



# Customers' awareness, attitudes and behaviour towards corporate environmental practices

## Bachelor thesis

*Study programme:* B6208 – Economics and Management  
*Study branch:* 6210R015 – Economics and Management of International Trade  
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## **ZADÁNÍ BAKALÁŘSKÉ PRÁCE**

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

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Studijní obor: **Ekonomika a management mezinárodního obchodu**  
Název tématu: **Customers' awareness, attitudes and behaviour towards corporate environmental practices**  
Zadávající katedra: **Katedra marketingu a obchodu**

### Z á s a d y p r o v y p r a c o v á n í :

1. Review of environmental corporate social responsibility literature
2. Customer in corporate social responsibility concept
3. Methodology, research approach, research strategy, research method
4. Data collection through interviews
5. Analysis of three main research questions, discussion and conclusion

Rozsah grafických prací:

Rozsah pracovní zprávy: **35 normostran**

Forma zpracování bakalářské práce: **tištěná/elektronická**

Seznam odborné literatury:

**KOTLER, Phillips & Gary ARMSTRONG. Principles of marketing. 15th ed. Boston, Massachusetts: Pearson, 2014. ISBN 978-0-27-378699-3.**

**PORTER, Michael, E. & Mark R. KRAMER. The link between competitive advantage and corporate social responsibility. Harvard Business Review, 84(12), 78-92, 2006. Retrieved from [http://sharedvalue.org/sites/default/files/resource-files/Strategy\\_and\\_Society.pdf](http://sharedvalue.org/sites/default/files/resource-files/Strategy_and_Society.pdf)**

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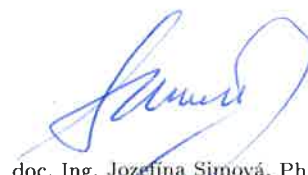
University of Huddersfield, Business School

Datum zadání bakalářské práce: **2. listopadu 2015**

Termín odevzdání bakalářské práce: **31. května 2017**



prof. Ing. Miroslav Žížka, Ph.D.  
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V Liberci dne 2. listopadu 2015

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Datum:

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## **Acknowledgement**

First of all I would like to thank my supervisor Sabrina Thornton for her advices and guidance.

Then I would also like to thank my family for physical support, understanding and love during this arduous academic year.

Finally, many thanks belong to students who were willing to participate in my research.

## **Annotation**

In recent years corporate social responsibility has become a phenomenon. Companies have started implement this activities into their business and customers vehemently demand it. However, still just a little known about influence of company behaviour on customer purchase decision. Therefore, the main purpose of this study is to investigate how students as customers are aware of environmental corporate social responsibility, what attitude they have towards this, as well as how their purchase behaviour can be affected by unethical company behaviour. In order to investigate this issues, case study research was conducted where Huddersfield University's students took part. To obtain in-depth insight into this problem, multinational coffee company Starbuck was chosen as a sample of "green" company which currently struggles with palm oil issue.

### **Key words**

Corporate social responsibility, environment, unethical practices, purchasing decision, customer, student, awareness, attitude, behaviour, Starbucks, green.

# **Anotace**

Povědomí, postoj a chování zákazníků vůči podnikovým environmentálním praktikám

V posledních letech se společenská odpovědnost stala fenoménem. Společnosti začaly tyto aktivity začleňovat do svého podnikání a zákazníci je vehementně požadovat. Nicméně, stále je velmi málo známo o vlivu chování firmy na rozhodování zákazníka. Tudíž, hlavním cílem této práce je zkoumat v jaké míře jsou studenti jako zákazníci informováni o environmentální odpovědnosti firem, jaký postoj k tomu zauímají a také jak jejich nákupní chování může být ovlivněno neetickým chováním firmy. Tento problém byl řešen pomocí případové studie, které se účastnili studenti University of Huddersfield. K získání hlubšího pohledu do celé problematiky, mezinárodní společnost Starbucks byla vybrána jako příklad “zelené” firmy, která však nyní bojuje s kauzou palmového oleje.

## **Klíčová slova**

Společenská odpovědnost firem, životní prostředí, neetické praktiky, nákupní chování, zákazník, student, povědomí, postoj, chování, Starbucks, zelený.

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## **List of abbreviations**

CSR – corporate social responsibility

NGOs – non-governmental organizations

OCA - Organic consumer association

The EU – the European Union

The UK – the United Kingdom

The USA – The United States

WBCSD – World Business Council for Sustainable Development

WCED - World Commission on Environment and Development

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## Introduction

In recent decades, corporate social responsibility (CSR) undoubtedly becomes a phenomenon. The reasons why to deal with CSR is a social impact of such activities on company environment, stakeholders and the community as well as the benefits that arise from such behaviour for a company. Today, more and more companies are increasingly interested in CSR integration into their business (Pedersen, 2015). The main trigger of popularization of CSR was particularly external pressure from organisations (Porter and Kramer, 2006) caused by mass media, environmental disasters, governmental regulations, demands of customers and many more (Crane, Matten and Spence, 2014).

But what does CSR really mean? A very recognized definition of CSR is provided by the EU's green paper: *"Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing "more" into human capital, the environment and the relations with stakeholders"* (Commission of the European Communities, 2001, p. 8).

However, it could be argued that CSR is a trend and quite a new concept, however the opposite is true because CSR was firstly defined in 1953 by Bowen (1953) in his book *'Social Responsibility of the Businessman'* (Beckmann, 2007). In following years, the concept was gradually expanded and interested groups began to take it into account (Carroll, 1999).

Nevertheless, a question arises here, what benefits do companies have from the implementation of CSR? It is argued that the most firms benefit from this behaviour, especially by gaining intangible assets such as improving reputation, brand, and image. But it also increases the value of stock or gaining natural resource, labour, partnership (Porter and Kramer, 2006).

Furthermore, the adoption of CSR is very important in relations with customers. Indeed, an increasing number of customers are interested in CSR which also mainly influences their purchase behaviour (Forbes.com, 2010b). Customers desire to know what companies do for the society, community and the environment or how they take care of their workers. The most consumers (88%) find important that companies are involved in beneficial

activities for the society and the environment, which are also long-term business goals. Moreover, 83% of them also think that companies should donate funds (Forbes.com, 2010b).

However, more customers still express interest particularly in the origin of a product. Especially, whether it is gained ethically and also what the impact of this production on the environment is. 34% of the EU citizens describe a consideration of the environment like “very important”, 49% as a “rather important” and only 4% said that it is not relevant at all (European Commission, 2009). Otherwise, 9 customers from 10 in the UK know the Fairtrade logo, which is a positive result (The co-operative Group, 2012) and 52% of them read the product labels in order to know whether there is any environmental impact (The Nielsen Company, 2014). Similarly, 55% of people are willing to spend more for ethically sourced products (Ethical consumer, 2014; The Nielsen Company, 2014).

Otherwise, there are often opinions from customers considering quality of products, used resources or some disagreement with unethical production in internet discussions. Additionally, customer reviews have a significant effect on purchase decision of new buyers. Surprisingly, internet reviews are evaluated by customers equally as a personal recommendation (88% agree), which is remarkable (Forbes.com, 2015). In terms of business type, people read the most online reviews considering Cafés and Restaurants (56%), it proves the fact that people are concerned about their consumption thereby the quality of food and drinks (BrightLocal, 2014).

Undoubtedly, customers as a majority of stakeholders mean for companies a lot and their opinions are more than important. They have power to ‘force’ companies to behave more ethically, responsibly or avoid using some materials. However, customers can react unfavourably, for example they can easily switch products for competitors’ ones, can influence brand reputation or may act adversely in terms of signing petitions, participation in marches and boycott the brand.

Interestingly, 78% of customers would boycott the company due to unethical practices or providing false information (Walker, 2013). It is worthy to note that 22% of personal boycotts were conducted by younger people between 18 and 34 years and 33% of students admitted that they took a part in some kind of boycotts (Ethical consumer, 2014). In the Nielsen Company’s survey (2014) roughly 50% of respondents were also younger people

up to 34 years old who showed the greatest interest in sustainable production. (Ethical consumer, 2014).

### **Research problem**

Aforesaid theories lead to more detailed explanation of the research problem. As mentioned above, the age group roughly from 18 to 34 years old represents a considerable part of customers who are willing to pay more for green products, are interested in corporate behaviour and care about the environment. In this age range, university students are also involved. Student are important because of constituting substantial part of customers, especially future ones. Also most of graduated people will probably work for companies, maybe as top managers, therefore it is worthy for them to be aware of CSR, behave and think ethically. So far many studies were conducted examining students behaviour and their perception, awareness or attitudes towards CSR and ethical manners of organizations (Adhikary and Mitra, 2015; Arlow, 1991; Fitzpatrick, 2013). Thanks to these aspects, students are perceived as very interesting group for this research. However, there is no study focused on students' perception, awareness and attitudes towards unethical practices of international companies especially in the coffee industry.

### **Research objectives and questions**

The purpose of this research is to examine customer awareness, attitudes towards environmental corporate social responsibility and how unethical behaviour of companies influences their purchase behaviour. Particularly, this paper is focused on international brand Starbucks. Starbucks has a deeply sophisticated corporate social responsibility, which they do really well and is recognized a lot. However, they still hesitate to actually start using ethically sourced palm oil in their productions. Additionally, this practices are not in compliance with their company statement. Hence, it was a trigger for number of protests, campaigns and boycotts against this company which is surely not beneficial for their reputation etc.

The study aims to find answers on the following research questions:

- How aware are customers of environmental corporate social responsibility?
- What attitude do customers have towards the environment and environmental behaviour of a company?
- How do environmentally unfriendly practices of a company influence customer purchase decision?

### **Structure of the thesis**

Firstly, environmental social responsibility in terms of sustainable development, business ethic and environmental issues are explained. Secondly, the most important part of literature review is focused on customers. It is necessary to define who is customer, their purchase decision-making process, its influencing factors and consequently their perception of environmental activities. Additionally, students are defined in the role of customers. Third chapter contains methodology constituting of research approach, research strategy and method. Further sample and collected data are described as well as validity, reliability, ethic and finally limitations of the study. Afterwards, chapter four presents results and analysis of collected data on which recommendation and conclusion are based.

# **1. Review of environmental corporate social responsibility and customer behaviour literature**

This literature review constitutes of two parts, the first one is focused on the clarification of environmental corporate social responsibility where mainly notions as sustainable development, ecological responsibility and business ethic are explained. The more comprehensive second part defines who customer is, predominantly his purchase decision and influences which can affect it. Furthermore, for purpose of this research it is worthy to mention linkage between customers and CSR, how they are influenced by this concept, who 'green customer' is and how company behaviour effects customers. At the end, reactions in terms of CSR are stressed as well as definition of a student as a customer.

## **1.1 Environmental corporate responsibility**

There are more reasons why companies implement CSR, however the most important is achieving company long-term sustainability. Similarly, gaining competitive advantage or differentiate brand from the competitors' one in customer perceptions (Starbucks, 2001). Activities in terms of CSR are conducted in three areas: social, economic and environmental. This concept is called triple bottom line. Companies usually do such activities which are close to them, thus focusing on one area more or less (Elkington, 1998). However, this thesis deals primarily with environmental responsibility because today the environment is a "good business" and no company wants to looks irresponsible (Sehgal, Landran, and Sigh, 2010) thereby environmental practices, sustainable development and business ethic are described below.



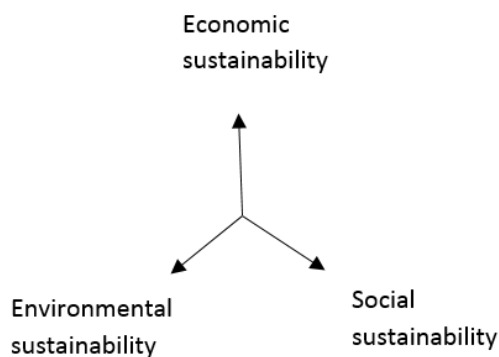
### 1.1.1 Sustainable development

A frequently discussed notion in terms of CSR is sustainable development. This issue is described as a long-term sustainable growth in order to survive in today's competitive environment. In addition, sustainable development can be achieved primarily through the ecological activities which are the most associated with (Crane et al., 2014).

However, Garriga and Melé (2004) ranks sustainable development into so-called ethical theories. The trigger was report from World Commission on Environment and Development (1987) which state: *“Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs”* (p. 16). Commission also stress the needs to be focus on new growth that is *“at the same time socially and environmentally sustainable”* (p. 7). Afterwards, World Business Council for Sustainable Development broaden understanding of this into three dimensions, parts of triple bottom line (WBCSD, 1999): social, economic and environmental (Elkington, 1998).

Dyllick and Hockerts (2002) add that for successful managing sustainable development in the long term is important considering all three dimension (see **Figure 1.1**).

**Figure 1.1** Dimensions of sustainable development



Source: Dyllick and Hockerts, (2002, p. 132)

Furthermore, the reason why companies deal with sustainable development is simple. The answer is rooted in business ethic, because companies naturally feel the need to do this and

has interest in their environmental footprint (Crane et al., 2014). In addition, Van Marrewijk (2003) point out that if company strives to achieve corporate sustainability, it is necessary to implement CSR. Similarly, still more 'advanced' companies, mostly the international ones, adopt concept of sustainable development as a part of their long-term strategic approach (Morrison, 2011), whose aim is to meet the needs of stakeholders without endangering the resources and capabilities of organization (Dyllick and Hockerts, 2002). Also, some companies aim to utilize opportunity of sustainable activities for gaining competitive advantage, thereby differ its productions from competitor's ones (Saxena and Khandelwal, 2012).

However, the understanding of sustainability varies across countries because of disunited ethical background determining behaviour and attitudes. Similarly, two different people can perceive sustainability totally differently. Many people associate sustainable development primarily with ecology (Amadi et al., 2014), which is dedicated to the next chapter.

### **1.1.2 Ecological responsibility**

Ecological responsibility has a significant impact on the nature, therefore is necessary to protect Earth's wealth in order to leave it in good condition for our future generations (Saxena and Khandelwal, 2012). Dyllick and Hockerts, (2002) claim that eco-responsibility constitutes a business level strategy for sustainable development. Already in 1987, the WCED emphasized the importance of bearing in mind ecological problems and seriousness of environmentally unfriendly behaviour consequences. Also it is relevant to note that ecological responsibility is still voluntary nature and it depends on enthusiasm and willingness of every organisation.

According to Crane et al. (2014) in 21 century ecological responsibility is taken for granted. *"Today, green economy includes everything from eco-friendly and green lifestyle products, organic agriculture, renewable energy, water and waste management and natural resource management."* (Saxena and Khandelwal, 2012, p. 554) In ecological responsibility core can be involved for example: *"pollution prevention, waste minimisation, energy*

*conservation and recycling*” (Crane et al., 2014, p. 349). Similarly, Hashmi et al. (2014) add other ecological responsibility activities: using water, wind or sun power as a source of renewable energy, using biofuel or just simply support environmental organizations.

However, due to increasing pressure from governmental and non-governmental organizations on companies, increasing interest of media and public and hand in hand with their increasing expectations (Chen, 2013), various norms were implemented, for example widely recognised ISO standards. These standards are mainly accepted by multinational companies whose contribution helps to sustainable development, predominantly in global scope. ISO standards are in practice controlled by environmental management along with CSR introduced in recently years (Crane et al., 2014). Therefore many companies at least every year publish reports about their adopted environmental friendly activities. These reports play significant role in awareness of wide group of stakeholders (Pedersen, 2015). In present time, still more customer are interested in these reporting and behaviour of company, however sometimes the company do not present completely truthful information.

During few last decades, ‘green’ boom has been noticed, it means that ‘green’ notions have emerged. They have a common approach towards sustainable development in order to emphasize importance of taking into account environmental impact of businesses (Arunesh, 2015). However, obviously for green implementation more funds are needed, because it is more costly. Nevertheless, these measures can bring cost saving as well, but probably in long-term period. Saving the environment and at same time money saving are the main goals of sustainable development (Saxena and Khandelwal, 2012).

Many stakeholder are aware of origin of product in terms of responsibility and ecology, so increasing interest in used resources is occurred. Indeed, especially in developed countries buyers possess power to influence supplier behaviour (Crane, 2008). In terms of responsible supply chain, firms have limited capabilities towards other businesses involved in the chain (Crane, 2008). Even though that, companies should properly choose their suppliers and make sure they do a really responsible business. Additionally, a problem may arise from various kinds of suppliers operating in different countries where various levels of development and different laws are applied, for example in developing countries (Pedersen, 2015).

### **1.1.2.1 Global environmental problems**

In ecological responsibility companies aim to do some 'good' for the Earth and therefore help in protection against worsening global problems. The industrial development in past 200 years along with increasing globalisation undoubtedly change the climate (Saxena and Khandelwal, 2012). It is called environmental degradation whose main cause is a human activity. For its solution decades are needed (Morrison, 2011). Global issues are driven by increasing population, excessive consumption and the ration of used resources, high-emissions and transport, increasing industrialization, global warming, wasting energy, urbanization, increasing factory production and many more (Saxena and Khandelwal, 2012; Morrison, 2011).

Among the major global issues ranks a climate change which continuously deteriorating each year. The major cause of that is excessive using fossil fuels which is the main trigger for increasing greenhouse effect causing subsequent global warming (Gingerich and Karaatli, 2015). Nevertheless, except this there are many more problems threatening planet as a deforestation, pollution, issue of waste disposal, acid rain, raising sea level and many more (Amadi et al., 2014), (Morrison, 2011). However, Amadi et al., (2014) claim that it is important to have bear in mind possible risks and impact, primarily caused by human activity. Otherwise, according to European Commission (2009) the EU citizens are willing to help in solving environmental global problems in many ways, the most (30%) people contribute in recycling and minimising waste, 21% of them buy eco-products and 19% use household domestic energy saving appliances.

### **1.1.3 Business ethics**

All activities mentioned in previous chapter could be termed generally as a business ethic. This notion can be seen as an umbrella for connection between business and society. Indeed, business ethic is rooted in philosophy thereby business activities are examined from ethical point of view. In other words, it means that business acting and behaviour are assessed whether are right or wrong (Crane et al., 2014).

As a business ethic is considered an overall behaviour of company involving various activities. This fact demonstrates **Figure 1.2** where dimensions of business ethic are shown (Morrison, 2011).

*Figure 1.2 Dimensions of business ethic*



Source: Morrison, (2011, p. 399)

However, all activities in which is company involved have impact on its environment. This impact affects stakeholders, primarily key group - customers (Beckmann, 2007).

Hence, company should keep in mind its presenting practices on the public, because favourable activities can bring company success and appreciation, on the contrary unethical practices may have an unprecedented negative impact. For example 65% of employees would leave the current job because company harms the environment (Forbes.com, 2010b).

### 1.1.4 Greenwashing

Greenwashing is one of the activity which is on the boundary of business ethic, therefore it is sometimes seen as unethical. There arises a question how can customers recognize really green products and can trust that green activities are really green?

As a Greenwashing is described behaviour of a company, when it presents itself greener than in reality is. This notion is not such new as it seems, because it was defined in 1986 by environmentalist Jay Westervelt (Swain, 2011). In other words it means: “*misleading consumers about firm’s environmental performance or the environmental benefits of a product or service*” (Delmas and Burbano, 2011, p. 64).

‘Green marketing’ is not one of the drivers, but can be understood primarily as a medium through which desires and drivers of greenwashing getting into the public. It means promotion product and services and their subsequent sale with using an “*environmental benefit*” (Lane, 2013, p. 295). In other words, one of the motive is fact that firms strive to be different through presenting itself green and catch competitive advantage (Chen, 2013).

On the other hand, companies are forced by customers, investors, competitors, NGOs and media to be environmentally responsible as much as possible (Delmas and Burbano, 2011). It is not surprised that some of them do itself greener than they really are. Thereby these disingenuous information are broadened primarily through green marketing. The use of this practice also refers to violations of consumer rights (Pedersen, 2015, p. 169). Consequently, customers have only a little chance to recognize what is true and what not, it depends on customer intuition and perception of company credibility (Chen, 2013). Even though this, there exists a ‘greenwashing index’ helping customers to identify honesty in green practices (EnviroMedia, 2016; Swain, 2011). Indeed, companies using greenwashing, balance on the really thin line, because due to only one mistake can lose the customer confidence. And not only them, because investors are also sensitive (Delmas and Burbano, 2011). Nevertheless, benefit for companies is customer willingness to pay higher price for ‘green products (Chen, 2013).

## 1.2 Customer in CSR concept

This study is underpinned by relevant theory about customer behaviour in order to understand collected data. In this chapter customer is defined primarily in CSR concept. Moreover, customer awareness and attitudes towards CSR, customer decision-making process and its affecting factors. The second half of this chapter is focused on green customer, his purchase decision, influence of CSR and business ethic on purchase behaviour. At the end of this chapter customer reactions on company unethical practices and student as a customer are described.

At the beginning is appropriate to identify who is actually a customer. A customer *“is an individual or business that purchases the goods or services produced by a business. He is the end goal of businesses, since it is the customer who pays for supply and creates demand”* (Investopedia, n. d.).

It is interesting to note, why customers are so important for companies. Customers represent a majority of stakeholders (Beckmann, 2007) thus crucial group in terms of revenues (Pedersen, 2015). Similarly, *“customers are demanding more than ‘product’ from favourite brand”* (Starbucks, 2001, p. 3).

On a company can influence variety of stakeholders group striving to shape organisation into more ethical way. For example, such well-known stakeholders group is Greenpeace (Houlder, 2001). In additional, another possibility how customers can express their dissatisfaction with firm irresponsible behaviour is through boycotts, which are primarily conducted by NGOs (Crane, 2008).

### 1.2.1 Customer perception, awareness and attitude

Customer purchase behaviour is complex process which cannot be easily understood. According to Öberseder et al. (2011) the CSR involving and ethical manners have a wide-ranging impact not only on customer buying behaviour but also on their perception, attitudes, loyalty, satisfaction or awareness. Similarly, many studies claim that CSR has predominantly positive impact (Sen and Bhattacharya, 2001).

## **Awareness**

Nowadays, considerable amount of customers are increasingly aware of the environment (Saxena and Khandelwal, 2012). They take into account issues such as animal welfare, waste treatment, Fair trade, recycling or a total impact of purchased product. All these aspects and many more are reflected in customers purchase behaviour (Chen, 2013; Mostafa, 2007). In terms of CSR influence, awareness playing significant role is generally considered as a low. People are not active in seeking information in this field thereby are little knowledgeable. It means that only small proportion is familiar with CRS. (Hartmann et al. 2013; Öberseder et al., 2011). Nevertheless, aware people help to create a positive attitude towards CSR companies and therefore are more willing to purchase products from socially responsible organization. Moreover, communication of these activities is important because enhance customer knowledge (Öberseder et al., 2011).

## **Perception**

Perception is a *“process by which people select, organize, and interpret information to form a meaningful picture of the world”* (Kotler, 2014, p. 172). In other words is a manner how people understand to world around them and how they are able to recount its information. Perceptions as well as attitudes towards CSR differ considerably from person to person depending on many factors. Moreover, nowadays customers are literally overwhelmed by information from media, internet etc. and thus sometimes see the world very distorted (Saylor.org, n. d.).

## **Attitude**

The attitude is *“mental position or emotional feelings about products, services, companies, ideas, issues, or institutions shaped by demographics, social values, and personality. In advertising, the desire is to promote positive consumer attitudes”* (Allbusiness.com, n. d.). Undoubtedly, CSR affects customer attitude in terms of perception of a company, brand, image, product etc. However, companies do the best in order to achieve positive customer attitude towards their business (Beckmann, 2007). Especially for particular businesses attitudes of their customers are very important, thus companies strive to change it primarily by advertisement (Saylor.org, n. d.).



## 1.2.2 Customer purchase decision - making process

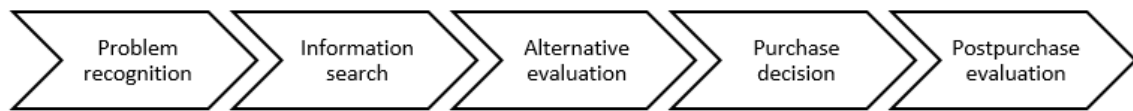
Studies of customer behaviour examine “*when, why, how and where people do or do not buy products*” (Sehgal et al., 2010, p. 5). In these studies are involved various sciences such as economic, psychology, social anthropology. However, definition of consumer behaviour is followed: “*the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services to satisfy their needs and desires*” (Belch and Belch, 2003, p. 105) Also it is worthy to note that “*consumer buyer behaviour is a behaviour of final customers – individuals and households that buy goods and services for personal consumption*” (Armstrong and Kotler, 2015, p. 160).

Nevertheless, in these thesis customer and consumer notions are used as a similar, thereby interchangeable. Examining of customer buying decision is interesting for many reasons, for example understanding customer needs and wants (Sehgal et al., 2010).

Furthermore, there are some benefits arising from the understanding of customer decision-making process. Firstly, it is valuable for further marketing communication, customer behaviour provides precious information in order to appropriate focused on marketing campaign as well as strategy. Secondly, company gains an overview of happening at the market and regard to this can renew its policy and approach. Similarly, this knowledges also provide “*national different face*” (p. 6) useful for international comparison (Sehgal et al., 2010).

Beckmann (2007) suggests that consequences from various stages of decision affect consumer purchase behaviour, respective decision-making process. These stages (shown in **Figure 2.3**) are followed: “*need recognition, information search, evaluation of alternatives, purchase, after purchase experience and product disposal.*” (p. 29).

*Figure 1.3 Stages of customer purchase decision-making process*



Source: Belch and Belch, (2003, p. 105)

Beckmann (2007) provides a deeper explanation of each category. First category (**need recognition**) highlights perception and interest in company CSR which can be seen as other product characteristic. The most customers have a lack of knowledge in terms of CSR, for example they are not aware of CSR implementation in international companies. Similarly, some of them have negative attitude showing distrust towards CSR communication.

**Searching information** can be conducted actively or passively. With current accessible technologies, primarily thanks the internet, searching information is much easier than before. (Sehgal et al., 2010). **Evaluation of alternatives** as well as searching information are affected by trust in products, services, brand or company as a whole. Nevertheless, the origin of information such as commercial, non-commercial and personal often have an impact on already mentioned attributes as an attitudes and trust (Beckmann, 2007).

Generally, customer have a positive approach towards CSR. However, there are some elements doing this idea difficult: **price, quality of products, firm reputation differences between proactive and reactive CSR practices and etc.** Thereby, linkage in all instances between consumer choice and mentioned attitudes is not strong (Beckmann, 2007).

The act of buying is considered as a **purchase intention**. The most of customer often do not want budge from main aspects price and quality. However, active CSR policy can helps as an “insurance” in the case of product crisis. Moreover, customers seem to be more resistant towards negative CSR which is kind of benefit for the companies. Of course, people are more sensitive to negative information, thereby it means that doing good thing is taken for granted but unethical behaviour will be condemn (Beckmann, 2007).

Negative **experience** from purchase can be for example caused by expectation of high quality which is one of the deeply rooted attribute. As a result of product disappointing due

to quality is decline of customer loyalty and reluctance for future purchase. The possibility of product **disposal** can also affects purchase decision (Beckmann, 2007).

Undoubtedly, the main reason why people buy is to meet the basic needs for instance food, sleep or safety, however other needs appear with increasing development of human society (Sehgal et al., 2010).

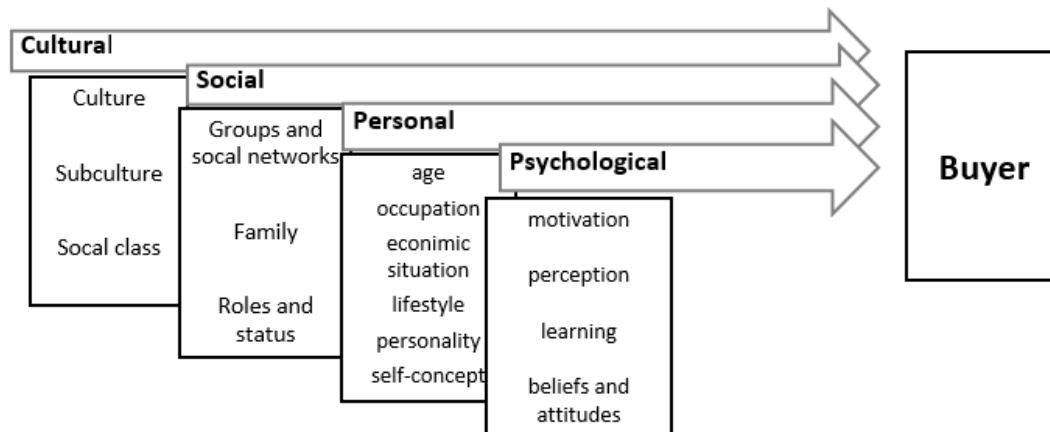
### **1.2.3 Influences on purchase behaviour**

The understanding of customer behaviour is considered as a quite extensive issues, because customer behaviour is affected by combination of many elements (Armstrong and Kotler, 2015). Furthermore, Sehgal et al. divide factors influencing customer behaviour into external and individual groups.

**External factors** include: culture, social group or class, family, inter-personal influences and among others also geographical, political, economic, religious, environmental factors. On the other hand, into **individual factors rank**: personality, self-concept, motivation, involvement, perception, information process, learning and attitudes (Sehgal et al., 2010, p. 9).

However, Armstrong and Kotler (2015) claim that customer behaviour is significantly influenced by four groups of elements which are cultural, social, personal and psychological factors, shown in **Figure 2.4**.

**Figure 1.4** Factors influencing customer behaviour



Source: Armstrong and Kotler, (2015, p. 162)

Into **cultural factors** rank culture, subculture and social classes. People learn their behaviour, values, perception and assume their culture habits as their own primarily from families. A culture and its subcultures significantly influence customer behaviour. Social class as a factor is also relevant, because people with similar affluence, property, education, profession or earnings show very similar signs of purchase behaviour (Armstrong and Kotler, 2015).

As a **social factors** are considered influences of *groups and social networks, family, role and status* (p. 164). Significant role play groups such as membership groups, reference or aspirational group. However, recommendations from friends, family and other customer are also valuable. Customer reviews have a meaningful effect on purchase decision. 85% of respondents admit that read more than 10 reviews before buying (BrightLocal, 2014). The internet is one of the most using medium for searching information about products, companies and their interests, thereby today's firm should bear in mind this and be active on the internet as possible (Armstrong and Kotler, 2015).

Another group of determinants influencing customer behaviour are **personal factors**: *age and life-cycle stage, occupation, economic situation, lifestyle, personality and self-concept* (p. 169). Also the way how people live, how they spend their free time and what their hobbies are, influence buying behaviour significantly. In additional, *personality and self-*

*concept* (p. 171) should be very useful in order to understand customer purchasing behaviour (Armstrong and Kotler, 2015).

According to Armstrong and Kotler (2015) last influencing group of determinants are **psychological factors** including “*motivation, perception, learning and beliefs and attitudes*” (p. 172). When the human needs become stronger they transform themselves into motive. This issue is very aptly defined by Abraham Maslow, where in his pyramid needs are ordered hierarchically which involving “*physiological needs, safety needs, social needs, esteem needs and self-actualization needs*” (p. 172). When the need at the bottom of the pyramid (see **Figure 1.5**) - physiological is fulfilled, customer strives to fulfil the above one.

*Figure 1.5 Maslow's hierarchy of needs*



Source: Armstrong and Kotler, (2015, p. 173)

Perception is other psychological factor which can be described as a way how people see, and understand the world around them. Undoubtedly, each person has different perception of reality. Additionally, learning is a process based on the previous experiences through it people adopt beliefs and attitudes. Similarly, attitudes express ‘relation’ towards something, especially products or services. In other words whether people like it or not (Armstrong and Kotler, 2015).

#### 1.2.4 Green customer purchase behaviour

It is believed that every purchase of product has some consequences for the environment in terms of waste, resource, influence on the community etc. When customers consider environmental impact in their purchases, the whole decision-making process is much more complex and involving more factors and motives affecting that. Thereby, this fact makes the understanding of shopping behaviour much more complicated (Sehgal et. al, 2010). *“Hence, environment-friendly consumption may be characterized as a highly a complex form of consumer behaviour, both intellectually and morally as well as in practice.”* (Moisander, 2007, p. 404).

Moreover, it is important to note that customers who pay attention to the environmental responsibility, ethical manners and sustainability in their purchase behaviour are called as a ‘green consumers’ (Pedersen, 2015). In other words it means that customers strive to choose products which are less harmful to the environment (Shamdasani et al., 1993).

However, there are some extremes in the green consumption – *“radical green consumer”* strictly rejects buying excessive amount of goods which is not necessary and reduces his consumption on the lowest possible level. On the other hand, there is also available approach when customers during their buying consider the environmental impact of the product and choose the one which is less harmful. This approach is called *“liberal”* and brings the option of ethical buying without radically changing lifestyle principles (Moisander, 2007, p. 405).

According to Nielsen’s research, global respondents identify three main drives influencing their purchase : product from brand and trust (62%), health products’ benefits (59%), fresh, organic and natural product are important for 57%, moreover only 34% admit that TV spots influence their purchases (Nielsen.com, 2015).

Undoubtedly, green consumption become a phenomenon along with eco-friendly production (Pedersen, 2015). Environmentally-friendly products are defined by Shamdasani, Ong Chon-Lin and Richmond (1993, p. 489) as *“a products that will not pollute the earth or deplete natural resources, and can be recycled or conserved”*. Thus meaning of notions as a ‘green’, ‘environmentally-friendly’ or ‘ecologically-conscious’ is consider as a very similar and can be *“interchangeable”* (p. 488).

Considerable amount of data collected in certain countries or globally confirm this fact (Pedersen, 2015). For example the UK Ethical consumer report says that in 2011 the largest increase in terms of ethical food and drink consumption had sustainable fishes and Fairtrade whose logo already know 9 from 10 customers. Additionally, in 2012, 92% of UK consumers recycle in comparison with 73% in 2010 (The co-operative Group, 2012). According to Ethical consumer (2014) people spent for ethical products every year more, for example in 2013, was rise 9% than in previous year. Another very remarkable study investigates behaviour of American consumer in 2013. Interestingly, during buying 71% Americans take into consideration the environment. Notably, 78% of respondents would boycott the company when they find out some unethical behaviour or false information (Walker, 2013).

### **1.2.5 CSR influence on customer purchase decision**

The relationship between CSR and customer behaviour is described by personal factor "*locus of control*". This aspect influences purchase decision in terms of how much people trust themselves that they can affect result due to their own acting. (Rotter, 1966). McCarty and Shrum (2001) define two types of locus control: external and internal. They claimed that external locus characterizes those people who think that they have no power to change or influence some results, because they assume that coincidence and other people have this power. Contrarily, internal locus of control have those people who trust themselves in terms of power to control their lives and through their behaviour can impact on outcomes. Therefore it is considered that customers with an internal perspective likely respond to CSR activities in more positive way than those people who have external locus of control which causes disbelief in the power to affect results through acting.

Undoubtedly, customers require more information about corporations' practices, however CSR still plays a minor role as an influencing factor on customer purchase decision (Mohr, Webb and Harris, 2001). Lack of awareness towards CSR and gap between what people saying and doing seem to be as a possible explanation (Öberseder, 2011). In other words, customers are willing to consider CSR when purchasing but only small number of them really do it, according to Mohr et al. (2001) only about 20% of customers really consider

CSR when buying. Moreover, negative CSR performance has greater influence on customer evaluation of a company than positive information (Sen and Bhattacharya, 2001).

In terms of CSR influence, customer awareness plays a significant role which is in total considered as a low. Nevertheless, whether they are some aware people about CSR it helps to create a positive attitude towards CSR companies and therefore their willingness to purchase products from socially responsible organization. Similarly, CSR communication is very important. When people are not aware of CSR activities, it cannot influence them when buying (Öberseder et al., 2011). Also “*customers who respond more positively to CSR activities have also been found to take more responsible purchase decision and act more responsible in disposal behaviour*” (Öberseder et al., 2011, p. 451).

According to Öberseder et al. (2011) there are three aspects (core, central and peripheral factors) which increase probability that CSR will be take into consideration during purchase.

**Core factors** are two changeable factors: information and personal consideration. In terms of information, there are two types, the scope of information (how much they know) and second one is whether the information have negative or positive character. Customer with a lack of knowledge and information do not take CSR into account when buying. On the other hand, people who are aware about this buy more Fairtrade and ‘green’ products. The extent how much information and CSR practices comply with the personal beliefs and attitudes is collectively referred as a personal consideration (Öberseder et al., 2011).

**Central factors** relate to the customer financial situation. Price is still one of the strongest rooted factor influencing buying behaviour, even over ethical practices of corporations. Undoubtedly, the prices of Fairtrade and ethically sourced products are higher, but central factor affect customer decision in this stage. Hence price is very often main reason why do not buy (Bray et al. 2011). However, when the prices of ethical and non-ethical products are equal, consumers choose the ethical one. Therefore both factors central and core need to be met in order to consequently consider CSR in shopping (Öberseder et al., 2011).

**Peripheral factors** include “*Credibility of CSR activities, image of the company and the influence of peer groups*” (p. 455). These factors are considered after complying both



previous core and central factors. Credibility of CSR practices means that core business is closely linked with promoted CSR activities. Thus, firm responsibility constitutes the extent of company image perception. The last powerful aspects influencing purchase behaviour are peer groups involving friends, family or co-workers (Öberseder et al., 2011).

#### **1.2.5.1 Business ethic impact on customers**

Business ethic is another very influential factor affecting customer behaviour, it means how firms behave and do their business (Forbes.com, 2010a). Many companies strive to cause trust in their customers by the implementing internal ethical rules, because they believe that thanks that can create a strong relationship with customers. Ethical rules are involved in Code of conduct. All stakeholders have to respect it. Code of conduct ensures that everybody are treated with respect and dignity, labour and human laws are respected along with health and safety manners. Regarding Code of conduct, organisations have to realize it actively. Thanks to ethical behaviour, company can improve its reputation, strengthen its position and take out new partnerships easily (Forbes.com, 2010a).

#### **1.2.6 Customer reactions on companies unethical behaviour**

After listing customer rights, they begun to demand “greater power” and respect for their rights. These initiatives resulted in emerging of activism and greater customer awareness of corporate behaviour (May, Cheney, and Roper, 2007).

Generally, it could be said that customers have a positive attitude towards those companies which apply CSR (Beckmann, 2007). Indeed, customers are really willing to adjust their habits, style of life and consequently change purchase intentions (Phillips, 1999). For instance half of surveyed Americans are amenable to switch brand due to company environmentally friendly practices (Phillips, 1999). Moreover, irresponsible acting of company influences customers in their purchase behaviour more negatively than responsible behaviour positively (Öberseder et al., 2011).

However, customers have some options how to affect company practices. Types of consumer activism can be following: *“phone calls, letters writing, petitioning, creating*

*alternative venues for consumption, boycotts or buycotts, developing local and bioregional alliances, demonstrations as a protest and marches, embracing critical pop culture and media”* (May et al., p. 245).

According to May et al. (2007) in the early beginnings of customer activism they preferred acting individually in terms of phone calling and letters writing. Along with technological development sending messages through the internet in order to react on a company behaviour is much easier.

Consumers can be involved in some activist organization like the Organic Consumer Association. Through them send messages to the corporations. It seems to be more effective way than act individually (May et al., 2007). For example Starbucks has received a lot of adverse reactions from their customers, when some of them led to the protests and signing petition against the company (OCA, 2014). It was more than 2000 individual messages in 2003 in terms of organic food and farming, and three years earlier 84 organizations signed open petition against sweetshop coffee (May et al., 2007).

Currently Starbucks again faces protests, petition and campaigns from customers and some consumer organizations. The issue is that Starbucks is still using non-sustainable palm oil which is now considered as a serious threat for the environment especially for animals, forests, as well as community where palm oil is produced which deteriorate global problems. Therefore, *“more than 300,000 consumers have petitioned Starbucks to go “deforestation-free.”* (OCA, 2015).

Another way how to express the disagreement with corporation practices are demonstrations and marches which thanks to them size and uniformity are considered as a very powerful action. These events are often created by number of individuals or consumer groups (May et al., 2007).

Even though that customer activism seems be a relatively new issue, the opposite is true because boycotts are dated around 1870. (May et al., 2007). According to Friedman (1995) boycott is *“an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace.”*(p. 198-199). Moreover, boycotts can be conducted in terms of animal rights, environment as

a whole, forest protection, packaging and recycling of products or using fuels in cars. Customers by boycotting exert economic pressure on the companies in order to achieve “*ecologically desirable directions*” (p. 213). Undoubtedly, the big amount of boycotting customers will affect the company. Furthermore, boycotts negatively influence not only on the economic site of a company, but also on their reputation especially when media and news are also interested. The main intention of this action is to force companies to rethinking and consequently change their ecological initiatives (Friedman, 1995). Interestingly, 22% of boycotts against unethical behaviour in UK was conducted by young people between (18-34 years), they were calling predominantly for boycotts in terms of animal welfare, corporate practices and ecological impact (Ethical consumer, 2014).

Contrarily, there are not only negative customer approaches to activism. Buycotts encourage customers to select products which meet the environmental standards for example Fairtrade labels (May et al., 2007). Moreover, buycotts are intentional products’ purchases of those companies or countries with whose practices are customers satisfied. This is a way how express agreement and favour (Hawkins, 2010). Nevertheless, buycotts differ from boycotts in the way how customers acting. In buycotts they have to make desirable efforts despite costly option, higher prices and less choice in order to support preferred business. These people are altruistic nature willing to do this in order to benefit society not to harm someone’s reputation (Neilson, 2010).

Kimeldorf et al. (2004) demonstrate that customers are willing to buy labelled product rather than unlabelled ones. Similarly, the majority (more than 75%) of customers are interested in manufacturing products under good working conditions (for example without children labour). It is interesting to note that consumerism by its nature is closer to women than men, because women as caregivers with their rewarding nature are happy to help someone, especially be beneficial for the society (Neilson, 2010).

### **1.2.7 Student perception and attitudes towards CSR**

According to Fitzpatrick (2013) students are more interested in long-term profitability and advantage which are for companies more valuable than short-term benefits. In his study, he shown that gender plays a significant role in terms of influence on students' perception. In fact, female students are obviously more affected by company unethical (ethical) behaviour. Also women more perceive the moral problems than males (Arlow, 1991), which is can be explained by deeper moral grounds (Adhikary and Mitra, 2015). Additionally, age is also important factor in perception of CSR. It is claimed that students with lower age (under 24 years) as well as students with previous working experience are more sensitive to these practices and put more emphasis on CSR activities (Arlow, 1991; Fitzpatrick, 2013). It is interesting to note that students studying other fields except business, have more negative attitude towards CSR than business schools' students (Arlow, 1991).

Students' attitudes and perceptions of CSR and business ethic are important for two reasons, firstly they are "*business students today, but the business leaders of tomorrow*" (p. 256). Indeed, this is a very relevant idea, especially current business student will be probably future managers or owners of companies, thus is worthy to have knowledgeable people with ethical behaviour in the heads of firms as well in the future society. Secondly, students are considered as significant segment of customers which is more aware and interested in ethical manners (Adhikary and Mitra, 2015).

## **2. Methodology**

First of all, research purpose and research questions are mentioned, followed by research approach and explanation of philosophical background. Further, chosen research strategy is justified and detailed explanation of case is given. Afterwards, selected research method is described along with type of data and manner of their collection. At the end a discussion related to validity, reliability, ethic and limitations is presented.

### **2.1 Research purpose**

The objective of this study is to discover how students in University Huddersfield perceive environmental corporate social responsibility, what attitude they have towards this issues and how overall are they aware. Also this study aims to explore how company business ethic and environmentally unfriendly practices can influence on their subsequent purchase behaviour.

The study strive to find answers on the following research questions:

- How aware are customers of environmental corporate social responsibility?
- What attitude do customers have towards the environment and environmental behaviour of a company?
- How do environmentally unfriendly practices of a company influence on a customer purchase decision?

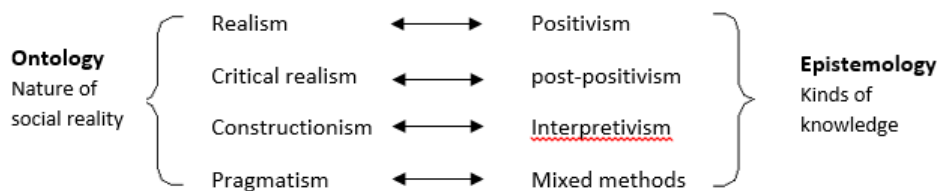
## 2.2 Research approach

Philosophical presumptions are considered as a basis of researches for a number of reasons:

- Underpin the perspective which is adopted on the research topic
- Form the essence of the exploration, its methods and the asked questions
- Determine what type of things qualify as worthwhile evidence (Denscombe, 2010b, p. 117)

In order to understand to social research it is important to be aware of epistemology and ontology concepts. On their basis there are many approaches in social research showed in **Figure 3.1**: positivism, interpretivism, critical realism and pragmatism. (Denscombe, 2010b, p. 117).

*Figure 2.1 Overview of basic social research philosophies*



Source: Denscombe, (2010b, p. 117)

However, for this study an interpretivism approach is appropriate. Interpretivist philosophy is opposite to positivism in terms of social sciences. *“Interpretive researches assume that access to reality is only through social constructions such as language, consciousness, shared meanings, and instruments”* (Myers, 2013, p. 39). In this type of research, the data are words uttered by people. Also the *“meaning of the data is determined by the context (the theory)”* (Myers, 2013, p. 40) and thereby it is not useful to apply statistic method for analysing this kind of data (Denscombe, 2010b). This approach is focused on specific, unique and deviant aspects and also tends to obtain information about people thinking, feeling and doing mostly through interviews and observations (Dudovskiy, 2011).

## 2.3 Research strategy

According to Yin (2014, p. 9), **Table 3.1** presents five various research strategies such as surveys, experiments, history, analysis of archival records, and case studies.

*Table 3.1 Research strategies*

Strategy	Form of Research questions	Requires Control of behavioural Events?	Focuses on Contemporary Events?
Experiment	How, why?	yes	yes
Survey	Who, what, where, how many, how much?	no	yes
Archival Analysis	Who, what, where, how many, how much?	no	yes/no
History	How, why?	no	no
Case Study	How, why?	no	yes

Source: Yin, (2014, p. 9)

However, for purpose of this thesis case study is the most suitable, because it can properly answer the research questions like “how” and “what”. On the contrary, surveys and archival analysis is not applicable methods because they correspond to completely different questions like “how many” etc. Other remaining methods, experiment and history are inconsistent in at least one of the other criteria which are control of behaviour event and focus on contemporary even, therefore case study is convenient.

Case study is: “*an empirical inquiry that investigate a contemporary phenomenon in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident*” (Yin, 2014, p. 16).

This strategy is relevant in order to explore some contemporary phenomenon and provide “in-depth” explanation. Similarly, it is also appropriate to use when researcher aims to

understand investigated situation or along with examination of small group to keep “holistic and real-world” view Yin (2014, p. 4).

At the end of this chapter is worthwhile sum up strengths of a selected strategy (see **Table 3.2**).

*Table 3.2 Strengths of case study*

<b>Strengths of case study</b>
<ul style="list-style-type: none"><li>• It can document multiple perspectives, explore contested viewpoints, demonstrate the influence of key actors and telling the story</li><li>• Understanding the process and changes and why and how some issues happened</li><li>• Can closely describing and interpreting events in real-life situation</li><li>• It has a potential to involve participant in to the research process</li><li>• it can fit very well with small-scale research projects</li><li>• it provides a holistic analysis</li></ul>

Source: Denscombe, (2010a, p. 62-63; Simons, 2009, p. 23-24)

However, it needs to bear in mind that this method has some limitations as well. Relevant case study limitations to this research are involved in chapter 3.9 limitations.

### **2.3.1 Case study selection**

The case study is considered as the best option for this research because it strives to “investigate an issue in depth and provide an explanation of real life situation” (Denscombe, 2010a, p. 55). Extent of possible case can be very broad and unique. Nevertheless, Denscombe (2010a) describes a case in many various forms such as: “an individual, an organization, an industry, a workplace, an educational programme, a policy or country” (p. 55). In order to case relevance researcher should decide and determine one instance from many possible (Denscombe, 2010a).

For purpose of this dissertation as a case is chosen sample of University Huddersfield’s students who drink a coffee especially from Starbucks coffee company. For this research



was very favourable that in student central at University is located Café proudly serving Starbucks, where every day countless numbers of students buy their regular coffee. Thus participation in research is based on the fact whether they drink Starbucks' coffee which meet the condition that students are also consumers.

The company Starbucks is chosen for many reasons. Firstly this world-wide coffee company is well known brand also for their CSR activities, therefore it is suitable for this paper investigating customers' reactions, attitudes on ethical or unethical manners. Another reason is fact that Starbucks meet condition that explored sample (students) is aware, knows the company and buy their products. There are lot of opponents of their coffee business which is another reason to deal with Starbucks. However, they do countless activities very good which helping the environment, for example 100 % ethically sourced coffee, recyclable cups, renewable energy, help to communities etc. (Starbucks, 2014).

Nevertheless, some critics argue that Starbucks still use unethically sourced palm oil in their products and some beverages. Palm oil is currently widely discussed and controversial issue reaching global problems' dimension. Its production has an incredible devastating consequences on the air, life and inhabitants in Indonesia, and especially expanding deforestation and animals' extinction. Moreover because palm oil inexpensiveness is extensively used by multinational companies in wide range of products such as cosmetics, but mostly in food. Extensive consumption of palm oil contained in food has an unfavourable results on human health (OCA, 2015; The Guardian, 2015). In additional against Starbucks has arisen a wave of criticism and the Organisation Sum of Us posted a negative campaigning video encouraging to sign a petition (SumOfUs, 2016).

This issue is also noticed by customers, feedbacks in discussion forums and company's website contain disagreements with using palm oil: "*Please stop using Palm Oil in your products. Stop contributing to deforestation and species extinction!*" (Starbucks, 2015). It is a good reason for conducting this research. Nevertheless, the company began to remedy and adopted certain measures.

As mentioned above, in general, customers are aware and interested in CSR and ethical behaviour of companies. However this study is focused primarily on students as a customers. Students drink coffee a lot, it is available almost everywhere including Universities, as well as at Huddersfield one. Moreover, students are very influential group

of consumers and at the same time future leaders. Therefore their awareness and attitudes are very important.

It needs to be mentioned that this study do not damage, assess or promote Starbucks. It plays only neutral role through which opinions, attitudes and awareness of student are investigated.

## 2.4 Research method

There is a number of possible research methods which can be used, however for the purpose of small-scale case study and thoroughness qualitative investigation is needed. Qualitative data can be gained through interviews, images, photographs and can be in form of text or words. Similarly, this type of method provides deeper understanding of “*motives, construction of reality, perceptions, life experiences*” (p. 133) than quantitative data – thereby numbers (Denscombe, 2010b, p. 133).

According to Yin (2014) and Simons (2009) an interview is considered as the most appropriate qualitative method for case study. This method surely provides “*an insight into things such as people’s opinions, feelings, emotions and experiences*” (Denscombe, 2010a, p. 173). Similarly, thanks to interview information about “*core issues*” and in-depth understanding of the investigated area can be obtained. Moreover researcher should check the questions, adapt to the interviewees’ needs, listen to a story and at the same time observe body language. On the basis of interviews data are depicted in form of transcript which is main source in analysis (Simons, 2009, p. 43). **Appendix C** contains a sample of transcripts used in this research.

Interviews can be: structured, semi-structured and unstructured. For the purpose of this study semi-structured interviewer is applied, because research sees the questions which has to be asked. However, in this type interview, researcher needs to be flexible and good listener (Denscombe, 2010a).

When an interview is conducted, “*the interviewer effect*”, needs to take into account, which means that the person who asked questions, respective factors such as gender, age or ethnic background, affect respondents. In other words, outcomes are affected by the “*personal*

*identity, self-presentation or personal involvement*” of interviewer (Denscombe, 2010a, p. 179). In addition is worthy to sum up some advantages of chosen method, which are presented in **Table 3.3**.

**Table 3.3** *Advantages of interview*

<b>Advantages of interview</b>
<ul style="list-style-type: none"><li>• Obtaining depth and detail information</li><li>• Gaining valuable insights based on the depth of the information</li><li>• Researcher need only basis equipment for conducting it</li><li>• Interviewee has an chance to explain his ideas, view, opinion or asked if misunderstanding</li><li>• It is the most flexible method, when the researcher can adapt very well to interviewee’s needs and requirements</li><li>• Interview is very often prearranged thereby it provides high response rate</li><li>• Direct contact at the point of the interview means that data can be checked for accuracy and relevance as they are collected</li><li>• Rewarding experience and more enjoyable way of research</li></ul>

Source: Denscombe, (2010a, p. 192-193)

Similarly, interview has some disadvantages as well. Relevant shortages to this method are at the same time limitations of whole research, thereby disadvantages of interviewing are included in chapter 3.9 limitation.

## 2.5 Data

As is apparent from previous chapter, primary data are used. One-to-one interview is chosen in order to gain non-influenced data by other respondents. Therefore, it is relatively easy to arrange an appointment in convenient form for both interviewer and respondent. Also, it is easy manageable in comparison with group interview. Other reason for conducting interview with one person, it is easy process of transcribing and recording speech when only one voice is talking at one time. However there is a disadvantage that only one opinion on certain issue is obtained (Denscombe, 2010a).

### 2.5.1 Sampling

According to Denscombe (2010a) exploratory samples is appropriate for conducting small-scale researchers. Similarly this type of research allows researcher to gain “*generated insight and information*” (p. 24). It is possible to use study without general sampling through whole population, because research is focused on gaining in-depth information. Thus for exploratory sample research is often employs non-probability sampling based on intentional selection of participants, no random.

There are various sampling techniques, however, in this study purposive sampling is employed. It is based on principle to gain “*the best information through focusing on a relatively small number of instances deliberately selected on the basis of their known attributes*” (Denscombe, 2010a, p.34-35). The participants were selected “*on the basis of relevance to the issues/theory being investigated*” (p. 35), which means that only students of University Huddersfield who buy Starbucks’ coffee at student central Café were investigated for this research.

### 2.5.2 Collecting the data

The collecting of primary data was conducted directly by dissertation’s author. The research through interviews is quite time-consuming, however it enables to obtain in-depth and focused data on specific issues.

In data collection semi-structured form of interview was used which has five main parts, shown in interview guide as an **Appendix A**. First part helps to select participants

according to gender, age and type of study (undergraduate or postgraduate). Next part deals with questions about consumption of coffee. The data about participant's attitude and behaviour towards the environment constitute third part of an interview guideline. The purpose of fourth section is obtaining data relating to purchase behaviour and factors which can influence it. Consequently last part asks on palm oil issue, where negative campaign video is presented and interviewees' opinion and feeling examined.

Because questions in interview guide require different logical order for better understanding, for purpose of data analysis interview questions and sections are rearranged into interview question clusters, presented in **Appendix B**. For example in Table 3.4 it can be seen that RQ1 dealing with awareness mingles in three sections, therefore assigning is not unequivocal and some questions are used multiple times.

In **Table 3.4** are four clusters (participants' profile, research question 1, 2 and 3) constituted by individual sections (5 in total) and individual questions from interview guide which are assigned on the basis of their meaning and connection with three main research questions of this paper.

**Table 3.4** Interview clusters

<b>Cluster</b>	<b>Section of questions</b>	<b>Number of questions</b>
Participants' profile	1 - Basic information	Gender, age, study
	2 - Consumption of coffee	1., 2.,
RQ 1	2 – Consumption of coffee	3., 4., 5.,
	3 – Environmental behaviour	10.,
	5 – Palm oil	17.,
RQ 2	3- Environmental behaviour	6., 7., 8., 9., 11.,
	4 – Buying behaviour	13., 14., 15.,
RQ 3	4 – Buying behaviour	12., 13., 14., 15.,16.,
	5 – Palm oil	17., 18., 19.

### 2.5.3 Participants

Ten persons were participated in interviews and both genders were represented equally. All respondents meet the condition that they are student at University of Huddersfield and also drink and buy at least occasionally coffee from Starbucks. Interviewees are between age 20 – 28, and postgraduate study is represented six times, undergraduate four times. Furthermore, all interviews were conducted in an interval of one week in March. Research was taken in student central at University Huddersfield, very close to Café which serves Starbucks coffee.

## 2.6 Data analysis

The qualitative data analysis is a process constitutes from five steps (see **Table 3.5**).

*Table 3.5 Five main stages of data analysis*

<b>Stage of analysis</b>	<b>Qualitative data</b>
1. Data preparation	Cataloguing the test of visual data Preparation of data Transcribing the text
2. Initial exploration of the data	Look for obvious recurrent themes or issues Add notes to the data Write memos to capture ideas
3. Analysis of the data	Code the data Group the codes into categories or themes Comparison of the categories and themes Look for concept
4. Presentation and display of the data	Written interpretation of the findings Illustration of points by quotes and pictures Use of visual models, figures and tables
5. Validation of the date	Data and method triangulation Member validation Comparison with alternative explanation

Source: Denscombe, (2010a, p. 240)

The primary source for analysis were audio recorded consequently rewritten by transcription technique. Because of qualitative data are unstructured and unordered data, they need to be displayed in written form for further process. According to second stage of analysis, written notes made during the interviews were added into transcripts as well.

Such prepared data need some order which is assigned by researcher. This order is achieved by using coding method when the same parts of text, themes, topics, phrases, keywords or other significant signs are assigned by particular code. Coding is especially important stage of analysis for further investigation and comparison. Also research must have bear in mind the connections between codes as well as linkages with research questions, theory or previous research (Denscombe, 2010a).

In this research primarily different opinions of interviewees on some issues are considered, but also analysis of differences caused by age or generally by gender is interesting. At same time data are analysed on the basis of interview clusters when each part of transcript was coded, reduced and assigned to appropriate cluster, thus order of transcripts was changed.

## **2.7 Validity and reliability**

In this study two aspects need to be considered in order to define credibility and quality of the data and findings. The concept validity and reliability is primarily used in quantitative research which is verified by statistical methods, however in qualitative research alternative methods can be employed providing similar function (Denscombe, 2010b).

*“Validity refers to the quality of the data”* (p. 106). The data need to meet some conditions in order to be valid. One of this condition is sufficient particularity, thoroughness and in-depth investigation. Moreover collected data need to be correct, collected in right manners, properly recorded and appropriately processed. The questions asked should adhere ethical manners. Also one of the most important thing is that data need to be suitable for investigated topic (Denscombe, 2010b).

*“Reliability refers to the quality of the methods”* (p. 106). Researcher needs to use consistent and appropriate method providing valid data. Reliability of data tends to avoid inaccuracy and dishonesty caused by applying an appropriate method (Denscombe, 2010b).

In order to prove accuracy of collected data and findings, for researcher is very useful to check transcripts with research participant whether it was understood correctly (Denscombe, 2010a). All participants were willing to provide email address for this validation purpose, thus transcripts of interviews were sent with thank you message and asking for favour whether is something wrong, unclear or untruthful, do not hesitate to contact research back.

## **2.8 Ethic**

*“Social researcher is expected to conduct their research in an ethical manner”* (Denscombe, 2010b, p. 60).

It could be declared that this research was conducted in ethical manners faithfully and honestly, also participants were dealt with dignity and their rights were taken into account.

Interview structure was checked by supervisor and ethical statement for this research was handed out in order to ensure that questions are appropriate.

This research provides anonymity for participants due to presenting only general information such as age, type of study and gender. Naturally, interview questions do not ask for any personal details such as name, students’ number etc.

All participants were aware of the fact that research is voluntary, that they will be asked questions, objectives and purpose of the study and that an interview will be recorded and used only for the research purposes. Thus interviewees could refuse to participate in interview or express disagreement with recording.



## **2.9 Limitations of research**

There are some limitations connected with this research which need to be taken into account. As a limitations can be considered the fact that only students from one institution, University of Huddersfield, were interviewed. The sample is non-representative and purposive thus results might not be generalized to all students in the UK.

Moreover, factor which need to be taken into consideration is slightly limited range of products in Café which serves Starbucks coffee and it cannot be regarded as a regular Starbucks coffee company's branch. However, in some interviews participants equated this University's shop with real Starbucks or told about experiences with this brand for example from another countries generally and did not do any differences. Thus this case study research with using University's café serves Starbucks coffee could be considered as an appropriate and valid.

Furthermore, as constrain is also considered the fact that participants could be influenced by the interviewer and their answer were slightly distorted in order to satisfy interviewer. Therefore people tend to answer in positive way and particularly in this issue about environmental behaviour and they can provide dishonest answers to show they are good citizens with awareness and interest of this issues. Similarly, interviews generate data in open format, which require more time-consuming analysis where also researcher's subjective view is occurred.

Additionally, in conducting case study researcher need to be careful with processing excessive amount of data, lack of rigour and with determining case boundaries.

The last limitations of this research are time and economic constraints. All these limitations should be kept in mind during presentation and interpretation of results and data analysis which follow.

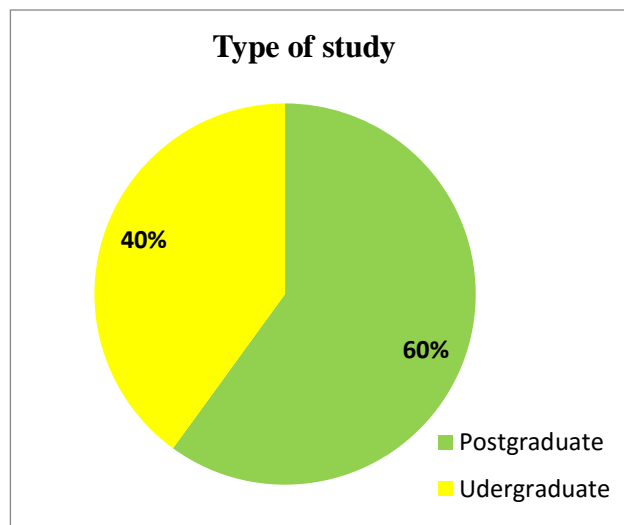
### 3. Results and analysis

In this chapter results and data analysis are presented. First of all profile of participants is described. Afterwards transcripts are analysed section by section, some differences or similarities are highlighted. Due to extensiveness of all transcripts, **Appendix C** shows only one example. Rest of them are available on request. Then according to interview cluster schema, three main research questions are examined question by question. At the end of each chapter conclusion is written.

#### 3.1 Profile of participants

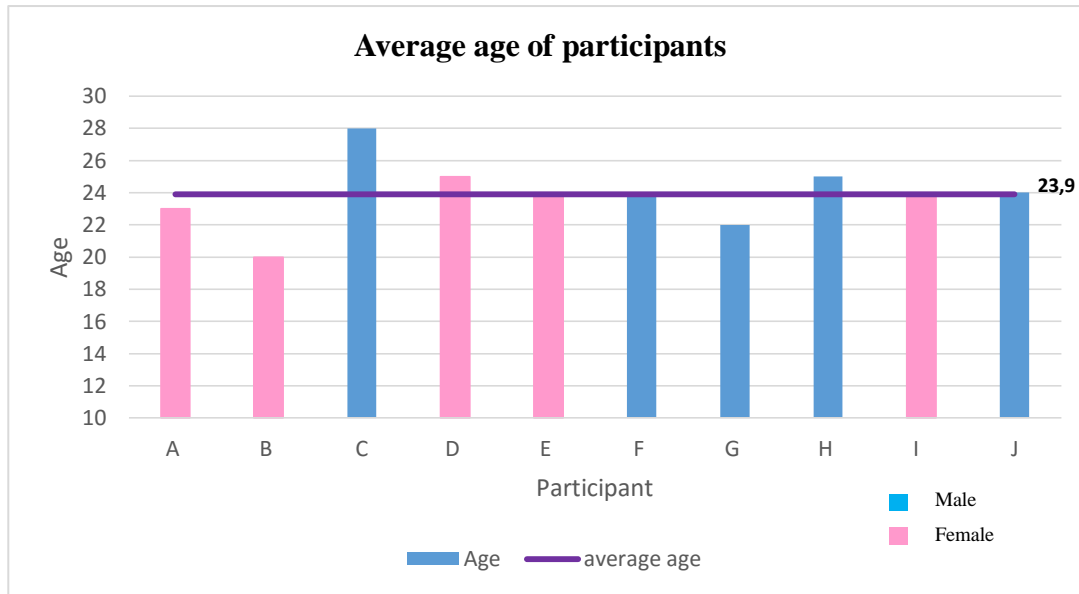
In this qualitative research ten persons were involved in total with representation of both gender equally. For purpose of anonymity, individual participants were marked by letters of the alphabet with assigning interviews' serial numbers. In terms of study level six postgraduate and four undergraduate students of University of Huddersfield (see **Figure 4.1**) were interviewed.

*Figure 3.1 Representation of participants according to type of study*



Age of interviewees is in range of 20 – 28, their ages with color-coded gender and total average age are shown in **Figure 3.2**.

**Figure 3.2** Average age of participants



Nevertheless, **Table 3.1** provides a complete overview of the participants’ profile.

**Table 3.1** Profile of participants

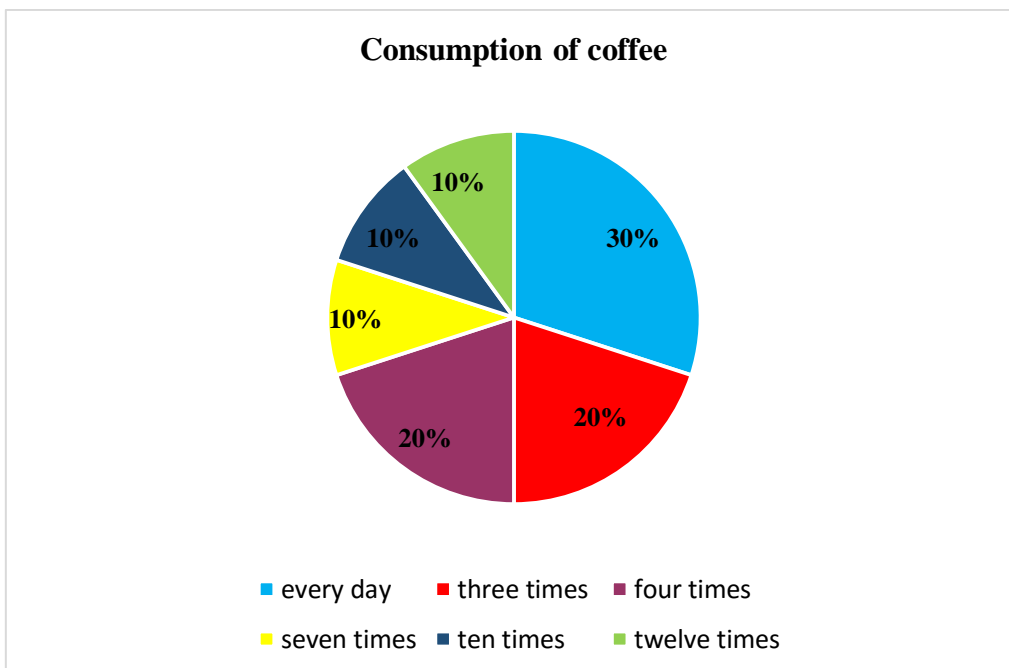
Participant	Gender	Age	Type of study
A – interview 1	female	23	postgraduate
B – interview 2	female	20	undergraduate
C – interview 3	male	28	postgraduate
D – interview 4	female	25	postgraduate
E – interview 5	female	24	undergraduate
F – interview 6	male	24	undergraduate
G – interview 7	male	22	undergraduate
H – interview 8	male	25	postgraduate
I – interview 9	female	24	postgraduate
J – interview 10	male	24	postgraduate

Furthermore, two first questions from interview guide in order to characterize participants in more details are involved in this chapter. This data help to analyse students regarding coffee consumptions and spending. According to nature of data, they can be displayed in graphs.

### 1) How many times a week do you drink coffee?

The aim of this question is to find out how much students drink a coffee. The results are surprising. Nine participants drink coffee at least three times a week. One students doesn't drink coffee due to religion, but very often buy beverages as a hot chocolate or tea at Starbucks. Therefore is was decided to involve her in this research, also due to very interesting answers. As is shown in **Figure 3.3** below, 30% of students drink coffee every day, 20% four times and same percent three times a week. In average they drink coffee roughly six times a week. There are no significant differences between genders or age groups in coffee consumption.

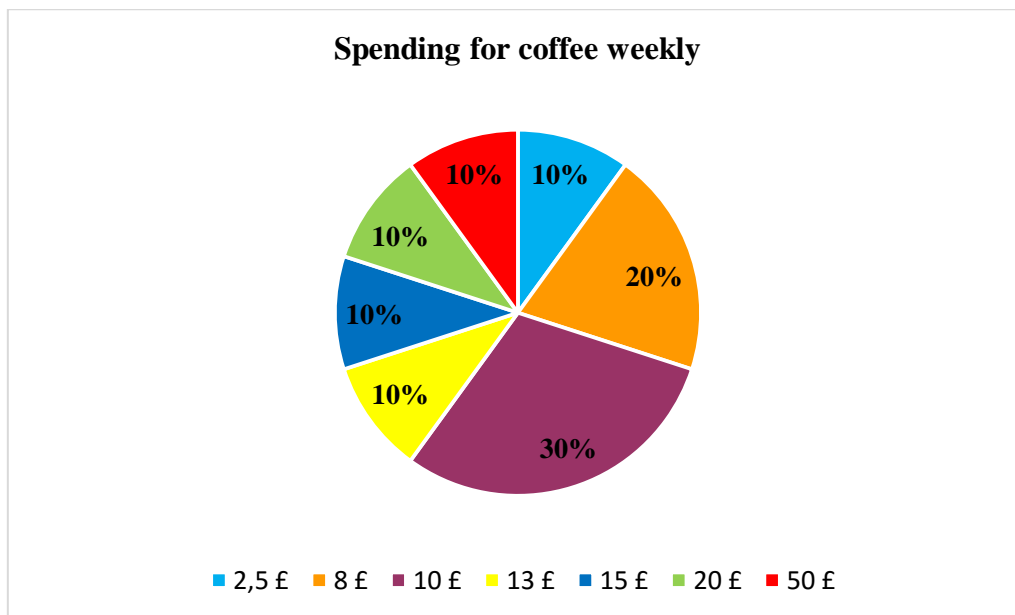
*Figure 3.3 Consumption of coffee per week*



## 2) How much do you spend on coffee weekly?

The **Figure 3.4** shows that 10 £ is the most mentioned amount of money (30%) which is spent weekly on coffee. In average students pay for coffee 14,6 £ per week. Interestingly males in average expend more than females even though that previous question suggests that both gender drink equally often. These differences are probably caused by price which vary for every product. Furthermore, it can be assumed that males took into account a higher price per single coffee, or simply considered a higher total average price.

*Figure 3.4 Spending for coffee weekly*



## **3.2 Research question 1: How aware are customers of environmental corporate social responsibility?**

This research question aims to investigate how much are students in role of customers aware of environmental corporate social responsibility. Additionally, findings are displayed question by question according to interview clusters.

### **3) How do you feel about Starbucks?**

Answers on this question were primarily constituted by coffee quality, customer service, also whether participants like products or not. Students did not forget to say that Starbucks is multinational company well-known based in the USA, thereby its image is very good connected with brand reputation. Some of participants stated that they have no relationship to Starbucks or it is simply company like any other. In terms of favour, various answers were occurred: *“It’s my favourite”* (Male 28), *“I am not a huge fan of Starbucks”* (Male 24).

### **4) Do you think that Starbucks is environmentally friendly?**

Surprisingly, in this question almost all participants admitted that they have no idea or don’t know. Also ethical sourcing was mentioned only marginally: *“I guess that they get coffee through Fairtrade”* (Female 23). Notably, students had a certain presumptions: *“it is seems like they are”* (Female 20), but no participant was sure if Starbuck is environmentally friendly or not. Moreover, students thought that environmental friendly behaviour is more about saving costs and following the trends than really saving the environment.

### **5) What activities does Starbucks do for the environment?**

There is surprising consent of respondents’ answers, they did not know activities which Starbucks do for the environment. Only three respondents mentioned: *“something about*

*coffee beans and some things on the cups*” (Male 25). Reactions on this investigation were very short and sense of uncertainty was felt.

#### **10) What activities do you think companies do for the environment?**

The most mentioned activities were recycling, reusing some materials, utilize new technologies, use eco-cars or do not test products (cosmetics) on animals, invest into sustainability or green housing. Interestingly, some activities which companies do for the environment were seen by interviewees like *“big part of marketing”* (Female 20), or *“trend that companies getting more and more involved in these strategies and environmentally friendliness”* (Female 20; Male 24). However, some of them believed that there are companies which strive to do something for the environment. There again sounded an opinion that: *“the main intent is to save money”* (Male 25).

#### **17) Have you heard about the palm oil issue?**

This question refers to awareness about unethical behaviour of firms, because it is considered that big multinational companies who use unethically sourced palm oil act with contradiction of ethic. It is a reason why this question is also involved in this section. 50% of respondents answered positively, they have heard about palm oil issue. Some of them were also able to briefly describe what palm oil issue means. Interestingly from this 50% were four females and only one male. Obviously, females were more aware of environmental problems regarding palm oil, also they highlighted negative consequences of eating palm oil on human health. In this research females were more interested in health life-style and even two females mentioned that they don't eat Nutella because of contained palm oil.

## **Conclusion**

All these questions above helped to answer main research question whether students are aware of environmental corporate social responsibility.

The results show that students are not sufficiently aware of environmental responsibility in general, however they mentioned some main activities which companies do for the environment such as recycling and reusing in the first place. In this case, they are not aware of environmental or any other CSR activities of Starbucks Company whose coffee they drink. As emerged from the interviews they have a lack or even no information when any company was considered or in this particular case with Starbucks either.

Surprisingly, in terms of palm oil issues four from total five females are aware of this, some of them noted that its production causes a big global problem and also its containing in food is not good for health. Therefore it suggests that females are more aware of contemporary environmental issues, and they are interested in their health significantly more than interviewed males. In this research question there are no significant differences between postgraduate and undergraduate students or their age, thus it does not need to be highlighted.



### **3.3 Research question 2: What attitude do customers have towards the environment and environmental behaviour of a company?**

The main objective of this research question is to analyse an attitude of students as customers towards the environment as a whole and then towards the environmental behaviour of companies. Like in previous chapter, appropriate questions are listed below. Thanks to them research in this field was possible.

#### **6) Do you prefer walking, cycling or taking a bus? What about the environment?**

The most of respondents determined as their preference walking. As a reason for that they mentioned health, moving at the fresh air or sometimes consideration of the environment. Also they stated reason for choosing walking instead of or taking a bus the money, it is definitively the cheapest option.

#### **7) Do you recycle?**

All of interviewees responded positively that they do recycling, however because of the most of international students were interviewed, it was highlighted that they recycle in their home country. Particularly in Huddersfield they strive to recycle as conditions allow to do this. This suggests that all students are encouraged to recycle and do this as a natural part of consumer life.

#### **8) What do you do for the environment?**

On the question what they do for the environment, students very often repeated answers from previous questions, particularly recycling and walking. Besides these answers, there was interesting one reply: *“I try to do my best to reduce my energy consumption”* (Female 24). Surprisingly one student is a member of sustainability group based at University where he is involved in some sustainable projects, he said: *“I try to be as environmentally friendly as I can”* (Male 24).

**9) Do you care whether the companies that make the products you buy are environmentally friendly?**

Here answers differ. Three students agreed that they care (or usually) of ethical behaviour of company whose products buy. However rest of them primarily pointed out that it is nice when companies are environmentally friendly, students should care but they do not find information and spend time looking on this. Additionally, one guy noted that there is not proof that companies are really environmentally friendly, thereby information should not be absolutely truthful and companies sometimes present itself better than they are.

**11) Is company environmental responsibility important, especially in the coffee industry?**

Students thought that environmental responsibility is important in coffee industry because *“it is a big industry and it has big impact on the environment”* (Female 24) and *“in 21<sup>st</sup> century it is important in every industry”* (Female 24). Male 25: *“that’s a good business with customer loyalty”*, through environmentally responsibility activities they strive to compete. The environmentally friendliness in also relevant in this industry in terms of origin of coffee beans and their proper sourcing. Coffee beans come from rest of world where nature is quite damage due to this production, so *“it’s good when coffee company can guarantee that they do not damage the environment”* (Male 24).

**13) Do you think about product packaging?**

Respondents agreed that they do not think about packaging when buying, however they consider it at the end of the process in order to proper recycle. It was mentioned that design is also one factor why to think about packaging. When respondents cannot decide between products with same price, decision is made on the basis of packaging.

..

#### **14) Do you read labels on the products?**

This is type of question on which were obtained quite short responses. Only four students answered that they read labels on products, from them only one male. This findings suggest that females are more interested in products' labels and reading information. As the most mentioned information which they look for are ingredients, nutrition information or the origin or product. In general, they do not look for some special symbols or signs indicating ethical sourced products, Fairtrade etc.

#### **15) Are you willing to pay a higher price for ethically sourced products?**

Students are willing to pay a higher price for this production on condition of same or better product's quality. Female 24: *"If it is means that's a better quality, yes."* Nevertheless, some financial limitations were also remarked, therefore they still take into consideration price: *"If I have a money I would pay more for things like this"* (Male 24).

#### **Conclusion**

In general all interviewed students have a positive attitude towards the environment, they recycle at least. Surprisingly, most of them do other activity in favour of the environment, for example think about reduction of energy consumption, be a vegan, and do not eat Nutella because of palm oil.

Additionally in terms of no garbage production they use thermos-mug for own beverage or use reusable plastic boxes for food. Some of them have very good ecological habits, however they still cannot integrate this eco-thinking into deeper sense, for example impact of buying products form the unethical company. Findings suggest that students do not care about environmentally friendliness of companies, because there is no proof and lack of sufficient information about this issue. However, students agreed that environmentally friendliness is important in coffee industry for two reasons, because coffee has a character of food and this industry is quite huge.

### **3.4 Research question 3 – How do environmentally unfriendly practices influence on customer purchase decision?**

The purpose of this last research question is to investigate whether students as a customers take into account the environmental impact when buying. According to interview clusters scheme questions 13, 14, 15 and 17 belongs in this chapter again, because they also provide needed information for analysis. However, they were examined in previous research question and findings were taken into consideration when conclusion was made in this chapter as well.

#### **12) What factors do you consider when buying?**

As expected, most of respondents stated as a first criterion for buying price. On the second place was quality, very often was uttered both terms together: *“I decide on the ratio of quality and price”* (Female 23). As next influencing factors were named brand, taste, attractiveness of product and even in one case the member of sustainable group try to sometimes look at Fairtrade or an organic origin.

#### **16) If you find that your favourite store or brand behaves unethically, for example harm the environment, how will you react?**

Stop buying was the most named action in return for unethical practices of any company. Another often uttered reaction was *“keep it in my mind”* (Female 20; Male 25) or *“avoid them”* (Male 24). However, no reaction with greater importance was confirmed: *“I will not go on demonstration or something like this”* (Female 24). Moreover, students will probably tend to find more information and start think about this, as two of them affirmed.

## 18) How do you feel about a video?

This part can be designated as the most emotional part of the interview, when respondents displayed their feelings, thinking and opinions. Furthermore, this question obtained the longest responses.

Almost at the end of the interview very short video about palm oil with Starbucks was shown. This video was obtained from SumOfUs organization's websites ([www.sumofus.com](http://www.sumofus.com)). This organization strives to achieve fair treatment of workers and consumers, support business preferring planet than money, protect communities, natural resources etc.

After video watching researcher asked about students' feelings, thoughts and opinions. *"It's alarming"* (Female 24) and *"really quite disturbing"* (Male 24), these were answers with the greatest concerns. Almost every participant use words as a big issue or big problem. Female 20 stated that she has not understood of this, why so green firm does not care about this contradict problem. *"It is also bad for their brand reputation"*. Moreover some distrust was expressed: *"They might say yes, we protect the environment, but come on..."* (Female 24).

Male 22: *"I think that big corporations including Starbucks are not so environmentally friendly like they present itself."*

Male 24: *"However it could be only campaign against Starbucks, because it is successful brand"*.

Opinions differ significantly. Even though that, some students were very indignant and concerned, others were not surprised: *"big companies have a bad impact on the environment"* (Female 24). Some of them express confusion: *"I don't know"* (Female 25), *what I should think about this"* (Male 24).

### **19) How often will you buy a coffee at Starbucks in the future?**

The watching the video has not impact on most of respondents: *“Unfortunately I have seen the video, I will continue my consumption”* (Female 24), *“I don’t change my mind, I will buy as often as before”* (Male 28). However, some of them said yes: *“I will start to think about this”* (Female 20), *“I will try to avoid Starbucks and use another coffee place”* (Male 24). Last type of answers highlighted finding more information.

### **Conclusion**

Even though that in question 16, most students as a reaction on unethical behaviour of company stated stop buying, in reality the reactions differ. It seems that only quite lot environmentally-minded people who support the environmental friendliness are willing to really change their purchasing behaviour in short time. This fact proofed Male 24, who is sustainable group member, his answers contained a lot of environmental concerns: *“I try to be environmentally friendly as I can”*, also only he stated that during purchasing he takes into consideration if it is Fairtrade or sustainable product.

On the other hand, respondents whose behaviour seems not to be so environmental, for example only activity they do for the environment is walking, they do not care about the companies’ impact and do not think about buying, product packaging and so one in a broader sense. Furthermore, findings confirm that main factor influencing shopping are price and quality.

## **4. Discussion and recommendation**

Based on findings, thanks to conducting a case study it was gained deeper understanding of examined problem and obtained answers on three main research questions of this dissertation. The summary of research questions answers is presented below and recommendation for future research is given.

### **Objectives**

The aim of this study was to investigate whether students' purchase decision-making process is influenced by company's behaviour, how they perceive it, what attitudes they have towards the environment and environmental corporate social responsibility and last but not least this study examined students' awareness of this area.

### **Awareness – RQ 1**

The findings indicate that students have some basic awareness of environmental corporate social activities which companies does, they stated only fundamental activities. Similarly, participants showed very low or any knowledge especially about Starbucks environmental CSR. Students guessed and were not sure in this part of investigation. It seems to be due to lack of information about the environmental corporate social responsibility. A lack of information refers to core factor (Öberseder et al., 2011) described in chapter 2.2.4.

Findings also refer to chapter Greenwashing because quite often was identified distrust, students argued that companies only seem to be environmentally friendly or environmental friendliness is trendy and thus big part of marketing and strategy. This kind of distrust can be called peripheral factor related to Öberseder et al., (2011).

Surprisingly, it was found that about the palm oil issues were students mostly aware. However, significant differences were found between genders. The findings highlight that females were substantially more aware of this issue, they were also able to explain consequences of its production and describe it as a global environmental problem (see chapter 2.1.2). Similarly, females very often mentioned health as a reason of palm oil harmfulness. Obviously, women are significantly more aware of contemporary environmental issues and interested in health life-style than males. This fact confirms that

gender plays a relevant role in terms of students' awareness (Adhikary and Mitra, 2015; Arlow, 1991).

### **Attitude – RQ 2**

This research proves that students have a positive attitude towards the environment, possess an ecological habits as a common part of consumer life. All stated at least recycling and walking as activities beneficial to the environment. Furthermore, their positive attitude towards the environment confirms the fact that almost all of them strive to do any other environmentally-friendly activity except recycling and walking.

Even though, the evidence from this study suggests that students have a quite negative perception of company's environmentally friendliness. As a result of findings is seen as a lack of trust to provided companies' information (see chapter Greenwashing).

Nevertheless respondents admitted that environmental social responsibility is important in coffee industry because they care about quality of coffee, thus origin. They agree with relevance of involving environmental friendly activities in this industry because due to its excessiveness and significant impacts on the environment.

### **Buying behaviour – RQ3**

It can be concluded that environmental CSR activity mostly do not affects buying behaviour of students, however it could be considered when is same price and higher quality of product. CSR activities are not considered as main influencing factor. Thus, results confirm Mohr et al. (2001) findings, that the main influencing factors are undoubtedly price and then quality, known as a central factor proposed by Bray et al. (2011). Only one respondent (10%) takes into account environmental friendliness of companies however as an additional factor after making decision based on the ratio of price and quality. Thus it is proof of Mohr et al. (2001) findings that only about 20% of customers really consider CSR when buy.

The evidence from this study partially proofs the fact that students are interested in quality of food and products (BrightLocal, 2014). For some respondents is important origin of coffee beans and the most of them see ethical sourcing in coffee industry as important. Moreover respondents expressed willingness to buy ethical products in some extent in the



future particularly when they start to earn money, however it could be better or same quality. In model situation (question 16) students were willing to act – stop buy products due to unethical company behaviour, however in certain case not (only find more information or start to think about this). This supports the theory about gap between what people saying and doing (Öberseder, 2011). Thus results show that unethical behaviour of company affects students in small extent. They showed passive behaviour or only small action against this problem. It could be also connected with “locus of control” when people do not trust themselves they have power to change something, they do not act (McCarty and Shrum, 2001). Hence, it was not confirmed that students are willing to take part in demonstrations or sign petitions as Ethical consumer (2014) stated, respondents exhibited signs of passive acting.

Additionally, students expressed certain level of distrust towards environmental responsibility, it is a reason why they do not take CSR into their purchase behaviour and why they do not change their purchase decision-making process. Findings suggest that is due to lack of information and truthfulness of these information. Buying behaviour and reactions on environmental practices are connected with awareness. On the other hand people who are eco-minded, act more in favour of the environment, because some extent of awareness or interest in this field.

### **Recommendation**

Although this study attempted to focus on part of CSR field with lack of research, there are still areas to be examined. For future research is recommended to conduct very similar study due to very actual topic, however future studies should have a considerable bigger extent, thus large sample size. Similarly, it is recommended to investigate future research at more Universities and consequently compare findings, which provide deeper insight into field of study. Future research might explore same study in few years at University Huddersfield to highlight differences in time. Also future study investigating differences between fields of study would be very interesting. However, whether the focus of study is customer behaviour of particular brand, it could be recommended to investigate study straightforwardly in more branches of this company with normal customers and then optionally compare it with students who are customers of this brand as well.

## Conclusion

The main purpose of this study is to explore how students as customers are aware of environmental corporate social responsibility, what attitudes they have towards this and how their purchase behaviour can be influenced by unethical behaviour of the company.

In order to investigate this issues, case study research was conducted, where behaviour, attitudes and awareness of Huddersfield University's students were investigated. They constitute significant part of customers as well as future leaders in companies.

To obtain in-depth insight into this problem, multinational coffee company Starbuck was chosen as a sample of "green" company which currently struggles with palm oil issue. This study did not intent to evaluate Starbucks behaviour or harm their image, it was only used as an example. Thereby, the case study was constructed of students who drink Starbucks' coffee, in order to assess their feelings and opinions on environmental company responsibility and their consequent behaviour.

According to this, three main research questions were created:

- 1) How aware are customers of environmental corporate social responsibility?
- 2) What attitude do customers have towards the environment and environmental behaviour of the company?
- 3) How do environmentally unfriendly practices influence customers purchase decision?

The primary data was obtain through interviews, which were consequently transcribed and analysed by coding. For purpose of data analysis and presentation, an order of interview questions was transformed into interview clusters for better comprehensibility and meaningfulness.

Besides, the study attempted to find some relations between awareness, attitudes, purchase behaviour and profile of participants (age, gender, type of study). There was not proved any positive correlation between types of study or age of students' awareness, attitudes and purchase behaviour. However in some questions there were found some significant differences between males and females answers, thus there was some positive relationship between gender and awareness, attitudes and purchase behaviour towards examined issue.

In a few cases, particularly in students' buying behaviour part, findings were in compliance with theory or some previous researches reviewed in literature. However, in some sections findings are inconsistent, thereby it is impossible to establish simple conclusion for certain questions, thus some future research is recommended.

The findings show that students had only basic awareness of environmental CSR, however regarding Starbucks Company they had little knowledge or none. Interestingly, about the palm oil issue participants were quite aware, but significant differences in knowledge showed females, who were more interested in health life style and environmental problems.

In terms of attitude, students had very positive personal relationship to the environment, nevertheless they possess a quite negative attitude towards the company environmental friendliness which is probably caused by a lack of trust in provided information. Additionally, they agreed that environmental responsibility is important in coffee industry due to food association.

Price and quality were found as main factors affecting purchase behaviour, thereby CSR does not play significant role in this decision-making. Willingness to buy "green" products was not completely confirmed. Finally, students were not willing to act in more extent except finding more information or avoiding to buy products of companies with unethical behaviour.

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# Appendix A - Interview guide

## Basic information

- Gender
- Age
- Type of studies – undergraduate/postgraduate

## Consumption of coffee

1. How many times a week do you drink coffee?
2. How much do you spend on coffee weekly?
3. How do you feel about Starbucks?
4. Do you think that Starbucks is environmentally friendly? Why?
5. What activities does Starbucks do for the environment?

## Environmental behaviour

6. Do you prefer walking, cycling or taking a bus? Why?
7. Do you recycle?
8. What do you do for the environment?
9. Do you care whether the companies that make products you buy are environmentally friendly?
10. What activities do you think companies do for the environment?
11. Is company environmental responsibility important, especially in the coffee industry? Why?

## Buying behaviour

12. What factors do you consider when buying?
13. Do you think about product packaging?
14. Do you read labels on the products?
15. Are you willing to pay a higher price for ethically sourced products?
16. If you find that your favourite store or brand behaves unethically, for example harm the environment, how will you react?

**Palm oil issue**

17. Have you heard about the palm oil issue?
18. How do you feel about this?
19. How often will you buy a coffee at Starbucks in the future?

# **Appendix B - Interview question clusters**

## **Participants' profile**

### **Section 1 – basic information**

- Gender
- Age
- Type of study

### **Section 2 – Consumption of coffee**

- 1) How many times a week do you drink coffee?
- 2) How much do you spend on coffee weekly?

## **Research question 1 – How aware are customers of environmental corporate social responsibility?**

### **Section 2 – Consumption of coffee**

- 3) How do you feel about Starbucks?
- 4) Do you think that Starbucks is environmentally friendly?
- 5) What activities does Starbucks do for the environment?

### **Section 3 – Environmental behaviour**

- 10) What activities do you think companies do for the environment?

### **Section 5 – Palm oil**

- 17) Have you heard about the palm oil issue?

## **Research question 2 – What attitude do customers have towards the environment and environmental behaviour of a company?**

### **Section 3 - Environmental behaviour**

- 6) Do you prefer walking, cycling or taking a bus? Why?
- 7) Do you recycle?
- 8) What do you do for the environment?

- 9) Do you care whether the companies that make products you buy are environmentally friendly?
- 11) Is company environmental responsibility important, especially in the coffee industry?

#### **Section 4 – Buying behaviour**

- 13) Do you think about product packaging?
- 14) Do you read labels on the products?
- 15) Are you willing to pay a higher price for ethically sourced products?

#### **Research question 3 – How do environmentally unfriendly practices influence on customer purchase decision?**

#### **Section 4 – Buying behaviour**

- 12) What factors do you consider when buying?
- 13) Do you think about product packaging?
- 14) Do you read labels on the products?
- 15) Are you willing to pay a higher price for ethically sourced products?
- 16) If you find that your favourite store or brand behaves unethically, for example harm the environment, how will you react?

#### **Section 5 – Palm oil**

- 17) Have you heard about the palm oil issue?
- 18) How do you feel about the video?
- 19) How often will you buy a coffee at Starbucks in the future?

## Appendix C - Sample of interview transcripts

### Interview 2 - B

#### Basic information

- Gender - female
- Age - 20
- Type of studies – undergraduate

**Interviewer:** How many times a week do you drink coffee?

**Female 20:** Seven times a week.

**Interviewer:** How much do spend on coffee weekly?

**Female 20:** About 12 to 14£.

**Interviewer:** How do you feel about Starbucks?

**Female 20:** I think that coffee is very good, the customer services is very nice like customer assistants are very friendly and I like a wide range of products.

**Interviewer:** All right. Do you think that Starbucks is environmentally friendly?

**Female 20:** They always have a Fairtrade things everywhere. I never have looked it, but it seems like they are aware of environmental issues.

**Interviewer:** So you don't know exact activities which Starbucks does for the environment?

**Female 20:** No, I've only seen these things on the cups and so on.

**Interviewer:** Do you prefer walking, cycling or taking bus?

**Female 20:** Walking, definitely.

**Interviewer:** Why?

**Female 20:** I like just moving, fresh air. It makes me tired when I sit in a bus.

**Interviewer:** Do you recycle?

**Female 20:** I used to when I was living in Germany. I try to use things like boxes where I can put my food inside and don't have to throw away, afterwards not using paper box and something like this.

**Interviewer:** Because my next questions is what do you do for the environment? So this is an answer, right?

**Female 20:** Yes, I would say, walking a lot, not taking a buses. Trying to using a reusable box and everything.

**Interviewer:** Do you care whether the companies that make the products which you buy are environmentally friendly?

**Female 20:** Yes, of course it is nice, but I don't really spend a time looking on the environmental strategy. Of course to hear it and when I know it, it's good.

**Interviewer:** All right. What activities do you think that companies do for the environment?

**Female 20:** I think that definitely, it's getting more involved, also it's a big part of marketing, because people expected it and everything. And also companies do more and more to involve these strategies.

**Interviewer:** Do you think that companies environmental responsibility of companies is important especially in the coffee industry?

**Female 20:** Yes, I think so. Also, corporate social responsibility is when they have a looked on their employees and everything. I think it's very important especially when they get coffee beans.

**Interviewer:** What factors do you consider when you buy?

**Female 20:** Price, quality, layout – how it looks like and everything. I think that these are the most important things.

**Interviewer:** Do you think about product packaging?

**Female 20:** Yes a lot.

**Interviewer:** Do you read labels on the products?

**Female 20:** Yes.

**Interviewer:** What labels are you interested in?

**Female 20:** Ingredients, nutrition information and also biological things.

**Interviewer:** Are you willing to pay higher price for ethically sourced products?

**Female 20:** Yes, if it's available.

**Interviewer:** If you find that your favourite store or brand behaves unethically, for example harm the environment or kill the animals, how will you react?

**Female 20:** Try to shop less or try to keep it in my mind.

**Interviewer:** Have you heard about palm oil issue?

**Female 20:** No



**Interviewer:** Ok, so can I play a video?

**Female 20:** Yes

**Interviewer:** How do you feel about the video?

**Female 20:** It makes me question, why they don't really care about this issue? If it's such a big issue why other big companies can do. I don't really understand this. Maybe it is so difficult for them, because they care about other things, and maybe they cannot care about everything, which is true. Because you cannot care about every single small environmental issues, but if it's such a big issues... And also it's not good for the brand reputations.

**Interviewer:** How often will you buy a coffee from Starbucks in the future?

**Female 20:** I don't know. Maybe I start to think about this. I think that I have to look on the internet again. But I think that I will still drink Starbucks coffee.

**Interviewer:** Thank you for the interview.