to negative evaluations by the consumers (Sen & Bhattacharya, 2001). Hence, when CSR activities are unrelated to the company's technological skills or products, they negatively influence consumer beliefs, attitudes, and intentions, regardless the company's motivation for engaging in CSR initiatives.

### **2.7. Experimental methods towards consumer behaviour**

Several researchers aim to better understand and predict consumer behaviour. However, experimental methods are rarely used in market studies (Ryals & Wilson, 2005). Yet, these methods can also be used to attain consumer's WTP and assess whether companies' involvement in CSR practices influence

their decisions. Ryals & Wilson (2005) identify some experimental procedures, among which: a) laboratory experiments, in which the subjects perform some activity or task in a carefully controlled environment, making it possible to reduce the number of external variables (other than the variables under study) that may affect the dependent variable; and b) field experiments, which use the same logic as laboratory experiments, but instead of the hypotheses being tested in the laboratory, these are taken into a context of purchases and consumption.

### **3. Methodology**

Experimental Economics is a branch of Economics that studies human behaviour in a controlled environment (laboratory or field experience). Since this method tests for the subject's choices in specific situations (Halton, 2019), it is the methodology used for this study. Within this, there are two main methods often used by investigators to understand consumer preferences (price they are willing to pay) – *BDM method* and *auction*.

For our goal, the BDM method is the most suitable one: the experiment can be performed for only one participant at a time and individually which is an advantage (Lusk & Shogren, 2007). Another advantage of using this method is that it compares the price that the participant is willing to pay with a random price, with no competition between participants (if it existed, as in the case of *auctions*, it could cause inflated WTP values), so the responses of each participant do not influence the behavior of the other participants. Furthermore, as it is intended to study various scenarios for CSR initiatives, if the auctions referred to were used instead of the BDM method, many more participants would be needed for each scenario. Finally, another important and differentiating aspect in choosing the BDM method is the possibility that this procedure is more easily understood by the participants, when compared to auctions (MacFie, 2007).

In the BDM method, respondents are asked to offer a price for the product, which must be equal to the maximum price they are willing to pay for it. Then, the market price  $p$  for the product under study is randomly determined from a uniform distribution with

the intervals determined. After the product's market price  $p$  is randomly generated, if it is less than or equal to the price indicated by the participant  $s$ , he will have to "buy" the product at price  $p$ . If  $p$  is greater than the participant's offer, the participant will not be able to "buy" the product and will not "receive" it. The dominant strategy for each participant is to declare their true WTP because if the participant indicates a price higher than the one he is really willing to pay, he may actually have to pay that price and if the participant indicates a lower price than the one that he is really willing to pay, he may be disappointed by not being able to buy the product at a lower price than the indicated one. This method is implemented through the *Qualtrics* program.

## **4. Experimental Design**

### **4.1. Planning**

Given the discussion in previous chapters, we propose to analyse consumer behavior in relation to different CSR initiatives through the analysis of the willingness to pay (WTP). In addition, the following complementary objectives are established: 1) Analyse the influence of market structures (with and without competition) on consumer behavior, i.e., verify the possibility that consumers perceive monopolistic companies as genuinely altruistic (since they have no competitors) and companies with competition as opportunists, which seek to imitate and be confused with altruistic companies (with the main objective of obtaining a competitive advantage over competitors); 2) Investigate the variation in awards and penalties depending on the type of product (cheap, medium and expensive), that is, understand if consumers are more likely to support a variation in the price of a product from a socially responsible company when this product is "naturally" cheap and less prone to a variation when the product is "naturally" more expensive; 3) Investigate, for different types of products, the variation in awards and penalties by CSR category (environmental, social and towards employees) and by the approach (proactive and reactive) adopted by companies; 4) Analyse the influence that certain sociodemographic characteristics (gender, age, family income and education) can have on consumer behaviour.

In this study, some articles about CSR initiatives of a fictitious company are present to participants aiming to inform them on this matter. As in previous studies, fictitious companies will be used to minimize any ambiguity related to pre-existing consumer ideas about the company (Brown & Dacin, 1997; Wagner, Lutz, & Weitz, 2009). Companies are represented by letters (company A, company B, etc.) to ensure confidentiality and minimize the influence of pre-existing ideas that participants might have on companies.

For this investigation, participants will be randomly distributed among six groups (see **Figure 1**). In order to meet objective 1), for each type of product, there are two groups of participants: one subject to articles from CSR initiatives from companies with competition and the other referring to companies without competition in their market (monopolists). To meet objectives 2) and 3), for each category, two fictitious articles are presented, one referring to the reactive component of a company's CSR initiatives and the other to the proactive component. Similar to (Groza et al., 2011), the reactive initiative is presented as part of a company's response to a problem caused by it, and in a proactive condition the article informs the participant of a voluntary company initiative when facing a relevant question related to the selected categories. To answer the proposed objective 4) it was gathered information on the participants' sociodemographic data.

### **4.2. Experimental procedure**

The flow of the experimental procedure was implemented as follows: First, the participant is redirected to a product description without any information about any CSR initiative. This represents the control situation in this study, that is., the respondent will, at this stage, dictate the maximum price he is willing to pay for the product (without any type of information) only for the product itself (similar to the study by the authors Magistris et al., 2015). Consistent with the procedure adopted by Ding (2007), in the control situation of this study, the BDM method is not applied.

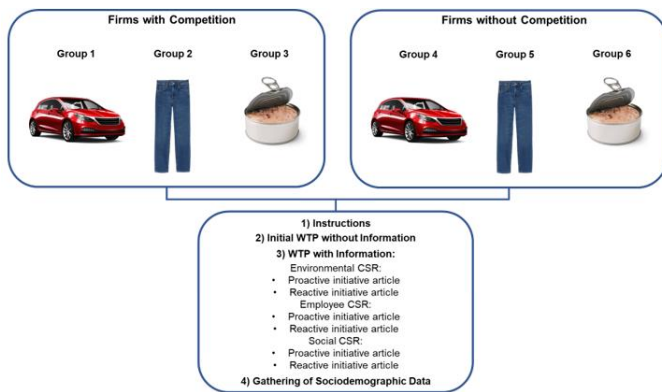


Figure 1 – Scheme of the experimental procedure and distribution of participants

Then, participants will be presented with six descriptive articles on CSR initiatives from different companies, on which respondents dictate the maximum price they are willing to pay for the product under study. In these six situations, the BDM method applied. The articles of the groups of companies with competition are similar to those of companies without competition (for the same product), differing only in the characterization of the company presented. In addition, respondents are informed that the articles presented refer to initiatives by companies that market the product mentioned in the first situation, that is, in the control situation (initial WTP without information).

Finally, participants are asked to answer sociodemographic questions such as gender, age group, number of adults, number of children (<18 years) and gross monthly household income, level of education (completed) and condition at work (employee, self-employed, unemployed, etc.), in order to characterize the sample and analyse the influence that some of these variables might have on consumer behaviour.

## 5. Results and Discussion

### 5.1. Participants recruitment method

The experimental procedure was carried out online and disseminated through an anonymous link. Each participant was automatically redirected to one of the six experimental groups. A total of 262 responses were gathered, of which only 260 were considered for the purposes of this study.

Due to the way the experimental procedure was disclosed, the sampling technique used corresponds to the *Non-Probabilistic by Convenience*. This

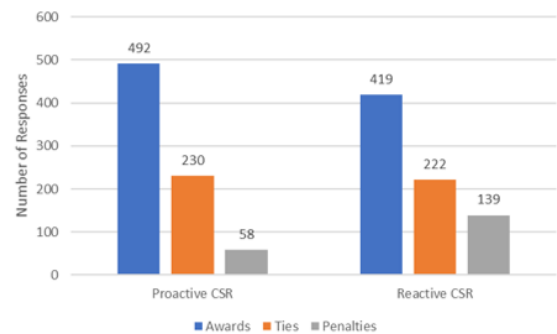


Figure 2 - Awards, Ties and Penalties for Proactive and Reactive CSR in the total responses obtained

technique consists in selecting a sample of the population that is accessible and have availability to participate in the study. In addition to the mentioned advantages, it is a cost-free sampling technique.

### 5.2. Sample characterization

Through the analysis of sociodemographic data, it appears that the sample is not representative of the Portuguese sociodemographic situation (as intended). However, the data gathered is mostly representative of young employees with higher education and university students (men and women), with a household income corresponding to the Portuguese middle class. In addition, it was found that the demographic characteristics of the participants are similar between groups, so the results obtained can be compared with each other, since they refer to the same “slice” of the population.

### 5.3. Results

In a first phase, the data of the groups were analysed together to evaluate whether certain demographic characteristics have an influence on consumer behavior, and the general idea of the awards and penalties attributed. In a second phase, statistical tests were carried out for groups 1, 2, 3, 4, 5 and 6 individually. These enabled the comparison of results for the different market structures (competition). In a third phase, data from groups 1 and 4, 2 and 5, and 3 and 6 are aggregated (similar sociodemographic characteristics), resulting in three new groups to assess the variation in WTPs in relation to the type of product: “Group 1+4”, “Group 2+5” and “Group 3+6” (car, jeans and tuna can, respectively). In addition, statistical tests were carried out, both with the objective of verifying whether the differences between the initial WTP and the WTP given for each

Table 1 – Awards (avg %) given in each group

		Firms with Competition			Firms without Competition		
		Car Group 1	Jeans Group 2	Tuna Group 3	Car Group 4	Jeans Group 5	Tuna Group 6
Proactive CSR	Environmental (AP)	+5,34% <sup>A</sup>	+13,31% <sup>C</sup>	+21,81% <sup>G</sup>	+12,65% <sup>M</sup>	+15,70% <sup>P</sup>	+15,92% <sup>Q</sup>
	Employees (TP)		+16,40% <sup>D</sup>	+45,85% <sup>H</sup>	+6,48% <sup>N</sup>		+42,26% <sup>R</sup>
	Social (SP)	+13,43% <sup>B</sup>	+27,09% <sup>E</sup>	+54,28% <sup>I</sup>			+67,39% <sup>S</sup>
Reactive CSR	Environmental (AR)		X	+21,78% <sup>J</sup>	+10,44% <sup>O</sup>		+35,80% <sup>T</sup>
	Employees (TR)		+10,63% <sup>F</sup>	+19,46% <sup>K</sup>		X	+38,11% <sup>U</sup>
	Social (SR)			+47,96% <sup>L</sup>			+54,37% <sup>V</sup>

Legend: +: Award; Blank: neither Award or Penalty; X: Uncertain Results

situation / article are statistically significant or not and conclusions can be drawn regarding the proposed objectives 1), 2) and 3).

#### 5.4. First Phase

It was found that the number of participants that reward proactive initiatives is greater than the number of participants that reward reactive initiatives. Still, a considerable number of participants rewards reactive initiatives in any situation (**Figure 2**).

Regarding social demographic variables such as gender, age, gross monthly income, and education, we used a *Fisher-Freeman-Halton Test* from the respective contingency tables, to analyse the existence of a dependence. It was concluded that gender, family income and level of education can be considered important indicators of consumer behaviour in relation to company's CSR initiatives (depending on the category - environmental, workers or social - and approach - proactive or reactive) and that age, in turn, has no influence on it

#### 5.5. Second Phase

Two statistical tests, the *Paired Samples t-Test* and the *Wilcoxon Signed Rank Test*, were used to evaluate whether the differences between the initial WTP and the WTP given for each situation/ article are statistically significant. The data collected from each group has a significant number of outliers and there are many differences between the initial WTP and the WTP for each article that take the value zero, which can affect the results of these tests. As a result, when in both tests the P-value (bilateral) leads to the same statistical result, this must be understood as true, otherwise if the P-value leads to divergent conclusions, it will not be possible to draw a conclusion about the data analysed.

From existing literature, it is suggested that proactive CSR results in more favourable attitude towards the company and that reactive CSR leads to negative thoughts and attitudes from the consumers (Becker-

Olsen et al., 2006; Magistris et al., 2015; Wagner et al., 2009). Hence, it is expected that, regardless of the CSR category or industry, participants reward CSR initiatives that take a proactive approach and penalize those that take a reactive approach. However, it appears that participants are willing to award a premium (pay more) even when the strategy of certain companies follows a reactive approach (**Table 1**). Moreover, there are situations within the proactive approach, where a statistically significant difference was not detected. In Group 1 and Group 5, the result for the **TP** situation differs from the other proactive approaches. As highlighted in the literature, consumers tend to pay more attention to CSR initiatives that directly affect them than to those that aim to improve the well-being of company employees (Andreu et al., 2015). In Group 4 and Group 5 it is possible to observe a similar result for the **SP** situation. A possible explanation for this result may be related to the consumer's interest, that is, the participants may consider that the initiatives do not cover their individual interests, and do not reach a sufficient level of emotional connection with the companies for them to be willing to reward them. The result for **SR** (groups 4 and 5) and **TR** (Group 1) situations is predictable, since there is no significant difference for this category of CSR when the approach is proactive. If consumers do not reward CSR initiatives for a given category when they follow a proactive approach, they also do not reward when they follow a reactive approach which, in turn, suggests that participants do not identify with the categories themselves. Although there are no penalties, there are less significant differences for reactive CSR initiatives. In a way, not having so many differences that indicate awards, can be understood as a form of "penalty", since companies invested in CSR activities to "clean up" their image and be perceived as friendly again (which involves costs).

Table 2 – Awards (avg %) given for each category, approach and by product

	Proactive CSR			Reactive CSR		
	Environmental	Employees	Social	Environmental	Employees	Social
<b>Car</b>	+9,2%	+4,9%	+8,1%	X		X
<b>Jeans</b>	+14,6%	+10,9%	+18,5%	X	+8,8%	
<b>Tuna</b>	+19,3%	+44,3%	+59,8%	+27,7%	+27,3%	+50,7%

Legenda: +: Premiação; Vazio: nem Premiação nem Penalização; X: Resultados Inconclusivos

The fact that these costs cannot be compensated because consumers are not willing to pay more, can be a form of "penalty". This apparent failure to penalize reactive strategies may be related to: a) participants' choice not to penalize a company because the initiatives that companies present balance the damage caused by them; b) participants do not value the CSR initiatives described and only pay the price they initially indicated (without penalty) for the product.

To determine whether the scenarios that registered an award (within the same type of product and for the same category) are statistically different from each other, two tests were used: Independent Samples t-Test and Mann-Whitney U Test. Similarly, to the previous analysis, when in both tests the P-value leads to the same statistical result, this result must be understood as true, otherwise no conclusion can be drawn. From this analysis it was found that there are only significant differences in the awards given for the **AP** situation between Groups 1 and 4. In sum, whilst there are more awards, globally, for companies with competition than for companies without competition, when this variable is analysed by the three sectors, the results are always different. Consequently, it is not possible to demonstrate a relationship between the awards given by the participants and the type of market structure. In addition, it was not possible to draw any conclusions on whether the prizes given by the participants are in a higher percentage in some of the situations (with vs. without competition), since the number of awards that present this higher percentage (in relation to the opposite situation) is the same for both sides. The expected result from the analysis between structures would be that the participants would reward more companies without competition. However, through the present study, it is not possible to verify a significant relationship between the market structure and consumer

behaviour. There are different possible explanations for this outcome: a) consumers, when making their purchase decisions, might not consider this competitive aspect, that is, they focus only on the product and CSR initiatives; b) there are participants who reward initiatives from companies with competition and participants who reward initiatives from companies without competition, because some may consider that monopoly companies join these CSR initiatives in order to maintain a monopoly in the market where they operate (Malmström & Sevilla, 2014) and others may consider that companies with competitors seek to imitate altruistic firms.

### 5.6. Third Phase

Participants are always willing to reward proactive initiatives, regardless of product category and type, and are willing to reward companies that take a reactive approach to some situations. However, when comparing both approaches, there are fewer significant differences for reactive initiatives, suggesting that participants are aware of the damage caused by companies but end up not penalizing them. As mentioned earlier, this absence of an award can be seen as a form of "penalty", or it can represent a balance between the damage caused and the affinity of the participants with the *a posteriori* initiative of the companies. The fact that there are more inconclusive results on the side of reactive CSR suggests that the eventual awards for companies that follow this approach is not robust enough to draw a conclusion and, therefore, in these situations it is not evident that participants reward companies for their involvement in the described CSR initiatives.

In order to understand how the consumer, depending on his budget, is willing to support a variation in the price of a product from a socially responsible company (depending on whether the product is cheap, medium priced or expensive), it was necessary to observe, in the results that represent an



award, the percentage increase registered for the WTP that represents the prize (on average) that the participants attribute to the companies of each sector (see **Table 2**). The expected result is that participants would reward more companies whose product is cheaper and less companies whose product is more expensive, since the participant may be more willing to support a small variation in the price of a product of a socially responsible company when this product is "naturally" cheap than when it is "naturally" expensive. The results observed are in line with what was expected, since the number of awards increases as the price of the product decreases, and the percentage value of the awards also increases as the price of the product decreases. These results suggest that participants are more moderate in rewarding companies for CSR initiatives when products are more expensive, and more impulsive to reward companies for CSR initiatives (whether proactive or reactive) when products are cheaper.

### **5.7. Differences based on CSR type, approach, and product**

In the **car industry**, within the proactive approach, the awards given by the participants do not vary much between the environmental and social category and the CSR towards employees, despite being awarded, is the one that presents a lower award compared to the others. One possible explanation is that consumers tend to pay more attention to social and environmental initiatives than to those aimed at improving the well-being of employees (Andreu et al., 2015). In short, the awards for the environmental category are slightly higher than those for the social category, because the communication regarding the environmental impact of companies in this sector is more present (and visible) than the communication regarding their social impact. This is related to type of product chosen and not to its classification as an "expensive product".

In the clothing industry, there is an award in the employee's category whose approach from companies is reactive. However, it appears that the awards attributed to all categories of CSR on which companies follow a proactive approach are higher than those of reactive approaches. One possible

justification is that participants tend to reward the reactive employee's category since they may consider that, despite the evidence of labour exploitation, this sector is one of the main sources of export earnings in developing countries and has the potential to create jobs and help local communities. Another possible explanation is that the content of the experimental material provided to the participants (investment in the education of employees) outweighs the damage caused by the companies. From the results, it is observed that the social category has a slightly higher premium. However, this result may be related to the communication of the social causes from companies of this sector or related with a higher consumer-company identification (CCI) for social initiatives for this type of product.

In the food industry, there were awards for both proactive and reactive approaches. In general, the awards for proactive initiatives are significantly higher than for the reactive ones, except for the environmental category where there is a higher award for the reactive alternative. This result goes against what would be expected. However, a possible explanation may be the experimental design itself. The difference between the two articles, in addition to the approaches, is that the participant can assume that when a company establishes an agreement with an NGO there is a minimum guarantee that the agreement will be fulfilled. This guarantee can imply that a reactive initiative obtains a higher award than an initiative of a company that follows a proactive approach. Nonetheless, it is not possible to conclude, with certainty, that this is the cause of the deviation from what would be expected. In addition, it appears that social initiatives have an award, in percentage, higher than the rest (both for the proactive and reactive approach). It can be derived that, when the product is from the food industry, participants can perceive that social initiatives have a greater connection with it, since the consumer relates food more easily with the problem of hunger in the world than with environmental issues.



## 5.8. Limitations

During this investigation, some limitations may have some influence on the results obtained. In fact, it was not possible to assign a participation fee or to “auction” the selected products effectively, so the study carried out needed to be treated as a simulation that assumed that the participants would place themselves in the real context of purchase. The results obtained may be subject to bias, since the answers, although closer to the real behavior of consumers in their purchasing decisions (by applying the BDM method and not regular surveys), still represent hypothetical responses.

The generalization of the CSR category (in environmental, social or workers) in the articles presented may not be the most appropriate to do, since the participants may have an affinity, for example, for social causes in general, but not for the one presented to them in this experience.

The sampling technique used, *Non-Probabilistic by Convenience*, does not allow a statistical precision of the sample, making it difficult to use it for generalizations of the population. This is particularly important since, it appears that the sample collected is not representative of the national socio-demographic situation.

The statistical tests used have limitations due to the presence of outliers and the fact that there are paired samples of WTPs whose difference is zero, leading in some cases to inconclusive results.

## 6. Conclusions

From this study, we can conclude the following:

- 1) Consumers reward any type of proactive initiative, because consumers can pay more attention to CSR initiatives that directly affect them and/or that cover their individual interests;
- 2) There were no significant penalties. However, there were fewer awards for reactive CSR initiatives. This failure to penalize reactive initiatives may be either because company’s initiatives balance the damage caused by them; or because when consumers do not value reactive initiatives, they only pay the price of the product for its functional characteristics, without penalizing companies;

- 3) Consumers may be willing to reward the initiatives of companies that follow a reactive approach, which suggests that the positive attitude related to the identification of the consumer with the activities of companies may be valid even for those companies that follow a reactive strategy;

- 4) There is no significant relationship between the market structure (with and without competition) and consumer behavior. Consumers may not take into account this competitive aspect between companies, that is, they focus only on the product and CSR initiatives; or when considering this aspect, they can be divided between rewarding more initiatives from companies with competition and rewarding more initiatives from companies without competition, because some may consider that monopolistic companies join these CSR initiatives in order to maintain the monopoly in the market where they operate and others that companies with competition seek to imitate and be confused with altruistic companies;

- 5) Consumers are more moderate in their decisions to reward companies for CSR initiatives when products are, by themselves, more expensive, and more impulsive to reward products when they are cheaper;

- 6) For each industry, there are categories of CSR that consumers reward more than others, that is, depending on the type of product marketed by companies. Thus, to extract the maximum benefits when investing in CSR initiatives, companies should evaluate the main mental association of consumers regarding the product and the most appropriate CSR initiatives;

- 7) Gender, family income and education can be considered important indicators of consumer behavior in relation to companies' CSR initiatives, while age, in turn, has no influence on it (in the results presented).

## 7. Future Work

Considering this study’s results and limitations, future developments are suggested: 1) application of other methodologies that better portray the real behavior of consumers in their purchasing decisions; 2) usage of other sampling techniques that allow a generalization

of the results for a representative and probabilistic sample of the population; and **3**) inclusion of new variables that allow the measurement of consumer-company identification (CCI) for different CSR initiatives, and a better understanding of the consumer's perception regarding the companies' market structure.

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