

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Humanities**



**Bachelor Thesis**

**Attitudes of Stakeholders and Consumers towards  
Ethical and Environmental Marketing**

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# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

## BACHELOR THESIS ASSIGNMENT

Daniya Dyussengulova

Economics Policy and Administration  
Business Administration

Thesis title

**Attitudes of Stakeholders and Consumers towards Ethical and Environmental Marketing**

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### Objectives of thesis

This thesis focuses on practices of ethical marketing, specifically the role of environmental and green marketing. Green marketing describes attempts by companies to advertise their products based on their real or perceived environmental benefits or sustainability. Sometimes, however, companies are accused of 'greenwashing', which does not reflect a genuine commitment to environmentalism or sustainability, but instead uses the language of environmentalism to mask or distract from an otherwise poor record on those issues. The theoretical part of the thesis will focus on defining these concepts and how they are used in marketing strategy. The practical part consider consumer and stakeholder attitudes towards these practices.

### Methodology

Develop a literature covering debates and issues in marketing ethics, with a specific focus on environmental marketing and greenwashing.

Research into the attitudes of stakeholders, employees and consumers towards green marketing using both qualitative (interview) and quantitative (survey) methods.

**The proposed extent of the thesis**

40-50 pages

**Keywords**

Corporate Social Responsibility, Ethical Marketing, Environmental Marketing, Greenwashing

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**Recommended information sources**

CARROLL, Archie B. and Kareem M. SHABANA. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews* 12(1):85-105.

FREDERICK, Robert. (2008). *A Companion to Business Ethics*. London: Wiley-Blackwell

HARRISON, Mike. (2005). *An Introduction to Business and Management Ethics*, Palgrave MacMillan

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## **Declaration**

I declare that I have worked on my bachelor thesis titled "Attitudes of Stakeholders and Consumers towards Ethical and Environmental Marketing" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 15.03.2021

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I would like to thank my supervisor, Daniel R. Swain, for his help and continuous feedback. This thesis would not have been complete without his cooperation, guidance and advise. I would also like to thank my family and friends for all their support and encouragement they provided throughout my studies.

# **Attitudes of Stakeholders and Consumers towards Ethical and Environmental Marketing**

## **Abstract**

This Bachelor Thesis aims to study the attitudes of different stakeholders, consumers and employees, towards Ethical and Environmental practices in Socially Responsible Marketing and Corporate Social Responsibility.

It is also aiming to highlight the general importance of CSR and SRM in the modern economies, due to the increased attention towards the environmental and social issues around the world. It is specifically focused on Environmental and Socially Responsible Marketing that can fall under the category of Ethical CSR of Carroll's CSR Pyramid.

The theoretical part provides an extensive explanation of both, CSR and SRM, as well as the positive impact that they can have on company's performance. The thesis is also focused on deceptive marketing practice, Greenwashing, and the dangers it can pose to the business.

The practical part of the thesis studies consumers attitude towards Greenwashing and false advertising and aims to learn through a survey, whether SRM can help raise public awareness of the environmental and social issues. The practical part further studies the employees' attitudes towards ethical and environmental CSR, with the objective to identify the benefits that it can bring to employees and the company itself.

**Keywords:** Corporate Social Responsibility, Greenwashing, Socially Responsible Marketing, Ethical CSR, Ethical Marketing, Environmental CSR, Environmental Marketing.

# Postoje Zúčastněných Stran a Spotřebitelů k Etickému a Environmentálnímu Marketingu

## Abstrakt

Cílem této bakalářské práce je studovat postoje různých zúčastněných stran, spotřebitelů a zaměstnanců k etickým a environmentálním praktikám v sociálně odpovědném marketingu a společenské odpovědnosti firem.

Jeho cílem je rovněž zdůraznit obecný význam sociální odpovědnosti a sociální odpovědnosti za životní prostředí v moderních ekonomikách v důsledku zvýšené pozornosti věnované environmentálním a sociálním otázkám po celém světě. Je specificky zaměřen na environmentální a společensky odpovědný marketing, který může spadat do kategorie etické CSR Carrollovy CSR pyramidy.

Teoretická část poskytuje rozsáhlé vysvětlení jak CSR, tak SRM, stejně jako pozitivní dopad, který mohou mít na výkonnost společnosti. Práce je také zaměřena na klamavou marketingovou praxi, greenwashing a nebezpečí, která může představovat pro podnikání.

Praktická část práce zkoumá postoj spotřebitelů k greenwashingu a falešné reklamě a jejím cílem je prostřednictvím průzkumu zjistit, zda SRM může pomoci zvýšit povědomí veřejnosti o environmentálních a sociálních otázkách. Praktická část dále studuje postoje zaměstnanců k etické a environmentální sociální odpovědnosti za životní prostředí s cílem identifikovat výhody, které může přinést zaměstnancům i samotné společnosti.

**Klíčová slova:** Společenská Odpovědnost Firem, Greenwashing, Společensky Odpovědný Marketing, Etický CSR, Etický Marketing, Environmentální CSR, Environmentální Marketing

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## **1. Introduction**

The continuous economic development lead to a constantly changing understanding the term Corporate Social Responsibility, evolving from simple philanthropic actions to complex, multi-level frameworks on how to benefit various stakeholders.

Modern CSR strategies are composed on Economic, Legal, Ethical as well as Philanthropic aspects. However, in recent years, society emphasizes the significance of ethical behaviour with regards to different stakeholders, especially consumers and the environment. Values such as diversity, inclusivity, honesty and environmentalism are some of the major expectations of the current generation of consumers.

That is explained by the increasing levels of pollution and greenhouse gas emissions, excessive deforestation and use of plastic. All these actions have led to an environmental crisis, which must be addressed by the companies. Therefore, many firms switched to more environmentally friendly business practices. Unfortunately, efforts of some companies failed to be genuine and they have simply been relying of deceptive ‘environmental’ marketing, with the hopes to attract modern consumers, many of whom exhibit environmentally conscious purchasing habits.

Companies must refrain from relying on false advertising and make honest efforts to reduce their negative impact on the environment t, if they wish to succeed in today’s market. Moreover, they have to contribute to raising consumer awareness of environmental problems in order to achieve sustainable development. At last, they have to ensure to provide ethical treatment of other important stakeholders like their employees and embrace diversity to build a good brand image.

## **2. Objectives and Methodology**

### **2.1 Objectives**

The objective of the thesis is to highlight the importance of ethical marketing and CSR. It is significantly focused on Socially Responsible and Environmental marketing, as well how these practices are perceived by major stakeholders like consumers and employees of the companies. It also outlines the advantages of social and environmental engagement in marketing and other activities, which can lead to an improved business performance and benefit other involved parties.

However, some companies choose to rely on deceptive marketing in attempts to appeal to consumers and distract them from some of their unethical practices. One of such techniques is known as Greenwashing, when companies do not make genuine commitment to social and environmental causes.

### **2.2 Methodology**

The theoretical part of the thesis will introduce the concepts of Corporate Social Responsibility, Socially Responsible and Ethical Marketing, as well as Greenwashing. It will also provide an explanation on how these practices can impact the company's success and overall performance.

The practical part of the thesis is designed to understand consumers and employees' perception of the previously mentioned marketing and CSR practices, through quantitative and qualitative research. A survey was designed to analyse consumers attitude towards ethical, environmental as well as deceptive (Greenwashing) marketing. Meanwhile, an interview was carried out to analyse employees' attitude towards companies' ethical and environmental efforts.

## **3 Literature Review**

### **3.1 Corporate Social Responsibility**

#### **3.1.1 Definition and History of CSR**

The abbreviation CSR stands for Corporate Social Responsibility. This term has a wide variety of meanings, which have evolved continuously through the years. The concept of CSR has a rich history, as the idea that corporations play an important role in benefiting and developing society existed for many centuries. It was clearly understood that businessmen, companies and any other organizations have great influence over the well-being of their local communities.

The roots of CSR could be traced back to the times of the Industrial Revolution and Corporate philanthropy of the late 1800s, when Andrew Carnegie published “the Gospel of Wealth” in 1889 and encouraged businesses, employers as well wealthy members of the society to contribute to the benefit of those who are less fortunate. (Wulfson, 2001)

Between the late 1800s and early 1900s, Great Britain and the U.S. were some of the first to address social problems caused by the emerging factory systems. Disputes arose over topics such as child and female labour, poverty, continuous labour revolts and poor quality of life. Thus, various welfare schemes began to be established to address and resolve those or similar problems. Large organizations contributed to providing facilities to factory workers, such as bathhouses and hospitals. (Carroll A. , 2008) Other activities of that time period included the increasing number of labour unions, associations which aimed to instil Christian values to their workplaces and ethic and some of the bigger businesses even invested into building communities that would improve the standards of living of their employees. (Latapí Agudelo, Jóhannsdóttir, & Davídsdóttir, 2019)

However, such offerings and other business activities that served for the benefit of the society grew beyond simple acts of philanthropy. They were now integrated into the managerial systems and strategies of companies. In 1920’s and 1930’s, managers were treated as “Trustees” by different stakeholder groups of the businesses, including

employees, investors and the general public. They were responsible for operating the business in a way that would maximize profits, returns to the shareholders and balance the claims from the society as well as workers. (Carroll A. , 2008)

Prior to 1950s, both philanthropy and contributions made by businesses helped shape CSR. And the period from 1870's to 1930's was described as the 'prelegalization period' by Sophia Muirhead. Later, Howard Bowen, an American economist, came to be known as the father of Corporate Social Responsibility in 1953, when he coined CSR in his literature. (Carroll & Shabana, 2010) In his book, *The Social Responsibilities of the Businessman*, he defined the concept as: 'the obligations of business to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society'. (Bowen, 1953)

In 1960s, the CSR Concept in the United States became more focused on the importance of social movements, reflecting the public's rising concerns about environment and other social issues. Companies adopted CSR policies that aimed to reflect the support of movements for women's and consumer as well as civil rights. Moreover, addressing the rising environmental crisis, became one of the key influencing factors of the CSR policies of that time period. (Carroll & Shabana, 2010)

Overall, the CSR initiatives evolved from focusing on improving the quality of life to addressing the demands of the corresponding social consciousness of 1960s and 1970s. And the attention of the businesses extended beyond addressing the needs of internal stakeholders such as employers, to external factors like social and environmental activism or involvement. William C. Frederick described this period of CSR as the stage of "Corporate Social Responsiveness". (Carroll & Shabana, 2010)

The understanding of programs and obligations that fall under the category of CSR kept changing as the number of those duties kept increasing. Therefore, the exact definition of Corporate Social Responsibility remains unclear to this day. It is closely related or often confused with other concepts such as sustainable development, Creating Shared Value (CSV) and still the same Corporate Philanthropy. (Epstein-Reeves, 2011) But the definition of CSR provided by Howard Bowen, gave rise to the concept as we know and understand it today.

One of the common modern definitions is the one provided by the United Nations Industrial Development Organization (UNIDO): ‘Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.’ (UNIDO, 2021)

### **3.1.2 Four Key Aspects of CSR**

Often, the understanding of social responsibilities that organizations have towards their internal and external stakeholders divides into two groups. The first group implies that the main objective of the company is to maximize its profit while not exceeding any legal barriers and minimizing its possibly negative impact on the community. And the second school of thought believes that corporate obligations go beyond the simple goal of making profits. (Carroll A. , 1991)

Archie Carroll, a former professor at the University of Georgia, created a valuable contribution in the field of Corporate Social Responsibility. He suggested a more extensive role of CSR in 1979, which covers Philanthropic, Ethical, Legal and Economic responsibilities of businesses. He later formulated his Pyramid of Corporate Social Responsibility in 1991. (Carroll A. , 2016)The aim of Carroll’s diagram is to provide a simple and clear definition of CSR or what is expected from the business as well as the degree of importance of each type of responsibility.

Bellow you can see the graphical representation of Carroll’s definition of CSR on figure 1.

Figure 1: Carroll's Pyramid of CSR



Source: (Carroll A. , The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders, 1991)

The first thing, which is required by society, is **Economic Responsibility**. As we can see from Carroll's Pyramid, making a profit is a fundamental aspect of CSR. It is clear that companies provide employment to society. Therefore, the ability to create and maintain profits is crucial for both the business and the general public. Businesses need profits to be able to run and attract investors. Without profits, businesses will not be able to pay their employees, and the workers could face the risk of being laid off. This will negatively impact society, as unemployment will increase in the area and lower the standards of living of residents. Moreover, with the help of company profits, entrepreneurs can reinvest back into the business, repay their shareholders and use the money for much more, which would all in turn benefit the society. Another understanding of economic responsibility is that businesses are meant to satisfy the needs and wants of the public, by producing the demanded good and services and adding value to them, the organizations are able to achieve profits. (Carroll A. , 2016)

The next level of Carroll's pyramid is **Legal Responsibility**, which is required by society as well. This means legal responsibilities are obligatory. What is expected from a

company at this stage, is to ensure that all business activities are carried out in compliance with the specific laws and regulations, on a local, regional/state and federal level. The legal responsibilities of a company encompass different areas, including labour laws, health and safety, tax and environmental regulations. Moreover, all registered business entities must comply with tax regulations and any other rules set to address business operations such as production, marketing and etc. These strict rules reflect society's "code of ethics" and serve to create responsible and fair business practices. Companies who fail to meet these legal requirements face harsh consequences, both from the government and from the society, as operating a business in a manner that does not observe legal practices can ruin company's image. (Carroll A. , 2016)

The Third level focuses on the **Ethical Responsibilities** of corporations; however, these are expected to be followed by the business on their own will. The issue of ethical marketing, which this thesis discusses, falls into this category of ethical responsibilities. Being ethically responsible is not obligatory unlike the economic and legal responsibilities, yet it is widely believed that is the right or the best way to operate a business. It is expected by the society and all other stakeholders, to employee business strategies in a manner that is ethical and moral. (Carroll A. , 2016)

There are ways to carry out certain transactions, marketing activities, and being involved in unfair competition, and much more, all in a way that is legal. The codified laws and regulations are vast, however there are always loopholes found, and taken advantage of by businesses, to cut corners, achieve their objectives as efficiently and as fast as possible, and to reduce their costs. Thus, it is important to bear in mind that some practices may not be perceived as moral or ethical by certain social groups, however they remain legal. (Harrison, 2005)

The ethical domain of CSR, is not clearly defined, as it keeps changing depending on different values that are upheld by different social groups However, as I have already said, the Ethical Responsibilities are an indispensable part of the modern understanding of CSR, as they gained more popularity in the recent years. (Carroll & Schwartz, 2003) At this stage, companies are expected to treat their stakeholders justly and fairly. They are also expected to cause no harm to their social, business and environmental surroundings.



There has always existed a huge global debate on issues of business ethics. That is because corporations in pursuit of profits, have been known to cause deforestation, destruction of habitat such as rain forests, exploitation of labour, child labour and much more. And often, the developing countries, their environment and population, are the ones that suffer the most. (Frederick, 2008)

However, it is important to understand that the development of such social values and ethics has a great impact on the laws created, as they are being later through new decrees and regulations standards set by the government, acting as “precedents”. For example, there are many more environmental regulations today than before, which is due to the fact that the environmental movements are gaining more popularity and social awareness of global warming is increasing. Thus, the ethical responsibilities are closely related to the legal responsibilities of CSR. For example, practices which such as gender and race-based discrimination were previously acceptable, however they are illegal in today’s world. (Harrison, 2005)

The previously mentioned stakeholders who must be treated in an ethical manner are the employees, general public, shareholders, suppliers, consumers and environment. The employers have to address issues such as gender pay gap, discrimination at work, environmental damage etc. (Carroll A. , 1991)

The fourth and the last level of CSR, defined by Carroll, is **Philanthropic Responsibilities**. The philanthropic duties of companies are not obligatory either, however they are “desired” by the society. At this stage, firms are expected to act as and fulfil the duties of good corporate citizens. The philanthropic duties are often confused with the ethical responsibilities, but charitable actions are regarded as voluntary. They are greatly appreciated, but if a company does not make any financial contributions to benefit the society, it does not mean that a company is unethical. (Carroll A. , 2016)

Some examples of corporate philanthropy would be making donations to specific charitable organizations and foundations. In fact, substantially big enterprises and entrepreneurs, establish their own foundations that serve different purposes. Moreover, corporations can give back to public by providing human resources for volunteer work, organizing charity events and fundraisers. Overall, we can understand that through their philanthropic activities, businesses are able to help find solutions for major global issues,

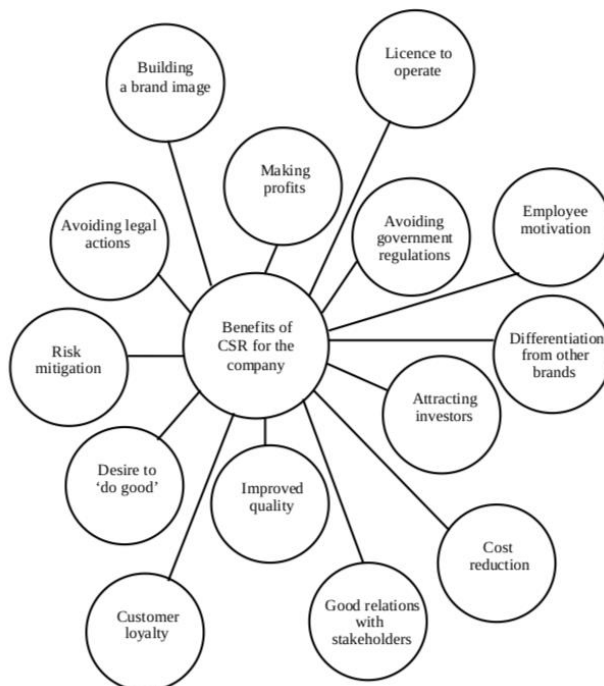
such as poverty, diseases, hunger, provide access to basic resources such hygiene products, water, housing and education those who struggle to get access to those necessities on their own. (Carroll A. , 1991)

### 3.1.3 Impact of CSR on Business Performance

The development of a concept such as the Corporate Social Responsibility has undoubtedly proven itself to be beneficial for the society. CSR makes sure businesses are held accountable for any impact they have on general public, environment and other important stakeholder groups. However, are there any incentives that could persuade organizations to employ CSR practices in their business and management strategies, for their own benefit? And if there are, I would like to discuss those factors or the driving force behind implementation of CSR, in this section of the thesis.

There are numerous advantages in operating a business in a way which is socially responsible, some of which are identified in the figure below, by Paulina Ksiezak in the Journal of Corporate Responsibility and Leadership

Figure 2: The Benefits of CSR for the Company



Source: Journal of Corporate Responsibility and Leadership Volume 3(4), p. 55 (KsieżaK, 2016)

Through the research on the company gains from CSR practices, it becomes clear that those benefits are closely interlinked, as one naturally leads to another. Choosing to operate a business in a way which creates minimal external costs can drastically enhance the brand image of the company, improve financial performance and increase the stock market value of the firm.

CSR and Corporate citizenship can play a major role in helping the business build its brand image. We live in era of globalization when news spread widely and at a fast pace. Therefore, it is crucial for firms to observe and review all management and business decisions and executed actions. When companies ensure that they are not in conflict with social values and expectations and they meet modern CSR standards, such as the various Sustainable Development Goals of UN, they can easily improve their reputation and help them stand out or differentiate in today's fierce market competition. However, firms have to be aware of the massive media coverage of any events which can be perceived as negative by the society, since unethical decisions can shatter their brand identity and even lead to consumer boycotts. (Książka, 2016)

This leads to the next benefit of CSR, which is Risk mitigation. Responsible and ethical environmental and social performance can reduce the risk of bad publicity, help companies avoid potential lawsuits and reduce the possibility of the previously mentioned consumer boycotts and activities of NGO targeted at the company. Therefore, minimizing the external costs of the business will help the management limit potential liabilities. (Heal, 2008) It is well known that numerous large brands suffered from bad publicity and lost millions in lawsuits and fines, as a consequence of employee mistreatment, polluting the environment or deceiving their consumers. For example, many corporations suffer from bad press when consumers find out that companies exploit workers, harm the environment by incorrectly disposing of their waste or use false advertising, discriminate against minorities or on gender, race basis.

Some policies focused on waste reduction and energy-saving practices can have significant payoffs for businesses. Better waste management plans help companies cut their unnecessary costs and avoid penalties, consequently boosting their profit figures. However, there is much more to good environmental performance, it can help businesses establish a better image in the eyes of government and regulatory bodies and help them gain their

protection. This essentially means that socially and environmentally responsible firms are perceived more positively than those firms that do not observe CSR practices. (Heal, 2008) It also helps them attract investors and secure funding from government bodies and various global organizations. (Cooke, 2019) Such investments are known as SRI or Socially Responsible Investment, which has an increasing popularity in today's market. Companies can reduce the cost of their capital through SRI Funds, if they are known to have good social and environmental rating. (Heal, 2008)

The other less obvious advantage of CSR for businesses is that it can have a positive impact on the company's stock market value. The main idea behind this statement is that the capital markets punishes or penalizes companies that pollute the environment and are generally known for unethical business behaviour. (Heal, 2008) Such practices are considered to be firm's external costs, which are in turn treated as financial liability because in due time, businesses will have to pay for the consequences of their harmful actions. When the company's external or social costs exceed their private costs, their stock market value declines. (Heal, 2008)

And the last advantage to be discussed is that socially responsible businesses enjoy the benefits of higher employee productivity. First, CSR implies acting responsibly and treating fairly all stakeholder groups of the businesses, and employees are one of those groups. Therefore, businesses must create comfortable working atmosphere and conditions for their employees, through better working hours, job enrichment or better pay. An efficiency wage theory claims that increasing the payment rate of employees is bound to increase their productivity which in turn boosts the company's profit at a higher level than the increased costs. (Heal, 2008) Moreover, on a psychological level, people are more motivated to work for companies with a good public image, thus CSR helps businesses improve their employee retention rate and increase employee satisfaction.

The current CSR is heavily inclined towards sustainable development and better environmental performance due to the increasing concerns about the climate change crisis. That is why, today's generation looks out for brands that aim to protect the environment and fulfil their social responsibilities. Therefore, ethical businesses that meet CSR standards are very likely to benefit from better relationships with their customers, employees, shareholders as well as government and general public. They can build solid

brand image, gain customers trust and loyalty, secure government protection and funding as well as improve their financial performance through higher stock market value and reduced costs and reducing their risk exposure.

### **3.2 Social Responsibility in Marketing**

Marketing plays a major role in shaping the success of a business. Therefore, over the years, various promotional activities have raised numerous disputes regarding ethical issues of marketing. Manipulative advertisements targeted at children, marketing tactics that could invade consumer's privacy and are deceptive, are a hot topic of business and marketing ethics. Moreover, different regulatory bodies such as FDA, USDA, Fairtrade International and etc, have been established to govern and certify business's marketing activities, as well as address the rising social concerns about marketing ethics. (Frederick, 2008)

#### **3.2.1 Introduction to Social Responsibility in Marketing**

This section of the thesis will explore another practice that falls under the modern idea of CSR or is at least closely related to the understanding of what it means for a business to be socially committed. If socially responsible marketing had to be categorized under the levels of CSR, the Ethical Level of Carroll's pyramid would be the most suitable one. Today, many huge companies have CSR existing as separate units within the organization, but CSR must be embedded within the various action plans of the business, whether we talk about management, HR or marketing strategies.

Moving onto the understanding of Socially Responsible Marketing. SRM is a type of marketing which integrates CSR into the way companies promote and sell their products or services. SRM can be viewed as ethical, green or eco marketing, this is because SRM takes into consideration the current global environmental and social issues. (Jones, 2015) Through ethical marketing, companies seek to address and minimize the external costs that their products or services have on the nature and various communities which may be directly or indirectly related to the business. Moreover, the aim of ethical or socially responsible marketing is to increase the benefit for investors, employees, consumers and

the overall market. These objectives are aimed to address the present as well as future extent. (Patino, Kaltcheva, Pitta , Sriram, & Winsor, 2014)

Socially Responsible Marketing aims to attract consumers who are ready to address and are willing play their role in resolving global issues. SRM also aims to promote consumer engagement and conscious consumption. Individuals, as buyers have the power to influence what is being produced in the market through our purchasing decisions. (Jones, 2015) As more people are becoming aware of socio-economic and environmental problems, an increasing number of consumers choose to spend their money on ethically produced goods of companies that fulfil their moral and social obligations. The 2010 Edelman Goodpurpose report highlights that more than 60% of people around the world would be willing to switch to a similar brand that supports a good cause. (Patino, Kaltcheva, Pitta , Sriram, & Winsor, 2014)

Businesses that aim to promote their products or services as ethical, have to exhibit the core values of Socially Responsible Marketing, which are transparency, honesty, integrity and fairness. (AlArarah, Elrehail, Alzghoul, Saydam, & Alnajdawi, 2016) Through the focus on these essential qualities in their marketing strategies, companies can succeed in creating a trustworthy environment for their consumers and other stakeholders and gaining their commitment to the brand. (Laczniak & Murphy, 2016) Over the years, marketing has transformed from simple distribution activities to a complex strategy mix of promoting, pricing a good or a service. It has become deeply integrated into the business and the organization as a whole. (Sanclemente-Téllez, 2017) Thus, the way a product is marketed plays a major role in shaping consumer's perception of the organization.

Some of the ideas or approaches of SRM to consider are choosing biodegradable packaging, paying close attention to the content of the promotion campaigns to ensure it complies with the moral and ethical standards. It is also advisable to ensure that the product, delivery and the overall production process comply with the various environmental standards and regulations. (Zivkovic, Radnović, & Ilić, 2012) It can also involve charity and donations through teaming up with foundations and NGOs that support social causes.

### **3.2.2 Importance of Social Responsibility in Marketing**

This part of the literature review will discuss the benefits of or the reasons why Socially Responsible Marketing is an important business practice in today's world. Needless to say, SRM and CSR bring the same rewards for the company, as both concepts are closely associated with one another. Just like employing CSR, ethical marketing activities can result in improved brand image and can help build better relationships with customers, by gaining their trust and loyalty. Likewise, it can help the business differentiate itself in the market and help gain a competitive advantage over other companies.

Some of the brands that are known for good CSR record are Starbucks, which supports Fair Trade by purchasing coffee from eco-friendly farms. Another great example is Lush, a beauty company that is well known for its great environmental and ethical policies and practices, as their products use minimum packaging.

Moving onto the main idea of this section. Aside from the above-mentioned factors, Ethical Marketing can help establish an educational or informative platform for the consumers and society. The thought of including this point in my thesis occurred after I read about two renowned children's shows in the book called "The Tipping Point", by Malcolm Gladwell. Those programs are "Sesame Street" and "Blue's Clues", they shared a common goal of promoting "prolearning values" among preschoolers. In particular, "Sesame Street" was initially launched to help educate children from low income families, with the hope to counter socio-economic problems such as poverty and illiteracy. And both shows had succeeded in achieving their goals of turning television into a teaching tool. (Gladwell, 2000)

Therefore, if children could learn to read by watching a show on TV, adults could be educated about critical global topics. Marketing campaigns that promote crucial ideas such as diversity, inclusion and sustainability can help raise public awareness of major social and environmental issues. Social media extended social networking beyond phone calls and television, with social websites and online forums being used as the most effective marketing channels. YouTube, Instagram, Facebook and other social media websites make it much easier for businesses to reach their target audience.

Ethical marketing can promote consumer engagement and help individuals understand how their purchasing decisions affect the market, environment and society. (Jones, 2015) Just like CSR, Marketing is a hard to define, as its definition or understanding of this term evolves through the years. In the early 1900's, marketing was more product-oriented and focused on production. Price and quality of the product were believed to be the main factors that affect the sales. However, the modern understanding of marketing, includes a heavy focus on ethics and society. Marketing now pays more attention to consumer and social needs as well as public welfare. It also aims to show that businesses actually follow the ideas that they promote through their ads. (Rashmi Rawat, Bhatia, Hegde, Bhat, & Tewari, 2015) For example, companies that promote their products as eco-friendly, actually engage in reducing their waste production.

There is an increasing demand for ecologically friendly products and services. And businesses should respond to these changing trends accordingly, in an environmentally conscious and sustainable manner. But we have to understand, that businesses do not simply answer the demands, they have influence over what is being demanded as well. Business activities are responsible for influencing market trends. Therefore, companies can help create a sustainable economy, through their marketing activities, by shifting their efforts from unsustainable goods to practices that will have positive long-term effect on global ecology and will help educate consumers about global environmental issues. (Frederick, 2008)

### **3.2.3 Introduction to Greenwashing**

Marketing is a complex business process, that too, like Corporate Social Responsibility, has evolved and expanded over the decades. Marketing extended from simple promotional, distributional and pricing activities, to important social areas such as politics, religion and education. Therefore, today, marketing activities can have much more impact on society than ever before. Thus, when drawing up a marketing strategy of a business, the marketing analysts have to understand how their promotional approaches would affect the public, consumers, economic development and environmental well-being. (Frederick, 2008)



Marketing is perhaps one of the most “tempting” areas for many businesses as it has a great impact on the sales and reputation of the brand. Therefore, advertisements can often be misleading or even false, it is also known as “Deceptive Marketing”. Such practices have led many to believe that Marketing is more likely to be an unethical business operation. (Donthu & Yoo, 2002)

A perfect example of Deceptive Marketing is Greenwashing. It is a relatively new term, coined by Jay Westerveled in 1986. (Becker-Olsen & Potucek, 2013) Greenwashing is primarily concerned with false claims regarding the environmental performance of companies and their product or services. It occurs when companies position themselves as environmentally friendly, when in reality none of their actions prove this point, or at least their efforts in reducing damage to the nature are exaggerated through their marketing strategies. Consequentially, Greenwashing is also known as a form of Socially Irresponsible Marketing. (Jones, 2015)

Numerous large enterprises have engaged in Greenwashing in order to appeal to the modern consumers as individual preferences have changed extensively towards making conscious purchases. They aim to increase their sales and influence the market, through higher market share. (Brouwer, 2016) Catchy, appealing an often unverifiable or hard to confirm phrases and statements like “natural”, “plastic-free”, “bio-degradable”, “flushable” and “recycled” are often used by producers to advertise clothing, beauty and hygiene products. This is clearly an exaggeration of these terms, for example most of the cosmetic products do not consist of 100% natural ingredients, as they still have chemical ingredients such as various preservatives.

Deceptive advertising can stand in the way of achieving sustainable economic development, at great social and environmental costs. (Brouwer, 2016) While there are brands such as previously mentioned Starbucks and Lush, who show genuine efforts in reducing their negative impacts on society and environments, many others are known to use Greenwashing practices in their marketing campaigns. Businesses rely on Greenwashing to appeal to consumers or distract their attention from other real environmental or social problems, through exaggeration of their “green” practices.

The famous car manufacturer Volkswagen was involved in one of the biggest Greenwashing scandals in 2014. The Environmental Protection Agency (EPA) reported

that the company found a way to get better results in emission tests of their diesel cars. They used a “cheat device” in their car engines which made the emission levels of carbon dioxide appear lower than they actually are. (Hotten, 2015) Greenwashing can result in terrible consequences for the company if discovered, aside from ruining their image, businesses can end up spending millions on product recalling and paying fines. This is what happened to Volkswagen, who paid over \$4 billion in fines.

But it is important to note, that there is still a difference between Ethical and Legal responsibilities of companies when it comes to Marketing. False Advertising practices, such as Greenwashing, are clearly illegal and companies must refrain from making false claims in their advertisements. However, as it has been mentioned before, often Greenwashing claims can be difficult to prove or even unverifiable. There are laws, such as the Consumer Protection Act, that hold producers accountable for such practices. (Rashmi Rawat, Bhatia, Hegde, Bhat, & Tewari, 2015) However, some marketing strategies are considered to be Unethical, but they are not illegal and are not obligatory for businesses to follow. Promotion of certain goods can be viewed as harmful by the society, the common example is advertisement of alcohol and cigarettes. As it had been mentioned in the earlier chapter of the Literature Review, there is still a close link between Ethical and Legal levels of CSR, because moral views of the public have a great impact on laws that are created and passed. Yet, many companies find loopholes to avoid legal consequences of using false or misleading claims in the way they market their products.

## 4 Practical Part

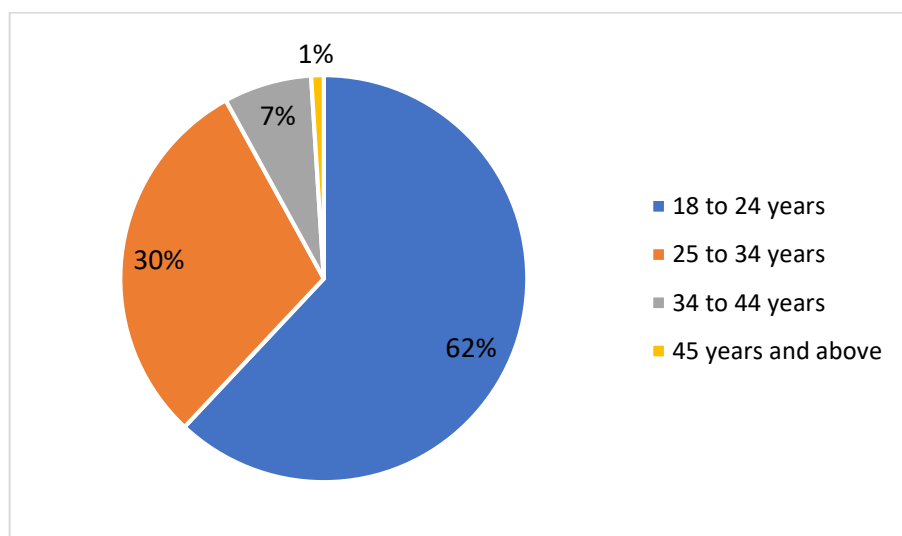
### 4.1 Research Design

The practical part of the thesis aims to study the stakeholders' perspective on the importance of Ethical and Environmental CSR practices employed by businesses, especially in the way companies market their products. The quantitative research is carried out through a survey, designed to understand consumer's attitude towards Socially Responsible Marketing and Greenwashing. It also aims to understand, whether SRM can help increase public awareness of ecological and social problems. Meanwhile, the qualitative research uses interview questions, to understand the employees' views on Ethical and Environmental efforts of their companies.

### 4.2 Survey

A survey consisting of 15 questions was distributed to a random sample of 100 respondents. However, the survey included an introductory paragraph, to introduce the key terminology: Socially Responsible Marketing as well as Greenwashing. The age of the respondents varied from 18 years up to 44 years, with only one consumer falling within the category of 45 years or above.

Figure 3: Age Groups of the Respondents



Source: Own creation

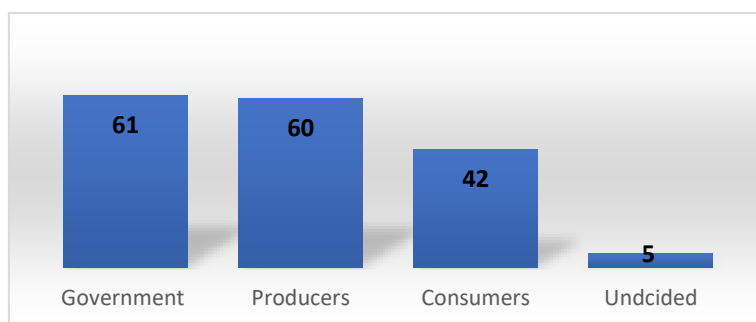
Over 90% of the respondents are in between the age of 18 to 34 years, represent the current generation of modern consumers. And it has been discussed in section 3.1.3, that today's generation values businesses that implement ethical and environmental CSR practices.

#### 4.2.1 Output of the Survey

Questions 1 to 3 are more general; they are designed to understand the current level of consumer awareness of environmental problems. More than half of the consumers (52%) are 'very concerned' about the state of our environment and another 34% are 'concerned'. Meanwhile, only 14 respondents said 'to have little concern' about the environmental crisis. These results highlight the underlying importance of environmental CSR and SRM practices that have been discussed extensively in the theoretical part of the thesis. According to the findings, almost half of the respondents, 47%, was not familiar with the term 'Greenwashing', prior to taking part in the survey. While 38 consumers have heard of this practice before and 15 chose the answer option 'may be'. As it has been mentioned in section 3.2.3, it is a new concept, therefore it is natural that many people are still unaware of it.

The next two questions are designed to understand consumers' perspective on the role they and other economic agents play in supporting sustainable development and protecting nature as well as its resources. The respondents had the option to select more than one shareholder group in their answer.

Figure 4: Responsible Economic Agents



Source: Own creation

From the above figure, we can assume that in consumers' eyes producers, in other words, businesses play an equivalent role to authoritative figures, in providing development that would not compromise our environment and the future availability of resources. However, buyers, too are not far from contributing to the previously stated goals, as 42 votes were submitted in favour of the 'Consumers' group, while 'Government' and 'Producers' had 61 and 60 votes.

When asked, whether their individual purchasing decisions can contribute to sustainable development, 84% of the respondents agreed or strongly agreed with the statement. And only 2 consumers thought their choices made no difference and 14 felt neutral towards this idea. Moreover, the main consumer group whose age varies from 18 to 34 years, has accounted for 41 of the total 'Consumers' votes. These findings show that today's generation of buyers is aware of their power and influence they hold over the market. It is crucial that people accept their share of responsibility and accountability for how resources are allocated and what consequences their choices have on the planet and its nature.

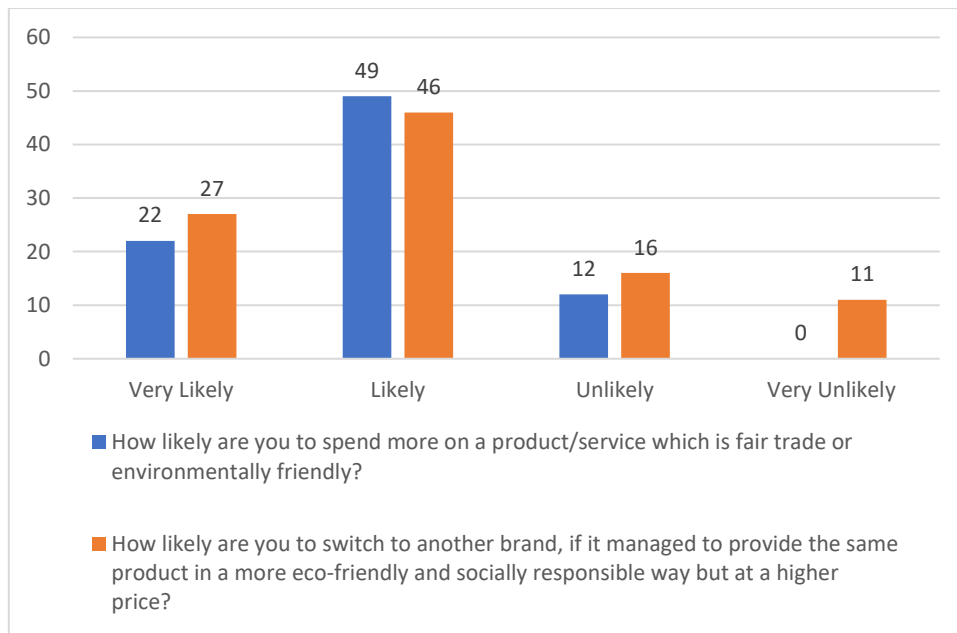
The next set of research questions (6 to 12) provides an extensive focus on consumer attitudes towards Greenwashing and Socially Responsible Marketing. The survey showed that 89% of consumers agree (and strongly agree) that it is wrong for companies to make false claims about their CSR practices, whether it is affirmations of being socially responsible or posing as an environmentally friendly producers through their marketing activities. Furthermore, 83% of the respondents think it is important or even very important for products to be ethically sourced (fair trade) and environmentally friendly. These results support the claim of Robert Frederick and many other researches, about the increasing demand for environmentally friendly products.

However, including information such as fair trade or being eco-friendly, can unfortunately simply be a marketing attempt to attract more customers. And the company may even turn out to be using Greenwashing. When asked, if consumers would stop purchasing products of the brand that has been discovered to be involved in Greenwashing, 52% of the consumers said that they are 'likely' to do so, and 18% answered 'very likely'. Although, almost a quarter (24%) of consumers said that it would not affect their purchasing habits, it is still important for companies to keep in mind, the high risk of the

negative impacts of Greenwashing. If discovered, businesses are sure to face bad publicity that will ruin the brands image and can even push consumer's to protest against the firm's products or services. (Książka, 2016)

Questions 9 and 10 aim to understand how price factor affects consumer's attitude towards environmental and ethical products/services. The figure bellow represents the findings. Additionally, 17 consumers are 'Undecided' whether they would spend more on ethical product/service.

Figure 5: Price effect on purchase of eco-friendly and ethical products/services



Source: Own creation

There is not a great change between the responses that are in favour of spending more or switching to ethical and environmental goods. However, the 'unlikely' and 'very unlikely' responses have increased significantly, when it came to 'actually switching' to an ethical and environmental product or service that is available at a higher price. The change in the responses can be explained by the 'undecided' votes of the previous question, on how likely consumers are to spend more on fair trade and environmentally friendly product/service. It can be assumed that price plays a big role in consumer's choices when it comes to actually spending more on a particular product from an ethical brand. Some consumers would rather prefer to keep purchasing from the same companies as they

provide the 'less costly' options and ethical factors would not concern the buyers in this case.

Questions 11 and 12 are aimed at understanding consumers' opinions on what should marketing strategies be focused on. Almost half of the respondents (46%) disagreed with the statements that marketing strategies should focus solely on the product/service. And only 17% were in favour of such a marketing approach. Meanwhile, more than a third of consumers (37%) felt neutral towards such a statement.

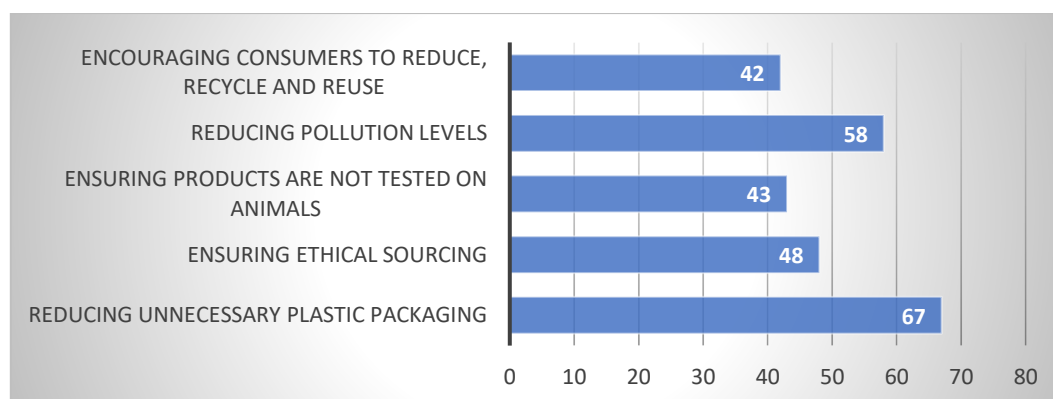
However, the reactions changed to the following statement: 'Company's marketing strategy should reflect its values through their products and marketing practices.' The positive responses grew significantly to almost three fourths (73%) of consumers agreeing with this marketing approach. 'Neutral' outlook fell to 16% and 11% disagreed with companies being obliged to reflect their values through marketing practices. This change in numbers can reflect the importance of the previously discussed core values of Socially Responsible Marketing, as consumers value which are transparency, honesty, integrity and fairness. (AlArarah, Elrehail, Alzghoul, Saydam, & Alnajdawi, 2016) If businesses reflect their values through their promotional activities, it provides more transparency and honesty, helping buyers better understand the company's operations. It can further help gain their trust. Therefore, it is more advantageous for companies to run their operations and marketing activities in an environmentally friendly and ethical manner.

At last, questions 13 to 15, aim to study whether SRM can increase public awareness of social and environmental issues and what are some of the most effective channels and approaches to use, according to consumer's perspective. Majority of the consumers agree (55%) or strongly agree (29%) that companies can raise public awareness of the previously mentioned issues through their marketing. Only 8 respondents disagree with the statement and the same number is undecided about the matter. These findings support the ideas from 'A companion to Business Ethics' book, that companies can advance sustainable development through their marketing practices. Because they too have power in the market, by influencing what is demanded by people. (Frederick, 2008)

The findings show that the most effective marketing channel to use, in order to reach target audience is Social Media, which had over three fourths (76%) of the total

responses. In the age of digitalization and massive media coverage, social media platforms could be used to increase society’s awareness of ethical and environmental issues around the world. Companies could do so, by addressing these problems in their promotional campaigns. Another approach is for companies to take actions that would help resolve those issues. The most suitable ways according to the survey’s respondents are reducing unnecessary plastic packaging and levels of pollution, followed by ensuring the use of ethical resourcing. Respondents had the option to select more than one answer.

Figure 6: Promotional Approaches



Source: Own creation

#### 4.2.2 Summary of findings

The first set of the survey questions (1 to 3) was designed to have a better understanding of consumer characteristics with regards their age and general awareness of Socially Responsible Marketing, social and ecological problems.

Findings: 92% of the respondents were between the age of 18 to 34 years. The ongoing environmental problems are known to affect modern’s consumers, as 86% of the surveyed show concerns towards the issue. Although, only 38% of the surveyed have heard on false advertising practice, Greenwashing.

The next group of questions (4 to 5) aims to identify who holds most responsibility in achieving sustainable development and preserving the environment.

Findings: Consumer’s believe that Governments, with 61 votes, and Producers, with 60 votes, hold equal amount of responsibility in attaining those goals. However, 84% of the respondents believe, they too can make their contribution to the cause.



The third set consists of statements and questions (6 to 12) formulated to understand consumers responsiveness to Greenwashing and Socially Responsible Marketing.

Findings: Consumers are against the use of deceptive marketing to create an ethical and environmental image of companies, as 56% of respondents strongly agree and 33% agree that it is wrong for companies to use false advertising. Buyers value eco-friendly and ethical products, as 43 respondents think it is very important and 40 describe fair trade and environmental products as important. 70% of the respondents said that they would stop purchasing products of the brand that has been discovered to Greenwash its products. In general, modern consumers, 71% of the respondents, are also willing to spend more on products that support social and environmental causes. And 73% of the respondents would switch from their current brands, to use products or services from more ethical and eco-friendly brands, even if they would be priced at a higher rate. Moreover, the same number of respondents believe that company's marketing strategy and products has to reflect its values. And only 17% of respondents are in agreement with the statement that company's marketing strategy should focus solely on their products/services.

The last set of questions (13 to 15) is support the claim that companies can contribute to increasing public awareness of social and environmental issues through SRM.

Findings: According to the survey, 84% respondents agree that they can become more aware if companies address social and environmental problems in their marketing. Furthermore, 76% of the buyers think Social Media Marketing should be used to reach out effectively to the targeted audience and 12% think that practices such as Celebrity endorsement would be useful in achieving the previously stated goal. At last, when asked what changes or methods could be used to achieve the objective of marketing products in a more environmental and socially responsible way, reducing plastic packaging, reducing pollution and ensuring ethical sourcing are the best ways. Other suggestions submitted by respondents were using bio-degradable packaging, honest marketing and providing transparency of information as well as making ethical and environmental products more affordable for middle-class buyers.

## 4.3 Interviews

The interview section of the Practical Part consists of 5 questions, related to different Ethical and Environmental CSR practices employed by the businesses. The interviews also aim to understand employee's perspective on whichever CSR activities are being used and whether the implementation of CSR benefits the company itself. The extensive qualitative answers were provided by 2 interviewees that work in different companies (medium and large size). Interviewees identity is left anonymous and the company names are not disclosed.

### 4.3.1 Output of the Interviews

**1. *Could you please introduce your job and the company you work for?***

Interviewee 1: I am a junior manager at a mid-sized milk production company.

Interviewee 2: I work as a risk analyst at a company that performs back office operations for a large stock exchange.

**2. *Are there any Environmental CSR initiatives integrated in your company's culture?***

Interviewee 1: Yes, there are definitely some Environmental CSR initiatives incorporated in our company's culture. First of all, as we are a milk production company, we have more than 1,000 cows. Therefore, manure that is produced on the yard is converted into energy by the means of a biogas system. The released energy is used for the company's needs (heating, electricity). Another portion of the biowaste is used as a fertilizer for the fields. Our company formed a group of volunteers who deliver plastic waste to the plastic recycle plant. Also, our company uses only bio supplements for feeding livestock since we care about the quality of our products. In addition, according to the state environmental regulation, we are not allowed to change the landscape (cut down trees or bushes, build new roads) of the lands on which our company is located without the permission of the state authorities. We tend to align with this piece of legislation as we want to preserve the original beauty of the nature.

Interviewee 2: Despite our company operating in the financial/investments field, we have many environmental activities. They vary from small actions to planning different

events and making regular donations for environmental causes. In all our offices we have separate recycling bins for biomaterials, plastic and paper waste. We also help raise employees' awareness on food waste and we use non-plastic cutleries and boxes in cafeteria. We are also encouraged to switch off lights and unplug cables whenever they are not in use, to save energy. But I think more valuable initiatives that we have, is our Climate Working Group, focused on tangible actions and deliveries around sustainability. Any employee can join the group, I am a member myself. We have monthly meetings for brainstorming ideas on ways we can make our workspace more environmentally friendly. We receive funding from the company, that we donate to organizations that support different environmental causes, whether it's for research purposes or prevention of deforestation. Previously, we organized a clean-up cigarette butt event and a cafeteria zero-waste program, we ensure that organic waste and coffee grounds are composted.

**3. *What are some of the Ethical CSR initiatives? Are any of them related to Marketing?***

Interviewee 1: One of the main ethical initiative at our company is offering the job to people from various parts of the world. At our company we do not have prejudices regarding the race, nationality or gender. Any employee can get a job if he or she can meet all work requirements. Ensuring decent standards of works is also one of our company's CSR initiative. All employees are provided with all necessary facilities and equipment to perform their duties. Another ethical initiative, which is more related to marketing is the selection of the suppliers. As I told before, we care about the quality of the production, thus, we choose the suppliers who can assure the best possible quality of their products. The quality of supplements that the cattle consume has the direct impact on the milk quality. We produce organic milk, which does not use plastic packaging, instead we use carton boxes instead.

Interviewee 2: We have an online trainings and compliance platform. First thing that comes to my mind is the ethical training that we receive as employees, which teaches newcomers about company's values. We learn about the dangers of unethical investment practices such as insider dealing, bribery and market manipulation. Also, as we deal with sensitive information, we are provided training of data governance, privacy policies and how to handle conflicts of interests. But aside from that, all our job advertisements

emphasize the value of diversity in the workplace, that encourage applicants of any background. And we also have other groups that encourage employee engagements, provide courses to employees, so that they can gain more knowledge about financial industry we also have free language courses. And last, thing that I would like to mention is that we also have a marketPride network, in support of our diversity and inclusion values.

**4. *How do you feel about your company's CSR Policies? Do you think they benefit you as their employee or contribute to a better work culture?***

Interviewee 1: In my opinion, operating a business in an ethical manner is highly important. And it is as important to do so, in the manner that will minimize the damage that the company can cause to our environment, for the benefit of the nature and the company itself. Our CSR initiative are highly beneficial for the work environment and culture at the company. I think employees have better understanding of impact that they have on the environment and which negative consequences we could cause if we did not align with the CSR initiatives of our company. Especially, in our case, the main company's nonfinancial objective is to produce the milk of the high quality. I think workers at our company understand the level of responsibility: all our actions leave the trace not only on the livestock and employees, but also on the consumers and the environment in general.

Interviewee 2: I believe our company's CSR efforts meet the modern standards, in terms of both ethical and environmental. It is crucial for all everyone, businesses, governments and individuals to protect social values and our environment. The company takes good care of different shareholder groups, including myself as an employee. I think with all different engagement groups that we have; the company created a good network for its workers. We are able to bond better and have a friendly work environment. I also love the environmental efforts and that the company is able to provide such opportunities for me and other members of our group, to gather (before the pandemic) and make our contributions to benefit our planet. I also think, that with our CSR policies, the company supports employees with all knowledge resources, that can help me improve my work skills and the trainings help us build safer and trustworthy financial services for our clients.

**5. *Has CSR engagement led to a better performance of the company? Improved the brand image?***

Interviewee 1: CSR definitely led to a better performance since it has a positive correlation with the level of output. When our company conduct business activities in accordance with CSR, the quality level of output increases, hence, the company has more financial resources for the purchasing new equipment, improving the existing facilities. Additionally, the salaries of employees go up (for the last 2 years the salaries have increased approximately by 25%).

Interviewee 2: Undoubtedly. As I said, with the access to better networking and knowledge base, I improve my own performance. And I am sure, my colleagues would share the same opinion. And we have a low employee turnover, as most of my colleagues have been working at the company for many years. Recently, we had received the results of the survey that was distributed to our clients, and we had very good scores and rating for our different risk management methodology and other activities. I assume it means that we have great performance in the financial market. I think altogether, with many benefits that the company provided through its CSR, it is one of the best places to work at and we manage to be one of the leading stock exchanges in Europe.

## 4.4 Results and Discussion

Responses of both interviewees highlighted the different Ethical and Environmental practices that are used within their companies and expressed positive attitude towards those practices. We can notice that regardless of the industry a company operates in, both Environmental and Ethical CSR are crucial for any business activity, whether it is related to dairy production or financial markets. Both respondents identify these practices as highly important and second interviewee used the phrase “modern standards”. It has been previously mentioned that Ethical CSR is not obligatory, however society and other stakeholders upholds expectations for the businesses to operate in an ethical manner with regards to all their stakeholders.

It is also understood that modern workplaces strive to be as diverse and inclusive as possible, without allowing workplace discrimination based on an individual’s gender, race or sexuality, in order to be able to call themselves ethical. Moreover, they prioritize the protection of our natural environment and aim to raise awareness of ecological issues amongst their employees, whether it is done by helping production workers comply with laws and company policies or establishing and supporting environmental groups within the company. Companies also strive to educating their employees about honest and ethical approach in work activities, as to benefit their clients or consumers.

Both companies aim to reduce their levels of waste production, most commonly by reducing the use of plastic in their workplaces or in how they package and market their products. Another environmental CSR practice of both companies is recycling, whether it is recycling plastic bottles or cow manure. They also encourage employees to reduce their energy consumption or rely on clean (solar) energy.

It is recognized that CSR engagement benefits both the company and the employees themselves. Operating in a socially responsible way results in benefits that have been previously discussed in the theoretical part of the thesis, section 3.1.3. Implementation of CSR and ethical treatment of employees helps them stay motivated and thus increases their productivity and work satisfaction. The second interviewee has mentioned that the company has a low employee turnover, which is known to help reduce costs of the

business, as less is spent on the recruitment process. Energy saving tips and technology, similarly, help reduce the expenses of the companies.

Furthermore, as CSR helps improve employees work satisfaction and improve their performance. The first interviewee said that CSR helped improve the quality of the products and increase company's generated income, allowing it to reinvest into the business as well as provide higher compensation to their employees for their efforts. Meanwhile, the second interviewee said that CSR engagement helped their company stand out establish a good reputation in the financial markets, through improved customer satisfaction.

## 5 Conclusion

Corporate Social Responsibility has become a significant part of modern companies, who wish to achieve success in today's highly competitive business environment. While every level of Carroll's CSR pyramid is important and closely interconnected, the Ethical domain has gained an increasing attention and expectations from the society. A well-planned CSR strategy has numerous advantages for the company itself and all its stakeholders.

In order to build an effective CSR plan, companies have to recognize the value of environmental and social initiatives. Ethical and Socially Responsible Marketing is one of the ethical practices that could be employed by the businesses in response to consumers' rising concerns about the environmental crisis. As the research shows that modern buyers prioritize ethical brands, whose marketing decisions reflect their values. Furthermore, the social and environmental efforts of the companies have to be genuine.

The research showed that majority of consumers have a very negative perception of false advertising practices such as greenwashing, to the extent that they would stop purchasing the products or services from the brand that has deceived or exaggerated its efforts in protecting social and environmental causes.

Moreover, the survey results show that young buyers believe that their purchasing habits can help achieve sustainable development. Yet, it is important to raise society's awareness of the environmental crisis. Therefore, companies could employ SRM through social media channels, in order to spread knowledge about existing issues around the world and help engage consumers in working towards the shared goals, such as reducing the use of plastic and lowering the levels of pollution.

At last, it is important that companies provide fair and ethical treatment to their employees, if they wish to enjoy the benefits of CSR. This is because, employees as a big stakeholder group, have a positive perception of ethical and environmental practices. They help create sustainable workplaces, that motivate employees and improve their networking and expand their knowledge and skills. Ethical initiatives can in turn increase company's profitability, employee satisfaction and create a better image of the brand.



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## 7 Appendix

### 7.1 Appendix 1: Survey

Before you begin the survey, I would like to introduce a few key terms. The first one is Socially Responsible Marketing (SRM), which is a type of marketing which integrates Corporate Social Responsibility into the way companies promote and sell their products or services. SRM can be viewed as ethical, green or eco marketing, this is because SRM takes into consideration the current global environmental and social issues.

The next term, Greenwashing, is a relatively new concept. It is a deceitful advertising technique, when the companies spend more time and money on marketing themselves as environmentally friendly than on actually minimizing their impact on the environment.

1. What is your age?
  - 18 to 24 years
  - 25 to 34 years
  - 35 to 44 years
  - 45 years and above
  
2. How concerned are you about the current environmental crisis?
  - Very concerned
  - Concerned
  - Have little concern
  - I don't believe in it
  
3. Have you heard of the term “Greenwashing”, prior to taking part in this survey?
  - Yes
  - No
  - May be

4. Who has the most responsibility in taking actions towards achieving goals such as sustainable development and environmental protection? (more than one option can be selected)
  - Government
  - Producers
  - Consumers
  - Undecided
  
5. Individual purchasing habits of consumers can contribute to sustainable development.
  - Strongly agree
  - Agree
  - Neutral
  - Disagree
  - Strongly disagree
  
6. It is wrong for companies to make false claims of being socially responsible or falsely promoting their products/services as environmentally friendly.
  - Strongly agree
  - Agree
  - Neutral
  - Disagree
  - Strongly disagree
  
7. How important is it for products to be fair trade and environmentally friendly?
  - Very important
  - Important
  - Moderately important
  - Slightly important
  - Not important at all
  
8. How likely are you to stop buying products of a company, if you heard that they have been involved in Greenwashing?

- Very likely
  - Likely
  - My purchasing habits would not change
  - Unlikely
  - Very unlikely
9. How likely are you to spend more on a product/service which is fair trade or environmentally friendly?
- Very likely
  - Likely
  - Undecided
  - Unlikely
  - Very unlikely
10. How likely are you to switch to another brand, if it managed to provide the same product in a more eco-friendly and socially responsible way but at a higher price?
- Very likely
  - Likely
  - Unlikely
  - Very unlikely
11. Company's marketing strategy should focus solely on its products/services.
- Strongly disagree
  - Disagree
  - Neutral
  - Agree
  - Strongly agree
12. Company's marketing strategy should reflect its values through their products and marketing practices.
- Strongly disagree
  - Disagree

- Neutral
- Agree
- Strongly agree

13. Companies can help raise public awareness of important social and environmental issues through their marketing.

- Strongly disagree
- Disagree
- Undecided
- Agree
- Strongly agree

14. Which marketing channel do you think can be the most effective in reaching target audience?

- Social Media Marketing
- Television Commercials
- Newspaper/Magazines ads
- Websites
- Email Marketing
- Celebrity Endorsement
- Other

15. What do you think is/are the best ways for companies to market their products as eco-friendly and socially responsible? (more than one option can be selected)

- Reducing unnecessary plastic packaging
- Ensuring ethical sourcing
- Ensuring products are not tested on animals
- Reducing pollution levels
- Encouraging consumers to reduce, recycle and reuse
- Other