

# **Do a company's CSR activities affect consumers' purchasing decisions?**

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Abstract  <p>Corporate social responsibility, CSR, is an important issue that companies today place a high focus on. It is a way for corporations to gain more value and enhance their image. The objective of the study was to find out whether a companies' different kind of positive and negative CSR activities affect the consumers' purchasing decisions. The study examined whether consumers place a higher focus on companies' negative activities than positive ones. Additionally, the study aimed to find out if there are differences in the impacts of the positive and the negative CSR activities between the demographic groups based on the age, gender and income level.</p> <p>A quantitative approach was chosen, four hypotheses were formulated, and based on these, an online questionnaire was created. The questionnaire received 126 responses and the data was analyzed with Webropol and Microsoft Excel.</p> <p>The study found that the CSR activities that companies take part in, both positive and negative ones, do affect the consumers' purchasing decisions. The data showed that when it came to the actual activity, negative activities had a higher impact on the consumers' purchasing decisions than the positive ones. Differences in the impact between genders, age groups and income levels were not found.</p> <p>For the future, a longitudinal study that uses more data collection methods as well as analyzing tools, could be implemented. This way more consumers would be reached, and the data could be presented and analyzed more extensively and more precisely.</p>		
Keywords ( <a href="#">subjects</a> ) Corporate Social responsibility, CSR, consumer behavior, communication, strategy		
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<p>Tiivistelmä</p> <p>Yritysten yhteiskuntavastuu on hyvin tärkeä tekijä tämän päivän yritysmaailmassa, ja yritykset kohdistavat siihen paljon huomiota sekä resursseja. Sosiaalisesti vastuullisilla teoilla yritykset voivat parantaa imagoaan ja arvoaan yrityksenä. Tutkimuksen tavoite oli selvittää, vaikuttavatko yritysten yhteiskuntavastuulliset teot, sekä positiiviset että negatiiviset, kuluttajien ostopäätöksiin. Tavoitteena oli myös tutkia, onko negatiivisilla teoilla positiivisia tekoja suurempi vaikutus kuluttajien ostopäätöksiin. Lisäksi tutkimus pyrki selvittämään, onko eri ikäluokkien, sukupuolten tai tuloluokkien välillä havaittavissa eroavaisuuksia ostopäätösten suhteen.</p> <p>Tutkimus oli kvantitatiivinen. Tutkimuskysymyksen ja kirjallisuuden perusteella luotiin neljä hypoteesia tutkimuksen pohjaksi. Data kerättiin verkkokyselyllä, joka luotiin Webropol-ohjelmalla, joka tavoitti yhteensä 126 vastaajaa.</p> <p>Tutkimustulokset osoittavat, että yhteiskuntavastuullisilla teoilla on vaikutus kuluttajien ostopäätöksiin. Negatiivisilla teoilla huomattiin kuitenkin olevan suurempi vaikutus kuin positiivisilla. Eroavaisuuksia ei havaittu eri ikä- ja tuloluokkien välillä. Myöskään Sukupuolten välillä ei havaittu eroavaisuuksia.</p> <p>Tulevaisuudessa voisi suorittaa pidempää aikaväliä tarkastelevan tutkimuksen, joka käyttää useampaa datankeruu- ja analysointimenetelmää. Näin tavoitettaisiin suurempi määrä kuluttajia eri kategorioista ja tulokset voitaisiin esittää laajemmin ja kattavammin.</p>		
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## Contents

<b>1</b>	<b>Introduction</b> .....	3
1.1	Background.....	3
1.2	Motivation for research .....	4
1.3	Research questions.....	5
1.4	Structure of the thesis .....	6
<b>2</b>	<b>Literature review</b> .....	7
2.1	Consumer behavior .....	7
2.2	CSR & Strategy.....	11
2.3	Hypotheses.....	18
<b>3</b>	<b>Methodology</b> .....	19
3.1	Research approach .....	20
3.2	Data collection.....	21
3.3	Data analysis.....	22
3.4	Verification of the results.....	24
<b>4</b>	<b>Results</b> .....	26
4.1	Background information .....	26
4.2	Testing the hypotheses.....	28
4.2.1	Overall results.....	28
4.2.2	Results by gender.....	30
4.2.3	Results by age .....	32
4.2.4	Results by income level .....	34
<b>5</b>	<b>Discussion</b> .....	37
	<b>References</b> .....	44
	<b>Appendices</b> .....	48
	Appendix 1. Survey in Finnish .....	48
	Appendix 2. Survey in English .....	50

## Figures

Figure 1. Gender distribution of respondents	27
Figure 2. Age distribution of respondents	27
Figure 3. Income level distribution of respondents	28

Figure 4. Results of positive CSR activities on purchasing behavior	29
Figure 5. Results of negative CSR activities on purchasing decisions	30
Figure 6. Results on positive CSR activities by gender	31
Figure 7. Results on negative CSR activities by gender	32
Figure 8. Results on positive CSR activities by age groups	33
Figure 9. Results on negative CSR activities by age groups	34
Figure 10. Results on positive CSR activities by income level	35
Figure 11. Results on negative CSR activities by income level	36

## **Tables**

Table 1. Final results of the hypotheses	37
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# 1 Introduction

This research aims to find out if different kinds of socially responsible activities done by companies' affect consumers' decisions to buy products or services from that said company. If a consumer knows that a company contributes in socially responsible activities such as providing clean water to developing countries, does this make the consumers to want to support this company and this way also make him/herself part of this positive action? Or perhaps consumers think that this is a very nice and valuable thing to do but it does not necessarily mean that it would affect their decisions to buy, or not buy, products or services from that company. Corporate social responsibility, later referred to as CSR, is a great way for companies to create more value and in the long run, more profit. Combining CSR and consumer behavior, this study looks into how both positive and negative CSR activities affect consumers' purchasing decisions.

## 1.1 Background

Everybody wants to contribute in saving the world. Today companies have several chances to contribute on saving the environment and the very planet we live on. According to Falck & Hebllich (2007) corporate social responsibility, CSR, is a way for firms to do socially positive deeds, and at the same time create more positive publicity for their businesses. (247.) Even though CSR is a valuable and important phenomenon, it might affect people differently, some not at all, and arouse different kinds of feelings in them.

One never really knows what is going on inside of a consumer's head. What are the factors that make consumers like a product and in the end purchase it? In today's world one of the key factors are the ethics of the companies, the way they operate and the image they give about themselves. People are getting ready to invest financially higher amounts on products from brands that focus on the sustainable and environmental aspects. However, also focusing on helping both local communities as well as communities abroad will create competitive advantage and

positive awareness for companies. According to Mohr, Webb and Harris (2001) companies should however make sure that they know what kind of CSR actions the people would want them to take part in. The pressure from the customer side is big and therefore making the decision about CSR activities is very crucial to companies. (45-46.)

Companies and their employees know that the markets are full of very different people with different motives behind their actions. Not all people place a lot of attention on where their products come from and what the purchase of a certain product actually means. Also, it does not mean that a person buying products from a company that takes part in negative CSR actions supports those actions but might just not be aware of them or might not have any other options at that time.

Maniatis (2017) mentions in his article that manufacturers and organizations respond to consumers demand. The products that companies produce are according to the preferences of the consumers. Even if the main objective of the companies is to gain profit, the values and beliefs of a company's target consumers are important for them. Provided that consumers have a strong say in what a company actually produces, they can this way strongly influence on how the products are produced and where, as well as on other actions the companies and organizations take part in- or don't. What companies need to understand about their customers is that there are those who actually want to make a socially responsible consumption and be part of something bigger and then there are those who are just looking for a personal gain through the consumption. (2-3.)

## 1.2 Motivation for research

A lot of studies have been conducted about consumer behavior and how it functions. Hundreds of researchers from all over the world try to understand the mysterious minds of consumers. At the same time hundreds of researcher's study CSR and how it affects the companies and the stakeholders. After reviewing these studies, the researcher started to think about correlations between these two topics. Eventually, the researcher decided to study whether a company's CSR activities actually affect

people's buying decisions. While formulating research questions the researcher also started to think if negative activities affect more than positive ones. Meaning, consumers might not pay a lot of attention on whether or not their favorite companies participate in positive CSR activities but if the activities that the company participates in are negative, then the attention towards this matter could rise.

For the researcher herself, it is very important to support companies that do good. She values especially companies that place a high focus on the working conditions in Africa and Asia, and these are factors that heavily affect her purchasing decisions. The researcher has enormous amount of respect towards those businesses who donate money to starving kids in Africa and in Asia or provide water and electricity to small villages in developing countries. These are only of course a few examples of many different positive activities that a company can do or take part in.

As will be mentioned and discussed further along, not everyone might have the chance to be sustainable and choose products made by responsible companies. The researcher finds this aspect very interesting and believes that there are indeed different factors that enable some to be very sustainable and limits others to do the very same thing. One factor that the researcher thought about was money. It is very much possible that green products and sustainable products produced by responsible companies are a bit more expensive and it might be, that not everyone can afford these products.

### 1.3 Research questions

There are a lot of factors that affect the decisions consumers make. This research will study the aspect of how CSR affects the purchasing decisions of consumers and whether there are any differences within three categories, these being age, gender and income class. Secondly, the study briefly looks whether negative activities affect consumers more than positive ones.

Based on the literature two main research questions and three sub questions were created:



- Do positive and negative CSR activities affect consumers' purchasing decisions?
- Do negative CSR activities have a higher impact on consumers' purchasing decisions than positive ones?

Sub questions:

- Are there any differences in the impact on consumers' purchasing decisions between genders?
- Are there any differences in the impact on consumers' purchasing decisions between age groups?
- Are there any differences in the impact on consumers' purchasing decisions between income classes?

#### 1.4 Structure of the thesis

This thesis follows a certain reporting model with 5 different main chapters and a list of references as well as a list of appendices in the end. This study also includes visual aids to make the reading of this paper as easy as possible.

After the brief introduction of the topic and the thoughts behind it, this thesis will move on into literature review in chapter 2. The literature review defines and explains the key concepts of the study based on published literature from researchers all around the globe. The literature review also includes four hypotheses, which forms the base for the whole thesis. After the literature, follows chapter 3, the methodology chapter. In this chapter the chosen philosophy, research approach and the method will be explained. In this chapter the way the data was collected and from whom, will be explained as well. Chapter 4 includes the results of the collected data. With the support of visual aids, the aim is to make the results clearer and more comfortable to read. Finally, chapter 5 is a discussion chapter about the results and

other findings of the research. In this chapter also, the limitations and other notifications, such as suggestions for future research, will be mentioned.

## **2 Literature review**

This chapter will dive into the existing literature and collect knowledge from many different sources. In order to test the hypotheses, the topic that is being studied needs to be understood perfectly. This said, it will not be enough to only research CSR, but also the way the consumer mind works. To be able to see how CSR affect different types of consumers' purchasing decisions, one must first try to understand these different types of consumers. What makes them different from each other's and what qualities are unique for them.

### **2.1 Consumer behavior**

Consumer behavior can be defined as a chain of events that are based on the two human emotions desire and need. This chain includes phases such as selection, purchase, usage and disposal of different kinds of services and products. When looking into consumer behavior, one must include all three chapters of purchase decision; the before, during and after. (deMooij 2011, 21-22.)

Consumer behavior is a huge phenomenon, that has a lot of factors that contribute to it. Consumer behavior varies based on the company, the industry and even the country. Culture and the geographical locations play a big role in understanding consumer behavior. In Europe there are a lot of cultural differences that affect consumer behavior and for example two neighboring countries Belgium and The Netherlands have a completely different consumption policy. Consumers are starting to adapt universal values, that correspond to the American values, and through this forming a new invasive culture. Consumer decisions are highly affected by the surrounding environment and the fellow consumers. People listen to same hits, watch same movies and discuss same things, both online and offline, and this is what affects consumer behavior and make the behavior generalizable. (ibid., 1-3.)

Wilkie (1994) divides consumer behavior into seven different categories which each form an individual definition and together make up the whole main point of consumer behavior. (14-15.)

The first category of consumer behavior includes the basic question about consumer behavior, why it occurs. As mentioned earlier, consumer behavior satisfies our needs and desires and they always have an aim that they are trying to fulfill. The second category includes the different activities, either deliberate or accidental, that are closely connected with consumer behavior. These include emotions, thoughts, plans, decisions and experiences. The third category refers to consumer behavior as a big purchasing process, which consists of three purchasing stages, these being pre-purchase, purchase and post purchase. The fourth concentrates on timing and complexity. Timing referring to when the purchase happens and how long it takes, and complexity refers to the toughness of the decision. These factors are logically connected with each other, since it takes more time to make a purchase when the decision-making part is difficult. The fifth part divides consumers into three different categories; influencer, purchaser and user. One person can act in all the roles, either separately or at the same time. Based on the situation one is in life, consumers' roles change and evolve. The sixth category explains external factors that might have an influence on the purchase decision. These influences can be both long time processes or just a single short time case. For example, culture, family and social groups and situations can be defined as outside sources. The seventh and the last category, points out that every consumer is a separate person and acts differently from other individuals. In order to understand consumer behavior one must first understand people and the reasons behind their actions. (ibid., 14-18.)

Emotions have a large impact on how people react and solve situations in life. According to Laros and Steenkamp (2004) it is crucial to study what kind of emotions lead to what kind of purchase decision. One emotion can have several different behavioral consequences. In order to understand these consequences, one must understand the emotions behind it. In year 1997, Richins created a scale based on his study, to find out which emotions were related to consumption. This scale is called

consumption emotion set, CET. (1440-1441.) Consumption emotions are defined as a response of feelings and emotions when using or purchasing a product. As one might logically assume, when a purchased product is good also the emotions attached with the purchase are positive. Whereas when the product or service performance is bad also the emotions felt are more negative. (Han & Back 2008, 469-479.) According to Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros and Schlesinger (2009), the customer experience consists of five different reactions, these being physical, social, emotional, affective and cognitive. Factors that affect these reactions can be of a kind, which the retailer can have a say in, such as the atmosphere in a store and a kind that the retailer can't control, for example the effect of other consumers. (32.)

From the company perspective, in order to get a firm's customers to share and communicate, they must feel comfortable about doing so. When a company can establish a safe environment, it is then that customers start to give out information about themselves, as well as feedback, to the firm. This is also why companies need to be careful when delivering any messages, since it might make some consumer group uncomfortable. The relationship that is born between the company and the customer can be divided into three moments, these being initiation, maintenance and end. When communicating with the customers it is crucial that the company first analyses which of the three categories the customer belongs to. An active attendance in the social networks, can help companies to reach new customers as well as maintain the relationship with already existing ones. (Nobre & Silva 2014.)

Male and female react differently to different irritants, one of these being for example marketing of a product or a service. This effect has a biological explanation that the human brain is divided into two parts, each specializing in different abilities. Left side concentrates on verbal actions whereas the right side focuses on dimensional observations. Studies show that in the female brain these two parts are more combined and collaborative and that in the male brain these parts are more individually specialized. In practice this would mean that the female brain processes information comprehensively, which means that females prefer information that comes from several rich sources while the male brain processes information more

progressively and are satisfied with information from a few sources and a narrow focus area. (Richard, Chebat, Yang, & Putrevu 2009, 928.)

According to Luchs & Mooradian (2011) females have a big concern about the impacts that their consumptions have, and they both express their feelings towards this issue and act on it much greatly than male do. This interest begins already at a young age. Several studies also show that females actually decide on their purchase decisions based on social and environmental matters. (127-130.) When it comes to men and women the roles that they possess change during life and for example a woman acts differently as a consumer than a mother would. (Jisana 2014, 35).

Age is a variable often used in understanding and dividing the consumers. However according to Parment (2012) age might not be the right aspect for understanding the decisions and motivations behind consumers. Instead, consumers should be studied from a generational group point of view, where people are divided based on a specific time period they were born in. This puts consumers with same kind on values and life happenings, such as historical and social events, in the same category. Situations and happenings that happen approximately between ages 17-23, have the biggest effect on which kind of values a consumer will develop and nurture in the future. For example, during the Great depression in the USA those between ages 17-23 at that time, today value financial safety. (189-190.)

Studies show that a consumer's income level is highly connected with the decisions he or she makes. A connection between high income and unethical decisions has been found based on earlier studies. However, also a connection between low income and unethicity exists. Sometimes consumers in low income class commit for example crimes such as small thefts to survive. (Dubois, Rucker, & Galinsky 2015, 1-2.) Jisana (2014, 34) states in her paper that consumers with more financial capital will purchase more expensive products and services.

Economists state that consumer behaviors will develop and increase as people get richer. Wealth is a big part of consumption as well as habits too. Professionals of sociology however state that it is the values that change when the amount of money

one possesses becomes higher and the increase in consumption is what follows this. When received more financial capital consumers feel for example, that a better and a more expensive education becomes a possible option for them. (deMooij 2011 ,7-8.)

## 2.2 CSR & Strategy

### **CSR**

CSR, corporate social responsibility can be defined as an agreement to develop optional practices and involvements of different corporations and organizations. Today a huge amount of companies devotes at least some of their resources into social initiatives for example, environmental issues and community reach. Even though companies and organizations are an effective way to develop the social world they are into CSR for other objectives too. CSR can have a significant effect on how one of the biggest stakeholder groups, consumers, behave. CSR effects not only the purchase decisions of the consumers but have also an impact on where consumers seek jobs and where they invest their financial capital. Studies show that companies who show interest towards CSR and other social issues, get the customers support and loyalty more likely. A study in The USA shows that 87% of consumers in America would change companies if the other another had clear and positive goals in their business. (Du, Bhattacharya & Sen 2010, 8-9.) Lindgreen and Swaen (2010) claim CSR to be a phenomenon that is a must within every company today and a factor companies feel will help them to success with ethical values. (1-2.)

According to Kuokkanen and Sun (2019) the actual CSR distinctives that would affect the consumers final buying decisions has not been studied enough. This is also one of the reasons why current CSR activities that companies participate in does not quite match the CSR demand that consumers have. Since consumers do not receive the kind of CSR actions that they would initially want, their interest towards the current actions decreases. (4-5.) In today's business world one of the main ways to achieve customer satisfaction is CSR. In order for a company to survive, customer satisfaction is needed. Customer satisfaction through CSR should and can be achieved by more than one strategy. One way to achieve customer satisfaction is through human

resources. The more pleased the employees are at their workplaces, the better they perform and thus more satisfied are also their customers. And a company that has satisfied customers are more motivated to improve their work and shift towards more socially responsibly performance. (Jermstiparsert, Siam, Issa, Ahmed, & Pahi 2019, 741-742.)

Companies are struggling with spreading the awareness of good actions to consumers. Studies show that consumers are not aware of the CSR activities of companies and that sometimes not even the employees of the company are aware of these actions. The challenge hereby is how to market and communicate about the strategical policies companies take without it having a negative effect. People are skeptic and they make quick judgements based on their own experiences. Therefore, when a company promotes their CSR activities it can be seen in two different ways. It can be seen as extrinsic or intrinsic. The first one meaning that the company only communicates their activities to earn profit whereas the later one refers to a company that actually cares about the social matters. (Du et al. 2010, 9-10.) The two different ways of CSR can also be referred to as socially responsible and privately responsible actions. When a firm is driven to give to the society, even if it would cost them money, then the action is socially responsible. In other cases, the action is usually privately responsible. This kind of action can also result in a socially responsible outcome but the motivation behind it remains private. (McWilliams & Siegel 2011, 1481.) CSR is also known to be divided into value-driven and stakeholder- driven actions. When a company's CSR actions are value driven, they come so to say from the heart. Meaning they are driven by ethical and moral principles. This sends a message to consumers, that the company really does care about the social matters and problems that the world is facing. Stakeholder-driven CSR actions are practiced by companies in order to fulfill the believed expectations that stakeholders have. (Jeon & An 2019, 4.)

As Ki-Hoon and Dongyoung (2010) points out in the beginning of their paper, earlier studies focus mainly on the most well-known aspects of CSR, such as community reach, or discusses CSR as whole, but only few studies take also the consumers'

understanding of the concept into account. In their study, Hi-Koon and Dongyoung discover that from various CSR activities it is the local community contributions that have a huge impact on consumers' decisions when it comes to purchasing, whereas environmental support did not have that big of an influence on purchase decisions.

Companies should be careful about how they spend their resources on CSR. Kang, Lee and Huh (2009) suggests in their study a strategy, where before starting any actions, a firm should analyze whether their CSR activities are now positive or negative. If the effect of the operations is positive, then a company should continue in the same path and concentrate in developing these positive CSR activities. However, if the effect is now negative, there is no point to create positive activities while the negative ones exist. Therefore, the focus should be on minimizing the negative CSR actions. After the negative impacts have been reduced only then can the company start creating positively effecting CSR activities. (73.)

A company's management has a high role when it comes to succeeding with CSR activities. Strategic CSR is a way for corporations to increase their advantage on the ethical market. It can be defined as: "any 'responsible' activity that allows a firm to achieve a sustainable competitive advantage, regardless of motive". In order for strategic CSR to succeed, the management of CSR has to be a collaboration between a company's management and consumers. This way the consumers' views get to play a big role in a company's CSR management. (Kuokkanen & Sun 2019, 6-7.)

Today's leading companies in corporate responsibility are companies such as Lego, Google and Danone. Danone for example has worked together with nonprofit organizations in Argentina to create an early childhoods center into the city of Salta. Lego invests huge amounts in order to change all their packaging into 100% sustainable material and to recycle all their operational waste. One of their goals is also to make all the Lego bricks sustainable by 2030. The social responsibility of a company is usually connected to the United Nations Sustainable Development Goals, which is a plan with 17 different economic, environmental and social objectives to be reached by 2030. (Valet 2019.)



## **Communication of CSR**

In order to communicate company's strategy to customers one has to choose the right way to do it. Daily, millions of people interact in different platforms such as Facebook, Twitter and Instagram. Currently Facebook has over 90 million members. Companies have realized that social media is an excellent way to reach out to one's customers and promote the firms' image. It is actually stated in Facebook's promotional materials that a company benefits hugely when using social media, especially Facebook in their marketing strategy. By using Facebook as marketing platform, users get customized adds on their homepage based on their likes and dislikes. Users will find the company websites more easily and can follow the companies online for the latest news. (Nobre & Silva 2014.)

Communicating through social media is cheaper than traditional marketing and the information flow is very fast. Another pleasant point to the companies is the easiness of customer feedback which helps companies to develop further. Chu, Chen & Gan (2020) reminds in their article, that different factors that people value differs between cultures. While planning CSR communications through social media it is crucial to recognize the norms that consumers in that specific target market value and see as important ones. (269.)

The communication between organizations and stakeholders must be done very carefully. Companies are struggling to find the correct way to implement their CSR communication strategy, due to the fact that they are facing a situation where communication of CSR raises more skepticism along the stakeholders rather than wished positive feelings such as trust and pride. (Lock & Schulz-Knappe 2019, 3.) According to Mette & Schultz (2006) when communicating about for example major global issues a company needs to consider what they say and how they say it. CSR communications are a hot topic and often companies who communicate about such issues like CSR get a positive image in the eyes of the customers. However, the communication might also create some negativity within the customers and stakeholders. A company that promotes their CSR activities too much, may be seen

as a company who tries to hide something. Today, companies need to focus not only on their own activities but also in their suppliers and investors activities since they might affect the customer opinion. Organizations also need to be careful with their messages, since the amount of CSR institutions is increasing all the time. (323.) Likewise, Morsing & Spence (2019) highlight the importance of careful CSR communication. Previous studies have suggested that communication of CSR is attached to the actual action of CSR, meaning that when the leaders of big corporations discuss about CSR, they at the same time promise to make the discussed things happen. (1921.)

A familiar and a well-known company can easier affect the consumers' minds and decisions about matters connected with CSR. When communications are done right consumers attach a positive feeling in the company and through this also into the products and services they provide. (Kim 2011, 218-219.) Consumers don't however focus as much on the communication process of a company as they do in the actual outcome of these communications (Lock & Schulz-Knappe 2019, 14).

Today more and more companies are using social media to communicate about their CSR actions to their customers. By communicating CSR matters throughs social media, companies give their customers a chance to participate in the communications and for example share their own opinions. Social media is also a convenient communications platform, because here customers can freely learn about CSR. By giving customers a chance to comment and freely express themselves might even lead to a back and forth conversation between the company and its customers. (Chu et al. 2020, 260-261.)

## **Strategy**

The word strategy has its roots in the Greek word 'strategos' which means management skills in war. Leaders of armies, in this case managers, have a huge responsibility and this is why they need mid-level managers who know the principles and the strategy too. In strategy, the biggest difficulty for the managers is to get the individuals within the company to work together towards common objectives.

People tend to have a need to be guided forward and strategy is a way to fulfill this need. (Pimiä 2015, 32.)

Defining the concept 'strategy' is very difficult. Strategy is a historically old subject and has a huge amount of different definitions and explanations, all equally good. One of the definitions is that strategy is a concept that helps a company to manage internal and external factors and the interactions between these two in order to achieve the development and profitability goals that the company management has jointly agreed on. (Kamensky 2015.)

A company needs strategy for four different reasons. Firstly, it gives a company or an organization a clear direction, a path to follow in order to achieve the agreed goals. Secondly, it unites the people in the organizations and gives them a common goal to reach for. It puts the focus of the organizations and the people in it on the right track. Thirdly strategy is an identifier of the organization and fourthly, strategy is a way to create unity and cohesion into the work done. (Pimiä 2015, 32.)

Some executives feel like 40% of their strategies lose their potentiality when they are being implemented. One of the problems here is that companies spend a lot of resources in planning and creating a great forecast for the future. After a forecast has been made the management of the company will come up with a plan to operate towards this forecasted future. However, this approach is not the best one in today's world, since the changes within conditions and markets can happen very fast and the level of uncertainty is very high in today's business world. This 'plan then do'- called strategy is very outdated and in some cases might only cause harm for the companies. A more suitable strategy for today's fast changing markets is a 'decide-do/refine-do'- strategy. This allows companies to try out one idea, see whether or not it works and then learn from it and make required changes in order to make the strategy more successful. (Mankins 2017.)

According to Van der Kolk and Schokker (2016) connections in management control affects the company strategy and its implementation. Management control is a practice used by company management to lead the employee's behavior in a

direction where the company's strategy and the objectives are achieved. For example, an organizations rules and values for both teams and individuals are examples of such management control elements. (130.)

The support from top management in an organization is very important in strategy execution and without it the strategy execution might not proceed as it should. This however is not always enough. Based on a study from 2015, the number of respondents who had the support of management but still failed in the strategy execution phase was 84%. Therefore, it is important to remember that management support is not the whole key to success in strategy execution, it is only one piece in a much bigger concept. (Chuah et al. 2015, 737.)

### **Strategy Implementation**

In their article Li, Guohui and Eppler (2008) cites Hrebiniak (2006) "Formulating strategy is difficult. Making strategy work – executing or implementing it throughout the organization – is even more difficult ". (4-5.)

Execution of strategy is today seen as one of the most challenging factors within strategic management. Based on statistics from recent years the strategy execution rate is somewhere between 10% and 30%. This points to a fact that there is a lot to be studied about strategy and its execution. (Chuah, Teoh & Abdullah 2015, 736-737.)

Strategy implementation has never been officially defined. However, it can be described in three different concepts or perspectives. First concept concentrates on the process itself and refers to strategy implementation as a step by step approach, which has been clearly planned and thought through. Second concept focuses more on behavior and analyses a series of actions that are all quite similar with each other's. These two concepts can be put together creating the third concept of strategy implementation, which is called hybrid perspective. (Li et al. 2008, 4-6.)

## 2.3 Hypotheses

Based on the literature this thesis will be researching whether CSR has any differences in the consumers' purchasing decisions and whether there are differences when it comes to gender, age and income level. This meaning is there a category of consumers, for example an age group, that feels different from the other age groups. The research questions and the chosen methodology will be based on the hypotheses listed below.

**Hypothesis 1a (H1a):** Positive CSR activities affect consumers' purchasing decisions.

**Hypothesis 1b (H1b):** Negative CSR activities affect consumers' purchasing decisions.

**Hypothesis 1c (H1c):** Negative CSR activities have a higher impact on consumers' purchasing decisions than positive ones.

By having a clear goal, a company can quite effortlessly win consumers on its side. Communicating and showing an interest in decreasing some major issues that are going on in the world has shown to have a positive effect on the consumers mind.

**Hypothesis 2a (H2a):** There is a difference in the impact of positive CSR activities on consumers' purchasing decisions between genders.

**Hypothesis 2b (H2b):** There is a difference in the impact of negative CSR activities on consumers' purchasing decisions between genders.

Based on earlier studies and biological factors it is known that the male and the female brain act differently. There are several factors that contribute to a person's actions, one of them being the stimulations that occur in everyday environments. From the literature, one can make conclusions that the stimulations that an advertisement or a marketing campaign sends to the consumers impact differently on women and men.

**Hypothesis 3a (H3a):** There is a difference in the impact of positive CSR activities on consumers' purchasing decisions between age groups.

**Hypothesis 3b (H3b):** There is a difference in the impact of negative CSR activities on consumers' purchasing decisions between age groups.

**Hypothesis 4a (H4a):** There is a difference in the impact of positive CSR activities on consumers' purchasing decisions between income classes.

**Hypothesis 4b (H4b):** There is a difference in the impact of negative CSR activities on consumers' purchasing decisions between income classes.

Based on the literature, being sustainable, environment friendly and product cautious is not always an option when purchasing goods and services. Hence to financial differences between people, not everyone can choose to purchase the most responsible product. Often products that are sustainable and environment friendly might cost more than products without these valuable factors. This may be a strong factor for some consumers when it comes to choosing their products and services.

### **3 Methodology**

In this chapter the chosen methodology will be described more specifically and the reasons behind the decisions will be justified with the support of existing academic literature. The methodology was chosen after carefully exploring current existing research methods and techniques and by keeping the objectives of this study in mind all the time. This chapter is divided into four sections. The first one discusses the approach chosen and reasons behind this decision. The second part explains how the data was collected. In the third section the data analysis phase will be explained, and software's used will be presented.

Saunders, Lewis and Thornhill (2009, 594), define methodology as the way a certain study should be conducted. Choosing the most suitable methodology for one's study is not easy and needs to be considered carefully. The researcher must first understand what is wished to achieve with the study and what kind of information the research should provide to the readers. The methodology should be selected based on the research questions and objectives.

After reviving the possible options, the researcher decided to choose a quantitative method and collect the needed data through an online survey. In this paper, graphs and tables will help the readers to understand the data and the results better. Presenting one's findings with the help of statistical visual aids is one of the key elements in a quantitative research. The collected data will be transferred and analyzed with the online survey tool Webropol and Microsoft Excel.

### 3.1 Research approach

Saunders et al. (2009) define research as: "something that people undertake in order to find out things in a systematic way".

The nature of this study is quantitative, and the approach is deductive. Quantitative approach means that the results of the research will consist of numerical data that will later help to answer the research questions and to meet the research objectives (Saunders et al. 2009). Quantitative research follows a certain pattern starting from the research problem and ending with research results and solutions. To conduct a quantitative study, the researcher must gain knowledge about the situation that acts as the problem. The researcher also needs to understand what the target of the numerical calculations is. It is only after the researcher understands these two factors that she can conduct the calculations for the research. (Kananen 2010, 74-80.)

In the case of this paper, as earlier also stated, a lot of literature can be found about corporate social responsibility as well as consumer behavior, which is why deductive approach fits well together with the research objectives. According to Research Methodology (2019) deductive approach, also referred to as deductive reasoning, is an approach where the researcher forms hypotheses based on existing theory and literature and in his or her research tests these hypotheses and concludes whether they were correct or incorrect. With a deductive approach the researcher can find out and explain relationships between different concepts. A deductive approach is suitable when a lot of literature exists about the matter.

According to Kananen (2011) a quantitative research aims to generalize. This means that the research can be conducted with only a small amount of the population involved in the problem, and they are believed to represent the whole set. (16-18.)

This study will take a mono-method approach since only one quantitative data collection method is used. According to Saunders et al. (2009) when choosing a mono-method approach in a study, the researcher will use only one data collection technique with either quantitative or qualitative analysis. (151-152.)

### 3.2 Data collection

The data collected for this study is called primary data. Primary data refers to data that the researcher collected on her own and does not exist anywhere. According to Wilson (2010) primary data can be collected in several different ways. Interviews, questionnaires and observations are the three main collection methods. All these three have several subcategories that give researchers a big variety of techniques to choose from. (135-137.)

A frequently used data collection method within quantitative research is surveys. Surveys are an organized method to collect data from people. Usually by using surveys, researchers are able to reach a large amount of people in an easy and convenient way. A survey tries to help the researcher to answer questions such as who, where, how and what. A survey might include questionnaires, interviews or observations. (Saunders et al. 2009, 144.) Because of the nature of this thesis the data was decided to collect through an online questionnaire. With the help of an online survey tool, Webropol, a questionnaire with three demographical background questions (gender, age, income level) and two main questions that are referred to as the attitude questions, was designed (See Appendix 1 & 2). The questionnaire involves an indicator called the Likert- scale, which will help to turn the answers into numerical data and help to analyze the data. The Likert-style rating scale is an indicator where the respondents are asked to take a stand on how heavily they agree or disagree with a given statement (Saunders et al. 2009, 378-379).



As it is somewhat a common knowledge that people spend a lot of time on their smartphones and devices, it was convenient to choose the online survey tool Webropol, since it adapts into a proper form based on the device the respondents are using. Webropol also creates a straight link to the survey and saves all the answers immediately for the researcher to see.

After some considerations the researcher chose to collect some of the data through face to face questioning, since there were some limitations and obstacles in reaching people from all required categories. For example, the researcher knew that in order to test hypothesis 4 (see section 2.3), she needed respondents from all income levels. However, not that many people in Finland, that were within the reach of the researcher, earn over 6400€, which was the limit for high income class. Therefore, with the face to face questioning, the researcher targeted people that she assumed would fit into this income class. The questioning happened with the exact same questionnaire as used in the online questionnaire, only that the researcher was the one filling down the respondents' answers into the online platform.

During the data collection phase, the researcher realized that a lot of companies actually take part in very positive CSR activities, but not all companies promote these activities widely. While going through several mission statements and annual reports of different companies it was clear that some companies use their CSR activities as a method to gain more value whereas some companies do not place as big of a focus on this area. This got the researcher to think that the survey that was going to act as the data collection method needed to have very clear questions as well as examples of both good and bad CSR activities. As mentioned above, the survey included two attitude questions. In front of these questions a small explanation about CSR and examples of both companies with positive CSR activities as well as negative ones, was provided, to help the respondents in their answering process.

### 3.3 Data analysis

When collecting quantitative data, it can be separated into two main data types these being categorical data and numerical data. Numerical data can be defined as

data that can be quantified, put into numbers. Numerical data can be analyzed more further than categorical, and it is also more specific. Categorical data on the other hand is all the data that can't be put into quantities by measuring them numerically. Categorical data is divided into different categories. If the data cannot be divided into more than two categories it is called descriptive data. When the data can be divided into more than two categories with no ranking order, it is referred to as descriptive nominal data. If these two or more categories can still be ranked into a specific order the researcher is dealing with ranked ordinal data. (Saunders et al. 2009, 416-418.). The background questions that can be found in the beginning of the questionnaire, that divides respondents into categories based on their age, income level and gender, as well as the two attitude questions, all represent the categorical data.

Quantitative research results are usually calculated by a software to ease the analysis part of the study. A lot of different software's are designed to calculate and analyze quantitative data. The results of this study were analyzed with the software Microsoft excel. The connection between the online survey tool Webropol and statistical software excel was very helpful when the analyzing of the collected data started. The data from Webropol can be transferred to Excel automatically without any manual entering.

Based on the hypotheses presented in chapter 2.3, the aim of this study was to find out if CSR affect consumers' purchasing decisions and if there are any differences between three different variables, this meaning whether differences between age groups, genders and income levels can be found. In order to test this, the respondents were divided into categorical variables with the help of the background questions. All these variables were still divided further. Gender had two options: male and female. Income level was divided into five different categories based on the information taken from the statistics Finland website. These five categories were 0-1227€ per month, 1228€-1900€ per month, 1901€-4500€ per month, 4501€-6400€ per month or 6400€ or over per month. Age was placed as an open- end question in the questionnaire and later at the data processing part, the researcher also divided

the respondents into categories based on their age. Three age categories were formulated, people between 18-30, 31-50 and 51-70.

After all the data was collected, the data from Webropol was transferred to Microsoft Excel. In order to see how the respondents from the different categories age, gender and income had answered in questions 4 and 5, the researcher used one of Webropol's useful features, the filtering option. The filtering option allows the researcher to see responses from only those respondents she desires too. Since the background questions about gender and income were multiple choice questions these could then be used as the filtering categories. For example, in order to see how the females answered in question 4, the results page was filtered in a way that showed only the answers from females. However, with the age variable, which had been placed as an open-end question and later divided into three different age categories, the analyzing was done a bit differently. First the researcher checked the first age category, respondents between ages 18-30. She used the filter and entered every age between 18-30 one by one and checked how many responses every age had and how they had answered in questions 4 and 5. After this she calculated the percentual values and added them into a graph. This was then repeated with the two remaining age categories. When making the figures, the data was still double checked and transferred into the graphs manually. Bar charts were used as visual aids and after a few tests, the most suitable versions, that would be convenient and easy for readers to interpret, was created.

### 3.4 Verification of the results

Whenever conducting a study, the researcher needs to make sure that the results are trustworthy. When assessing a study's trustworthiness, two main definitions are used; reliability and validity. Validity means that the researchers make sure that the right aspects are studied to meet the research objectives, and that the findings discovered are what they seem to be. Reliability refers to the consistency of the gained results. By having reliable results means that if another researcher would conduct the same study, he or she would gain the same kinds of results as the

original researcher. (Kananen 2011, 118.) In this study a sampling technique was used, and only a small sample of the whole population was reached. The answers that were collected from these respondents can be, as earlier also mentioned, generalized.

Validity of a research can be divided into two crucial sections; internal validity and external validity. External validity checks if the gained results can be transferred to other groups. One of the main ways to improve the external validity is to for example to use random selection when collecting answers or by using non-reactive measures. (Mohajan 2017, 70-71.) This study used one of the ways to increase external validity and distributed the questionnaire in a way that the people who responded would be totally random.

According to Kananen (2010) it is very common to use sampling in one's research. There are several ways and techniques for sampling. The main two types are probability sampling and non-probability sampling. (96-99.) Probability sampling also known as representative sampling refers to a technique where everyone has a bigger chance than zero to be chosen for the research. In probability sampling the respondents are chosen randomly and this is a good way to get actual representation of the whole population. (Kvantitatiivisten menetelmien tietovaranto [Web resource for quantitative methods].)

As earlier mentioned, the researcher knew that in order to test the hypotheses, she needed answers from both genders, all ages and different income categories. Since according to Statistics Finland, the average salary in Finland in 2017 was approximately 2600€ per month, the researcher knew it would be a challenge to reach respondents from high income classes (Statistics Finland 2018). Therefore, in addition to the online survey, the researcher decided to conduct face to face surveys as well. By targeting markets and occupations with known high incomes it was more likely to get answers from respondents representing the high-income class. This way the results would remain valid and represented the whole population.

Before the questionnaire was sent to the respondents, a pilot survey was sent to a few people in order to test the understandability of the questions. Based on the feedback of the pilot study, a few changes were made, and the final version of the questionnaire was created. A simple way to ensure validity is for the researcher to for example let her colleagues check the objectives and questions of the study and give feedback about them (Wilson 2010, 122-123). Another important factor to be taken into considerations is that it is very normal that the respondents don't understand the question correctly or in some case totally misinterpret the questions (ibid., 149). This is also one of the main reasons why a test run was conducted before actual distribution of the questionnaire

## **4 Results**

This chapter will present the result obtained from the survey. First the results of the background questions will be presented, and after this the results of CSR affecting consumer purchasing decisions will be presented. The survey received 126 respondents.

### **4.1 Background information**

The three first questions of the survey were background questions and asked the respondents their age, gender and income level. The results of these will be presented below. The gender division of the respondents can be seen from Figure 1. From 126 respondents 67%, were female and 33% were male.

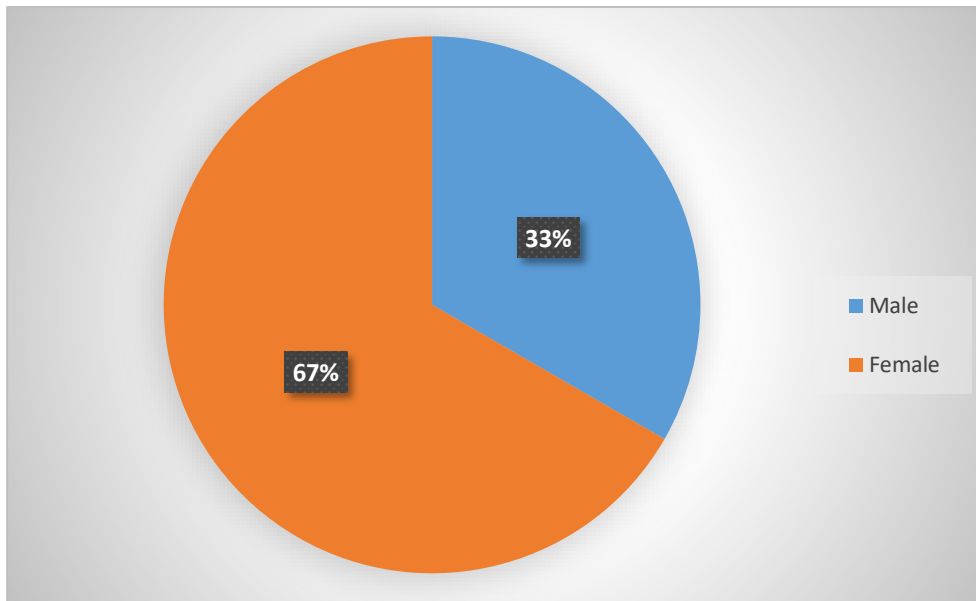


Figure 1. Gender distribution of respondents

Figure 2 shows the ages of the respondents. The respondents were divided into three age categories after the data collection phase. From 126 respondents 31% were between ages 18 and 30. 29% were between ages 31 and 50, and 40% were between 51-70 years old.

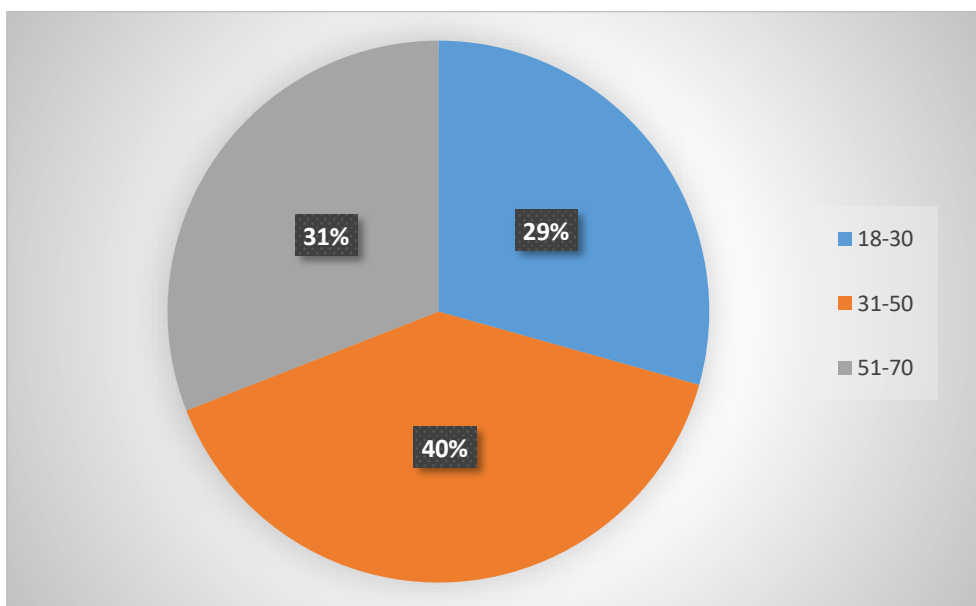


Figure 2. Age distribution of respondents

The results to the third background question concerning income level can be found below from Figure 3. Most of the respondents, 62%, scored in the middle category

with a monthly salary between 1901€ -4500€. 14% had a monthly income of 0€-1227€. 19% had a monthly income of 1228€-1900€. 2% had an income of 4501€-6400€. Finally, 3% scored in the highest income category with a monthly income over 6401€.

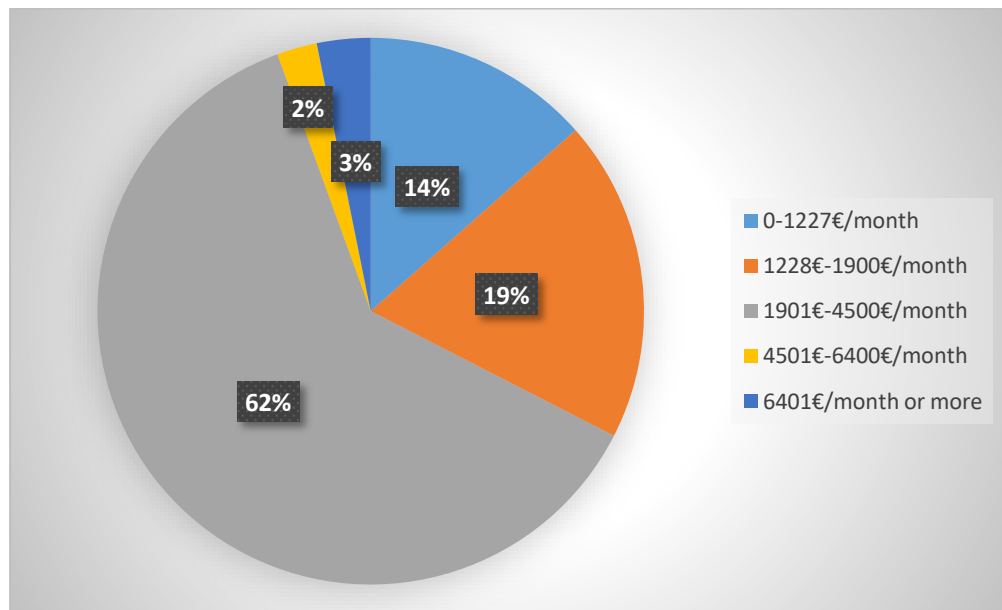


Figure 3. Income level distribution of respondents

## 4.2 Testing the hypotheses

After the demographic data was analyzed and presented the hypotheses, that were presented in chapter 2, could be tested. This section will present the results and prove whether the hypotheses are correct or incorrect.

### 4.2.1 Overall results

Figure 4 shows the division of answers to the fourth question, in where respondents were asked to rate the following statement: "a company's positive CSR activities affect my purchasing decisions". From 126 respondents 12 respondents, 9,52%, answered with the number 1, totally disagree, which means that positive CSR activities do not affect their purchasing decisions. 17 respondents, 13,49%, selected the number 2, slightly disagree. 35 respondents, 27,78%, selected the number 3, not agree nor disagree. 52 respondents, 41,27%, selected the number 4, agree. 10 respondents, 7,94%, selected the number 5, totally agree. Overall, a 49% thinks that

positive activities do affect their purchasing decisions. Around 23% felt that it does not have an impact on the decisions they make. The rest remained neutral and did not agree nor disagree with the statement. With the total percentage of agree being a lot higher than disagree a conclusion can be made that the hypothesis 1a, (H1a), is correct, and that positive CSR activities do affect the purchasing decisions of consumers.

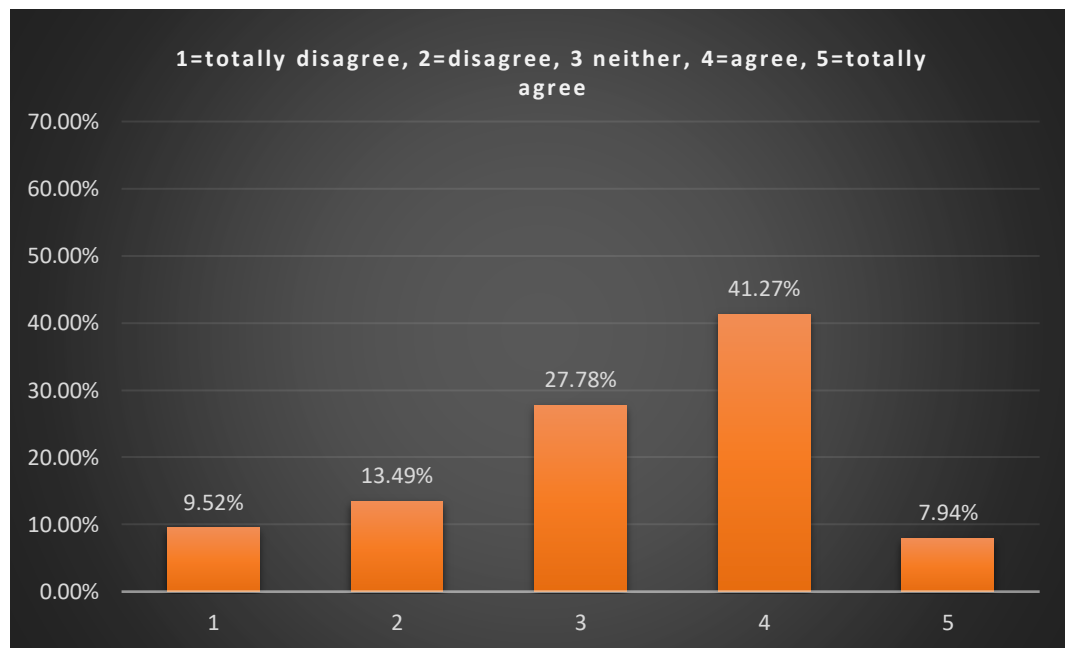


Figure 4. Results of positive CSR activities on purchasing behavior

Figure 5 demonstrates the division of the second statement, which asked respondents if negative CSR activities affect their purchasing decisions. Out of 126 respondents 8, 6,35%, selected the option totally disagree. 13 people, 10,32%, chose the disagree option. 31, 24,60%, chose neither disagree nor agree. 50, 39,68% selected agree and 24, 19,05% chose the option totally agree.

Overall, 59% of the respondents felt that negative CSR activities do affect their purchasing decisions. Only 17% felt that a company's negative CSR activities would not affect their purchasing decisions. From this a conclusion can be made that the hypothesis 1b, (H1b), is correct and that a company's negative CSR activities affect the purchasing decisions of consumers.



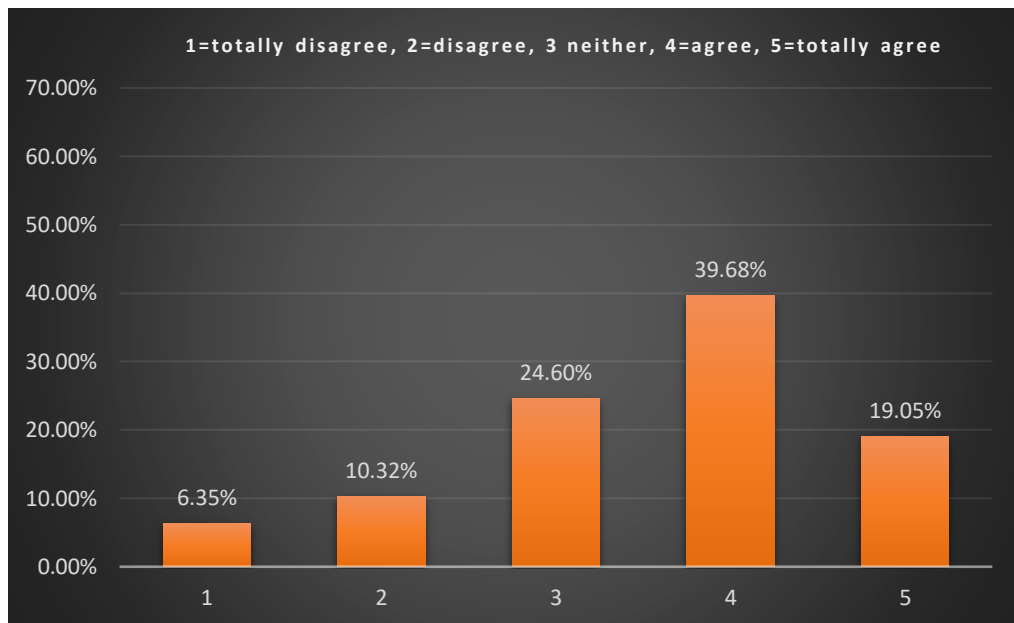


Figure 5. Results of negative CSR activities on purchasing decisions

After reviewing both figures an observation can be made that negative CSR activities seem to have a higher impact on consumers. The overall percentage of respondents who answered with a 4 (agree) or a 5 (totally agree) on positive CSR activities affecting their decisions was 49,21%. The total of respondents who picked 4 or 5 on the level of impact negative CSR activities have on their purchasing decisions was 58,73%. This would indicate that hypothesis 1c (H1C), is correct, and that negative activities have a higher impact on consumers' purchasing decisions than positive ones.

#### 4.2.2 Results by gender

The following section presents the results by gender and investigates whether any differences in the impact of CSR activities on the purchasing decisions between the two genders can be found. (Hypotheses 2a and b).

Figure 6 shows the results division by gender when it comes to the impact that a company's positive CSR activities have on the respondents purchasing decisions. From the figure can be seen that positive CSR activities affect slightly more on females than it does on males. 51% of the female respondents agreed with the

statement that positive CSR activities affect their purchasing decisions, whereas 20% disagreed. The number of men who agreed with the statement was around 45% and the number who disagree was 29%. Since both answering categories felt like there is an impact on their purchasing decisions a conclusion can be made that there is no difference in the impact of positive CSR activities on consumers' purchasing decisions between genders. Therefore, the hypothesis 2a is rejected.

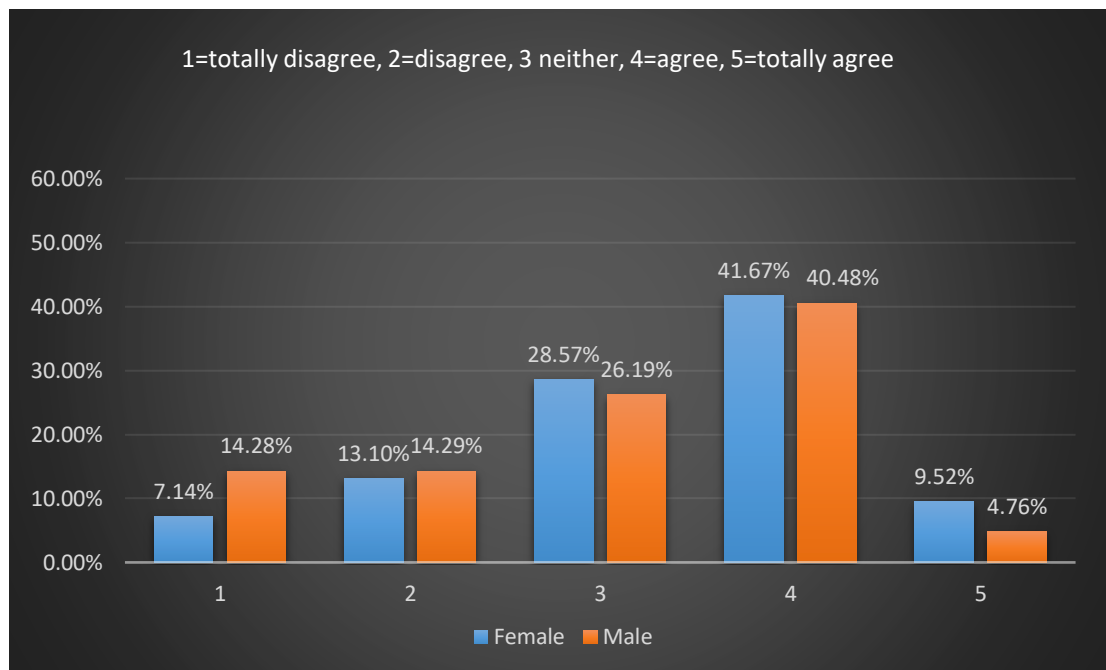


Figure 6. Results on positive CSR activities by gender

Figure 7 presents the results division by gender of negative CSR activities and how those affect the decisions of the respondents. Almost 60% of both female and male respondents found that negative CSR activities do affect their purchasing decision. For women the number was 58% and for men 60%. The number of respondents who disagreed with the statement was 15% for female and 19% for male. The data implicates that men and women both felt the same way and that negative CSR affects their purchasing decisions. From this a conclusion can be made that there is no difference in the impact of negative CSR activities on consumers' purchasing decisions between the two genders. The hypothesis 2b is also rejected.

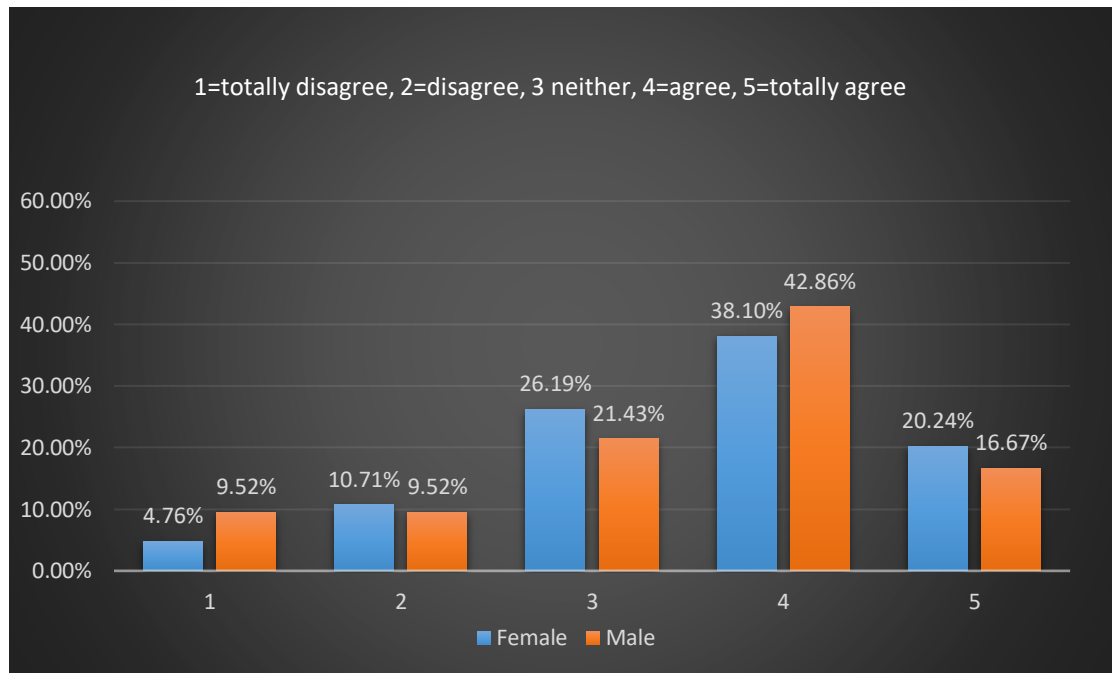


Figure 7. Results on negative CSR activities by gender

All in all, based on the results, both male and female respondents saw that negative CSR activities affect their decisions stronger than positive ones.

#### 4.2.3 Results by age

The following chapter presents in more detail the results by age. As earlier mentioned, the respondents were divided into three age categories. Figure 8 shows the division of answers from each age group regarding a company's positive CSR activities and its impact on their purchasing decisions.

The figure shows that all age groups answered more or less in the same way. All age groups seemed to feel that positive CSR activities affect their purchasing decisions. When going into more detail, the figure shows that from respondents between ages 18-30, 57% felt that positive CSR activities do have an impact on their purchasing decision whereas 22% felt that there is not an impact. From the age group 31-50, 52% felt that there is an impact and 20% felt that there is not. Finally, from 51-70-year-olds, 39% felt that there is an impact and 28% felt that there is not. Even though the latest age category answered a bit lower than the two others, the data shows

that all age groups did feel that positive CSR activities have an impact on their purchasing decisions. Based on this a conclusion can be made that there is no difference in the impact of a company's positive CSR activities between age groups. Hypothesis 3a is therefore rejected.

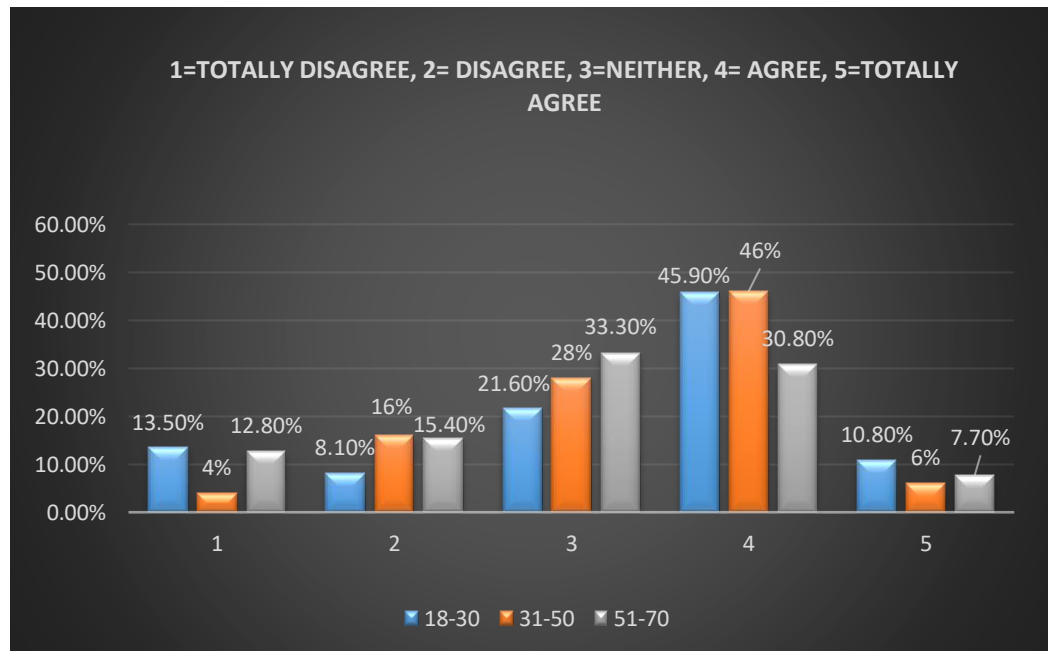


Figure 8. Results on positive CSR activities by age groups

Figure 9 presents the results by age groups when it comes to a company's negative CSR activities. From the figure an observation can be made, that a company's negative CSR activities do affect quite highly on respondents from all age groups. The figure shows a small division on the answers, showing that respondents between ages 18-30 did not feel quite as strongly about the matter as respondents from the two other age groups. From this age group 49% felt that negative CSR activities affect their purchasing decision whereas 16% felt that it does not affect. From the second age group, 31-50, 66% felt that negative CSR activities affect their decision whereas 18% felt like it does not. From age group 51-70, 59% felt like there is an impact and 15% felt that the negative activities do not affect their purchasing decisions. The data shows small differences on how negative CSR activities affect consumers from different age groups, but all in all the data showed that negative CSR impacts all age groups. Based on this data, a conclusion can be made that a company's negative CSR

activities do not affect consumers from different age groups differently. This implicates that hypothesis 3b is rejected.

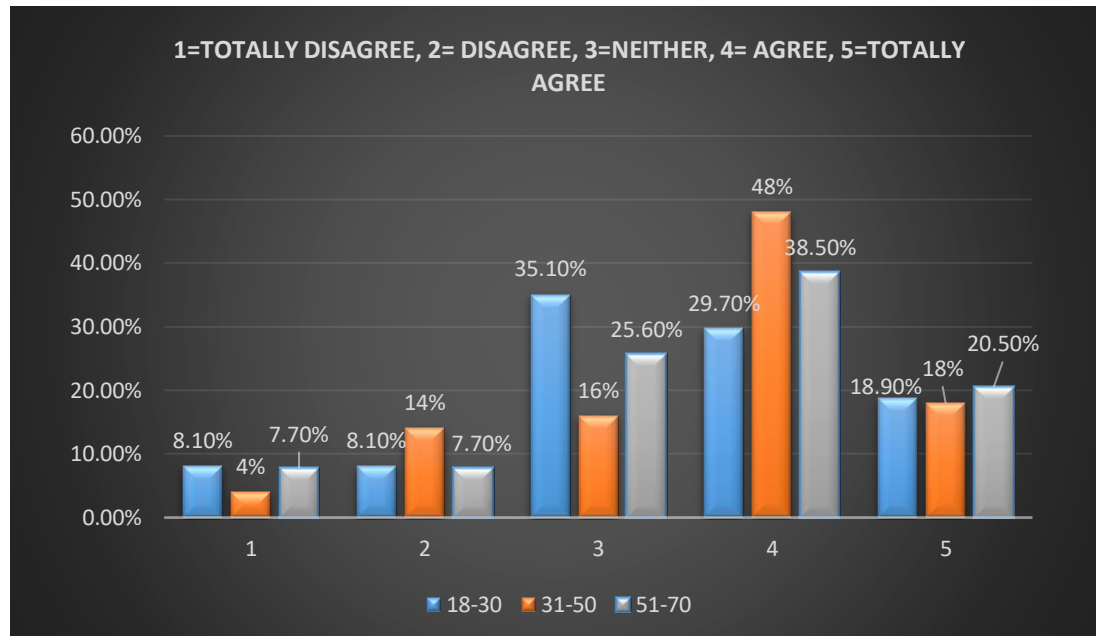


Figure 9. Results on negative CSR activities by age groups

Overall the data shows that all age groups felt the same way. Positive CSR activities had the biggest impact on 18-30-year-old respondents. The impact of positive CSR was lowest among 51-70-year-old respondents. With negative CSR activities the impact was biggest with 31-50-years-olds whereas the impact was lowest among 18-30-year-olds.

#### 4.2.4 Results by income level

This chapter presents the results by five different income levels and looks into hypotheses 4a and 4b. Data presented will show whether positive and negative CSR activities of a company have a different kind of impact on the purchasing decisions of consumers from different income categories.

Figure 10 shows the results that positive CSR activities have on consumers' purchasing decision from different income levels. Overall, the figure shows that respondents from all income levels did feel that a company's positive CSR activities

affect their purchasing decisions. 59% from the first income category, 0€-1227€, felt that positive CSR activities affect their purchasing decisions and 24% felt that it does not affect their decisions. From the second income category, 1228€-1900€, 42% answered that there is an impact whereas 21% said that there is not. From the third category, 1901€-4500€, 47% answered that there is an impact and 24% said that there is not. In the fourth income category, 4501€-6400€, 67% felt that there is an impact on their purchasing decisions and 0% felt that there is not an impact. From the last income category, 6400€+, 75% answered that a company's CSR activities have an impact on their purchasing decision whereas 25% felt that these activities do not impact their purchasing decisions. The data shows that all income categories did feel like there is an impact. The data proves that there is no difference in the impact of company's positive CSR activities between income levels. Therefore, the hypothesis 4a is rejected.

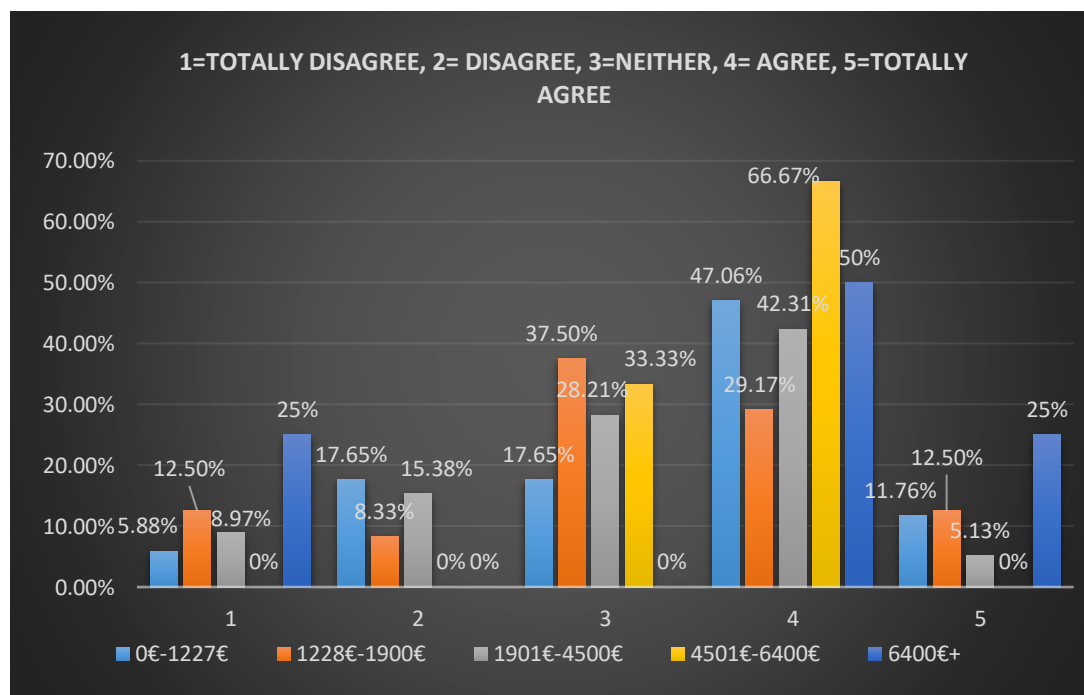


Figure 10. Results on positive CSR activities by income level

Figure 11 shows the results of negative CSR activities and their impacts on consumers' purchasing decisions between the five income categories. The data in the

figure implicates that all consumers do take a company's negative CSR activities very seriously. When it came to the first income category, 0-1227€, 53% felt that negative CSR activities affect their purchasing decisions and 12% felt that they do not affect. With the second income category, 1228€-1900€, 67% felt that there is an impact and 13% felt that there would not be an impact. From the third income category, 1901€-4500€, 55% answered that negative CSR do affect their decision whereas 21% answered that it does not. From the fourth income category, 4501€-6400€, 67% felt an impact and 0% felt that negative CSR would not impact their purchasing decisions. From the final income category, 6400€+, all respondents meaning 100%, felt that negative CSR does impacts their purchasing decisions. To summarize, all income categories answered that a company's negative CSR activities do affect their purchasing decisions. Based on this when it comes to the impact that a company's negative CSR activities have, no difference between income levels can be found. This means, that the hypothesis 4b is rejected.

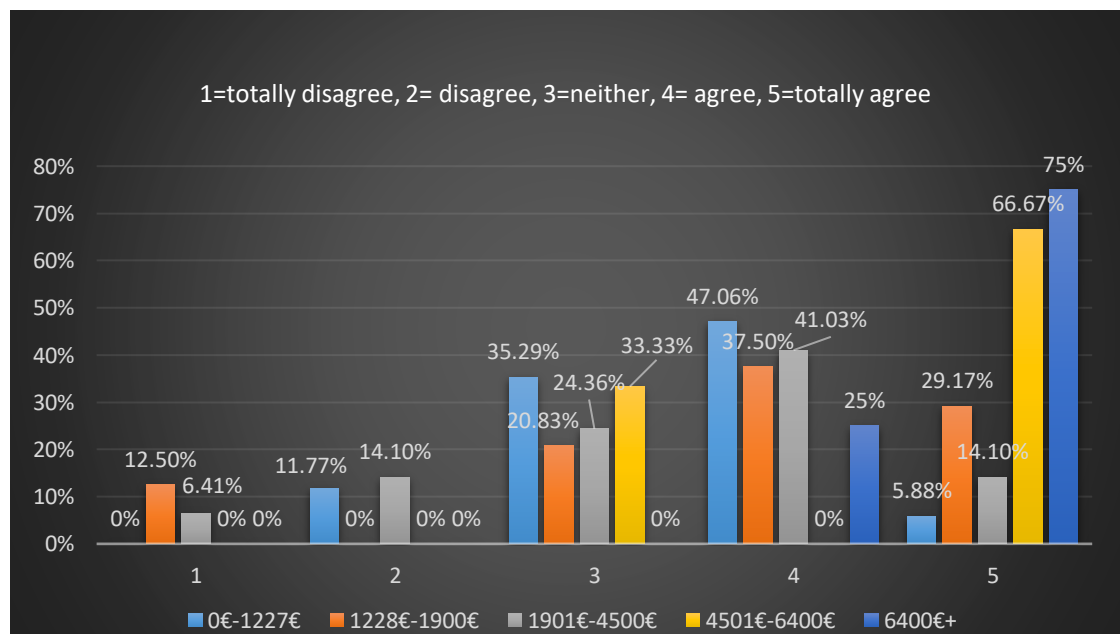


Figure 11. Results on negative CSR activities by income level

In summary, all income categories felt the same way. The impact of negative CSR activities did again receive higher results than positive ones. In every income

category, the number of respondents who answered that positive CSR activities do not impact their purchasing decisions was higher than with the negative activities.

Below Table 1 shows the summary of the hypotheses and the results whether they were accepted or rejected.

Table 1. Final results of the hypotheses

<b>Hypothesis</b>	<b>Accepted/Rejected</b>
H1a: Positive CSR activities affect consumers' purchasing decisions.	-> Accepted
H1b: Negative CSR activities affect consumers' purchasing decisions.	-> Accepted
H1c: Negative CSR activities have a higher impact on consumers' purchasing decisions than positive ones.	-> Accepted
H2a: There is a difference in the impact of positive CSR activities on consumer purchasing decisions between genders	-> Rejected
H2b: There is a difference in the impact of negative CSR activities on consumers' purchasing decisions between genders.	-> Rejected
H3a: There is a difference in the impact of positive CSR activities on consumers' purchasing decisions between age groups.	-> Rejected
H3b: There is a difference in the impact of negative CSR activities on consumers' purchasing decisions between age groups.	-> Rejected
H4a: There is a difference in the impact of positive CSR activities on consumers' purchasing decisions between income classes.	-> Rejected
H4b: There is a difference in the impact of negative CSR activities on consumers' purchasing decisions between income classes.	-> Rejected

## 5 Discussion

The aim of this study was to find out whether a company's corporate social activities affect people's decisions to purchase that said company's products or services. These activities could be for example taking care of local communities, providing aid to



villages in less developed countries, making only sustainable and environmentally friendly products and taking part in environmental activities. These kinds of activities are known to bring value to the companies, but this research aimed to find out if these activities really matter, when it comes to the actual final purchase decision.

While still in the formation part of the study, the researcher started to think about an interesting aspect that would very well fit with the current research plan. The impact of CSR activities on consumers' purchasing decisions would be interesting to find out but adding some variables such as age, gender and income would make the study even more fascinating and alluring. The idea surfaced from the researchers own life and experiences. As a student it is financially not always an option to choose products from a company that participates actively in socially responsible activities. These companies tend to have higher prices on their products and services, and this is in conflict with people with precise and strict budgets. These thoughts made the researcher think of the matter from a different point of view. Do those with better financial situation spend money, or at least have a better chance to spend money, on products and services that are provided by companies that do good and help others? This then led the researcher to think about the fact, that money and the financial situation of a person may often be tied up with the persons' age. This would then mean that people who could afford a bit more expensive products and services must be a bit older. Eventually, the researcher decided to gather up all these thoughts and try to find out whether or not they were at all accurate, and if so, to what extent.

When going in more detail of the research results one can make a few conclusions. No significant differences between any variables could be found. Some categories did score higher based on the data, but no category felt that CSR activities, positive or negative, would not affect their purchasing decisions. An overall picture can be drawn, that consumers tend to place higher focus on a company's negative CSR activities. Results show that positive activities do impact consumers' purchasing decisions, but negative ones impact these decisions even more. This meaning that companies that participate in negative CSR activities definitely gets the consumers attention and these kinds of activities can actually prevent consumers from making

the final purchase decision. Positive CSR activities do not have as high of an impact on consumers' purchasing decisions. This would also implicate that consumers are more okay and accept the fact that a company is not taking part in positive CSR activities but does not accept the fact that it is taking part in negative activities. This way of thinking is quite common among humans. Positive deeds and happenings tend to remain in the shadows of negative ones and the fact that this is happening in the corporate world too, is not that big of a surprise.

When looking at the result by gender both hypotheses were false and there were no differences in the impacts between the two genders. Based on the existing literature, the researchers own thoughts and the general stereotypes, the researcher had expected that the results would show that females placed a bit higher focus on the CSR activities of a company than male but based on the data this was not the case. However, afterwards the researchers started to think that perhaps this was a bit of an old way to assume that females would care more about social activities and the environment than male.

All age groups felt that both positive and negative CSR affect their purchasing behavior and no differences between age groups were detected. However, when looking deeper at the results by age and the answering percentages, younger consumers were more impacted by the positive CSR activities whereas older consumers felt that negative activities impact their decisions more. Even if all age groups felt that CSR impact their decisions, the impact itself was not as strong with every group. From both age groups 18-30 and 31-50 over 50% felt that the positive CSR activities impact their decisions and answered either agree or totally agree, whereas from the age group 51-70, only 39% felt like this. The lowest age category, 18-30-year-olds, chose mostly the option 3, not agree nor disagree. This could implicate that consumers from this age group do not feel as strongly about this matter as the other age groups. Also, this age group might consist mostly of students and people who have just entered the work life and perhaps don't have a strong personal connection with the matter through their own workplace. In addition, even though the environment and socially responsible actions are a hot topic at the

moment, it might not be the topic that young people place the biggest focus on, not anyway on an everyday basis. For example, the news and advertisement that younger people get on their devices might very well be about something else than sustainability, green products and climate change. Especially, when the ads on smartphones and tablets of the consumers are today based on the previous internet searches and repeatedly typed key words. When respondents from the youngest age group were asked if positive CSR activities impact their decision at all, around 22% felt that they do not. With the same question but regarding negative activities, the number dropped to 16%. This shows again, that negative activities have a higher impact, even on those who really do not feel that strongly about the whole matter. 52% of people between ages 31-50 felt that positive CSR activities impact their decision and when it came to negative activities the number increased to 66%. People from this age group, may be working in big corporations or may already have many years of work experience and this way have a straight, even personal connection with the matter. The number of 51-70-year old respondents who felt that positive activities impact their decisions was only 39% whereas with the negative activities it raised to 59%. From this age group also, most respondents chose option 3, not agree nor disagree when it came to positive CSR activities. Again, can be seen, that negative activities have a higher impact on consumers, but this time the difference between positive and negative was quite big.

Even though all income categories felt that both positive and negative CSR activities impact their purchasing decisions, and the hypothesis was rejected, some interesting observations can be made when looking at the data. For example, respondents from the lowest income categories, 0€-1277€ and 1228€-1900€, felt that both positive and negative CSR activities have an impact on their purchasing decisions but instead of choosing the option 5, totally agree, most of them chose option 4, agree. This could refer to the fact that even though consumers from this income level see CSR as an important factor, it is not the most important factor and even though it does matter to them, it is not the most important factor that matters. Sometimes, the financial situation of a consumer can strongly affect what kind of factors they value in a company and see as important ones. These values and thoughts might then change

throughout life, depending on the current situation. Another interesting observation is that many income levels felt that positive activities would not impact their purchasing decision but with the negative ones the number dropped clearly.

This kind of analyses of the results would suggest that perhaps all consumers are not given the chance to do good and help corporations that do good. In order for anyone to support companies with good CSR reputations, the products, such as green products and products produced by companies that are sustainable and participate in positive kinds of CSR activities, should be the same price as all other products from companies that might not offer green products or take part in positive CSR activities.

Since the data showed that negative activities have a higher impact on consumers, this raised a few thoughts for the researcher that perhaps there is a very big chance that a company that is, or maybe already has, taken part in negative social activities will one day get caught and every detail of their negative activities will come out to the public. Especially in today's world with rapidly growing and increasing digitalization, there are not many things that can be kept a secret. When a company gets caught and the information of their activities come out, it is obviously not good for their image and value. However, when a company gets caught years later, it might be even worse, since in addition to the actual negative activity, they have also been lying and covering up this bad activity for years.

In order to answer the research questions and test the hypotheses, the researcher needed to go through a lot of existing literature on the topic. Literature about CSR was not enough though, in order to fully understand the three variables age, gender and income, the researcher needed to understand the mind of a consumer and what factors affect the consumption process and final decision. The three variables were also studied more closely, and it turned out there were a lot of existing literature about age, gender and income level as a crucial factor in consumers' purchasing decisions.

### **Limitations and recommendations for future research**

As could be seen quite quickly from the results, the division of respondents from all three categories was not ideal. This obviously impacted the results and needed to be taken into consideration when analyzing the data. The division of respondents in the age category was quite equal and all three age groups were represented equally. The gender division was not as equal, and 2/3 of the respondents were female, leaving only 1/3 male. When it came to the division of respondents in the income variable, some income categories were not reached as successfully as others. One group dominated with a total of 62% of the respondents being from that said category. Two of the highest income categories represented in total only 5%.

While looking at the research results of this study, and in fact any study, it is important to point out some limitations and obstacles this kind of research setting might run into. Especially with the income level, quite big differences occurred between the respondents, and even though the researcher conducted some face to face questioning, to ensure that there were respondents also from the highest category, still in the end only a few respondents actually made it to this category. This appearance is however rather logical when taking into account the researcher's own age and her social environment. The questionnaire was distributed online, mainly through email and social media, which is a quite personal platform.

The unequal division of the respondents was an occurrence that the researcher knew could happen. When conducting an online study, it is hard to estimate what kind of consumers will eventually reply. This was taken into consideration in the data collection phase, but for future reference, even a bit more emphasis should have been placed on this matter. With a bit longer data collection phase, the researcher believes more people from the higher income levels could have been reached and the division would be more equal. All in all, it is very difficult to say in beforehand whether or not a survey will receive enough responses from every category needed in order to make valid analyses. Perhaps this itself could be an interesting aspect to study; how researchers can reach more wider fields and gain bigger sample sizes for their studies.

For future research suggestions, the researcher sees very much potential in further studies of CSR and how it impacts consumers. One aspect could be to go deeper into the actual activity and to check what kind of CSR activities impact mostly on what kind of consumers. This study checked the impacts of positive and negative activities as whole and did not specify any certain activity. At the time, CSR is a very large topic, but the researcher suspects that not every consumer values the same CSR activities and it can be highly connected with factors such as geographical location and cultural background.

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## Appendices

### Appendix 1. Survey in Finnish

Hei. Nimeni on Alexandra Olusanya ja olen 20-vuotias opiskelija Jyväskylän ammattikorkeakoulussa. Kirjoitan nyt opinnäytetyötäni yritysten yhteiskuntavastuusta ja sen vaikutuksista kuluttajien ostopäätöksiin. Arvostaisin todella paljon, jos ottaisit hyvin pienen hetken ajastasi ja vastaisit tähän kyselyyn. Kiitos!

#### Taustakysymykset

1. Sukupuoli:
  - Nainen
  - Mies
2. Ikä:
  - avoin kysymys
3. Tuloluokka
  - 1227€/kk tai alle
  - 1228€-1900€/kk
  - 1901€-4500€/kk
  - 4501€-6400€/kk
  - 6401€ tai yli/kk

Alta löydät kaksi väitettä yritysten yhteiskuntavastuusta ja niiden vaikutuksista sinun käyttökseesi. Pohdi hetki syvällisesti kysymyksiä ja valitse alta oikea numero vastaamaan sinun mielipidettäsi.

1= täysin eri mieltä, 2= hieman eri mieltä, 3=ei samaa eikä eri mieltä 4= samaa mieltä tai 5= täysin samaa mieltä

4. Yritysten yhteiskuntavastuulla tarkoitetaan kestäväen kehityksen sekä vastuullisen toiminnan edistämistä yritystoiminnassa. Esimerkiksi ruotsalainen huonekaluyritys IKEA, harjoittaa monenlaisia yhteiskuntavastuullisia harjoitteita ympäri maailmaa, kuten puhtaan veden ja sähkön tarjontaa kehitysmaissa.  
**Positiivisilla yhteiskuntavastuullisilla toiminnoilla, kuten IKEAN harjoitteilla, on vaikutus ostopäätöksiini?**
5. Kaikki yritykset eivät kuitenkaan aina ajattele yhteiskunnan parasta toiminnoissaan, kuten Volkswagen, joka jäi kiinni vuonna 2016 moottorien

tahallisesta päästöpeukaloinnista, jolla oli vakavia ympäristöhaittoja.

**Negatiivisilla yhteiskuntavastuullisilla toiminnoilla, kuten Volkswagenin harjoitteilla, on vaikutus ostopäätöksiini?**

## Appendix 2. Survey in English

My name is Alexandra Olusanya. I am a 20-year-old student from JAMK University of applied Sciences. I am writing my thesis about corporate social responsibility (CSR) and how it effects the decisions consumer make. It would mean a lot to me if you took a few minutes of your time and answered this short questionnaire. Thank you!

### Background questions

1. Gender
  - male
  - female
2. Age
  - open question
3. Income level:
  - 1227€/month or under
  - 1228€-1900€/month
  - 1901€-4500€/month
  - 4501€-6400€/month
  - 6401€ or over

Below you will find two statements about CSR and its effect on your purchase decisions. Please take a moment to carefully think about the questions and the answers and then kindly choose the right number that corresponds with your thoughts. 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree

4. Corporate social responsibility is an optional act that companies can do in order to improve the social conditions of either local or global communities. For example, the Swedish furniture brand IKEA supports different communities around the world by providing them clean water, electricity and toys for children.  
**Good CSR activities, such as IKEA's initiatives, have a positive effect on my purchasing decision?**
5. However, not all companies take part in good CSR activities. In 2016 Volkswagen was caught intentionally meddling with their engines to make them look more environmentally friendly, when they were actually poisoning the environment in major ways.  
**Bad CSR activities, such as Volkswagen's actions towards the environment, have a negative effect on my purchasing decision?**