

MASTERARBEIT

Titel der Masterarbeit

„Corporate Social Responsibility and the Willingness
to Pay of Consumers“

Verfasserin

Sonja Schneeberger, BA

angestrebter akademischer Grad

Master of Science (MSc)

Wien, 2012

Studienkennzahl lt. Studienblatt:
Studienrichtung lt. Studienblatt:
Betreuer / Betreuerin:

A 066 914
Masterstudium Internationale Betriebswirtschaft
Univ.-Prof. Dr. Adamantios Diamantopoulos,
BA MSc D.Litt.

Eidesstattliche Erklärung

Ich versichere, dass ich diese Masterarbeit selbständig verfasst und nur die angeführten Quellen und Hilfsmittel verwendet habe. Die Masterarbeit wurde von mir an keiner anderen Universität weder im In- noch im Ausland in irgendeiner Form als Prüfungsarbeit vorgelegt.

Wien, Oktober 2012



(Sonja Schneeberger)

Alles, was uns begegnet, lässt Spuren zurück.
Alles trägt unmerklich zu unserer Bildung bei.
(Johann Wolfgang von Goethe)

In erster Linie möchte mich recht herzlich bei meiner Betreuerin, Univ.-Prof. Dr. Christina Sichtmann, für ihre fachliche Unterstützung sowie die wertvollen und konstruktiven Anregungen zur Erstellung der vorliegenden Masterarbeit bedanken. Auch dem gesamten Lehrstuhl für Internationales Marketing an der Universität Wien rund um Univ.-Prof. Dr. Adamantios Diamantopoulos möchte ich an dieser Stelle ein großes Dankeschön aussprechen.

Der wohl größte Dank gilt jedoch meinen wunderbaren Eltern, die mir stets Rückhalt geben und mich auf meinem bisherigen Lebensweg und auch während meiner gesamten Ausbildung bedingungslos und liebevoll unterstützt haben, sowie meinen Bruder, der mir ein großes Vorbild ist und mir immer mit Rat und Tat zur Seite steht.

Abstract

The master thesis at hand addresses a possible relationship between Corporate Social Responsibility (CSR) and attitudinal as well as behavioural consumer patterns with special focus on the willingness to pay (WTP) of consumers. Although a growing body of literature already attested a positive relationship between a companies' ethicality and consumer conduct, it has to be pointed out that the majority of these studies were based on hypothetical preference assessments. Consequently, the data may suffer from a so called social desirability bias whereupon respondents show a higher sensitivity regarding CSR, which in the end is not translated into real consumer behaviour and hence leads to an overestimation of the influence of CSR on the WTP. Therefore, the study at hand is based on an incentive-compatible research method, a Vickrey Auction, which is aimed to elicit the true WTP for ethically assured products by countervailing a potential social desirability bias. This is because the basic rationale of a Vickrey Auction is that participants make binding bids for a certain product at offer, and the winner of the auction – the person with the highest bid – has to pay only the price of the second highest bid. Consequently, the participants achieve the best result if they state their true maximal WTP.

The subject of the Vickrey Auction – the sample consists of 122 students of the University of Vienna – was an USB flash drive of a fictitious brand, in order to prevent already existing associations regarding an established well-known brand. Three manipulated newspaper articles served as stimuli for the auctions. More precisely, the articles contained information about a recently presented test by the Association of Consumer Information (in German: *Verein für Konsumenteninformation*), whereupon the USB flash drive at offer performed well, but also some information about the company's (un-)ethicality. CSR refers to the Fairtrade Standards that deal with the fair treatment and compensation of producers and employees in third world countries. The control group received a newspaper article which was limited only to the test results by the Association of Consumer Information and contained no information at all about the CSR activities of the company.

The data analysis revealed that there is – as already indicated in the literature – a positive relationship between a company's ethicality and the corresponding WTP of consumers. More precisely, corporate moral conduct leads – compared to the scenario

when no information about a company's CSR activities is available – to a higher WTP compared to corporate social irresponsibility, which in turn is sanctioned through a lower WTP. In this context, it also has to be pointed out that negative CSR has a much higher influence on the corresponding WTP in a way that the average mark-down in case of negative CSR information is – again compared to the control group – much higher than the mark-up that consumers would be willing to pay in the case of a high corporate social responsibility. This asymmetry regarding the influence of a firms' (im)morality on consumer patterns corroborates prior research findings whereupon this phenomenon is designated to as “negativity bias”.

Furthermore, considering that the relationship between CSR and the related WTP is not yet fully explored and in view of the partly contradicting prior research results, it was aimed to investigate also possible mediator and moderator effects. Hence, subsequent analyses revealed that brand attitude partially mediates the relationship between a company's ethicality and the WTP of consumers. Variables such as the support of the CSR domain – which describes the individuals' favourability of the specific issues that a company addresses with its CSR activities – or the importance that a person places on CSR as buying criteria, were found to partially moderate this relationship.

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List of Abbreviations

BA	Brand Attitude
BDM	Becker-DeGroot-Marschak
CC	Corporate Citizenship
CRM.....	Cause-Related Marketing
CSR.....	Corporate Social Responsibility
CVM	Contingent Valuation Methods
EUR	Euros
H.....	Hypothesis
M.....	Mean
NGO.....	Non-Governmental Organization
NPO	Non-Profit Organization
ns.....	not significant
SD	Standard Deviation
WTP.....	Willingness to Pay

1 Introduction

Today's advertising and media landscape is heavily dominated by key words such as – to name just a few – green products, sustainability, environment friendliness, fairness towards employees and suppliers as well as social responsibility. Especially cause-related marketing, which is aimed to promote a firms' social commitment and intentions to make charitable and non-commercial donations (Van den Brink et al. 2006), is on the advance and it seems that Non-Profit-Organizations (NPOs) are more present these days than ever before. But also the emergence of quality seals and labels which shall enable the consumers to identify ethically produced goods – such as for example the Forest Stewardship Council which attests responsible and sustainable forest management (Forest Stewardship Council 2012) – or special awards and distinctions which confirm a company's ethicality are on the rise.

Considering all these efforts to incorporate ethical values and issues the question arises why companies are progressively investing in ethicality (e.g. European Commission 2011) and how this attempt in the end turns to account. Basically, a main driver is to respond and come up to the recent developments in society whereby social as well as environmental evils and concerns increasingly draw the attention of consumers, who place more importance on socially desirable and ethical product attributes when it comes to purchase decisions (e.g. Auger et al. 2003; Gielissen 2011; Creyer and Ross 1997; Laroche et al. 2001). To put it a step further, it even can be said that in today's society social responsibility and ethical consumption are already considered as a so called *imperfect moral duty*¹ (Gielissen 2011). This increasing conscience of the society regarding ethical issues has not only changed the purchasing behaviour of consumers but also calls for certain actions taken by firms to respond to this societal value shift. More precisely, companies have to develop, implement and fulfill a so called Corporate Social Responsibility, henceforth also called CSR, in the face of these developments (e.g. Auger et al. 2003; Mohr et al. 2001).

Considering this increasing importance of ethical consumerism one might argue that prosocial corporate behaviour bears high potential for companies to establish a

¹ A *perfect* duty usually refers to a kind of prohibition without a limit of tolerance for exceptions, whereas an *imperfect* duty is characterized by a certain scope of latitude, which means that not executing the duty does not necessarily lead to any punishment (Gielissen 2011).

sustainable competitive advantage (e.g. Sen et al. 2006). However, doubts are being raised whether moral corporate conduct is still valued by consumers or already kind of presupposed. Furthermore, there is still a lack of direct accountability of corporate social performance to the financial performance of firms (e.g. Pelozo 2009). The direct impact of CSR activities on financial metrics is somewhat diffuse and unexplored – Castaldo et al. (2009) even claim that the location of a direct linkage between the two variables is impossible – wherefore further research would be needed to assess whether and especially how, prosocial corporate behaviour actually pays off and which factors influence the translation into behavioural consumer pattern (e.g. Pelozo 2009; Boulstridge and Carrigan 2000).

However, it can be argued on empirical grounds that CSR is indeed demanded and valued by the consumers (e.g. Mohr et al. 2001; Mohr and Webb 2005; Creyer and Ross 1997) and may lead to a positive company evaluation (e.g. Sen and Bhattacharya 2001), a higher purchase intention for products with socially desirable features (e.g. Mohr and Webb 2005) and ultimately even to a willingness to accept certain price premiums for ethically produced goods (e.g. Auger et al. 2003; Loureiro and Lotade 2004; Trudel and Cotte 2009; McGoldrick & Freestone 2008; Creyer & Ross 1997; Laroche et al. 2001). On the other hand, several researchers suggest that socially responsible corporate behaviour tends not to be rewarded by the consumers through e.g. the WTP a certain price premium – even though ethical corporate behaviour plays a decisive role in today's society. And this is why the absence of CSR on the contrary is punished by the customers through, for example, demanding lower prices (e.g. Creyer & Ross 1996 and 1997; Trudel & Cotte 2009). In this context, Trudel and Cotte (2009) talk about *positive and negative asymmetries* regarding the influence of CSR on the purchasing behaviour of consumers, which means that low CSR has more influence on the WTP of consumers compared to prosocial corporate actions. This finding is confirmed by Mohr and Webb (2005), who talk about a *negativity bias* as well as Sen and Bhattacharya (2001).

Although the issue of CSR and its influence on behavioural patterns – such as the corresponding willingness to pay of consumers which is the scope of this study – has already drawn a lot of scientific attention during the past, it has to be pointed out that most of the prior research in this field consisted of traditional surveys with hypothetical preference measures rather than incentive compatible research methods (e.g. Sichtmann

2011). Thus, the research results may suffer from a *social desirability response bias* and reflect too much the respondent's willingness to be considered as a socially responsible and ethically correct person (Mohr et al. 2001). This is underpinned by Öberseder et al. (2011) who conducted several in-depth interviews and reported that although the purchase of ethically produced goods results in positive feelings, in the end these positive connotations are not translated into actual behavioural patterns. Hence, due to a contingent attitude-behaviour gap (Boulstridge and Carrigan 2000) traditional survey data may place too much importance on the effect of CSR on the buying behaviour and purchase decision of the consumers (e.g. Mohr et al. 2001; Auger and Devinney 2007).

So far – to the best of my knowledge – only four studies considered these limitations (Arnot et al. 2006; Didier and Lucie 2008; Van Doorn and Verhoef 2011; Sichtmann 2011) and accounted for this attitude-behaviour gap by using either an incentive compatible research method or a real market place setting. The findings are mainly in line with the existing literature in a way that CSR leads to a higher WTP of consumers. However, it has to be mentioned that Arnot et al. (2006) as well as Didier and Lucie (2008) for example used the Fairtrade label as intrinsic product feature, did not account for negative reputation regarding a company's ethical behaviour and did not address the reason why the Fairtrade label results in higher WTP (Sichtmann 2011). And although Sichtmann (2011) – who also took the aspect of Corporate Social Irresponsibility into consideration – also confirmed the positive influence of CSR on the WTP of consumers, she found that unethical corporate behaviour was not sanctioned by the respondents through a lower WTP (compared to a neutral scenario where no information about a company's morality was available). This outcome is contradicting with most prior research findings (e.g. Creyer and Ross 1996; Trudel and Cotte 2009; Mohr and Webb 2005; Sen and Bhattacharya 2001) which suggested that low CSR activities have a stronger impact on consumer patterns rather than high CSR.

We conclude this introductory discussion with the cognition that the implications of CSR are not yet fully explored and explained. Considering the partially conflicting findings regarding the influence of Corporate Social Responsibility and Irresponsibility respectively on consumer patterns it becomes apparent that there is still extensive need for further research.

1.1 Research Objectives

This thesis is aimed to address this research deficit and further explore the role of social and environmental concerns in consumers' purchasing decisions with special focus on the relationship between CSR and the corresponding WTP. In order to countervail a possible social desirability response bias – as discussed in the introduction – this study is based on an incentive-compatible research method. More precisely, the study is following the suggestion of Sichtmann (2011) – who investigated the relationship between CSR and the WTP through a Vickrey Auction which demonstrates an incentive-compatible research method – to conduct a study in a similar experimental research setting but with a different product. Since Sichtmann used chocolate, a hedonic product, as research subject for her study, the study at hand was aimed to use a utilitarian product, a USB flash drive, as object of investigation.

Primarily, it is intended to explore a contingent connection between CSR and WTP and to show whether positive (high) CSR activities indeed leads to a higher WTP of consumers – as suggested by several prior studies – and vice versa whether negative (low) CSR is sanctioned by the consumers through demanding lower prices or not.

Furthermore, since the relation between Corporate Social Responsibility and the willingness to pay of consumers is not yet fully explored it is aimed to investigate the influence of potential mediator and moderator variables. More precisely, the mediating effect of brand attitude and the moderating role of *genuine concern attributions*, an individual's *support of the CSR domain targeted by the firm*, the *CSR as buying criteria* and some *socio-demographic data* (gender and income) regarding the relation between CSR as independent predictor variable and the WTP as dependent outcome variable are subject of investigation.

To sum it up, the results of this study are aimed to provide deeper insights about the relationship between CSR and the attitudinal and behavioural consumer patterns, ultimately reflected through the actual WTP of consumers by bridging a possible attitude-behaviour gap and taking potential mediating and moderating effects into account. A concluding discussion of the results of this study within the context of prior research findings will furthermore serve as basis for possible future research.

1.2 Structure of the Thesis

The following figure will give a brief overview of the conceptual design as well as the main chapters of this thesis.

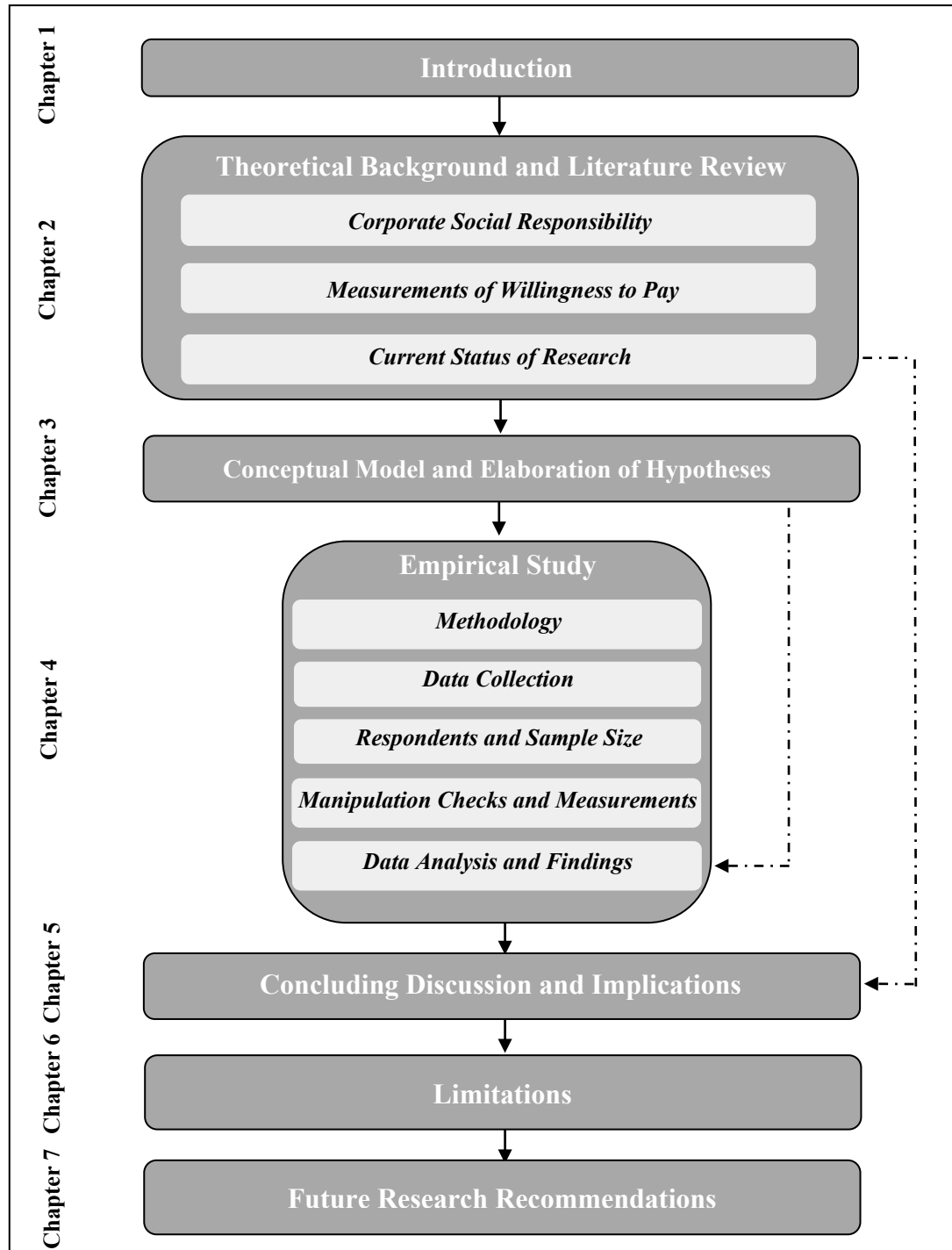


Figure 1: Structure of the Thesis

After a brief introduction to the topic of interest for the thesis in the **first chapter**, the **second chapter** will deal with the theoretical background regarding the term Corporate

Social Responsibility and the possibilities to measure the WTP of consumers. Furthermore, an overview of the existing literature and the current status of research in this field will be provided which in turn serves as basis for the development of the conceptual framework as well as the derivation of the respective hypotheses presented in the **third chapter**.

The empirical part of the thesis will be subject of the **fourth chapter**. More precisely, the methodology which was used for the study will be introduced before the data collection process as well as the sample design will be presented. Besides the measurements which are included in the conceptual framework some manipulation checks – in order to ensure the accuracy of the collected data – will be treated in this chapter. Furthermore, the actual data analysis as well as the testing of the predefined hypotheses will be subject of this empirical part of the thesis.

In the **fifth chapter** the results and findings of this study will be discussed with reference to prior studies in this field. The **sixth chapter** deals with some limitations of the study at hand before in a last step some future research recommendations will conclude the thesis in the **seventh chapter**.

2 Theoretical Background and Literature Review

In the following, the term Corporate Social Responsibility will be elaborated in order to clarify the application of the construct in the context of this study. In a next step different approaches to elicit the construct of WTP will be presented and the method used within the context of this study explained in more detail. Furthermore, the current status of research in the field of CSR and its relationship to consumer's attitudes and behaviours especially with reference to potential mediating and moderating effects will be discussed.

2.1 Corporate Social Responsibility

Due to the increasing importance that is placed on CSR, a lot of scientific work has already been addressed to this topic. However, CSR is a very complex construct that captures many different areas such as for example the prohibition of child labour, environmental friendly production processes, fair treatment of suppliers and employees or the support of NPOs. Therefore, CSR is not easy to measure and till present there does not exist a generally accepted and universally valid definition of Corporate Social Responsibility (e.g. Schneider 2012).

2.1.1. Evolution and Definition of Corporate Social Responsibility

In his work "Corporate Social Responsibility – Evolution of a Definitional Construct" Carroll (1999) provides some historical background of the evolution of the term CSR with a comprehensive overview of different definitions and understandings of the concept. According to him, the roots of CSR can be traced back more or less to the 1950s although a kind of social responsibility existed already in earlier times. Carroll states, that Howard R. Bowen laid the foundation for the subject matter by defining the social responsibility of businessmen in 1953 as "*... the obligations (...) 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*" (cited in Carroll 1999, p. 270).

In the early 1960s Keith Davis made valuable contributions to the elaboration and enhancement of the meaning of CSR. Although Davis described it as *nebulous* concept he already highlighted at these times the long term benefits for firms who give consideration to ethical and social issues (Carroll 1999). In 1973 Davis defined Corporate Social Responsibility as "*... the firms obligation to evaluate in its decision-*

making process the effects of its decisions on the external social system in a manner that will accomplish social benefits along with the traditional economic gains which the firm seeks” (cited in Carroll 1999, p. 277).

At the end of the 1970s Carroll introduced four – not mutually exclusive – major categories that comprise the concept of CSR, talking about *economic, legal, ethical* and *discretionary* responsibilities (Carroll 1979). To briefly explain these four dimensions of Corporate Social Responsibility it can be said that firms account for their economic responsibilities by maintaining economic wealth and meeting consumption needs while observing legislation – referring to the legal responsibility of firms. Ethical and philanthropic responsibilities determine the adherence to moral conceptions and values of society as well as the active contribution of companies to increase societal welfare (Maignan et al. 1999).

Later on in 2003, Carroll’s initial conceptualization of the four different responsibility dimensions was reduced by the fourth category – also referred to as philanthropy – resulting in a model with three CSR domains (economic, legal and ethical responsibility). From 2000 onwards Corporate Social Responsibility emerged as a global concept – but as already mentioned, especially across country borders there exist different perceptions and understandings of CSR activities (Carroll 2008). This is mainly due to heterogeneous sociocultural and economic environments (Brønn and Vrioni 2001).

However, despite possible different perceptions of the concept and the lack of a universe and generally accepted definition of CSR, it has to be pointed out that the term Corporate Social Responsibility has become an established term across the globe (Schneider 2012). The European Commission for example provides a detailed and comprehensive definition of CSR – which is thus frequently used for studies in this field (e.g. Sichtmann 2011; Öberseder et al. 2011) – and describes the construct as “... *a process to integrate social, environmental, ethical, human rights and consumer concerns into their [the firm’s] business operations and core strategy in close collaboration with their [the firm’s] stakeholders, with the aim of:*

- *maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;*

- *identifying, preventing and mitigating their possible adverse impacts”* (European Commission 2011, p. 6).

Based on this definition we also have to briefly discuss the *stakeholder theory* as complement to the shareholder value theory, which basically expresses a corporation's social responsibility as making profits and to increase or better to say maximize the economic value of the firm for the shareholders. The stakeholder theory on the other hand not only places the shareholder in the corporation's centre of interest but also considers individuals and groups which have a *stake* in the company, which are customers, suppliers, owners, employees as well as local communities. Broadly speaking, stakeholders can be referred to as individuals and groups who might benefit from but also be harmed at the same time by the actions of companies. Hence, considering CSR as a responsible business framework towards society at large it becomes evident that the stakeholder theory plays a decisive role for the concept of Corporate Social Responsibility (Melé 2008). This was also emphasized by Mohr and Webb (2005) who suggested that socially responsible companies have to be managed according to the stakeholder theory to ensure that an ethically responsible firm considers the effects of its actions on everybody, directly or indirectly related to the company.

The European Commission's conceptualization of CSR presented above was introduced at the end of 2011. Considering, that previously the European Commission defined CSR as *“a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”* (European Commission 2011, p. 3) and subsequently skipped the term *“on a voluntary basis”* may be used as good indicator that Corporate Social Responsibility is gaining in importance and is not viewed as nice touch anymore, but is rather taken for granted.

2.1.2. Dimensions of CSR used for this Study

The term Corporate Social Responsibility comprises various different aspects and activities wherefore it is recommendable to focus on and investigate – as already indicated by Sichtmann (2011) – within this empirical study only one component of CSR. The Fairtrade label for example is frequently used for studies in this field (e.g. Arnot et al. 2006; Didier and Lucie 2008; De Pelsmacker et al. 2005; Sichtmann 2011).

However, it has to be mentioned that the seal itself could be perceived more or less as intrinsic product feature rather than evidence of the prosocial corporate behaviour of the respective firm in the background (Sichtmann 2011). Hence, with reference to Sichtmann's experiment (2011) we will concentrate on the Fairtrade Standards that define fair treatment of producers and suppliers (Fairtrade Labelling Organizations International e.V. 2011a) as the manipulated CSR dimension in our study but not place the label itself on the product. Rather we will manipulate the CSR dimension towards a newspaper article where the respondents receive information about the company itself whether it sticks to the guidelines of Fairtrade or not.

Fairtrade Standards

Basically, Fairtrade offers an alternative, unconventional trade approach that is based on a partnership between producers and consumers. The Fairtrade initiative can be referred to as an answer to the existing power imbalance in trading relationships, unstable market situations and the injustices of conventional trade. By offering producers a better deal and improved trade conditions, Fairtrade supports the enhancement and improvement of the producers' living standards and enables them to make plans for the future. In this sense, for consumers the Fairtrade initiative displays a powerful tool to reduce poverty and increase social welfare through their every day shopping. The Fairtrade label is placed on products if both the producers and traders adhere to the Fairtrade Standards (Fairtrade Labelling Organizations International e.V. 2011b).

Sichtmann (2011) mentions three reasons that justify the usage of the Fairtrade Standards for the empirical study. First of all, the Fairtrade Standards unite basically all the components of CSR, talking about economical, ecological as well as social issues. Secondly, the Fairtrade label is very well established and gives specific indications of what is perceived as being socially responsible. And last but not least, Sichtmann refers to prior studies which also included the Fairtrade Standards as the investigated CSR dimension (e.g. Arnot et al. 2006; Didier and Lucie 2008; De Pelsmacker et al. 2005; Loureiro and Lotade 2004; Castaldo et al. 2009; Bezençon and Blili 2010). By using the same CSR manipulation, the findings of the several studies can be compared – which is also the aim for the study at hand.

2.1.3. Delimitation of CSR from Related Concepts

Although Corporate Social Responsibility gradually establishes as commonly-used term the lack of a clear and univocal definition makes it difficult to distinguish the concept from related constructs such as for example corporate citizenship or business ethics which are sometimes even used as synonyms for CSR. Hence, in the following the terms will be briefly explained and discussed in connection with the CSR concept.

Corporate Citizenship

According to Maignan et al. (1999) Corporate Citizenship (CC) concerns a narrower domain compared to *Corporate Social Performance*² – which refers to moral, managerial but also sociological issues – and “*designates solely the set of activities undertaken by business to concretely meet social demands responsibly*” (Maignan et al. 1999, p. 456). The formulation of the final definition of CC as “*the extent to which businesses meet the economic, legal, ethical, and discretionary responsibilities placed on them by their various stakeholders*” (Maignan et al. 1999, p. 457), which refers basically to the definition of CSR by Carroll (1979), gives an idea about the difficulty in delineating Corporate Citizenship from CSR.

However, Bassen et al. (2005) point out that in comparison to CC the term CSR is broader and captures social responsibility with respect to the entire range of business, including also the value chain, employees, suppliers and society as a whole. Matten and Crane (2003) elaborated the term CC after a comprehensive literature review of different definitions and conceptualizations such as that it “*...describes the role of the corporation in administering citizenship rights for individuals*” (Matten and Crane 2003, p. 13). Nevertheless, Maignan et al. (1999) state that “*while an exemplary corporate citizen is responsive to its social environment, a responsive business is not necessarily a good corporate citizen*” (Maignan et al. 1999, p. 456).

Business Ethics

Business ethics can be defined as “*the moral principles and values that guide a firm’s behaviour*” (Jobber 2010, p. 181). If we talk about CSR in connection with the term *Business Ethics* it has to be pointed out that ethics alone – as being closely linked to

² *Coporate Social Performance* includes CSR as well as corporate social responsiveness and corporate social response (Maignan et al. 1999).

morality – cannot guide correct and incorrect behaviour. Hence, when considering CSR the term ethics should be replaced by the term *Value Management*, since values – on the contrary to ethics – refer to societal norms and behavioural patterns that imply directions and targets. Nevertheless, ethical behaviour can also be addressed to as being part of Corporate Social Responsibility (Schneider 2012).

2.1.4. Excuse: Cause-Related Marketing

Basically, cause-related marketing (also referred to as CRM) has to be viewed within the context of Corporate Social Responsibility since it describes marketing activities that are aimed to promote a company's intentions and efforts of making charitable and noncommercial donations for every sold product or service (Van den Brink et al. 2006). It can be said that cause-related marketing is a communications tool to increase the awareness of consumers about a firm's prosocial corporate behavior and to attract them to raise their willingness to increase societal welfare through their purchasing (Brønn and Vrioni 2001). According to this, Jobber (2010) ascribes cause-related marketing to the social component of CSR and describes it as a partnership between businesses and charities/causes with mutual benefit inasmuch as a certain image or product is promoted and merchandised. And by drawing the attention to CSR, managers account for the need of managing stakeholder relationships and maintaining a company reputation since the integration of CSR without communicating it to society at large will not pay off in the end (Brønn and Vrioni 2001).

2.2 Willingness to Pay

An individuals' WTP for a certain product is basically determined by the perceived benefit of the product. More precisely, only if the price of a product is lower or equal to the perceived product benefit a consumer will buy the product. Hence, the perceived benefit determines the maximum amount of money that a person is willing to pay for one unit of a product (Völckner 2006).

2.2.1. Measurements

The WTP of consumers can basically be elicited through three different methods, talking about the evaluation of transaction data, the collection of preference data through surveys or the investigation of purchase offers – also referred to as bids. The following graph will give a short overview of the different methods to elicit a

consumers' WTP (Schreier and Werfer 2007; Wertenbroch and Skiera 2002; Völckner 2006):

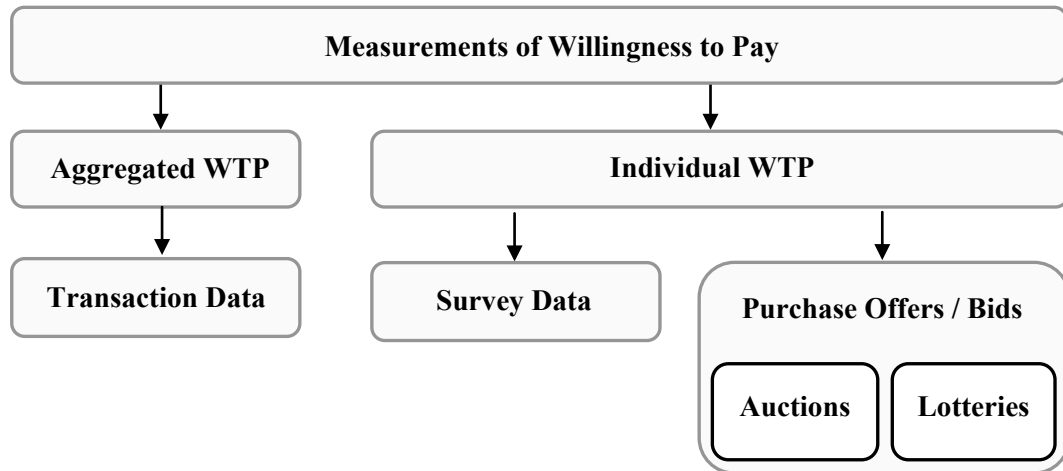


Figure 2: Measurements of WTP

Transaction data is captured from the real market place setting through either scanner data or simulated test marketing settings. The basic rationale behind this kind of measurement is the assessment whether consumers are willing to buy a product at a certain price or not – hence, transaction data can be referred to as dichotomous information (Schreier and Werfer 2007) regarding the WTP. Although the method shows high external validity – since actual purchases are observed under realistic market conditions – the consumers' individual and true WTP is not revealed which results in a low variance of the WTP (Schreier and Werfer 2007; Wertenbroch and Skiera 2002). Furthermore, aggregated WTP does not provide any information on how much an individual is willing to pay for a certain product at most – rather aggregated demand functions can be derived from this approach. And since the WTP for a certain product differs among consumers, the assessment of individual WTP is preferable (Völckner 2006).

Regarding *survey data* it has to be distinguished between direct and indirect price queries (Völckner 2006; Schreier and Werfer 2007). Direct price queries – also called contingent valuation methods (CVM) – are aimed to directly elicit an individuals' WTP either through open-ended questions (e.g. "How much are you willing to pay for the product XY") or the closed-ended approach where the respondents have to indicate at several different prices whether they would be willing to buy the respective product or not. The basic idea of indirect price queries is to provide different product alternatives –

that differ regarding price and other product features – which the respondents have to rate as a whole. By this it is aimed to prevent a sole focus on the price determinant (Völckner 2006).

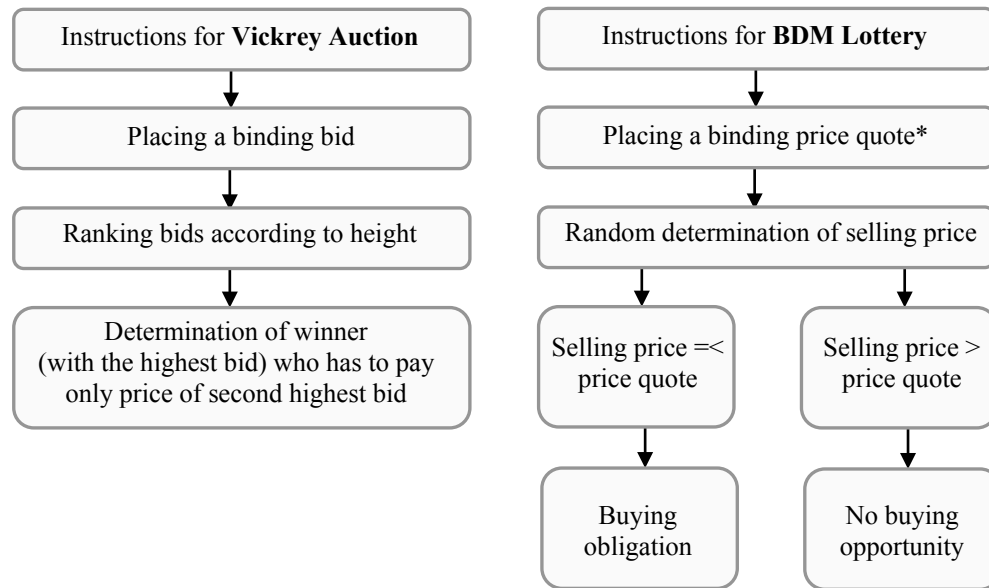
The best known methodology of indirect price queries is probably the conjoint analysis where the respondents are asked to rank, rate or state preferences regarding these different alternative product concepts (Schreier and Werfer 2007; Völckner 2006; Wertenbroch and Skiera 2002). However, the external validity of survey data may be limited since the responses are hypothetical there is no or only little incentive for the respondents to reveal their true WTP (Wertenbroch and Skiera 2002). In this sense, several studies already revealed that hypothetical measurements tend to result in inaccurate data (Miller et al. 2011) that shows three times higher willingness to pay figures compared to the consumers' actual WTP in the real market place (Schreier and Werfer 2007).

This brings us to the third possibility of measuring an individuals' WTP, which refers to the assessment of *purchase offers* and *bids* obtained within the experimental setting of *auctions* and *lotteries*. In this sense study participants get the opportunity to buy the product at offer which leads to a measurement of real WTP figures rather than hypothetical preference data. Regarding the first research method the Vickrey Auction can be named as well-established methodology while for the second experimental setting the BDM (Becker/De Groot/Marschak) Lottery is prestigious – both methodologies can be addressed as incentive-compatible research methods, since there is in both cases a dominant strategy to truthfully state preferences (Schreier and Werfer 2007; Noussair et al. 2004).

2.2.2. Incentive-Compatible Research Methods

In the following a comparison between the two most important demand-revealing research methods in experimental economics for assessing a persons' individual WTP (Noussair et al. 2004), namely the Vickrey Auction and the BDM Lottery, will be provided before in the next subchapter the pros and cons of both methods, as well as arguments for the preference of one methodology over the other for this study will be discussed. Since the main difference between the two methodologies lies in the data collection procedure the following figure shall give an initial overview of the basic

principles of a Vickrey Auction and BDM Lottery (Wertenbroch and Skiera 2002; Schreier and Werfer 2007):



* According to Wertenbroch and Skiera (2002) there is also the possibility to revise the initial price offer before stating the final price offer

Figure 3: Basic Principles of Vickrey Auction and BDM Lottery

The basic rational behind a Vickrey Auction is that every participant submits at the same time a binding and hidden bid for a certain product at offer. The person with the highest bid wins the auction and has to buy the product but only at the price of the second highest bid (e.g. Völckner 2006; Ausubel and Milgrom 2004). In this sense, the individual cannot influence the final price directly through his or her stated bid wherefore there is no incentive to misrepresent his or her value (Ausubel and Milgrom 2004) and the dominant strategy in a Vickrey Auction is to state an amount of money that reflects the person's true willingness to pay for the respective product. If the respondent places a higher amount of money it could happen that the person has to buy the product above the actual WTP and if the bid is too low a person might not win the auction although the final price might be lower than the personal maximum WTP – in both cases the participant kind of suffers losses (Schreier and Werfer 2007).

The BDM lottery on the other hand basically describes a situation where a respondent indicates his or her WTP for a certain product through a direct price query before in a next step a selling price is randomly determined (e.g. by picking a price tag from an urn with various different prices). If the final price – which was randomly selected – is lower than the stated price offer by the respondent the person has to buy the product at

the randomly assigned price. If the final price is higher than the stated willingness to pay of the respondent though, the person has no buying opportunity (Völckner 2006; Schreier and Werfer 2007). Besides the fact that this research method also satisfies incentive-compatibility and the dominant strategy is to state the true WTP for a specific product, the BDM lottery bears the advantage that the research can be conducted in a real and accustomed sales environment which also increases external validity of the results (Schreier and Werfer 2007).

2.2.3. Research Method used for this Study

As discussed in the previous chapter the BDM Lottery and the Vickrey Auction mechanism – both being incentive-compatible research methods – differ regarding the data collection procedure which might affect respondents' behaviour and the stated WTP (Noussair et al. 2004). In this context, Schreier and Werfer (2007) for example could not report a significant difference between the average WTP collected through a BDM Lottery or a Vickrey Auction. Nevertheless, Noussair et al. (2004) on the contrary found that compared to the Vickrey Auction the BDM Lottery leads to more severe biases, shows a greater dispersion of bids and converges slower to a truthful revelation. Furthermore, since the traditional BDM Lottery describes the data collection process on a single basis (Noussair et al. 2004) the financial and administrative expenses are much higher compared to Vickrey Auctions where several persons participate at once (Völckner 2006; Sichtmann 2011). Furthermore, considering that the study design requires a sample size of at least 90 respondents and that the subject of research for this study is a USB flash drive, high initial cost expenditures would be implicated – irrespective the fact that the USB flash drives have to be adjusted with the logo of a fictitious brand as well (see 3.1.1.2. *Fictitious Brand*). Consequently, the Vickrey Auction is preferred as research method for this empirical study to elicit the respondents' WTP.

2.3 Current Status of Research

Assuming that consumers place certain importance on social and environmental concern, in order to respond to CSR they need to be aware of a company's efforts in this field or – to put it in other words – the awareness of prosocial corporate activities is a crucial prerequisite for positive consumer reactions to CSR activities (Bhattacharya and Sen 2004). Many researchers already emphasized the importance of the awareness of CSR to be considered when making a purchasing decision and translated into behavioural

patterns, but in fact only few customers are fully or highly aware of ethical product attributes (e.g. Sen et al. 2006; Boulstridge and Carrigan 2000; Bhattacharya and Sen 2004) and hence are not able to make informed purchase decisions (Vermeir and Verbeke 2006). This was also pointed out by Elliot and Freeman (2001) who investigated the consumer demand for international labour standards – especially with view to sweat shop production in less developed countries. Although most respondents stated that they would be willing to pay a certain price premium for products which were produced under favourable labour standards, there is the problem that consumers usually do not have any direct information about the working conditions in the factories. Although stated by Boulstridge and Carrigan (2000) that an increase in the provision of information about CSR would probably not make any difference regarding the relatively poor influence of CSR on consumer's behavioural patterns and purchasing decisions, several chronologically subsequent studies give an indication that an increase of the awareness of prosocial corporate behaviour would lead to more positive company evaluations and behavioural intentions of the consumers (e.g. Sen et al. 2006; Mohr and Webb 2005). In this context it also has to be mentioned that besides the provision of information regarding CSR, companies at the same have to take care about the credibility of their prosocial actions, which refers to the fit between CSR activities and the core business of a firm. If a company promotes moral conduct in fields that are not related at all to their business activities then people may perceive these efforts as publicity ploy (Öberseder et al. 2011).

Based on this crucial condition of consumers' awareness regarding CSR activities there is a growing body of literature that deals with CSR and its influence on attitudinal and behavioural consumer patterns. Several researchers already confirmed that prosocial corporate behaviour is demanded and rewarded by consumers through the acceptance of a certain price premium for ethically produced goods with socially desirable product features (e.g. Auger et al. 2003; Loureiro and Lotade 2004; Ha-Brookshire and Norum 2011; Trudel and Cotte 2009; Creyer and Ross 1997; Castaldo et al. 2009; McGoldrick and Freestone 2008; Laroche et al. 2001; Elliott and Freeman 2001).

However, although a certain consumer segment seems to appreciate corporate ethicality, it has to be pointed out that vice versa – although consumers tend to be ethical – a considerable group of people demonstrates a very low level of social and ethical

concern (e.g. Fullerton et al. 1996), do not value socially desirable product features (e.g. Auger et al. 2003) or consider CSR in the buying decision (Mohr et al. 2001). In this context, it has to be mentioned that although many study participants affirmed that CSR is important to them they stated that in reality, when it comes to purchase situation, ethically correct corporate behaviour and not even unethical behaviour is taken into consideration when making the buying decision (Boulstridge and Carrigan 2000). This is also confirmed by Mohr et al. 2001 who reported that out of 44 respondents – who were subject to in-depth interviews – 36% desired a high level of CSR by the company and 46% had an extremely positive attitude towards companies which incorporate social and environmental issues in their business. But at the same – although most of the respondents showed a positive attitude towards CSR – they indicated that they rarely consider CSR in reality when it comes to the purchasing decision (Mohr et al. 2001). In this context it has to be pointed out that most of previous research regarding CSR activities and its influence on the WTP of consumers is based on survey instruments with hypothetical preference measures rather than incentive compatible research methods or real market settings, and thus may suffer under a so called *socially desirability response bias* (Mohr et al. 2001). This is also underpinned by Öberseder et al. (2011) who reported that positive attitudes resulting from prosocial corporate behaviour may not be translated into actual behavioural patterns of consumers or De Pelsmacker et al. (2005) who concluded from their study that consumers' behaviour in the marketplace is inconsistent with their attitude towards ethically assured goods. This supports the notion of Boulstridge and Carrigan (2000) who talk about a *contingent attitude-behaviour gap*. Schreier and Werfer (2007) for example who investigated the different approaches to elicit the WTP of consumers found that hypothetical preference measures lead to significantly higher WTP values. More particularly, CVM showed on average a two times higher WTP compared to the results of the BDM Lottery and the Vickrey Auction (Schreier and Werfer 2007). And according to Miller et al. (2011) these two incentive-aligned research methods can pass also statistical and decision-oriented tests and should therefore be used for the assessment of WTP.

To the best of my knowledge so far only three studies used an incentive compatible research method to bridge this possible gap between the stated attitude and the consumer's actual behaviour in everyday life (Didier and Lucie 2008; Van Doorn

and Verhoef 2011; Sichtmann 2011) and one study conducted a research in a real market setting (Arnot et al. 2006).

Arnot et al. (2006) made an experiment in corporation with a well-established coffee shop at the campus of a major university in Canada. Basically, this coffee vendor offered different types of coffees including two medium-roast types, namely Colombian and Fairtrade coffee, which were used for the experimental setting by alternating adjusting the prices through temporary discounts – normally, the two different types of coffee were offered at the same price of 1.20\$. The coffee labels and respective price tags were very well placed right at the counter area in view of all customers. By interviewing various respondents after buying a coffee at the vendor the authors also gained some insight in the awareness of the Fairtrade label as well as some socio-demographic data. Results revealed that the Fairtrade coffee is characterized by a lower price-elasticity compared to the conventional coffee pendant. In this sense, the sales volume for the conventional coffee used for the experimental setting did not increase when the price for the Fairtrade coffee was higher, but vice versa when the conventional variety was subject to a certain price premium many people seem to switch to Fairtrade coffee as being the cheaper alternative. Hence it can be concluded that Fairtrade coffee drinkers value the ethically produced good and are willing to accept a certain price premium (Arnot et al. 2006).

Didier and Lucie (2008) conducted a research by using an incentive-compatible research method, the *Becker-DeGroot-Marschak* mechanism (BDM lottery – as discussed in chapter 2.2.1. *Incentive Compatible Research Methods*). In such an experimental setting respondents are confronted with a real purchase situation where every participant can place a binding bid for a specific product – in this case chocolate – up for sale. After a respondent submitted his or her binding bid a final price is drawn by lot out of a set of predetermined prices (the range usually covers all the stated amounts in the bids). Bidders who stated a price below or equal to the final price have to buy the product but only at this final price. This means that the difference between the bid and the final price (in case of congruency this equals zero) is a kind of benefit since the respondent would have had accepted a higher price. The respondents who stated a higher amount of money on the other hand have no opportunity to buy the product. For nearly half of the respondents in the sample organic and fair-trade labels were not

important – rather they based their product choice predominantly on price. However, the other half of respondents demonstrated positive attitudes towards Fairtrade and showed a higher WTP of around 20-30% of the product price (Didier and Lucie 2008).

Another study using the BDM Lottery mechanism to elicit the willingness to pay of consumers with respect to organic food was conducted by Van Doorn and Verhoef (2011). The main purpose of their study was to assess a potential difference in WTP for organic and conventional food – by distinguishing between vice and virtue products. (Relative) *vices* are also referred to as *wants* and provide consumers with immediate pleasurable experience that might have negative outcomes in the long run while (relative) *virtues* – also referred to as *shoulds* – are less appealing in the short term and more prudent choice but with less negative consequences in the long run. The research objects for their study were milk and jam as virtue products and a soft drink as well as chocolate as vice products. Their final sample size consisted of 233 students of a Dutch university. Van Doorn and Verhoef found that prosocial benefits play only a minor role for the willingness to pay of consumers and are found to be only valued in combination with vice products. Product quality perception on the other hand is a main driver of WTP for organic products (Van Doorn and Verhoef 2011).

Sichtmann (2011) addressed the field of Corporate Social Responsibility and its influence on the willingness to pay of consumers by using also an incentive compatible research method – a Vickrey Auction – for her experiment. By including not only positive CSR information as manipulation for the experimental setting Sichtmann was the first who also accounted for corporate social irresponsibility and its effect on the outcome variable, the WTP of consumers, in such an experimental setting. Partially, the findings of Sichtmann confirmed prior research since she also found a positive relationship between CSR and the WTP of consumers. However, Sichtmann's study revealed that unethical behavior of firms – compared to a neutral scenario with no CSR information – is not sanctioned by the consumers through a lower corresponding willingness to pay for the company's products (Sichtmann 2011).

This supports for example the findings of Brenton and Hacken (2006) – who investigated the reaction of consumer's to unethical labour practices of companies, in this case Nike – that negative information about a company's labour practices as

component of CSR does not result in any changes of consumer behaviour or even lead to boycotts. According to the authors this behaviour could be accredited to the feeling of consumers that through sanctioning unethical labour practices the workers in e.g. less developed countries are not better off or even in a worse situation if they lose their job. Furthermore, consumers might assume that – with reference to Nike – other sportswear manufacturers apply similar practices and hence it does not make any difference to buy another sportswear brand (Brenton and Hacken 2006).

To sum it up, although it can be argued on empirical grounds that there is a certain correlation between stated behavioural intentions and the actual behaviour in the real market place, further research is needed to account for a certain attitude behaviour gap (Vermeir and Verbeke 2006) and to gain a better understanding of the (limited) role that CSR plays in consumers' purchase decisions (Öberseder et al. 2011).

3 Conceptual Model and Elaboration of Hypotheses

In the following the underlying conceptual framework for the study will be elaborated and – with reference to the existing literature and prior research findings – the corresponding hypotheses of interest derived.

3.1 Basic Principles of Conceptual Model

The study at hand refers to the work of Sichtmann (2011) who examined the relationship between Corporate Social Responsibility/Irresponsibility and the WTP based on the Organizational Identification Theory, as suggested by Sen and Bhattacharya (2001). The underlying framework of Sichtmann's study is presented in the following:

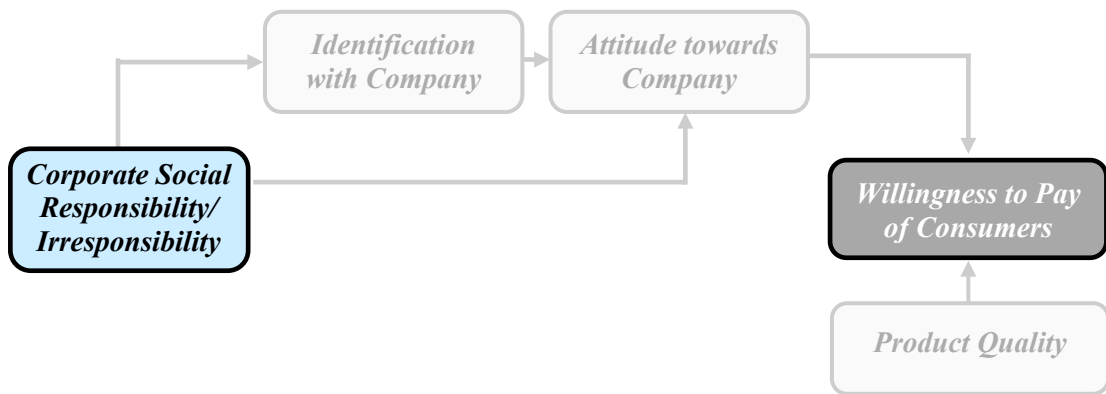


Figure 4: Basic Principles of Conceptual Model (Sichtmann 2011)

Due to the findings of Sichtmann (2011) we can draw some important cognition for the development of the conceptual model for this study, especially with respect to product quality as independent control variable and the applicability of the Organizational Identification Theory to explain the relationship between and the WTP.

Product Quality

Sichtmann (2011) included *product quality* as independent control variable in her model as one of the most important determinants of a consumers' willingness to pay. Hence, she manipulated the research setting with two different dimensions of product quality, talking about low and high quality. The findings of Sichtmann demonstrated that product quality cannot be compensated by CSR activities, which finds substantial support in the existing literature (Sichtmann 2011). In general, ethical consumers seem to be less price-sensitive compared to other respondents – however, this behavioural

pattern holds only if the basic functional attributes of a product are good (Auger et al. 2003). This finding is also reinforced by Gielissen (2011) who found that low quality of socially desirable products leads to dissatisfaction – however, high product quality on the contrary does not imply high satisfaction. Bhattacharya and Sen (2004) state that CSR activities have only a positive influence on consumers' purchasing behaviour if the product itself is of high quality. And Berens et al. (2007) underpin these assumptions with their research finding that poor product quality (in their study also referred to as corporate ability) can only be compensated by CSR activities if the quality dimension of a product is not important to the consumer. If the product quality on the contrary matters to the consumer, for socially desirable company behaviour to have an impact on purchase intention high product quality is an essential precondition (Berens et al. 2007).

In this context, Barone et al. (2000) reported that in case of *interbrand homogeneity* any prosocial efforts of a company will affect a consumer's choice. Interbrand homogeneity refers to the situation when competing brands are perceived by the consumer to be similar and no trade-offs between substantive or non-substantive product features have to be made. In this sense, in case of brand heterogeneity trade-offs for example between a company's CSR activities and lower performance or higher price may be required (Barone et al. 2000). Creyer and Ross (1997) stated that a consumer's perception of no or only little difference between two competing products bears potential for a company to promote its ethicality of business. So do Folkes and Kamins (1999) who also state that in a market with similar products that share more or less the same attributes and where competition is not behaving in an unmoral manner companies should try to generate a competitive advantage by promoting prosocial behaviour which in turn enhances the brand attitude. Interestingly, with respect to a company's brand attitude Folkes and Kamins (1999) not only found that CSR activities cannot compensate for inferior product quality, they also yield the cognition that inversely superior product quality cannot compensate for corporate social irresponsibility either. However, when interbrand heterogeneity comes into play and thus performance or price trade-offs need to be made, the CSR activities have to be of substantial value for the consumer (and display a considerable competitive advantage for the firm) to be taken into consideration when making the purchase decision (Barone et al. 2000).

Consequently, due to this empirical background which highlights the importance of product quality as determinant for a consumers' purchasing decision, our model does not account for product quality as independent control variable.

Organizational Identification

Sichtmann (2011) based her conceptual framework on the findings and suggestions by Sen and Bhattacharya (2001) who investigated the influence of CSR on consumers' purchasing behavior with reference to the Organizational Identification Theory. More precisely, Sen and Bhattacharya propose that the *C-C congruence*, which refers to the perceived overlap between an individuals' own character with that of a company (especially with reference to CSR), determines the identification of consumers with the respective firm. And the identification of consumers with an organization – caused by a company's ethicality – in turn is suggested to have an impact on customers' evaluations of and attitudes towards the company (Sen and Bhattacharya 2001). Investigating the influence of CSR on the WTP based on these considerations by Sen and Bhattacharya, Sichtmann (2011) reported that statistical analysis revealed a much higher direct effect of CSR on the attitude towards a company compared to the indirect effect through the identification with a company. Hence, Sichtmann puts the Organizational Identification Theory as explanation for the relation between CSR and WTP into question. Nevertheless, Sichtmann reported a complete mediating effect of a consumers' attitude towards a company and the resulting WTP (Sichtmann 2011).

Based on this, it is aimed to account for a possible mediating effect in our model as well – although with respect to brand attitude. Consequently, the following subchapter will provide the reader with the basic principles of mediation effects based on which the mediation framework for the underlying conceptual model of this study will be defined.

3.2 Mediation

The basic rationale of mediating effects is the assumption that the effect of a stimuli (in our case CSR) on a behavioural outcome variable (in the model proposed this would be the WTP of consumers) is mediated by certain transformation processes. More precisely, a mediation effect occurs if variations in the focal predictor variable cause significant variations in the mediator variable (in our case BA) which in turn account for significant variations in the dependent outcome variable. Hence, a given variable

plays a mediating role to the extent it accounts for the relation between the independent predictor variable (stimuli) and the outcome variable (Baron and Kenny 1986).

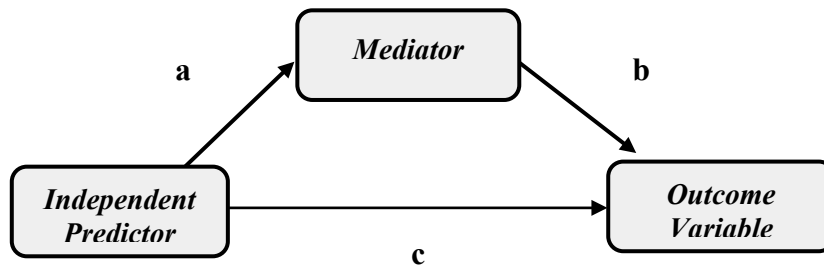


Figure 5: Simple Three-Variable Mediation Model (Baron and Kenny 1998)

This mediation framework presented above describes a simple three-variable mediation system where two causal possible paths lead from the predictor variable to the outcome variable. With respect to this model, a mediation effect would occur if path *c* – which refers to the direct influence of the predictor on the outcome variable – becomes not significant when the interaction between the two paths *a* and *b* – which describe variations in the mediator as consequence of variations in the independent predictor variable (path *a*), which in turn are also accounting for variations in the outcome variable (path *b*) – is controlled. In this context Baron and Kenny stated that if the direct effect is reduced to zero when taking the indirect path into consideration (which is significant), then we have a *complete mediation* with a mediator that can be considered as dominant. In case that the indirect path is not reduced to zero (and at the same not significant anymore) we talk about a *partial mediation*, which may be an indicator for multiple mediating factors (Baron and Kenny 1986; Shrout and Bolger 2002).

According to Baron and Kenny (1986) the precondition for a possible mediation is a significant zero-order effect which describes the direct relationship between the predictor and the dependent outcome variable and is referred to as “*effect to be mediated*” (Zhao et al. 2010, p. 199). But some researchers like e.g. Zhao et al. (2010) or Hayes (2009) question this prerequisite. They argue that the zero order effect (the direct effect of the predictor on the dependent outcome variable) equals the total effect which, from a mathematical perspective, describes the sum of the direct and indirect effect. Hence, if for example the two paths (from the predictor to the mediator and from the mediator to the outcome variable) which describe the indirect (mediated) effect are of opposite signs, it can happen that the two effects in sum cancel each other out and the

direct path from the predictor to the outcome variable is not verifiably different from zero (Zhao et al. 2010; Hayes 2009).

Hence, with respect to a three-variable causal model (see *Figure 5*) Zhao et al. (2010) distinguishes between three different mediation models³:

- *Complementary mediation*: indirect and direct effect are both significant and operate in the same direction; similar to Baron and Kenny's *partial mediation*.
- *Competitive mediation*: indirect and direct effects are both significant and point in the opposite direction; also called *suppression effect* (Shrout and Bolger 2002) or *inconsistent mediation* (MacKinnon, Fairchild, and Fritz 2007).
- *Indirect-only mediation*: significant mediation effect but no direct effect; similar to Baron and Kenny's *complete mediation*.

Although Zhao et al. (2010) and Hayes (2009) argue that a significant zero-order effect is not a necessary precondition for a possible mediation we follow the suggestion by Baron and Kenny (1986) and take a closer look at the direct path between CSR and the WTP. In a next step, we will also discuss the indirect relationship through BA in the context of prior research findings, in order to determine whether the paths – when considered separately – can be assumed to operate in the same or opposite direction, which will serve as basis for the development of our mediation model.

3.2.1. Corporate Social Responsibility and Willingness to Pay

As already discussed in the literature review there is empirical evidence that a company's positive reputation regarding social responsibility grounds for reward by the consumers and leads to a higher WTP for the goods produced by this company (e.g. Auger et al. 2003; Loureiro and Lotade 2004; Ha-Brookshire and Norum 2011; Trudel and Cotte 2009; Creyer and Ross 1997; Castaldo et al. 2009; McGoldrick and Freestone 2008; Laroche et al. 2001; Elliott and Freeman 2001).

But especially regarding Fairtrade products it can be argued on empirical grounds that consumers are highly receptive towards this labelling program which is demonstrated

³ The authors also distinguish between two nonmediation models, talking about *direct-only nonmediation*, where no indirect effect can be observed, and *no-effect nonmediation*, where neither a direct nor an indirect effect is existent (Zhao et al. 2010).

through the willingness to accept a certain price premium (e.g. Loureiro and Lotade 2004; Castaldo et al. 2009; Didier and Lucie 2008; Arnot et al. 2006).

De Pelsmacker et al. (2005) – who conducted a conjoint analysis to assess the relative importance of Fairtrade by using the example of coffee – identified among 808 (Belgian) respondents four different consumer clusters: *Fairtrade lovers* (which accounted for 11% of the sample), *Fairtrade likers* (presenting the largest group of the sample with 40%), *flavour lovers* and *brand lovers*. Fairtrade lovers are characterized by a clear preference for Fairtrade labelled coffee, Fairtrade likers place high importance on the label, flavour lovers rather choose a product just because of the flavour attribute and brand lovers make their purchasing decision dependent on the brand attribute. The average price premium that respondents were willing to pay was 10% – Fairtrade lovers even showed a willingness to accept a price premium of 36%. However, it has to be pointed out that the price premium at the time of the study for Fairtrade coffee in Belgium was 27% – which was only accepted by 10% of the sample (De Pelsmacker et al. 2005). Nevertheless, Didier and Lucie (2008) reported that consumers quoted a higher WTP on the sole basis of organic and Fairtrade labels compared to the demonstrated WTP in combination with tasting. This supports the notion that the Fairtrade initiative is indeed valued by consumers and rewarded through a higher WTP.

While positive CSR seems to lead to a higher WTP of consumers we also have to consider the impact of negative CSR and its influence on the corresponding WTP. Creyer and Ross (1997) for example reported that prosocial corporate behaviour is demanded by the consumer and considered during the purchase decision. In this sense although people stated that they would possibly also buy from a firm that applies immoral conduct they would only do so if the product prices would be lower. To put it in other words, disreputable companies would be punished through a lower WTP (Creyer and Ross 1997). This kind of punishment expressed through a lower WTP was also reported by for example Elliot and Freeman (2001) or Mohr and Webb (2005).

Hence, it can be expected that there is a positive relationship between CSR and the corresponding willingness to pay – hence, the third hypothesis is defined as follows:

H1: Positive CSR leads to a higher WTP than negative CSR.

3.2.2. Corporate Social Responsibility and Brand Attitude

Mohr and Webb (2005) but also Bhattacharya and Sen (2004) stated that companies may encourage more positive company evaluations by incorporating ethical values and issues. This was corroborated by Sen et al. (2006) who conducted a field experiment in corporation with a Fortune 500 consumer packaged-goods company. Basically, students of a large public university were informed through various channels (not only targeted at the students but also faculty members and the populace) that the said company is making a substantial gift for the university's education and development centre for underprivileged kids of the neighbourhood around the campus. To test for the influence of the company's prosocial efforts the students completed a two-phase survey. Hence, respondents were asked to participate in a web-based survey around two weeks before and two weeks after the announcement of the company's charity engagement. The outcomes of the experimental setting revealed that when being aware of a companies' social responsibility, individuals demonstrate more positive company-related associations (Sen et al. 2006).

The assumption that consumers develop a more favourable attitude towards firms that incorporate societal issues is also supported by Folkes and Kamins (1999) who conducted a study with undergraduate students and tested for the influence of moral and immoral conduct of companies with respect to child labour on the respondents' company evaluation. For the research respondents were subject to different scenarios regarding the ethicality of a telephone manufacturer and subsequently asked to fill in a questionnaire. There is evidence that corporate morality in terms of hiring practices has an impact on consumers' attitudes towards the firm in a way that prosocial behaviour elicits more positive attitudes compared to corporate social irresponsibility. This assumption also holds if the ethical action does not immediate effect a respondent (as in the case of child labour), if the immoral conduct is not forbidden in the respective country, if there is no pressure for social adjustment or affiliation (like in case of boycotts) or if ethicality does not influence the perceived product quality (Folkes and Kamins 1999). Providing support for these findings as well, Brown and Dacin (1997) reported that CSR has a significant influence on consumers' responses to product innovations through the overall company evaluation.

If we consider all these findings which suggest a positive relationship between CSR and brand attitude the second hypothesis is formulated as follows:

H2: Positive CSR leads to a higher BA than negative CSR.

3.2.3. Brand Attitude and Willingness to Pay

Keller (1993) stated that a consumer's overall attitude towards a brand is probably the most important aspect of brand image that influences the individual's response to the price of a product, wherefore consumers with a more favourable BA should actually demonstrate a higher WTP for the respective products. This is corroborated by Creyer and Ross (1996) who also suggest that there might be a positive relationship between a company's public image and the consumers' WTP for goods produced by that firm. In this sense, they stated that the lower the attitude towards and the perceived image of a brand, the lower is the corresponding WTP of the consumer (Creyer and Ross 1996).

Likewise, as already mentioned before, Sichtmann (2011) also reported a positive relationship between the attitude towards a company and the WTP of consumers. More precisely, her conceptual framework even revealed that a respondent's attitude towards the company fully mediates the relationship between CSR and the WTP – applying not only for positive CSR but also for corporate irresponsible behaviour. Hence, we also suggest a positive relationship between a consumers' individual BA and his or her corresponding WTP for the product at offer.

H3: The more positive the BA the higher is the WTP.

3.2.4. Mediation Framework

From the thirist three hypothesis it becomes apparent that all the three paths a, b, c (see Figure 5), which describe the direct and indirect relationship between CSR and WTP, operate in the same direction:

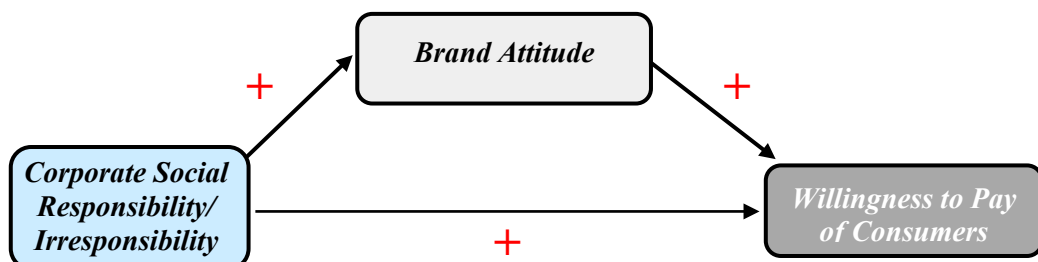


Figure 6: Mediation Framework of Conceptual Model

Sichtmann (2011) reported a complete mediation of the attitude towards a company regarding the influence of CSR on the WTP of consumers. But the constructs *attitude towards a company* and *brand attitude* are somewhat different and prior research findings suggest that – besides BA – there might be other constructs that have an (mediating) effect on the relationship between CSR and attitudinal and behavioural consumer patterns, like for example *purchase intention*. There is empirical evidence that ethically assured goods lead to a higher purchase intention by the consumers – under the condition that they are aware of the ethical component of the product (e.g. Mohr and Webb 2005; Sen et al. 2006). One can assume that the amount of money that an individual might be willing to spend for a certain product is, as logical consequence, dependent on the person's degree of purchase intention in a way that the higher the purchase intention the more money a person would be willing to spend. Such potential effects would be part of the total effect of our model, which refers to the sum of the direct and indirect path between CSR and WTP. To put it in other words, the direct effect would reflect all other possible mediation effects which are not accounted for in the model (Shrout and Bolger 2002).

Consequently, since in our model only one possible transformation process is considered, it is assumed that the direct relationship between CSR and WTP will not be reduced to zero when controlling for the intervening variable BA. Much more the question arises whether our model demonstrates a complementary mediation (Zhao et al. 2010), which refers to the situation where both the direct and indirect effect are significant when considering the mediator in the model, or a partial mediation (Baron and Kenny 1986), where a significant direct effect becomes not significant when controlling for the mediation effect (which in turn is significant). Hence, the underlying conceptual framework for this study suggests mediation, but complementary or partial rather than complete, wherefore the next hypothesis is formulated as follows:

H4: The relationship between CSR and the WTP is mediated – but not completely – through BA.

3.3 *Negativity Bias*

Several studies emphasize a greater sensitivity of consumers to corporate social irresponsibility in comparison to ethically favourable behaviour of companies (e.g. Bhattacharya and Sen 2004). More precisely, it was found that negative CSR is most

likely sanctioned – independently of the personal attitude towards social and environmental concerns – while positive CSR is only supported and rewarded by people who are strongly committed to the specific social or environmental concerns (e.g. Sen and Bhattacharya 2001). Some researchers even claim that the appreciation and reward of corporate ethicality by consumers is vanishing while the sanctioning of unethical behaviour through e.g. the demand of lower prices is increasingly gaining importance (e.g. Creyer and Ross 1996; Mohr and Webb 2005; Trudel and Cotte 2009; Elliott and Freeman 2001). Folkes and Kamins (1999) corroborate this negativity bias also with respect to CSR and related company evaluations.

Prospect Theory

This higher sensitivity regarding information about a company's immoral conduct compared to prosocial corporate activities is – as already highlighted by Elliott and Freeman (2001) or Hartmann (2011) – consistent with the prospect theory of Kahneman and Tversky (1979). The *prospect theory* is an alternative model to the *expected utility theory* which demonstrates a model of decision-making under risk. More precisely, prospect theory refers to a choice situation in which probabilities, which are used in expected utility theory to weight the utilities of outcomes, are replaced by decision weights. Accordingly, gains and losses are assessed on the basis of a (neutral) reference point which is usually consistent with the individual's current pecuniary circumstances or the status quo. Hence, gains and losses are equated with the amount that is actually received or paid and furthermore considered as the crucial outcome component, rather than final assets and states of wealth. Regarding the evaluation of gains and losses Kahneman and Tversky report a certain asymmetry whereupon losses outweigh equivalent gains (Kahneman and Tversky 1979).

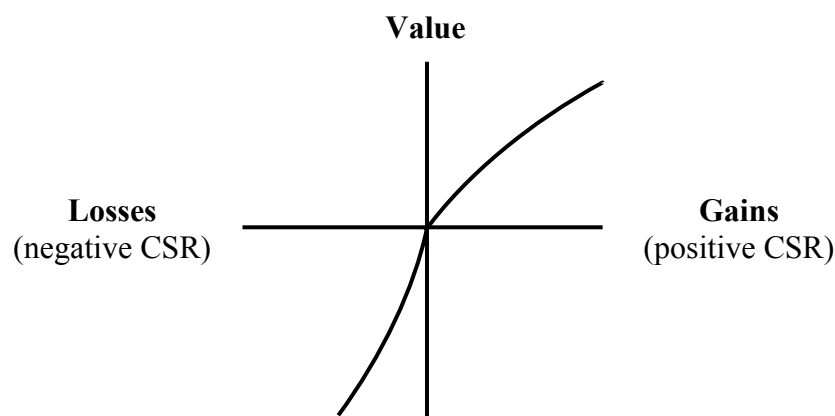


Figure 7: Hypothetical Value Function (Kahneman and Tversky 1979)

As illustrated in *Figure 7* the value function is concave for gains and convex for losses in both a riskless and risky context, and in general steeper for losses (which could be compared to a company's unmoral conduct) than for gains (which can be referred to positive CSR). Consequently, the perception of the difference between two options depends on framing and interpretation: more importance will be attached to a discrepancy if it is considered as disadvantage of one option over the other rather than an advantage. Furthermore, the reference point demonstrates the region where the S shaped value function shows the steepest slope. Each outcome value – expressed as gain or loss – is then multiplied by a decision weight, which “*measure[s] the impact of events on the desirability of prospects, and not merely the perceived likelihood of these events*” (Kahneman and Tversky 1979, p. 280), in order to make a choice between different prospects (Kahneman and Tversky 1979; Tversky and Kahneman 1981).

Applying this theory to CSR would allow the assumption that unmoral corporate conduct is considered by the consumers as kind of non-compliance with the reference point, which in turn could have way more negative consequences compared to the benefits of prosocial corporate behaviour (Kahneman and Tversky 1979; Hartmann 2011).

Furthermore, Mohr and Webb (2005) found that in the absence of information about a company's ethicality, consumers evaluate this firm relatively positive. This could be traced back either to the fact that in absence of CSR information people do not think about prosocial behaviour or the presumption that the company is probably behaving ethically correct (Mohr and Webb 2005). However, this may also be an indication for the suggested imbalance regarding the impact of positive and negative CSR information on attitudinal and behavioural consumer patterns. Since it can be assumed that people believe – as a matter of principle – in ethically correct behaviour of firms unless they are taught otherwise, immoral conduct might have a great impact on attitudinal and behavioural consumer pattern. In case of high CSR on the contrary people may see their expectations confirmed and consequently not reward positive CSR as much as they sanction negative CSR. Consequently, we also expect a negativity bias regarding CSR and its influence on attitudinal and behavioural consumer patterns.

H5: Negative CSR has a stronger impact on a.) BA and b.) WTP than positive CSR.

3.4 Moderation

Moderators are basically any third variables that affect the direction and/or the strength of a relation between an independent predictor variable (such as in our case the exposure to CSR information about a firm) and a dependent outcome variable (such as BA or the WTP in our model). Essentially, a moderating effect can be referred to as an “*interaction whereby the effect of one variable depends on the level of another*” (Frazier et. al 2004, p.116). Moderation variables basically reveal under which circumstances a certain relationship of interest (like the influence of CSR on the WTP) is stronger for one person than for another (Baron and Kenny 1986; Frazier et. al 2004).

The conceptual framework of this study combines basically mediating and moderating effects and demonstrates a *direct effect and first stage moderation model* which is demonstrated in the following (Edwards and Lambert 2007):

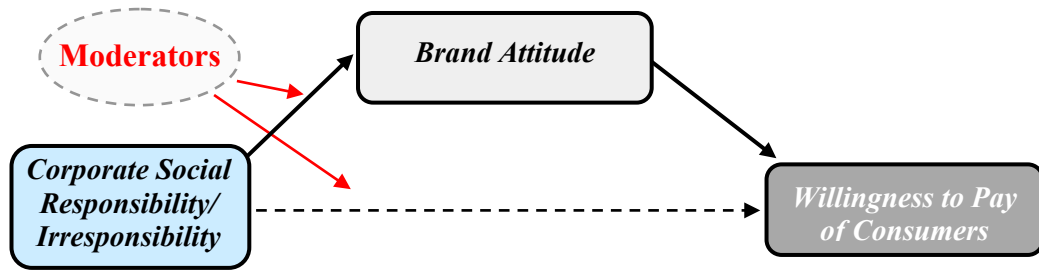


Figure 8: Direct Effect and First Stage Moderation Model

Applying a direct effect and first stage moderation model to our conceptual framework means that a possible moderating effect of the selected moderator variables applies not only to the direct effect of CSR on the WTP of consumers, but also the first stage of the indirect (mediated) effect of CSR on BA (Edwards and Lambert 2007). In the following, the contingent moderating role of the five variables which are included in our conceptual framework will be discussed with reference to previous research findings, whereupon reasonable hypotheses will be derived.

3.4.1. Genuine Concern Attributions

Green and Peloza (2011) state that there is a certain *quality stigma* which refers to the consumers assumption that ethically assured goods are usually of worse quality. More specifically, it is believed that products which are socially desirable or acceptable shall compensate for e.g. worse quality or taste (Green and Peloza 2011). This result is

reinforced by Van Doorn and Verhoef (2011) who indicate that especially hedonic product categories are perceived to be of deficient quality when being subject to CSR. However, this negative trade-off belief is prevalently observed in consumer segments with a low degree of CSR support (Sen and Bhattacharya 2001). However, these findings support the assumption that consumers may wonder about the motives of firms to engage in societal and environmental issues – since prosocial corporate activities cause (high) investments to companies. In this context, Öberseder et al. (2011) highlights the decisive role that consumer perceptions regarding the motives of companies to pursue CSR activities play for the consumer response to CSR efforts.

For a considerable group of people prosocial corporate behaviour is not credible at all since they assume that companies pursue CSR only because of self-seeking interests rather than sincere concerns about social or environmental evils. But the majority of people believe that firms at least attempt to make an ethically valuable contribution by CSR activities, although again only few people believe in altruism being the main motivation for companies to incorporate ethical issues (Mohr et al. 2001). Folkes and Kamins (1999) argue on empirical grounds that consumers' perception of firms' motives to act in a socially desirable way influences the company evaluation. Hence, prosocial behaviour that is perceived to originate from sincere concerns regarding societal issues (also referred to as *intrinsic motives*) is more likely to be favoured compared to companies whose ethicality is solely driven by *extrinsic motives*. In this respect Laroche et al. (2001) stated that companies who are perceived to pursue prosocial activities solely out of hypocritical motives are more likely to be exposed to consumer boycotts.

According to Sen et al. (2006) the influence of CSR on company associations and behavioural outcomes is moderated by the *attributions*⁴ that an individual makes regarding a company's motives and attempts to pursue ethically desirable activities. Basically, such attributions describe a consumers' likeliness to positively respond to CSR activities (Bhattacharya and Sen 2004).

To sum it up, it can be assumed that the higher the belief in genuine concerns of companies, the more positive prosocial corporate behaviour is evaluated which on the

⁴ "Attributions refer to causal reasoning consumers engage in when trying to understand a company's CSR activities." (Bhattacharya and Sen 2004, p. 14)

other hand leads to more positive company associations and more favourable behavioural consumer patterns (Sen et al. 2006).

H6: The more positive the genuine concern attributions, the stronger is the influence of CSR on a.) BA and b.) WTP.

3.4.2. Support of the CSR Domain

Sen and Bhattacharya (2001) revealed that the support and preference of a company's CSR domain – which refers to the spectrum of activities in a certain field – is considered to be an important determinant regarding the evaluation of Corporate Social Responsibility and hence, plays a key moderating effect on consumers' response and reactions to prosocial corporate behaviour. Considering that on average customers have a favourable attitude towards companies that pursue prosocial activities, Bhattacharya and Sen (2004) concluded that the influence of positive CSR on the attitude towards a company is even stronger for consumers that have personal ties to the cause subject of a firm's CSR efforts. Support for the cognition of Sen and Bhattacharya is provided by Öberseder et al. (2011) or Mohr and Webb (2005) who reported that CSR has a stronger effect on purchase intention and company evaluation if the respondents place personal importance on the CSR domain addressed by the firm.

Öberseder et al. (2011) found that the fact whether information about CSR can be reconciled with personal concerns has an influence on the evaluation of corporate prosocial activities and subsequently also on purchasing decisions. In this context, Bhattacharya and Sen (2004) indicated from their study that respondents who demonstrated a the WTP of a certain price premium were strong supporters of the firms' CSR issues – especially with respect to cause-related marketing activities where the consumers got a direct notion of the respective cause. Didier and Lucie (2008) revealed the same tendency although they could not support this theory with significant results. However, Loureiro and Lotade (2005) reported that the Fairtrade label – which basically refers to social aspects – leads to a higher WTP compared to an organic label – which concerns environmental issues. And De Pelsmacker and Janssens (2007) argue that in case of Fairtrade the attitude towards this initiative (both positive and negative) considerably influences the buying behaviour for these products while the attitude towards ethically assured goods in turn depends on the *perceived consumer effectiveness* (Vermeir and Verbeke 2006; De Pelsmacker and Janssens 2007).

Perceived consumer effectiveness can be explained – according to Vermeir and Verbeke (2006) – as the extent of personal belief, that social responsible buying behaviour makes a contribution to the improvement of social and ethical evils or the solution of a specific problem.

All these findings support the assumption that the support of a company's CSR domain moderates the relationship between corporate social responsibility and its translation into attitudinal and behavioural consumer patterns wherefore the next hypothesis is formulated as follows:

H7: The higher the support of the CSR domain the stronger is the influence of CSR on a.) BA and b.) WTP.

3.4.3. CSR as Buying Criteria

The term *socially conscious consumer* can already be traced back to the early 1970s when for example Webster (1975) defined it as “*a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social change*” (p. 188). According to Fullerton et al. (1996) consumers show in overall a high level of ethicality and it can be said that basically, consumers develop the attempt not only to fulfill their immediate needs through consumption but also consider societal and environmental issues when it comes to purchase decisions (Ha-Brookshire and Norum 2011). Based on focus group interviews Bhattacharya and Sen (2004) found that engaging in prosocial consumerism even leads to an enhancement of the general well-being and that – according to Gielissen (2011) – consumers who bought ethically produced goods do not feel like as if they have fulfilled their moral duty, and hence do not need to buy further socially desirable products.

Basically, consumers have the possibility to express their own level of social responsibility and the appreciation of prosocial corporate behaviour through ethical consumption (De Pelsmacker and Janssens 2007; De Pelsmacker et al. 2005). According to Mohr et al. (2001) we can distinguish between four major consumer segments: *precontemplators*, *contemplators*, *the action group* and *maintainers*. Precontemplators do not consider CSR when making a purchasing decision – Roberts (1996) also revealed that many people give only little or even no concern about social

and environmental evils and the consequences of their consumption patterns on society – while contemplators are at least familiar with CSR and give some thoughts about it, but in the end no translation into buying behaviour takes place. Individuals belonging to the action group are characterized by comprehensive knowledge and stronger belief about CSR although again it does not influence the purchasing decision. Only the fourth group, the maintainers, can be assumed to actually apply socially responsible consumer behaviour (Mohr et al. 2001).

Mohr and Webb (2005) found that in case of a high degree of *socially responsible consumer behaviour* (which is according to Mohr et al. 2001 (p. 47) defined as “*basing [one’s] acquisition, usage, and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society*”) the influence of CSR on purchase intention and company evaluation seems to be stronger – although the results were not significant and depended on the CSR component whether it referred to environmental or philanthropic issues. However, they concluded that this tendency could be an indicator for the fact that socially-minded consumers care more about corporate behaviour compared to people who do not care so much about social responsibility and hence, respond more strongly to information about corporate social responsibility or irresponsibility respectively (Mohr and Webb 2005).

Boulstridge and Carrigan (2000) who conducted a study based on focus group discussions but also for example Roberts (1996) confirm that socially responsible consumers who consider a firm’s ethicality when making purchasing decisions do exist, although they represent only the minority. Basically, CSR generates three different kinds of values for consumers: emotional, social and functional values (Sheth et al. 1991; Green and Peloza 2011). In this sense, emotional values refer to the good feeling after purchasing a socially desirable product, while social values describe the fact that the purchasing behaviour of an individual gives an idea about his or her personality and may be judged by the society. The functional value refers more or less to the benefit that an individual achieves from buying a certain product – e.g. an electronic car does not make as much noise as a gasoline engine. These three value constructs are not mutually exclusive which means that one value generated by CSR may enhance the other (two) values – and vice versa (Green and Peloza 2011).

And indeed, many researchers already concluded that prosocial corporate behaviour is valued by the consumers who consider ethical and socially desirable product attributes when making a purchase decision (e.g. Auger et al. 2003; Gielissen 2011; Creyer and Ross 1996 and 1997). Bezençon and Blili (2010) argue that when it comes to ethically assured products not only a consumers' involvement regarding a certain product or the respective product category but also the *ethical product decision involvement* has to be taken into consideration. More precisely, they suggest that *ethical product adherence* which is defined as “*the extent to which consumers buy ethical products because of their underlying ethical principles*” (Bezençon and Blili 2010, p. 1309) serves as predictor for this second dimension of involvement.

Definition of Involvement

Involvement – also referred to as *perceived personal importance* (Vermeir & Verbeke 2006) – describes a certain kind of motivation that is playing a decisive role in a consumer's decision-making-process. Basically, involvement comes into play if a (tangible or intangible) product or message is perceived to contribute in meeting basic needs or aspirations and hence is personally relevant and important for the consumer (Vermeir & Verbeke 2006, Jobber 2010). Involvement is driven by four parameters, talking about the self-image of a person, the perceived risk of a purchasing decision (which usually increases with the price of a product/service), social factors (such as e.g. the belonging to a social group) and hedonistic influences which refer to the degree of pleasure that a certain purchase will cause. If the level of involvement is high then the consumer applies *extended problem-solving* which also involves extensive information search. *Habitual problem-solving* on the contrary would apply if a consumer makes repeated purchases with little or no attention to and evaluation of existing alternatives, which is usually the case with low involvement products (Jobber 2010).

Consequently, it can be assumed that if a person is highly involved in the buying process – and thus applies extensive information search – the likelihood that the consumer perceives socially and ethically desirable product attributes increases, and thus moderates the influence of a firm's ethicality on attitudinal and behavioural consumer behaviour.

Hence, we can expect that the importance that an individual places on socially desirable product attributes as buying criteria moderates the influence of CSR information on the WTP and formulate the next hypothesis as follows:

H8: The higher the importance of CSR as decision criteria the stronger is the influence of CSR on WTP.

3.4.4. Socio Demographic Data

There is empirical evidence that the response to CSR initiatives is dependent on demographic characteristics (e.g. Auger et al. 2003; Mohr et al. 2001; Öberseder et al. 2011). Auger et al. (2003) conducted a two stages research – an ethical disposition survey followed by a choice experiment – to assess whether there do exist ethically orientated customers and if so which impact social product features have on the purchase intention of these group of people. For the study two different products (athletic shoes and bar soap), were used and the sample consisted of undergraduates, MBA students and people who support Amnesty International of the two countries Australia and Hong Kong. Results showed that on average the supporters of Amnesty International placed higher importance on social and ethical product attributes rather than the undergraduates and MBA students. Furthermore, demographic variables such as age, gender, marital status, ethnicity, income and education turned out to significantly influence the impact of CSR.

Loureiro and Lotade (2004) also found that women with an income above average who place high importance on ethical issues are more receptive to CSR activities and demonstrate higher WTP. This is reinforced by Ha-Brookshire and Norum (2011) who reported in their research paper that women showed a higher WTP for sustainable cotton shirts. Roberts (1996) also stated that gender but also income and age determine the extent of an individual's social responsibility whereby females showed a higher social consciousness compared to males. Laroche et al. (2001) found that women on average display a higher consciousness about environmental issues compared to men and are more frequently willing to pay higher prices for environmentally desirable products (also referred to as *green products*).

With respect to an individuals' income Öberseder et al. (2011) suggest that in order to consider CSR activities in the purchase decision, certain financial capabilities are a

prerequisite. In accordance with Gielissen (2011) who reported that ethical products are considered to be more expensive, the interviewed respondents by Öberseder et al. (2011) also stated that they consider ethically produced goods intuitive to be more expensive. Furthermore, older consumers were characterized by a higher degree of moral principles while income had a negative influence on a person's social responsibility. In this sense, people with a higher income demonstrated a lower level of ethicality compared to those earning less (Roberts 1996). This is also in line with the findings of Fullerton et al. (1996) who reported that ethical concern is determined by age, education and income. Among the 362 respondents (ranging from 29 years and younger to 70 years and older) who participated in their questionnaire-based study regarding ethical consumer behaviour with focus on corporate social irresponsibility, the eldest people with the least education and income turned out to be the ones with the highest level of ethical concern.

Based on these prior research findings it is assumed that gender and income might have an impact on the relationship between CSR and WTP. Since the majority of researchers reported that women seem to be more receptive to ethical and societal issues compared to men, we also suggest that gender plays a mediating role for the influence of CSR on WTP. Regarding consumers' income – where prior research findings are somewhat equivocal – the hypothesis is expressed in an exploratory setting:

H9: The influence of CSR on a.) BA and b.) WTP is stronger for women.

H10: Income has an influence on the relationship between CSR and the WTP.

3.5 Conceptual Model

With reference to the previous subchapters which were aimed to stepwise develop the framework for this study, the following figure illustrates the underlying conceptual model which combines the main pathway of interest – the influence of CSR on the WTP of consumers – as well as the supplementary mediation and moderation effects:

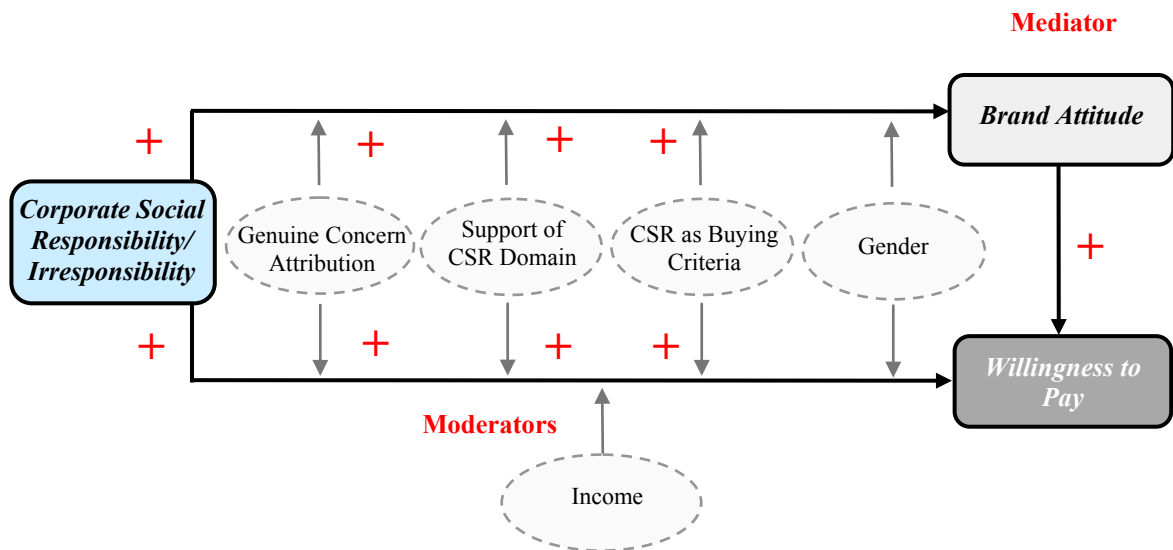


Figure 9: Conceptual Model

According to the preceding literature review, the majority of effects in the conceptual model is assumed to point into the same direction (this is marked by the red crosses which refer to a positive relationship). With respect to the moderating role of gender the derived hypothesis suggests that women are more influenced by CSR than men and regarding the moderator income the underlying hypothesis was formulated in an exploratory setting.

4 Empirical Study

In the following main chapter the data collection process with respect to methodology and sample composition will be presented. Furthermore, some manipulation checks regarding the experimental setting as well as the measurements and constructs of the underlying conceptual model will be subject of this sequence, before in a last step the data analysis and testing of the predefined hypotheses will be presented.

4.1 Methodology

The data collection was divided into two parts, talking about a Vickrey Auction – in order to assess the WTP of consumers regarding an USB flash drive in dependence of positive, negative or no CSR information – and an accompanying questionnaire to control for the validity and reliability of the experiment, as well as to capture the mediator and moderator variables which are part of the underlying conceptual framework.

4.1.1. Part 1 – Vickrey Auction

As already discussed in chapter 2.2 *Willingness to Pay* the basic rationale behind a Vickrey Auction is that the person who states the highest bid wins the auction but has to pay only the amount of money of the second highest bid (Schreier and Werfer 2007; Wertenbroch and Skiera 2002; Völckner 2006; Sichtmann 2011). The object under investigation was a USB flash drive of a fictitious brand while the stimuli for the experimental setting referred to artificially manipulated newspaper articles.

4.1.1.1. Object of Sale

Basically, the literature distinguishes regarding the nature of a product between utilitarian and hedonic products. Although consumers characterize products as primarily hedonic or primarily utilitarian some products contain both hedonic and utilitarian product dimensions (Wertenbroch and Dhar 2000). In this sense, Okada (2005) conceptualizes the both dimensions as a summary construct.

Wertenbroch and Dhar define hedonic products “*as ones whose consumption is primarily characterized by an affective and sensory experience of aesthetic or sensual pleasure, fantasy, and fun*” (Wertenbroch and Dhar 2000, p. 61). In this sense, hedonic products are likely to be subject of want preferences. Utilitarian goods on the other hand

are defined as products “*whose consumption is more cognitively driven, instrumental, and goal oriented and accomplishes a functional or practical task*” (Wertenbroch and Dhar 2000, p. 61). These products are more likely to be characterized by should preferences (Wertenbroch and Dhar 2000).

Since this study follows in the first place the suggestion of Sichtmann (2011) to apply her experimental research setting to another product, it was aimed to use a utilitarian rather than hedonic product (like e.g. chocolate, which was used in the study of Sichtmann). Hence, the subject of investigation for this study was a USB flash drive which is presented below:



Figure 10: USB Flash Drive subject to Vickrey Auction

The decision to use a USB flash drive as object under investigation was based on the nature of the respondents. Since the study participants were students it was important to offer a low-priced utilitarian product that they can easily afford and which they might be interested in. According to this, a USB flash drive was considered to be a good choice since it is frequently used by students and can be bought at an appropriately favourable price in any ordinary electronics or computer shop. Hence, it was assumed that the students could also easily assess the (monetary) *value* of the product at offer.

The USB flash drive was branded with the logo of a fictitious brand, called *KonneXion* (see 4.1.1.2. *Fictitious Brand*), on the one side and the name of the device, called *StoreXpress 3.0*, on the other side of the product. In this sense, customary USB flash drives of a well-established existing brand – in accordance with the technical requirements described in the newspaper article (see 4.1.1.3. *Newspaper Article as CSR Stimuli*) – was adjusted with the fictitious brand logo (see *Figure 10*).

4.1.1.2. Fictitious Brand

To achieve unbiased results without any prejudice regarding an existing brand, a fictitious brand was created. According to Low and Lamb (2000) fictitious brand names

heighten the experimental control in brand association studies since influences of previous and established brand associations can be avoided and do not affect the measurement process. Furthermore, Sichtmann (2011) for example also used a fictitious brand for her study regarding the influence of CSR on the WTP of consumers.

For this study, the fictitious brand KonneXion – a Swiss producer of USB flash drives – was invented. The logo was basically kept very simple and held in black, white and especially red, in order to underline the brand origin (the flag of Switzerland is basically red with a white cross in the centre). The company was introduced as a Swiss manufacturer of USB flash drives, since Switzerland is usually not correlated to electronic goods. It was aimed to prevent any typical stereotypes like Swiss chocolate, German cars or Italian pasta since the influence of country of origin (COO) cues was not of interest for our study. However, some COO cue was necessary to increase the credibility of the manipulated newspaper article. If we would have introduced an Austrian fictitious brand to the respondents this would have probably lead to lower credibility since the students of the University of Vienna – which comprised our sample (see 3.2. *Respondents and Sample Size*) – usually know well-established Austrian brands. Thus, an imaginary Austrian brand would most likely have been immediately identified as fake product and probably have lead to biased results.

4.1.1.3. Newspaper Article as CSR Stimuli

The Vickrey Auction was based on a freely invented newspaper article that provided the respondents with information about the object at offer as well as the manufacturer of the product. In order to account for the CSR manipulation three different articles with either positive negative or no information about a company's ethicality were created.

Basically, the newspaper article with the title *“The flood wave of electronic data and its wide-spread impact”* followed the structure of Sichtmann (2011) – who wrote a newspaper article regarding chocolate and the bad working conditions of cacao farmers – and dealt in a first step with the growing market of storage media and more precisely the unmanageable offer of USB flash drives. In order to give the respondents some information about the product itself, the second paragraph of the article referred to the Association for Customer Information which recently tested several USB flash drives of well-known brand manufacturers regarding their functionality and quality. The Association for Customer Information is an independent, non-commercial consumer

organization – situated in Vienna – that frequently conducts comparative testing of products and services in order to give the consumers information about the quality⁵ (Verein für Konsumenteninformation 2012). The overall quality of the USB flash drive was described as “good” according to the test result of the Association for Customer Information for all the three different versions of the article. This is because, as already discussed within the frame of the conceptual model, prior research revealed that CSR only influences attitudinal and behavioural consumer patterns if the quality of the product is high and no trade-offs have to be made (e.g. Bhattacharya and Sen 2004; Auger et al. 2003; Gielissen 2011).

After the presentation of the test results the article leads over – for the two versions with either positive or negative CSR information – to the unfavourable working conditions for the people employed at the production sites of electronic companies in less developed countries, like e.g. Sri Lanka or India, before in a next step the reader gets information about how the firm KonneXion complies with the guidelines of the Fairtrade Labeling Organization (see *2.1.2. Dimensions of CSR used for this Study*). For the positive CSR scenario the company KonneXion is described as ethically correct company that treats its employees at the production site in Sri Lanka in a preferable way and thus comes up with the requirements and standards of the Fairtrade Labeling Organization. More precisely, the company grants its workers at the production site in Sri Lanka a fair compensation above the statutory minimum wage but also opposes child labour, pursues various activities in women promotion, supports the expansion of the local educational system and focuses on environmentally compatible production processes. In the article which is aimed to induce negative CSR cues KonneXion is presented as a firm that does not meet the obligations for a fair compensation of workers in less developed countries, and causes negative headlines in the field of child labour, advancement of women and the expansion of the educational systems, which is absolutely not in accordance with the guidelines of Fairtrade. The newspaper article for the control group on the other hand contained only the introductory paragraph and test results of the Association for Customer Information but no information at all about the working conditions at the production sites in less developed countries, neither in general nor with respect to KonneXion.

⁵ For further information see also www.konsument.at.

4.1.2. Part 2 – Associated Questionnaire

The purpose of the accompanying questionnaire for the Vickrey Auction was to ensure the reliability and validity of the experimental setting and to capture the data for the underlying measurements of the conceptual model. The questionnaire was pretested by five students who did subsequently not participate in the study. Based on their feedback some wordings of the questionnaire were slightly adapted in order to ensure a clear understanding of the instructions and questions.

Initially, the respondents were asked some general questions to capture a first overall impression regarding the credibility of the newspaper article and the attitude towards the brand KonneXion as well as the USB flash drive. In a second step the understanding of the principles of a Vickrey Auction was assessed since this is a necessary precondition for the experimental setting. Furthermore, some questions regarding the reliability of the stated bid were included in the questionnaire as well as some more manipulation checks for the newspaper article which served as stimuli. The third main part dealt with the product category of USB flash drives, whether it is perceived to be more utilitarian or hedonic in nature, how the respondents' buying behaviour with respect to such electronic devices looks like – also regarding the importance of CSR – and how much they are interested in this product category. Then some manipulation checks regarding the fictitious brand KonneXion were included before in a next step the overall brand attitude was assessed. The next main section of the questionnaire dealt with the respondents' attitude regarding Corporate Social Responsibility, especially with respect to the Fairtrade initiative, before in a last step the respondents were asked to indicate some socio demographic data.

4.2 Data Collection

In a first step, the respondents that took part in the experiment – which was conducted during lectures held by professors of the Chair of International Marketing at the University of Vienna – received some documentation with precise instructions for the Auction. In this sense, the participants were informed on the first page about the principles of a Vickrey Auction and the fact that the auction demonstrates a real purchase situation, which means that the winner has to buy the product at offer if he or she makes the highest bid. Furthermore, the participants were informed that later on – after the Auction – they will receive a questionnaire which is related to the experiment.

The second page of the documentation contained one of the three different newspaper articles with either positive, negative or no CSR information. Care was taken to ensure that respondents who were sitting next to each other did not receive the same article and that the three different versions were evenly distributed. The respondents were asked to carefully read through the article before turning the page where the product at offer was described including some technical data as well as a picture of the product. In addition, the students had the opportunity to take a look at the offered product, touch it or examine it regarding design features. In order to ensure the understanding of the experimental setting, the principles of the Vickrey Auction were described once more before the respondents were asked to write down the amount of money that they are willing to pay for the product at offer. To determine a winner in the end, the participants were also asked to fill in their name. Through their signature on the documentation the respondents confirmed that they are aware of the real purchase situation and that their bid is binding. Afterwards the documentations were collected by the researcher who then determined the winner of the auction. In the meanwhile the respondents were handed out the accompanying questionnaire – the second part of the experiment. After all the respondents returned the duly completed questionnaires to the researcher the winner of the Vickrey Auction was announced.

In order to match the first documentation – which contains the CSR cue that the respondent was subject to as well as the respective WTP – and the subsequent questionnaire, the respondents were asked to state on every documentation a certain code which was composed of the first two letters of their first name, the last two numbers of their matriculation number and the first two letters of their second name (for example a student with the name Sonja Schneeberger and the matriculation number 0904706 would write down the code *SO06SC*). However, it has to be pointed out that since the students had to fill in their name in the first documentation – in order to determine a winner of the auction – the experiment was not really anonymous, wherefore the participants were informed at the beginning of the experiment that the collected data will be used only for academic purpose and remain strictly confidential.

4.3 *Respondents and Sample Size*

The study was conducted with students of the University of Vienna. Although student samples are characterized by high homogeneity and low external validity there are several arguments for the usage of students for this study. Greenberg (1987) for

example argues that the generalizability of organizational research findings gained from any sample – not only student samples which are characterized by high homogeneity – might be limited. In this context he points out that even if a sample represents the population of interest, generalizability cannot be ensured. Greenberg states furthermore that the external validity cannot be achieved only by a single study and requires comparison over different studies. But student samples may provide valuable insight into psychological processes and form the basis for future research (Greenberg 1987). Furthermore, according to Sichtmann (2011) a student sample bears two important advantages. First of all, students display a homogenous group which in turn improves the internal validity of the research results. Secondly, since a Vickrey Auction is a complex research method with high time expenditures the composition of a representative sample would be too intricate with respect to temporal, financial and organizational issues. And furthermore, several other researchers who conducted studies in the field of CSR and the WTP used student samples as well (e.g. Auger et al. 2003; Vermeir and Verbeke 2006; Arnot et al. 2006; Sichtmann 2011) – hence, the results from this study can be compared to prior research findings.

Within the frame of this study, a Vickrey Auction with 6 different groups was carried out. With between 19 and 30 people per group in overall 138 students participated in the study. People who stated a bid of 0 euros – which demonstrates kind of disinterest or unwillingness to participate in the study – or did not understand the principles of a Vickrey Auction (which was assessed towards the questionnaire) were removed from the sample, leading to a final sample size of 122 respondents.

Out of these 122 respondents 36 were subject to the negatively connoted newspaper article, 45 people read the article with positive CSR information and the control group consists of 41 participants. It was intended to achieve equality of the group sizes but since the questionnaires of respondents who stated either a bid of zero euros or did not fully understand the principles of a Vickrey Auction were dropped from the study, the group sizes vary and range from 16 to 28 people. The composition of the six different groups with respect to the distribution of the three different versions of the newspaper article is presented in the following table:

		Manipulation of the Newspaper Article			Total
		Positive	Neutral	Negative	
Group Number	1	7	9	3	19
	2	11	7	10	28
	3	10	7	8	25
	4	6	6	6	18
	5	6	5	5	16
	6	5	7	4	16
Total		45	41	36	122

Table 1: Sample Distribution of CSR Treatments

The sample consists of 76 women and 44 men (two respondents did not indicate their gender) whereof 111 are single, 7 are married and one is divorced (three values were missing). Out of the 122 respondents 49 already held a university degree and 68 had a high school diploma. Regarding the monthly income – since many students do not have an income in the narrow sense the question was formulated as “*money at your disposal before deduction of all living costs*” – it can be said that the majority fell into the categories between 0 and 899 euros (0-299 euros: 20; 300-599 euros: 36; 600-899 euros: 37). 17 people indicated an income between 900 and 1,199 euros, 6 participants numbered their monthly revenues as between 1,200 and 1,499 euros while only 3 respondents stated an income of more than 1.500 euros.

4.4 Manipulation Checks and Measurements

Since the study is based on an artificially induced research setting – the CSR stimuli was manipulated through a newspaper article – the questionnaire included some specific questions that shall give some information about the effectiveness of the manipulation of the study design. Furthermore, the measurements of the variables included in the conceptual model will be presented.

4.4.1. Vickrey Auction

First of all, it can be reported that the winners of all the six Vickrey Auctions meet his or her obligation and bought the USB flash drive, which gives already an implication that the participants understood and respected the principles of a Vickrey Auction (Schreier and Werfer 2007). Although the mechanism of a Vickrey Auction implies that the winner of the auction has to buy the product at offer at the price of the second highest bid, the winners of the auction had to pay only the wholesale price of the USB

flash drive, since it was not aimed to make any profit by selling the USB flash drive at a higher price. In order to avoid any strategic issues which might be imposed by budget constraints (Ausubel & Milgrom 2004), the winners were told that after they won the auction.⁶

Understanding of Principles and Strategic Bidding

The instructions of the Vickrey Auction were perceived by the respondents to be clear and understandable (M=6.34, SD=1.13; 7-point Likert Scale). To verify the respondents' understanding of the principles and rules of a Vickrey Auction a short example was introduced (Schreier and Werfer 2007; Sichtmann 2011): "*Person A makes a bid of EUR 2, person B bids EUR 3 and person C makes a bid of EUR 2.50*". Based on this the students were asked to indicate who is going to win this auction and at which price. Since the correct understanding of the principles of a Vickrey Auction is a precondition for the experimental setting, 9 respondents who indicated incorrect answers and hence did not fully understand the rules of a Vickrey Auction were excluded from the dataset. Hence, the percentage of correct answers for these two questions of the final 122 respondents that constitute our sample is 100%. In addition, the respondents were on average aware of it that the bid they stated was binding and that the auction demonstrated a real purchase situation.

Understanding of the Principles of a Vickrey Auction (Schreier and Werfer 2007; Sichtmann 2011)	
In my opinion, the instructions for the Vickrey Auction were clear and understandable.*	Mean 6.34; SD=1.13
Person A makes a bid of EUR 2, person B bids EUR 3 and person C makes a bid of EUR 2.50. a. Who is going to win the Vickrey Auction? b. At which price?	a.) 100% right b.) 100% right
I am aware of it that my bid is binding.*	Mean 6; SD=1.55
I am aware of it that this auction is a real purchase situation.*	Mean 6.35; SD=1.23
* 7-point Likert Scale: 1 (strongly disagree) – 7 (strongly agree)	

Table 2: Understanding of the Vickrey Auction

⁶ According to the second highest bid all the winners of the several Vickrey Auctions would have had to pay a higher price.

Reliability

According to Schreier and Werfer (2007) the assessment of reliability is based on the analysis of the average WTP between different groups (inter subject comparison) and a self-evaluation regarding the stated bid of the respondents (also referred to as intra subject comparison).

Regarding the inter subject comparison it can be reported that there were no significant differences in the average willingness to pay of consumers between the six research groups, $F(5,116) = 1.54$, $p > .05$. Furthermore, on average the respondents indicated that even if they would have had thought longer about the amount of money that they were willing to pay for the product at offer they probably would not have stated a different price. And if they would have had the chance to make another bid the respondents agreed on average that they would have stated the same amount of money which indicates a satisfactory level of reliability.

Reliability (Schreier and Werfer 2007; Sichtmann 2011)	
If I would have thought longer about the amount that I am willing to pay for this product I might have stated a different price. *	Mean 3.34; SD=2,07
If I could make another bid I would state exactly the same amount of money.*	Mean 5.20; SD=1.83
* 7-point Likert Scale: 1 (strongly disagree) – 7 (strongly agree)	

Table 3: Reliability of Vickrey Auction

Face Validity

In order to assess whether the results are plausible in respect of content the face validity – which describes the semantic accordance between the measuring instrument and the relevant construct – regarding the stated product interest and purchase probability was controlled. In this respect, to confirm face validity significantly positive correlation coefficients with the WTP are required (Schreier and Werfer 2007).

The following table shows the respective correlation coefficients which are significantly positive for both the product interest and purchase probability which means that face validity of the collected data is given.

Face Validity (Schreier and Werfer 2007; Sichtmann 2011)	
I have a high interest in USB flash drives.*	$r_s = .281, p < .01$
How likely is it that you will buy a USB flash drive within the next 6 months?** (very unlikely / very likely)	$r_s = .230, p < .05$
If you have the intention to buy a USB flash drive, how likely would it be that you choose an USB flash drive of KonneXion among all the products offered in a commercial store?** a. very unlikely – very likely b. not probable at all – very probable	a. $r_s = .188, p < .05$ b. $r_s = .189, p < .05$
* 7-point Likert Scale: 1 (strongly disagree) – 7 (strongly agree) ** 7-point Semantic Differential Scale – the two endpoints are presented WTP is not normally distributed: $KS(122) = 2.43, p < .001$; the table shows Spearman's Correlation Coefficients	

Table 4: Face Validity

Internal and External Validity

The internal validity basically describes the level of univocal interpretability – which is tested through the analysis of market reaction functions – while the external validity gives information about how the results can be transferred to other relevant situations (Schreier and Werfer 2007).

A logit regression with the WTP as independent variable and the number of bidders who stated a lower or equal WTP as dependent variable revealed that the observed and predicted WTP demonstrate high fit values ($R^2 = .99$) which confirms a high internal validity (Wertenbroch and Skiera 2002; Schreier and Werfer 2007; Miller et al. 2011):

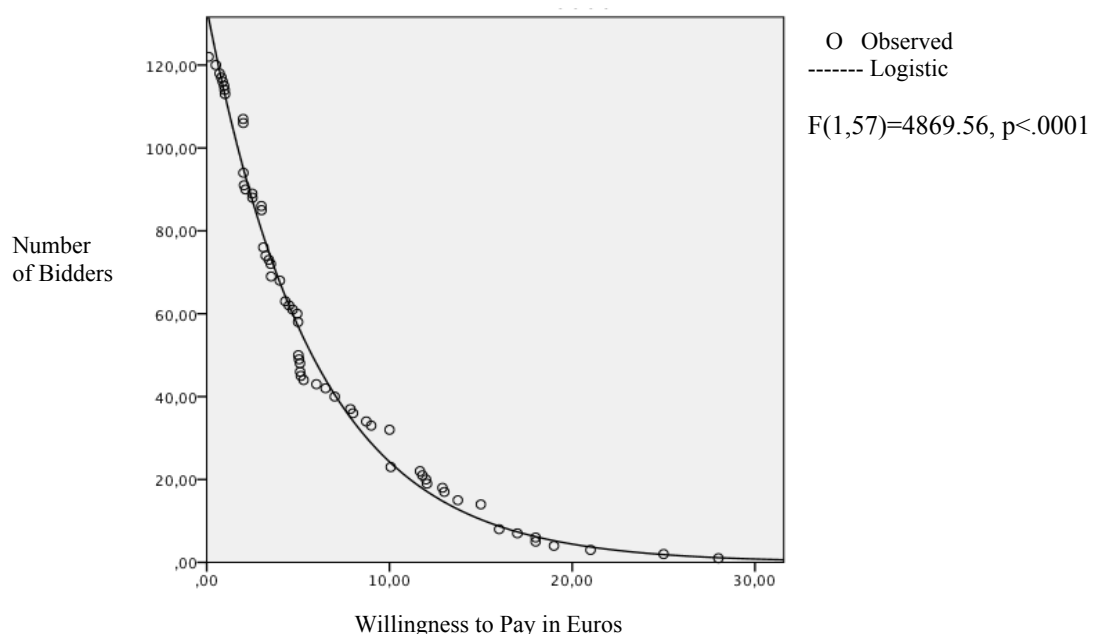


Figure 11: Internal Validity of Vickrey Auction

The external validity was measured on a seven-point Likert Scale regarding the question *“In comparison to the amount of money that you stated in your bid – how much would you be willing to pay for a comparable USB flash drive in a commercial store?”* (1 = much less; 7 = much more). An average value around 4 displays high external validity (Schreier and Werfer 2007). And according to this we can conclude that our results have a high external validity ($M = 4.74$, $SD = 1.17$).

4.4.2. Newspaper Article

The newspaper article was on average assessed to be credible, interesting and convincing with no significant difference⁷ among the three different scenarios. Furthermore, respondents who were subject to the newspaper article with a high level of CSR indicated that it has a positive connotation while those who read about corporate social irresponsibility stated that the newspaper article was negatively connoted. The control group – which did not receive any information about the firms’ moral conducts – evaluated the article as positive as well. And the judgement by the Association for Customer Information was on average evaluated as trustworthy and reliable.

Credibility of the Newspaper Article (Sichtmann 2011)				
	Mean (Standard Deviation)			
Indicator for credibility of the article	Overall	PCSR	NCSR	Neutral
The newspaper article was... **				
negatively /positively connoted	4.64 (1.73)	5.51 (1.22)	3.11 (1.72)	5.02 (1.31)
very unconvincing/very convincing	4.18 (1.39)	4.42 (1.34)	3.89 (1.39)	4.17 (1.43)
very uninteresting/very interesting	4.11 (1.55)	4.33 (1.41)	4.03 (1.65)	3.93 (1.62)
How would you assess the credibility of the newspaper article? **				
not credible at all/ highly credible	4.17 (1.44)	4.33 (1.43)	3.78 (1.29)	4.32 (1.54)
The judgement by the Association for Customer Information is trustworthy. *	5.23 (1.31)	5.07 (1.23)	5.14 (1.29)	5.45 (1.36)
The Trade Ranking Monitor of the International Fair Trade Labelling Organization is reliable. *	4.81 (1.27)	4.78 (1.38)	4.97 (1.06)	4.70 (1.34)
* 7 point scale: 1 (strongly disagree) – 7 (strongly agree)				
** 7 point scale – the two endpoints are presented				

Table 5: Credibility of the Newspaper Article

⁷ Credibility of newspaper article: $F=1.96$, $p>.05$; Interestingness of newspaper article: $F=1.48$, $p>.05$; Conviction of newspaper article: $F=.80$, $p>.05$

4.4.3. Product

Regarding the product which was subject to the Vickrey Auctions and branded with the logo of the fictitious brand KonneXion it can be concluded that on average the USB flash drive was evaluated as positive.

Product Evaluation (Sichtmann 2011)	
In overall, how would you evaluate the USB flash drive <i>StorXpress 3.0</i> offered by KonneXion?*	Mean 4.72; SD=1.16
very negative – very positive	
How do you evaluate the USB flash drive of KonneXion regarding its product design?*	Mean 3.82; SD=1.36
Very negative – very positive	
The USB flash drive of KonneXion is characterized by high quality.*	Mean 4.53; SD=1.13
Strongly disagree – strongly agree	
* 7 point scale – the two endpoints are presented	

Table 6: Product Evaluation

Furthermore, in order to verify the perceived *nature of the product* regarding the product of interest respondents were asked to rate six products (sports car / USB flash drive / minivan / designer clothes / personal computer / chocolate) on a seven-point semantic differential scale (utilitarian / hedonic). To ensure a correct perception and understanding of the terms hedonic and utilitarian the respective question was formulated as follows: “*Please indicate whether the following product categories are more utilitarian or hedonic in nature. A utilitarian product is aimed to satisfy basic needs and is characterized by functionality and usefulness while a hedonic product refers predominantly to pleasure seeking.*” On average the respondents rated an USB flash drive as a utilitarian product (M=2.25, SD=1.42) but for chocolate for example the results were not that obvious (M=4.59, SD=2.04).

4.4.4. Measurements included in the Conceptual Model

The respondents’ **brand attitude** towards the fictitious brand KonneXion was measured through a seven-point Semantic Differential Scale (Fuchs 2008) to assess a company’s brand favourability (bad/good; dislike/like; negative/positive; not appealing/appealing). By demonstrating a Cronbach’s Alpha of .94 it can be concluded that the scale used to assess BA is highly reliable.

The **genuine concern attribution** was measured on a seven-point Likert Scale (does not apply/strongly applies) regarding the statement *“The purpose why companies support the improvement of social and ecological standards is because of sincere concerns regarding social and ecological evils”*.

Regarding the **support of the CSR domain** the respondents were asked to rate on a seven-point Likert Scale a.) *how much they are in favour of Fairtrade initiatives*; b.) *how frequently they buy Fairtrade products*; c.) *how familiar they are with the interests and guidelines of Fairtrade* and d.) *how much importance they place on the Fairtrade initiative*. By achieving a Cronbach's Alpha of .79 the measurement scale can be referred to as reliable.

To assess how much importance respondents place on CSR when making a buying decision (**CSR as buying criteria**) they were asked to indicate on a seven-point Likert scale (no influence at all/high influence) the influence of various purchasing criteria – amongst others such as for example the product quality, price, product and packaging design or the brand name also Corporate Social Responsibility – on their buying decision with respect to an USB flash drive. For reasons of comparison the respondents were also asked to provide this information with respect to chocolate, which was the object under investigation of Sichtmann (2011).

The **income** measurement refers to the respondents' monthly income and was defined in the questionnaire as *“money at your disposal before deduction of all living costs”*. The income was assessed in euros through six mutually exclusive categories (0-299 euros; 300-599 euros; 600-899 euros; 900-1,199 euros; 1,200-1,499 euros; more than 1,500 euros).

4.5 Data Analysis and Findings

In the following the data analysis with respect to the underlying conceptual framework as well as the hypotheses will be presented before the findings will be discussed in detail – also in consideration of prior research findings – in the next main chapter.

4.5.1. Mediation

As already mentioned towards the development of the conceptual framework, first of all, it is aimed to take a closer look at the several isolated effects in the model – the main pathway from CSR to WTP as well as the indirect effect through BA – before testing for a possible mediation effect of BA.

Corporate Social Responsibility and Willingness to Pay

A Kruskal-Wallis test⁸ revealed that a respondents' WTP is affected by the CSR manipulation, $H(2) = 5.86$, $p < .05$ ⁹. The following graph shows the WTP for the different scenarios where it becomes apparent at first sight that corporate social irresponsibility leads to a much lower WTP ($M_{\text{negCSR}} = 4.52$ euros; $SD = 4.06$) compared to a neutral scenario where no information about a company's ethicality was provided ($M_{\text{neutrCSR}} = 6.65$ euros; $SD = 5.19$) or the case where the company was characterized by a positive reputation in the field of CSR ($M_{\text{posCSR}} = 7.33$ euros; $SD = 5.52$).

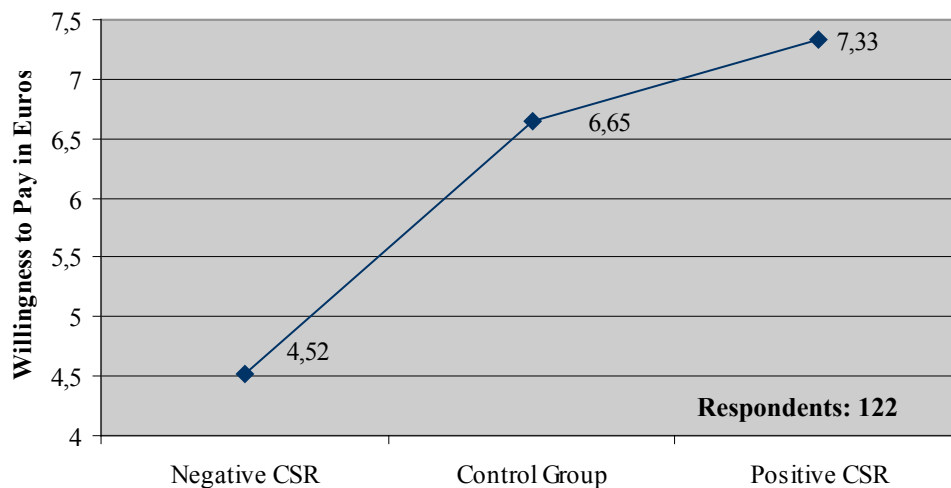


Figure 12: CSR Stimuli and WTP

The two different groups of respondents who were exposed to either positive or negative CSR information were compared through a Mann-Whitney test. It can be reported that there is a significant difference of the stated WTP between the two groups

⁸ The nonparametric counterpart to the One-way ANOVA is used since the WTP is not normally distributed within the three different manipulation groups (Field 2009).

⁹ Monte Carlo Significance

($U=591$, $r=-0.23$) – which already becomes evident through the graphic demonstration of the WTP in *Figure 12*. To underpin these findings with some more numerical data the percentage difference between the different groups was calculated: the price premium in case of prosocial corporate behaviour for the product at offer (the USB flash drive) is on average 9.3 % compared to the WTP of the control group. The mark-down for corporate unethicity on the other hand is about 32 %. Based on these findings we can accept H1 and confirm prior research findings that corporate moral conduct seems to be rewarded by consumers through a higher WTP while immoral behaviour is sanctioned in a way that consumers demonstrate a lower WTP.

Corporate Social Responsibility and Brand Attitude

Regarding the influence of CSR on BA a One-Way ANOVA¹⁰ revealed significant differences between the three different groups of respondents – talking about those who received either positive, negative or no CSR information, $F(2,119)=14.5$, $p<.01$, $w=0.43$. An independent t-test¹¹ revealed that there is a significant difference between the BA of respondents who were subject to the negative CSR manipulation ($M=3.24$, $SD=1.17$) and people who read the newspaper article with positive CSR information ($M=4.43$, $SD=1.17$), $t(79)=5.01$, $p<.001$, $r=.49$.

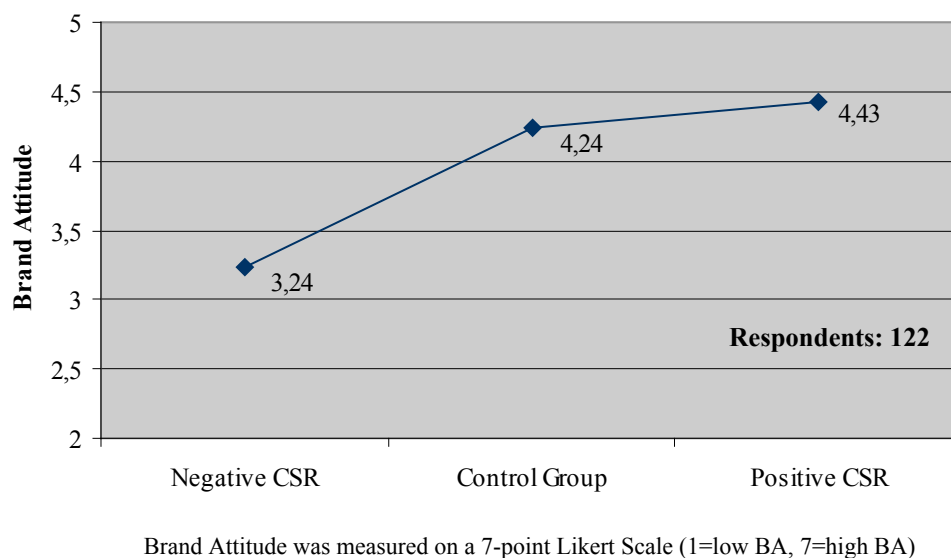


Figure 13: CSR Stimuli and BA

Hence, we can also accept the second hypothesis and conclude that there is a positive relationship between CSR and the corresponding BA in a way that prosocial corporate behaviour leads to a higher BA than immoral conduct.

¹⁰ Data is normally distributed and Levene's test not significant, $F(2,119)=1.67$, $p>.05$.

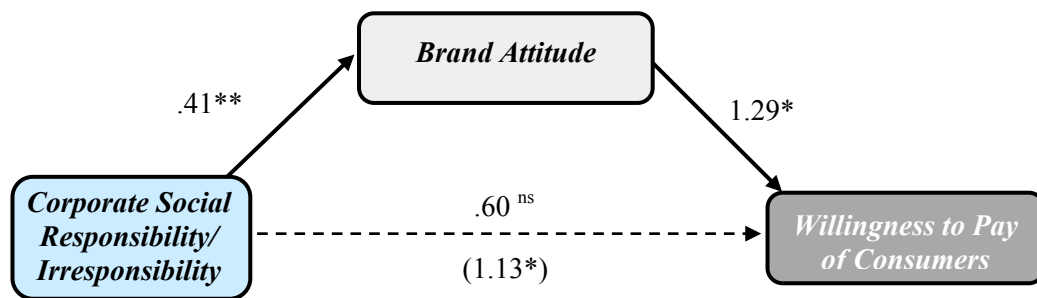
¹¹ Data is normally distributed and Levene's test not significant, $F=2.92$, $p>.05$.

Brand Attitude and Willingness to Pay

With reference to the third hypothesis it can be reported that BA – which as we found is influenced by a company's ethicality – in turn shows a significant positive relationship with the WTP of consumers $F(1,121)=10.103$, $p<.01$, $\beta=.279$ ($R^2=.08$). This provides empirical evidence for the acceptance of the third hypothesis, whereupon it can be concluded that the more favourable the BA attitude of respondents the higher is the corresponding WTP of consumers.

Mediating Effect

The mediating effect of BA was analysed with the SOBEL-Z-Test¹², an approximate significance test that addresses the indirect effect of a focal predictor variable on the dependent outcome variable via a mediator (Baron and Kenny 1986). The following figure presents the SOBEL-Z-Test results:



Model shows standardized regression coefficients;
 * = $p<.05$; ** = $p<.001$; ns = not significant; () = result without accounting for brand attitude

Figure 14: SOBEL-Z-Test for Mediation Effect of BA

The direct effect of CSR on the WTP is significant until the intervening variable BA is taken into account ($Z_{Sobel}=2.1524$, $p<.05$). Considering that the direct effect does not decrease to zero supports H4 whereupon the relationship between CSR and the WTP is – although mediated – not subject to complete mediation (Baron and Kenny 1986). And although the isolated effects in the model operate in the same direction (which already came apparent from the acceptance of H1-H3) the model does not show a complementary mediation either, since the prerequisite that both the direct and indirect effect have to be significant when accounting for the intervening variable is not met (Zhao et al. 2010). However, the influence of a company's prosocial corporate behaviour on the WTP of consumers is – according to the definition by Baron and Kenny (1986) – partially mediated through BA. Hence we can draw the cognition that –

¹² Preacher & Hayes (2004) provide a macro for the Sobel test.

although BA plays a mediating role for the relationship between CSR and the corresponding WTP of consumers – there are further constructs and intervening variables that make a contribution to the total sum of effects.

4.5.2. Negativity Bias

As demonstrated in *Figure 12* and *Figure 13* negative CSR leads – compared to the neutral scenario – to a lower BA and WTP than positive CSR. However, within the context of H4 we are interested in whether negative CSR has a stronger impact on these two outcome variables compared to positive CSR.

Corporate Social Responsibility and Brand Attitude

Planned contrasts revealed that respondents who were subject to the positive or neutral scenario showed a significantly higher BA than respondents who received the negative newspaper article. The difference regarding BA between the participants of the positive CSR group and the control group on the other hand were not significant. Hence, we can conclude that although positive CSR seems to induce a higher BA than negative CSR, the comparison with the control group shows a certain negativity bias: a company's immorality has a stronger influence on consumers' judgment about a certain brand than socially and ethically desirable behaviour.

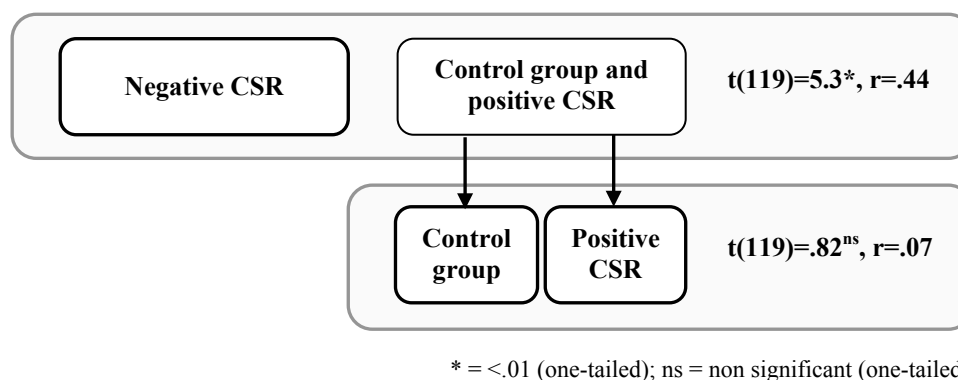


Figure 15: Planned Contrasts for CSR and BA

Corporate Social Responsibility and Willingness to Pay

For the relationship between the CSR scenario and the consumers' WTP Mann-Whitney tests¹³ show similar results. More precisely, it can be reported that there exists a significant difference between the influence of negative information about a company's moral conduct on the WTP compared to the neutral control group where no CSR information was provided ($U=527$, $r=-0.25$). And – similarly as with respect to BA – no

¹³ WTP is not normally distributed within the three different manipulation groups.

significant difference regarding the WTP of respondents who were subject to the positive CSR scenario compared to the control group ($U=905.5$, $r=-0.02$) was observed. This again supports the partially mediating effect of BA regarding the relationship between CSR and an individual's WTP.

To sum it up, we can conclude from our findings that negative CSR has a stronger impact on consumers' behavioural and attitudinal consumer patterns rather than prosocial corporate behaviour and hence accept H5 for both BA and WTP.

4.5.3. Moderation

The moderation effect was analysed – as suggested by e.g. Frazier et al. (2004) or West et al. (1996) – towards a multiple regression which is preferred over an ANOVA because it bears higher flexibility for the coding of categorical variables (Frazier et al. 2004). According to Baron and Kenny (1986) one can assume that a moderator variable strengthens the effect of a predictor variable if the interaction between the two (product of predictor and outcome variable) is significant. Furthermore, a moderator variable should be uncorrelated with the predictor and outcome variable and always enter the model as independent variable (Baron and Kenny 1986).

If the predictor is a categorical variable with an experimental condition (like e.g. our three artificially induced CSR scenarios) the different groups should have more or less an equal number of respondents in order to prevent a decrease in power of the test (Frazier et al. 2004). In our experimental setting the final number of respondents for the negative scenario is 36, the control group comprises of 41 participants and the positive scenario accounts for 45 people. Furthermore, Frazier et al. (2004) postulate the equality of error variances across groups, because if sample sizes are unequal and in addition error variances demonstrate inequality a moderating effect might be either overestimated or underestimated – depending on which subgroup has the larger error variance. Based on this, it can be reported that the values for BA¹⁴ and the WTP¹⁵ (as dependent outcome variables) were equal for the three measurement levels.

Furthermore, since the predictor and moderator variables demonstrate categorical and discrete rather than continuous data, the predictor and moderators were not standardized

¹⁴ Levene's Test: $F(2,119)=1.67$, $p>.05$

¹⁵ Levene's Test: $F(2,119)=.325$, $p>.05$

for the analyses (Frazier et al. 2004; West et al. 1996). However, in order to countervail possible multicollinearity problems, the moderator variables were mean-centred for the multiple regressions. By mean-centering the data is transformed from raw-score to deviation-score scaling through subtracting the variable mean from the observations (Little et al. 2007). According to Little et al. (2007) mean-centring bears several advantages for regression analysis. Firstly, mean-centring reduces the collinearity among the main effects and the interaction term (which refers to the product of the predictor and the moderating variable) which improves the stability of the regression estimates and standard errors. Secondly, the interpretability of the interaction is improved when the variables are mean-centred (Little et al. 2007). Although lately researchers argued that mean-centring does not address or prevent multicollinearity problems (e.g. Echambadi and Hess 2007, Kromrey and Foster-Johnson 1998), Vosgerau and Gatignon (2007) for example point out that mean-centring may help to overcome arbitrary origin problems of interval scales – such as Likert Scales which were used for the assessment of our moderator variables – which have no defined zero points. Consequently, the mean-centring of moderator variables that have been measured on e.g. a Likert Scale allows the interpretation of the focal variable effect as its effect when the moderator is at its mean while the moderators' constant effect remains unaffected (Vosgerau and Gatignon 2007).

In addition, to test for the focal predictor variable, which refers to the artificially induced CSR dimension – whether respondents were subject to negative, positive or no CSR information at all – two dummy variables were created (e.g. Frazier et al. 2004). More precisely, the dummy variable that refers to the positive CSR dimension was coded such as that the negative and neutral scenario were coded with 0 and the positive dimension with 1. For the dummy variable that addresses the negative CSR dimension, the positive and neutral scenario was coded with 0 and the negative scenario with 1. These two dummy variables were used for all subsequent multiple regression analyses, which are aimed to test for potential moderating effects regarding the direct influence of CSR on the WTP but also the relationship between CSR and BA.

Genuine Concern Attribution

The first multiple regression analysis refers to the potential moderating effect of an individuals' genuine concern attribution – which refers to the belief of a consumer whether companies pursue CSR activities due to sincere concerns regarding social and ecological evils or not – on the relationship between a firms' ethicality and the resulting consumers' BA. In a first step, only the two dummy variables (as previously explained) as well as the moderator variable were included in the regression, before subsequently also the two interaction terms – which demonstrate the product resulting from multiplying the two dummy predictor variables with the moderator variable – entered the model (Frazier et al. 2004; West et al. 1996; Baron and Kenny 1986). The following table presents the regression coefficients of the two multiple regressions and how the model changes after the two interaction terms are included:

	Regression 1 F(3,118)=11.87**, R²=.23	Regression 2 F(5,116)=7.22**, R²=.24
Positive CSR Manipulation	.109 ^{ns}	.108 ^{ns}
Negative CSR Manipulation	-.392**	-.386**
Genuine Concern Attribution	.192*	.282*
Positive CSR * GCA		-.111 ^{ns}
Negative CSR * GCA		-.036 ^{ns}

Table shows standardized regression coefficients; moderating variable was mean-centered

Depend variable = Brand Attitude

* = p<.05, ** = p<.01, ns = non significant

Statistical Assumptions were met (see Appendix)

Table 7: Moderating Role of Genuine Concern Attribution (BA)

The two interaction terms in the second regression are not significant which means that the genuine concern attribution does not strengthen or weaken the influence of CSR on a consumers' BA. However, the genuine concern attribution variable is significant in both regressions which indicates that it affects the BA as independent predictor variable but does not moderate the relationship between CSR and BA. Furthermore, the negative CSR manipulation is significant which once more underpins the findings that corporate unmoral conduct has a higher impact on attitudinal consumer pattern such as BA compared to positive information about a company's ethicality.

Furthermore, we are interested in a potential moderating effect of the genuine concern attribution on the direct relationship between a company's reputation in the field of CSR

and the corresponding WTP. Again, two multiple regressions were conducted in order to test for the model change when entering the two interaction terms in the regression:

	Regression 1 F(3,118)=2.87*, R ² =.07	Regression 2 F(5,116)=1.74 ^{ns} , R ² =.07
Positive CSR Manipulation	.085 ^{ns}	.088 ^{ns}
Negative CSR Manipulation	-.171 ^{ns}	-.166 ^{ns}
Genuine Concern Attribution	.152 ^{ns}	.198 ^{ns}
Positive CSR * GCA		-.031 ^{ns}
Negative CSR * GCA		-.053 ^{ns}

Table shows standardized regression coefficients; moderating variable was mean-centered
Depend variable = Willingness to Pay
* = p<.05, ** = p<.01, ns = non significant
Statistical Assumptions were met (see Appendix)

Table 8: Moderating Role of Genuine Concern Attribution (WTP)

The results reveal that the genuine concern attribution has no influence on the WTP of the respondents, neither as moderator nor as independent exogenous variable.

Support of CSR Domain

Based on the literature it was assumed that a respondents' support of the CSR domain – which describes the individuals' favourability of the specific issues that a company addresses with its CSR activities – could play a moderating role in the underlying conceptual model. However, the results of the multiple regression analyses yield that the support of the CSR domain does not strengthen or weaken the effect of CSR on BA:

	Regression 1 F(3,117)=9.255**, R ² =.19	Regression 2 F(5,115)=6.48**, R ² =.22
Positive CSR Manipulation	.061 ^{ns}	.075 ^{ns}
Negative CSR Manipulation	-.404**	-.399**
Support of the CSR Domain	-.011 ^{ns}	-.032 ^{ns}
Positive CSR * CSR Domain		.128 ^{ns}
Negative CSR * CSR Domain		-.112 ^{ns}

Table shows standardized regression coefficients; moderating variable was mean-centered
Depend variable = Brand Attitude
* = p<.05, ** = p<.01, ns = non significant
Statistical Assumptions were met (see Appendix)

Table 9: Moderating Role of Support of CSR Domain (BA)

Nevertheless, for the relationship between CSR as predictor variable and the WTP as dependent outcome variable, a moderating effect of an individuals' support of the CSR domain was detected – with respect to the positive CSR scenario:

	Regression 1 F(3,117)=1.73 ^{ns} , R ² =.04	Regression 2 F(5,115)=1.86 ^{ns} , R ² =.08
Positive CSR Manipulation	.027 ^{ns}	.028 ^{ns}
Negative CSR Manipulation	-.184 ^{ns}	-.198 ^{ns}
Support of the CSR Domain	-.046 ^{ns}	-.280 ^{ns}
Positive CSR * CSR Domain		.272*
Negative CSR * CSR Domain		.117 ^{ns}

Table shows standardized regression coefficients; moderating variable was mean-centered

Depend variable = Willingness to Pay

* = p<.05, ** = p<.01, ns = non significant

Statistical Assumptions were met (see Appendix)

Table 10: Moderating Role of Support of CSR Domain (WTP)

Including the two interaction terms regarding positive and negative CSR and the support of the CSR domain explains additional 4% of the variance in the stated WTP compared to the first regression, where only the influence of the CSR dimensions as well as the individual level of support of the CSR domain were considered. Furthermore, the regression coefficient that represents the interaction term of positive CSR and the support of the CSR domain is significantly positive. Accordingly, it can be said that the more respondents are in favour of the CSR domain of a company with good reputation in this field, the higher is their WTP for products of that firm.

CSR as Buying Criteria

The next moderating variable refers to the importance that an individual places on CSR when making a buying decision. Again, two regressions were computed in order to assess the first order effects on BA before including the interaction terms to test for possible moderating effects:

	Regression 1 F(3,118)=9.68**, R ² =.20	Regression 2 F(5,116)=7.85**, R ² =.25
Positive CSR Manipulation	.069 ^{ns}	.036 ^{ns}
Negative CSR Manipulation	-.406**	-.406**
CSR as Decision Criteria	.040 ^{ns}	.192 ^{ns}
Positive CSR * Decision Criteria		-.004 ^{ns}
Negative CSR * Decision Criteria		-.280**

Table shows standardized regression coefficients; moderating variable was mean-centered

Depend variable = Brand Attitude

* = p<.05, ** = p<.01, ns = non significant

Statistical Assumptions were met (see Appendix)

Table 11: Moderating Role of CSR as Decision Criteria (BA)

The table above shows that the regression coefficient for the interaction term of the negative CSR scenario and the moderator variable (the importance of CSR for an individual's purchasing decision) is significant and shows a negative tendency. Furthermore, the variance explained in brand attitude improved by 5 % when considering the two interaction terms in the multiple regression. This can be interpreted as follows: the higher the importance that an individual places on CSR as purchasing criteria the lower is the BA for a certain product if the respective company is characterized by immoral conduct and social irresponsibility.

For the WTP on the contrary no moderator effect regarding the importance of CSR for the decision making was found. More precisely, the variance explained in the WTP variable did not improve at all after the two interaction terms entered the multiple regression. However, the regression coefficient regarding the negative CSR scenario was again – although only in the first regression – significant and negative which underlines the impact of corporate social irresponsibility.

	Regression 1 F(3,118)=3.03*, R²=.07	Regression 2 F(5,116)=1.83^{ns}, R²=.07
Positive CSR Manipulation	.024 ^{ns}	.027 ^{ns}
Negative CSR Manipulation	-.206*	-.201 ^{ns}
CSR as Decision Criteria	.165 ^{ns}	.114 ^{ns}
Positive CSR * Decision Criteria		.054 ^{ns}
Negative CSR * Decision Criteria		.038 ^{ns}

Table shows standardized regression coefficients; moderating variable was mean-centered

Depend variable = Willingness to Pay

* = p<.05, ** = p<.01, ns = non significant

Statistical Assumptions were met (see Appendix)

Table 12: Moderating Role of CSR as Decision Criteria (WTP)

Gender

As already mentioned throughout the discussion of the conceptual model it can be argued on empirical grounds that there might be a difference regarding the response to a company's ethicality between men and women in a way that women seem to be more receptive for prosocial activities by firms, which in turn is translated into attitudinal and behavioural consumer patterns, rather than men. The following table shows the result of our multiple regressions which are aimed to reveal a potential moderating effect of gender on the relationship between CSR and BA:

	Regression 1 F(3,116)=14.88**, R ² =.28	Regression 2 F(5,114)=9.04**, R ² =.28
Positive CSR Manipulation	.054 ^{ns}	-.051 ^{ns}
Negative CSR Manipulation	-.461**	-.509**
Gender	-.296**	.201 ^{ns}
Positive CSR * Gender		.162 ^{ns}
Negative CSR * Gender		.086 ^{ns}

Table shows standardized regression coefficients; moderating variable was not mean-centered

Coding of Gender: 1=Female, 0=Male

Depend variable = Brand Attitude

* = p<.05, ** = p<.01, ns = non significant

Statistical Assumptions were met (see Appendix)

Table 13: Moderating Role of Gender (BA)

From the results of the first regression it can be concluded that gender plays a role (as the regression coefficient is significant) when it comes to BA in correspondence to CSR. In more detail, statistical data reveals that women show – on average – a lower BA compared to men. Furthermore, the influence of negative CSR information on BA is reinforced since the people who were subject to negative CSR information show a significantly lower BA. By including the two interaction terms in the regression the variance explained in BA does not improve at all, nor are the regression coefficients of the interaction terms significant. Hence, we can conclude that although gender might have an influence as independent predictor variable on BA it does not play a moderating role for the relationship between CSR and BA. With respect to the WTP of consumers, no moderating effect of gender was found either. More precisely, gender does not play any role – neither as independent predictor variable nor as moderator – for the WTP regarding the product which displayed the object under investigation (USB flash drive).

	Regression 1 F(3,116)=2.32 ^{ns} , R ² =.06	Regression 2 F(5,114)=1.53 ^{ns} , R ² =.06
Positive CSR Manipulation	.051 ^{ns}	-.056 ^{ns}
Negative CSR Manipulation	-.198 ^{ns}	-.227 ^{ns}
Gender	.112 ^{ns}	.024 ^{ns}
Positive CSR * Gender		.165 ^{ns}
Negative CSR * Gender		.061 ^{ns}

Table shows standardized regression coefficients; moderating variable was not mean-centered

Coding of Gender: 1=Female, 0=Male

Depend variable = Willingness to Pay

* = p<.05, ** = p<.01, ns = non significant

Statistical Assumptions were met (see Appendix)

Table 14: Moderating Role of Gender (WTP)

Based on these findings we have to reject H9 and conclude that in our research setting no gender influence regarding the receptiveness for good or bad reputation of a firm in the field of CSR was found.

Income

And last but not least, the existing literature suggests that the WTP of a consumer for ethically and socially assured products depends on his or her disposable income. But – as it can be WTP to pay was observed in our research setting:

	Regression 1 F(3,115)=2.02^{ns}, R²=.05	Regression 2 F(5,113)=1.28^{ns}, R²=.05
Positive CSR Manipulation	.075 ^{ns}	.074 ^{ns}
Negative CSR Manipulation	-.177 ^{ns}	-.204 ^{ns}
Income	-.048 ^{ns}	-.078 ^{ns}
Positive CSR * Income		-.003 ^{ns}
Negative CSR * Income		.071 ^{ns}

Table shows standardized regression coefficients; moderating variable was not mean-centered
Coding of Income: 0=low (0 - 899 euros), 1=high (900- more than 1.500 euros)

Depend variable = Willingness to Pay

* = p<.05, ** = p<.01, ns = non significant

Statistical Assumptions were met (see Appendix)

Table 15: Moderating Role of Income (WTP)

Based on these findings, the second hypothesis (H10) regarding a possible moderating role of socio-demographic characteristics has to be rejected as well.

4.5.4. Overview of Hypotheses

In the following the underlying hypotheses which were subject of the data analysis in the previous subchapters will be presented once again with respect to whether they were accepted or rejected:

	Accepted	Rejected
H1: Positive CSR leads to a higher WTP than negative CSR.	✓	
H2: Positive CSR leads to a higher BA than negative CSR.	✓	
H3: The more positive the BA the higher is the WTP.	✓	
H4: The relationship between CSR and the WTP is mediated – but not completely – through BA.	✓	
H5: Negative CSR has a stronger impact on a.) brand attitude and b.) willingness to pay than positive CSR.	✓	
H6: The more positive the genuine concern attributions, the stronger is the influence of CSR on a.) BA and b.) WTP.		✗
H7: The higher the support of the CSR domain the stronger is the influence of CSR on a.) BA and b.) WTP.	✓ (H7b is partially accepted)	✗ (H7a is rejected)
H8: The higher the importance of CSR as buying criteria the stronger is the influence of CSR on a.) BA and b.) WTP.	✓ (H8a is partially accepted)	✗ (H8b is rejected)
H9: The influence of CSR on a.) BA and b.) WTP is stronger for women.		✗
H10: Income has an influence on the relationship between CSR and the WTP.		✗

Table 16: Overview of Hypotheses

5 Concluding Discussion and Implications

Corporate Social Responsibility has been gaining in importance throughout the past decades and is oftentimes referred to as crucial success factor for companies these days. But since CSR causes high investments for firms the question arises whether these efforts actually pay off in the end. Hence, several researchers already dealt with the influence of CSR on attitudinal and behavioural consumer patterns although only few studies were based on incentive-compatible research methods, which are viewed as more accurate for assessing the WTP of consumers rather than hypothetical preference measures. Consequently, by using a Vickrey Auction to elicit the WTP of the respondents, this study makes a contribution to the existing literature.

First of all, it was found that a company's ethicality – which in this study refers to the Fairtrade standards for the fair treatment of suppliers and workers in third world countries – influences consumer behaviours and attitudes. More precisely, it can be reported that the kind of CSR information – whether it refers to positive or negative corporate behaviour – significantly influences an individuals' BA in a way that positive CSR leads to a higher BA compared to negative CSR. This result is in high accordance with prior research findings such as e.g. by Mohr and Webb (2005) or Sen et al. (2006). But besides a higher BA, CSR also leads to a higher WTP of consumers for socially desirable products which again confirms the outcomes of several other researchers (e.g. Auger et al. 2003; Creyer and Ross 1997; Trudel and Cotte 2009; Loureiro and Lotade 2004). In this context, it can also be reported that BA shows a positive relationship with the WTP for a certain product. More precisely, BA partially mediates (according to the definition of Baron and Kenny 1986) the relationship between CSR and the amount of money that consumers are willing to pay for a certain product. Hence, it can be concluded that prosocial corporate behaviour is valued and rewarded by consumers which in turn supports the intention of managers to invest in CSR activities and to promote these efforts e.g. through cause-related marketing. Especially the fact that prosocial corporate behaviour influences both the BA as well as the WTP of consumers bears high potential for companies.

However, although a firms' ethicality positively influences behavioural and attitudinal consumer patterns, it has to be pointed out that negative CSR information has much more influence. This phenomenon was already highlighted by several authors (e.g.

Creyer and Ross 1996; Mohr and Webb 2005; Trudel and Cotte 2009) and is referred to as negativity bias (Mohr and Webb 2005) or positive and negative asymmetries (Trudel and Cotte 2009). In this sense, managers should be aware of the consequences of corporate immoral conduct. Although the profit mark-up (reflected in a higher WTP) induced by positive CSR does not seem to be very lucrative in relation to the investments that a company has to make, in order to establish positive CSR reputation, it has to be kept in mind that a negative reputation has a high impact on both the BA as well as the WTP.

In addition, it was aimed to take a closer look at some potential moderating effects which might influence the relationship between a company's ethicality and the corresponding BA and WTP. It was found that the support of a company's CSR domain – which refers to the specific issues that a company addresses with its prosocial activities – influences the relationship between CSR and the corresponding WTP. More precisely, the higher an individuals' support of the CSR domain addressed by a firm the higher is the corresponding WTP – however, this positive relationship only holds in case of positive CSR reputation. This underpins the findings by e.g. Sen and Bhattacharya (2001) or De Pelsmacker and Janssens (2007). With respect to a company's unethicity no such effect was found in a way that the WTP would be lower in case of a high support of the CSR domain. Based on this, it would be recommended for companies to conduct market research in order to assess the most important CSR domain(s) of their customers – by focusing on these special issues the company could eventually realize higher profit margins.

Secondly, our data revealed the importance of CSR as purchasing criteria for the relationship between a company's immoral conduct and the resulting BA. This means that the more importance an individual places on CSR as decision criteria the lower is the BA if the company has a bad reputation in the field of CSR – this time this assumption does only hold for the negative CSR scenario, no such effect was found with respect to positive CSR. This again underpins the negativity bias that was already mentioned above wherefore it is suggested to avoid negative CSR at any circumstances. Furthermore, although no moderating role of the importance that an individual places on CSR as purchasing criteria for the relationship between CSR and the WTP was found, it might be indirectly influenced as well since we found that this relationship is partially

mediated by BA where an effect in case of a company's unethicity was found. This result confirms prior research findings by for example Boulstridge and Carrigan (2000) and Roberts (1996) who already stated that social responsible consumers who consider a firm's ethicality when making purchase decisions do exist. Mohr et al. (2001) call these people who apply socially responsible consumer behaviour "maintainers".

The genuine concern attribution which refers to the belief of consumers whether companies pursue prosocial corporate activities because of sincere concerns regarding social and ecological evils did not appear to moderate the relationship between CSR and the corresponding BA or WTP. In this context it can be reported, that on average the participants in our study believed in a moderate genuine concern attribution of companies ($M=3.74^{16}$, $SD=1.45$). Regarding people's believe in profit orientation ($M=5.16$, $SD=1.51$), the creation of positive images in the mind of consumers ($M=6.31$, $SD=.79$), the detraction from inferior product quality ($M=4.13$, $SD=1.4$) or the satisfaction of consumer needs who pay high attention to these issues ($M=5.93$, $SD=1.2$) the respondents on average agreed up to a high extend. This corroborates the findings of Mohr et al. (2001) who stated that although the majority of people think that firms at least make an attempt to improve social and environmental evils by investing in CSR activities only few believe in altruism as main motivation and a considerable group of consumers is sceptical and doubtfully regarding CSR activities since they think that companies follow only self-seeking interests (Mohr et al. 2001). However, we could not confirm the theory by e.g. Sen et al. (2006) who reported that the higher the belief in genuine concerns of companies the more positive company activities are evaluated which in turn influences the consumer patterns.

And regarding socio demographic data no moderating effect was detected either – neither for gender nor for income. This means that our suggestion – which was based on prior research findings by e.g. Ha-Brookshire and Norum (2011) or Roberts (1996) and Laroche et al. (2001) – whereupon women are more receptive to a company's reputation in the field of CSR did not hold. However, although we cannot report a direct moderating effect of gender for the relationship between a company's ethicality and the corresponding BA and WTP, gender might play a role though. For example women ($M=3.92$, $SD=.21$) place on average a higher importance on CSR as decision criteria as

¹⁶ On a seven-point Likert Scale

men ($M=3.3$, $SD=.32$) which we already reported was found to moderate the role between CSR and BA. In this sense, it should be kept in mind, that the absence of any gender effect might be traced back to the fact, that the research subject was a technical product, an USB flash drive, were women are usually less interested in. However, this finding is in line with the results of for example De Pelsmacker et al. (2005) who also could not report a gender difference when it comes to ethical product values (they also referred to the Fairtrade standards as CSR component of interest).

For the income variable no moderating effect can be reported either. However, these results should again be interpreted with caution since a student sample – which displays in general a homogeneous group – was used for this study. Only 26 respondents (out of 122) indicated income categories above 900 euros, the majority of participants is characterized by an income of less than 900 euros (although the respondents were more or less equally distributed among the three income categories 0-299 euros, 300-599 euros and 600-899 euros). Hence, it might be reasonable that no significant influence of income – neither as moderator nor as independent variable – was detected in our conceptual framework. Other researcher, like for example Öberseder et al. (2011) highlighted the financial capabilities of an individual, in order to be able to consider CSR activities in the purchasing decision.

To sum it up it can be concluded that besides the fact that CSR is gaining in importance consumers seem to appreciate and value these efforts by companies which is translated into more positive brand attitudes and a higher WTP for socially and ethically assured products. Hence it can be argued that positive CSR seems to pay off in the end. And a very important notion can be drawn regarding a negative reputation with respect to CSR. A company's unethicity has a far stronger impact on attitudinal and behavioural consumer patterns, wherefore a negative reputation in this field should be avoided under any circumstances by firms.

6 Limitations

The study at hand which is based on an incentive compatible research method – a Vickrey Auction – with artificially induced CSR scenarios and a fictitious brand bears some limitations. First of all, people's behaviour may be characterized by higher price sensitivity in incentive-aligned research settings compared to non-incentive-aligned experiments which could lead to a steeper demand curve and hence bias the internal validity of the collected data (e.g. Miller et al. 2011).

Secondly, in order to gain reliable results from a Vickrey Auction, respondents should not be influenced by strategic bidding but rather bid the amount of money that truly reflects the value they ascribe the product at the particular time of the auction. In the present study correlation coefficients reveal that both the intention to acquire the USB flash drive at a particularly favourable price ($r_s=.310$, $p<.001$) and the submission of particularly low bids in order not to win the auction ($r_s=-.452$, $p<.001$) display empirical disruptive factors (Schreier and Werfer 2007).

Strategic Bidding (Schreier and Werfer 2007; Sichtmann 2011)	
My intention was to acquire the USB flash drive at a particularly favourable price.*	Mean 4.21; SD=1.97
Since I do not need an USB flash drive I made a particularly low bid so that I do not win under any circumstances this auction.*	Mean 4.07; SD= 2.17
* 7-point Likert Scale: 1 (strongly disagree) – 7 (strongly agree)	

Table 17: Strategic Bidding

This strategic bidding behaviour might be traced back on the one hand to a lack of interest in and need for the object under investigation, or on the other hand to the disposable income of the respondents – which consisted of students. Another possible reason may be attributed to the artificially induced research setting which does not meet a real purchase situation. The participants have to compete against each other for a limited product offer which may result in strategic bidding behaviour and ultimately lead to higher bids (Völckner 2006). This is confirmed by our study where the several winners of the auctions always stated way higher amounts of money for the product at offer, compared to the true value of the product (the wholesale price).

Another disadvantage and limitation of a Vickrey Auction displays the complexity of the research method for the participants (Ausubel and Milgrom 2004; Völckner 2006). For some people the dominant bidding strategy might not be comprehensible or the advantage of stating the “true” WTP may not be perceived or realized immediately (Völckner 2006).

Furthermore, the scale format used for capturing the constructs of interest might bear some limitations. For BA as well as most of the moderator variables a seven-point Likert Scale was used, which might be too coarse. According to Frazier et al. (2004) considering that the focal predictor variable was a categorical variable with only three dimensions, the BA variable would have needed more response options (greater or at least equal to the response options of the predictor variable multiplied by the response options of the moderator variable).

7 Future Research Recommendations

Although a growing body of literature deals with CSR and its influence on behavioural and attitudinal consumer pattern – which also came apparent from the introductory literature review – there is still extensive need for further research in this field.

The present study at hand is based on an incentive-compatible research method, a Vickrey Auction. Considering the limitations of such an artificially induced experimental setting and following e.g. the study of Arnot et al. (2006) – who made an experiment in collaboration with a well-established coffee vendor at an university campus – more studies in the real market setting in order to examine and understand consumers' receptiveness for prosocial corporate activities in their accustomed surrounding would be desirable.

With respect to BA – which was found to partially mediate the relationship between a company's ethicality and the consumers' WTP – it would also be desirable, as already suggested by Sichtmann (2011), to conduct such experiments with existing brands where people already have a certain BA and adapt it depending on a company's activities and efforts regarding CSR.

Furthermore, additional studies with representative samples should be conducted. The sample for the study at hand consisted of students who display a homogeneous group, wherefore the results are characterized by high internal validity (e.g. Sichtmann 2011). However, in order to improve the external validity of results it would be preferable to use representative samples for future experiments and research (also with respect to higher sample sizes) as well as to combine various studies to make reasonable conclusions on empirical grounds (e.g. Greenberg 1987; Sichtmann 2011).

As already discussed in the beginning of this thesis, a crucial prerequisite for responding to CSR activities is the exposure to information about a company's moral or immoral conduct. It would be interesting to examine whether (and if how) people are seeking this kind of information in their daily life. In an experimental research setting such as a Vickrey Auction the respondent is exposed to CSR information through e.g. as in our case a newspaper article. But the question is whether consumers really pay attention to this kind of information if they are not explicitly exposed to it.

This leads us to another issue that might be addressed by future research, which refers to the situation where people are not subject to any CSR information about a company. Although we can conclude from our research findings that – compared to a neutral scenario – negative CSR has much more influence on consumers' behaviour and attitudes rather than positive CSR we know relatively little about the motivations of the control group. Mohr and Webb (2005) stated that in the absence of information about a company's ethicality consumers have relatively positive attitudes towards this firm. In this sense it should be further explored whether – as suggested by Mohr and Webb (2005) – in such situations consumers do not think about the moral conduct of a firm or simply presume prosocial corporate behaviour. These insights would demonstrate valuable information for marketing managers, considering that CSR activities implicate usually also high investments.

Considering that so far there does not exist a univocal definition of CSR and the term refers to various different aspects and dimensions – either environmental, ecological or societal issues – it would be interesting to explore whether some aspects are more important than others to the consumers. For this study the Fairtrade standards – which refer basically to the fair treatment of suppliers and farmers in third world countries – were used. However, as already suggested by Sichtmann (2011) it would be interesting to investigate how other dimensions of CSR or even a mixture of different aspects may influence consumer behaviour and more precisely the WTP. In this context it would also be interesting to investigate how ambivalent CSR information is perceived by consumers (Sichtmann 2011). Our research findings demonstrate that the support of the CSR domain moderates the relationship between a company's ethicality and the corresponding WTP of consumers. Hence, it would be preferable to investigate whether consumers are willing to accept immoral conduct in certain fields if at the same time the company makes valuable contributions and efforts in areas that are very important for the customers (where the consumers support the CSR domain) or the other way around, whether prosocial corporate activities are not valued at all if the firm is characterized by unethical behaviour regarding crucial issues that draw special attention of consumers.

Another interesting issue for future research would be to account for the nature of the product. Okada (2005) for example argues that having fun – which per definition is

linked to the consumption of hedonic products – raises the feeling of guilt and need for justification. Hence, the likelihood for the consumption of hedonic products increases if the decision context allows flexibility to justify this “enjoyment”. This need for justifying the consumption of hedonic goods may relate to the findings of Van Doorn and Verhoef (2011) who revealed that hedonic products (which they refer to as *vice products*) were perceived to be socially more favourable when being subject to positive CSR (in their case organic product claims) rather than utilitarian products (*virtue products*). This tendency could perhaps also be traced back to the attempt of an individual to soothe the bad conscience for buying a hedonic product. According to Gielissen (2011) the influence of a price premium on the purchasing decision is much lower for products which are not bought on a daily basis but rather weekly or even less frequently. This allows the conclusion that there is a certain *relationship between payment frequency and utility*. In this sense, consumers are more willing to pay a price premium once in a while – even if the mark-up is quite high – rather than buying every day socially responsible products even if the price premium is quite low. Furthermore, some researchers reported that the WTP a price premium seems to decrease proportionately the higher the price of a certain product is (Ha-Brookshire and Norum 2011; Elliott and Freeman 2001).

However, Van Doorn and Verhoef (2011) found that for utilitarian products prosocial corporate behaviour leads to a higher willingness of people to accept a certain price premium (direct effect). More precisely, consumers are willing to accept a price premium between 3% (people who place low importance to social and environmental concerns) and 13% (respondents who have a very distinctive prosocial conscience) for utilitarian products but not hedonic goods – the authors suggest that this may be traced back to the fact that respondents perceive hedonic products with socially desirable features to be of inferior quality (Van Doorn and Verhoef 2011).

In order to test for the influence of the nature of the product, respondents of this study were asked to indicate the influence of product features on their purchase decision for on the one hand a USB flash drive and on the other hand a chocolate bar. Regarding the nature of the product a paired-sample t-test¹⁷ revealed that respondents showed a significantly higher importance of CSR as buying criteria for chocolate (M=4.06,

¹⁷ Statistical assumptions were verified.

SD=1.85) than for USB flash drives (M=3.69, SD=1.94), $t(120)=2.45$, $p<.01$ (one-tailed), $r=0.22$. In this context it also has to be mentioned, that the respondents on average rated an USB flash drive as a utilitarian product (M=2.25, SD=1.42) but for chocolate the results were not that obvious (M=4.59, SD=2.04).

Hence, these findings might indicate that there is a difference regarding the influence of CSR on behavioural and attitudinal consumer patterns depending on the nature of the product which bears potential for future research.

8 List of References

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Appendix A: Introduction to Vickrey Auction



universität
wien

Chair of International Marketing
Univ.-Prof. DDr. Diamantopoulos
Institute for business administration
Brünnerstraße 72
1210 Vienna, Austria

Master Thesis Advisor:
Prof. Dr. Christina Sichtmann
Degree Candidate/Contact:
Sonja Schneeberger,
sonja_schneeberger@gmx.at

RESEARCH PROJECT – PART 1

Some basic information regarding this study:

- The following survey is carried out within the frame of a diploma thesis. Consequently, the collected data will be used only for academic purpose and not be passed on to any third parties.
- All information collected will remain **strictly confidential!**
- Please follow the instructions on every page and **carry out the tasks on your own** without paying attention to the person(s) sitting next to you.
- Basically, the study is divided into **two parts** and will take you **approximately 20-25 minutes**.
 - **Part 1 – Vickrey Auction:** In a first step, there will take place a Vickrey Auction where you have the possibility to acquire an **USB flash drive**. Within the frame of a Vickrey Auction every participant submits a written bid without knowing the bid of the other people who take part in the auction. **The person with the highest bid wins the auction but has to pay only the price of the second highest bid.** For the Vickrey Auction you are asked to initially read through a newspaper article before in a next step you make your bid. Please note, that the Vickrey Auction is a **real purchase situation** which means that you have to buy the product if you are the person with the highest bid (the final price is the amount of the second highest bid).
 - **Part 2 – Questionnaire:** In a second step you will receive a questionnaire where you are asked to indicate your personal opinion – there are no correct or wrong answers. For the subsequent analysis of the questionnaires as well as the result of the study it is very important that you fill in the form **completely** and **carefully**. Therefore, in cases that you are not sure which answer to choose, it is more valuable to indicate the answer that best reflects your opinion rather than making no entry.

Since the study is divided into two parts, which later on have to be merged in order to analyze the collected data, it is important to write a code on both of the documents (Part 1 and Part 2).

The code is composed of **the first two letters of your first name, the last two numbers of your matriculation number and the first two letters of your second name.**

(Example: for Sonja Schneeberger, matriculation number 0904706 – the code is SO06SC)

Code: _____

Appendix B: Newspaper Articles

NEWSPAPER ARTICLE (NEUTRAL VERSION)

The following article was recently published in a well-known daily newspaper.

Please carefully read this article, turn the page and follow the further instructions.

Note, that in order to achieve unbiased results it is very important that the tasks are carried out on your own without paying attention to the person(s) sitting next to you.

INFORMATION TECHNOLOGY

The flood wave of electronic data and its wide-spread impact

Zurich. These days we can hardly imagine a life without the internet anymore. It has become an inherent part of our society which is still on the advance and pushes digitalization forward. But this trend which causes an ease of our daily life on the one hand produces enormous loads of electronic data on the other hand. Consequently, there is a rising need for adequate storage media – the fastest growing business area in the entire information technology industry. Nowadays, data of more than one gigabyte, which in former times would have been way too big for a magnetic hard disk, can be easily transferred to a commercial USB flash drive. More and more companies discover the high potential of these products wherefore the market for USB flash drives became very unmanageable. Consequently, the customers have difficulties to assess the quality of an USB flash drive and to distinguish between different products.

The Association for Customer Information (*Verein für Konsumenteninformation*) has tested 15 USB flash drives – each with a storage capacity of 8 gigabyte – of well-known brand manufacturers.

Considering that all of the products had the same storage capacity, the results showed considerable differences in access time and speed of data transfer. More precisely, although all of the USB flash drives were easy to handle and compatible with the various operating systems there have been notable differences in the “reading” function – which refers to the data transfer from the storage medium to the computer hard disc – and the “writing” function – the data transfer from the computer to the USB-device.



KonneXion's StorXpress 3.0

The USB flash drive *StoreXpress 3.0* of the Swiss firm KonneXion has been one of the top performer in the test and was in overall adjudged by the Association with „good“. The product showed an outstanding performance in the speed of data transfer. But other than that, the *StoreXpress 3.0* is characterized by a good price performance ratio as well as an appealing design and a high quality protection by enclosure.

NEWSPAPER ARTICLE (POSITIVE CSR)

The following article was recently published in a well-known daily newspaper.

Please carefully read this article, turn the page and follow the further instructions.

Note, that in order to achieve unbiased results it is very important that the tasks are carried out on your own without paying attention to the person(s) sitting next to you.

INFORMATION TECHNOLOGY

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This immense variety of products which on the one hand results in – literally speaking – stimulus satiation in Western countries causes on the other hand degrading working conditions for people in less developed or developing countries. Since the companies have to produce cost-efficiently in order to stay competitive and ensure attractive prices for the costumers more and more firms outsource major parts of their value chain to “favourable” low-wage countries like e.g. Sri Lanka or India.

KonneXion wants to create awareness for these social evils and supports various activities to improve the international social and environmental standards. The engagement of KonneXion is also reflected in the Fair Trade Ranking Monitor, a database which gives information about how a firm complies with the guidelines of the Fair Trade Labeling Organization. According to these guidelines KonneXion is obliged to grant its workers at the production site in Sri Lanka a fair compensation above the statutory minimum wage to secure their livelihood and improve the standard of living.



KonneXion's StoreXpress 3.0

KonneXion plays a decisive role in the enhancement of social and ecological structures in developing countries. More precisely, the company opposes child labor and pursues various activities in women promotion and the expansion of the educational system. Besides socially acceptable working conditions KonneXion furthermore focuses on environmentally compatible production processes.

With its high commitment to sustainability the Swiss company KonneXion sets an outstanding example in the international information technology industry.

NEWSPAPER ARTICLE (NEGATIVE CSR)

The following article was recently published in a well-known daily newspaper.

Please carefully read this article, turn the page and follow the further instructions.

Note, that in order to achieve unbiased results it is very important that the tasks are carried out on your own without paying attention to the person(s) sitting next to you.

INFORMATION TECHNOLOGY

The flood wave of electronic data and its wide-spread impact

Zurich. These days we can hardly imagine a life without the internet anymore. It has become an inherent part of our society which is still on the advance and pushes digitalization forward. But this trend which causes an ease of our daily life on the one hand produces enormous loads of electronic data on the other hand. Consequently, there is a rising need for adequate storage media – the fastest growing business area in the entire information technology industry. Nowadays, data of more than one gigabyte, which in former times would have been way too big for a magnetic hard disk, can be easily transferred to a commercial USB flash drive. More and more companies discover the high potential of these products wherefore the market for USB flash drives became very unmanageable. Consequently, the customers have difficulties to assess the quality of an USB flash drive and to distinguish between different products.

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This immense variety of products which on the one hand results in – literally speaking – stimulus satiation in Western countries causes on the other hand degrading working conditions for people in less developed or developing countries. Since the companies have to produce cost-efficiently in order to stay competitive and ensure attractive prices for the costumers more and more firms outsource major parts of their value chain to “favorable” low-wage countries like e.g. Sri Lanka or India.

Unlike its competition, KonneXion does not support any activities to improve the international social and environmental standards. This is also reflected in the Fair Trade Ranking Monitor, a database which gives information about how a firm complies with the guidelines of the Fair Trade Labeling Organization. So far KonneXion did not meet the obligations for a fair compensation above the statutory minimum wage to secure the livelihood and improve the standard of living of their workers at the production site in Sri Lanka.



KonneXion's StoreXpress 3.0

By pursuing primary own economic interests KonneXion has in the past repeatedly impeded various actions for an improvement of the social and ecological structures in less developed countries. Furthermore, the company causes negative headlines especially in the field of child labor, advancement of women and the expansion of the educational system. Besides socially non-acceptable working conditions KonneXion furthermore does not put any effort on the development of environmentally compatible production processes.

Consequently, the Swiss company KonneXion plays a very questionable role in the international information technology industry.

Appendix C: Bidding Procedure

THE BIDDING

In the following, you have the possibility to buy an USB flash drive of the Swiss company KonneXion by auction. Since the so called Vickrey Auction is based on several special requirements you are asked to **read through the following instructions carefully**.

The following product is subject of the auction:

StoreXpress 3.0 (color: white, storage volume: 8 gigabyte, reading speed: 10 MB/s, writing speed: 5 MB/s)



Please consider carefully how much you are willing to pay for this USB flash drive.

Then write this amount of money in the box provided at the bottom of this page („My bid“).

Please note that all students which are assigned to the same group as yours are potential bidders and make a respective bid as well.

Subsequently, all the delivered bids will be sorted - **the person with the highest delivered bid is the winner of the auction. However, the winner has just to pay the amount of the second highest bid.**

This means that the winner gets in any case a good deal since he or she pays less compared to the initial willingness to pay (as stated in the delivered bid).

You cannot *directly* influence the price that you will have to pay if you win the bid. But the price will be for sure less compared to your willingness to pay (as initially stated in the delivered bid).

The best strategy is to indicate an amount of money that truly reflects your highest willingness to pay.

My bid:

EUR

I hereby confirm that I will pay the price resulting from the Vickrey Auction if I win the bid.

The winner of the auction will be determined throughout the lecture and immediately handed over the product. No additional expenses will occur and the statutory warranty claims apply.

To determine a winner of the auction please fill in your name:

All information collected will remain strictly confidential.

Place & date

Signature

Please hand through the entire documentation outwards to the end of your row before in a next step, you will receive the second part of this study, the questionnaire. Thank you

Appendix D: Questionnaire



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Chair of International Marketing
Univ.-Prof. DDr. Diamantopoulos
Institute for business administration
Brünnerstraße 72
1210 Vienna, Austria

Master Thesis Advisor:
Prof. Dr. Christina Sichtmann
Degree Candidate/Contact:
Sonja Schneeberger,
sonja_schneeberger@gmx.at

RESEARCH PROJECT – PART 2

- The following survey is carried out within the frame of a diploma thesis. Consequently, the collected data will be used only for academic purpose and not be passed on to any third parties.
- All information collected will remain **strictly confidential!**
- Please follow the instructions on every page and **carry out the tasks on your own** without paying attention to the person(s) sitting next to you.

In the following questionnaire you are asked to indicate your personal opinion – there are no correct or wrong answers. For the subsequent analysis of the questionnaires as well as the result of the study it is very important that you fill in the form **completely** and **carefully**. Therefore, in cases that you are not sure which answer to choose, it is more valuable to **indicate the answer that best reflects your opinion** rather than making no entry.

Since the study is divided into two parts, which later on have to be merged in order to analyze the collected data, it is important to write a code on both of the documents (Part 1 and Part 2).

The code is composed of **the first two letters of your first name, the last two numbers of your matriculation number and the first two letters of your second name.**

(Example: for Sonja Schneeberger, matriculation number 0904706 – the code is SO06SC)

Code: _____

QUESTIONNAIRE

Please indicate in the following questionnaire **up to which extent you agree or disagree with the several statements** by marking the number on a scale from 1 to 7 that best reflects your personal attitude. For the subsequent analysis of the questionnaires as well as the result of the study it is very important that you **fill in the form completely and carefully**. All information collected will remain **strictly confidential**.

1. How would you assess the credibility (authenticity) of the newspaper article?

Not credible at all ① ② ③ ④ ⑤ ⑥ ⑦ Highly credible

2. In overall, how would you evaluate the company KonneXion?

Very negative ① ② ③ ④ ⑤ ⑥ ⑦ Very positive

Not appealing ① ② ③ ④ ⑤ ⑥ ⑦ Highly appealing

3. In overall, how would you evaluate the USB flash drive *StorXpress 3.0* offered by KonneXion?

Very negative ① ② ③ ④ ⑤ ⑥ ⑦ Very positive

4. In general, I am interested in test results published by the Association for Customer Information (*Verein für Konsumenteninformation*).

Strongly disagree ① ② ③ ④ ⑤ ⑥ ⑦ Strongly agree

5. The judgement by the Association for Customer Information (*Verein für Konsumenteninformation*) is trustworthy.

Strongly disagree ① ② ③ ④ ⑤ ⑥ ⑦ Strongly agree

6. The Trade Ranking Monitor of the International Fair Trade Labeling Organization is reliable (trustworthy).

Strongly disagree ① ② ③ ④ ⑤ ⑥ ⑦ Strongly agree

7. In my opinion, the instructions for the Vickrey Auction were clear and understandable.

Strongly disagree ① ② ③ ④ ⑤ ⑥ ⑦ Strongly agree

8. Please imagine the following situation:
Person A makes a bid of EUR 2, person B bids EUR 3 and person C bids EUR 2.50.

- a. Who is going to win the Vickrey Auction? ☐ Person A b. At which price? ☐ EUR 2.-
☐ Person B ☐ EUR 3.-
☐ Person C ☐ EUR 2.50

9. Please indicate up to which extent you agree or disagree with the following statements.

Strongly disagree Strongly agree

- a. I am aware of it that my bid is binding. ① ② ③ ④ ⑤ ⑥ ⑦
b. I am aware of it that this auction is a real purchase situation. ① ② ③ ④ ⑤ ⑥ ⑦
c. My intention was to acquire the USB flash drive at a particularly favorable price. ① ② ③ ④ ⑤ ⑥ ⑦
d. Since I do not need an USB flash drive I made a particularly low bid so that I do not win under any circumstances this auction. ① ② ③ ④ ⑤ ⑥ ⑦
e. If I would have thought longer about the amount that I am willing to pay for this product I might have stated a different price. ① ② ③ ④ ⑤ ⑥ ⑦
f. If I could make another bid I would state exactly the same amount of money. ① ② ③ ④ ⑤ ⑥ ⑦

10. Up to which extent did the newspaper article influence your willingness to pay for this product?

No influence at all ① ② ③ ④ ⑤ ⑥ ⑦ Very strong influence

11. The newspaper article was...

- a. ...negatively connoted ① ② ③ ④ ⑤ ⑥ ⑦ ...positively connoted
b. ...very unconvincing ① ② ③ ④ ⑤ ⑥ ⑦ ...very convincing
c. ...very uninteresting ① ② ③ ④ ⑤ ⑥ ⑦ ...very interesting

12. While reading the newspaper article I was...

...very unfocused ① ② ③ ④ ⑤ ⑥ ⑦ ...very focused

13. Please indicate whether the following product categories are more utilitarian or hedonic in nature.
A utilitarian product is aimed to satisfy basic needs and is characterized by functionality and usefulness while a hedonic product refers predominantly to pleasure-seeking.

- | | | | |
|----------------------|-------------|---------------------------|---------|
| a. Sports car | Utilitarian | ① ② ③ ④ ⑤ ⑥ ⑦ | Hedonic |
| b. USB flash drive | Utilitarian | ① ② ③ ④ ⑤ ⑥ ⑦ | Hedonic |
| c. Minivan | Utilitarian | ① ② ③ ④ ⑤ ⑥ ⑦ | Hedonic |
| d. Designer clothes | Utilitarian | ① ② ③ ④ ⑤ ⑥ ⑦ | Hedonic |
| e. Personal Computer | Utilitarian | ① ② ③ ④ ⑤ ⑥ ⑦ | Hedonic |

f. Chocolate	Utilitarian	①	②	③	④	⑤	⑥	⑦	Hedonic					
14. How would you assess an USB flash drive in view of the following attributes? A USB flash drive is...														
a. ... a vice ("want")	①	②	③	④	⑤	⑥	⑦	...	a virtue ("should")					
b. ... a good with experiential enjoyment	①	②	③	④	⑤	⑥	⑦	...	a good with practical functionality					
c. ... a discretionary product	①	②	③	④	⑤	⑥	⑦	...	a necessary product					
d. ... a product with high involvement	①	②	③	④	⑤	⑥	⑦	...	a product with low involvement					
e. ... a product where I invest rather time than money	①	②	③	④	⑤	⑥	⑦	...	a product where I invest rather money than time					
f. ... a product where the benefit is not easy to quantify	①	②	③	④	⑤	⑥	⑦	...	a product where the benefit is easy to quantify					
15. How much do the following criteria influence your buying decision with respect to an USB flash drive on the one hand and a chocolate bar on the other hand? (please fill in both columns for the two products)														
	USB flash drive				Chocolate bar									
	No influence at all		High influence		No influence at all		High influence							
a. Product quality	①	②	③	④	⑤	⑥	⑦	①	②	③	④	⑤	⑥	⑦
b. Product innovativeness	①	②	③	④	⑤	⑥	⑦	①	②	③	④	⑤	⑥	⑦
c. Product price	①	②	③	④	⑤	⑥	⑦	①	②	③	④	⑤	⑥	⑦
d. Product design	①	②	③	④	⑤	⑥	⑦	①	②	③	④	⑤	⑥	⑦
e. Packaging design	①	②	③	④	⑤	⑥	⑦	①	②	③	④	⑤	⑥	⑦
f. Brand name	①	②	③	④	⑤	⑥	⑦	①	②	③	④	⑤	⑥	⑦
g. Corporate Social Responsibility	①	②	③	④	⑤	⑥	⑦	①	②	③	④	⑤	⑥	⑦
16. Please indicate up to which extent you agree or disagree with the following statements.														
Strongly disagree										Strongly agree				
a. I have a high interest in USB flash drives.	①	②	③	④	⑤	⑥	⑦							
b. I consider USB flash drives to be very useful.	①	②	③	④	⑤	⑥	⑦							
c. I use USB flash drives very often.	①	②	③	④	⑤	⑥	⑦							
d. I can assess the quality of an USB flash drive by the information provided by the salesperson.	①	②	③	④	⑤	⑥	⑦							
e. I can assess the quality of an USB flash drive by reading the product specifications.	①	②	③	④	⑤	⑥	⑦							
f. For me it is important to see the USB flash drive in order to assess its quality.	①	②	③	④	⑤	⑥	⑦							
g. For me it is important to touch an USB flash drive in order to assess its quality.	①	②	③	④	⑤	⑥	⑦							
h. For me it is important to test an USB flash drive in order to assess its quality.	①	②	③	④	⑤	⑥	⑦							

17. How likely is it that you will buy a USB flash drive within the next 6 months?													
Very unlikely	①	②	③	④	⑤	⑥	⑦	Very likely					
18. In comparison to the amount of money that you stated in your bid – how much would you be willing to pay for a comparable USB flash drive in a commercial store?													
Much less	①	②	③	④	⑤	⑥	⑦	Much more					
19. If you have the intention to buy a USB flash drive, how likely would it be that you choose an USB flash drive of KonneXion among all the products offered in a commercial store?													
a. Very unlikely	①	②	③	④	⑤	⑥	⑦	Very likely					
b. Not probable at all	①	②	③	④	⑤	⑥	⑦	Very probable					
20. How do you evaluate the USB flash drive of KonneXion regarding its product design?													
Very negative	①	②	③	④	⑤	⑥	⑦	Very positive					
21. The USB flash drive of KonneXion is characterized by high quality.													
Strongly disagree	①	②	③	④	⑤	⑥	⑦	Strongly agree					
22. What is your attitude towards/perception of the brand KonneXion?													
a. Bad	①	②	③	④	⑤	⑥	⑦	Good					
b. Dislike	①	②	③	④	⑤	⑥	⑦	Like					
c. Negative	①	②	③	④	⑤	⑥	⑦	Positive					
d. Not appealing	①	②	③	④	⑤	⑥	⑦	Appealing					
23. KonneXion is a high qualitative brand.													
Strongly disagree	①	②	③	④	⑤	⑥	⑦	Strongly agree					
24. Please indicate up to which extent you agree or disagree with the following statements. If you are indifferent please choose the middle (4).							Strongly disagree	Strongly agree					
a. KonneXion is committed to pay its workers in Sri Lanka fair prices.							①	②	③	④	⑤	⑥	⑦
b. The company KonneXion supports socially acceptable working conditions in less developed countries.							①	②	③	④	⑤	⑥	⑦
c. KonneXion acts in an economical and environmentally responsible manner.							①	②	③	④	⑤	⑥	⑦
d. KonneXion supports the improvement of the educational system in less developed countries.							①	②	③	④	⑤	⑥	⑦
e. KonneXion pursues various activities in the field of women advancement.							①	②	③	④	⑤	⑥	⑦
f. The company KonneXion supports the initiative of Fair Trade.							①	②	③	④	⑤	⑥	⑦
g. The production processes of KonneXion are incompatible with the guidelines of Fair Trade.							①	②	③	④	⑤	⑥	⑦
h. KonneXion opposes child labor.							①	②	③	④	⑤	⑥	⑦

25. Please indicate up to which extent the following statements apply. The purpose why companies support the improvement of social and ecological standards is ...		Does not apply	Strongly applies
a. ...because of sincere concerns regarding social & ecological evils (situations)	① ② ③ ④ ⑤ ⑥ ⑦		
b. ...to create a positive image in the mind of the consumers.	① ② ③ ④ ⑤ ⑥ ⑦		
c. ...profit orientation.	① ② ③ ④ ⑤ ⑥ ⑦		
d. ...to stay competitive and imitate the activities of other companies.	① ② ③ ④ ⑤ ⑥ ⑦		
e. ...to satisfy customers who pay high attention to these issues.	① ② ③ ④ ⑤ ⑥ ⑦		
f. ...to detract from inferior quality.	① ② ③ ④ ⑤ ⑥ ⑦		
26. How much are you in favor of the following initiatives?		Do not support	Strongly support
a. Fair Trade initiatives	① ② ③ ④ ⑤ ⑥ ⑦		
b. Compensation above the statutory minimum wage (=minimum wage defined by law) in less developed countries	① ② ③ ④ ⑤ ⑥ ⑦		
c. Socially acceptable working conditions in less developed countries	① ② ③ ④ ⑤ ⑥ ⑦		
d. Prohibition of child labor	① ② ③ ④ ⑤ ⑥ ⑦		
e. Advancement of women	① ② ③ ④ ⑤ ⑥ ⑦		
f. Improvement of educational programs and training for workers and their families in less developed countries	① ② ③ ④ ⑤ ⑥ ⑦		
g. Establishment of ecological standards in less developed/developing countries	① ② ③ ④ ⑤ ⑥ ⑦		
h. Initiatives for a sustainable development in third world countries	① ② ③ ④ ⑤ ⑥ ⑦		
27. How frequently do you buy Fair Trade products?			
Never	① ② ③ ④ ⑤ ⑥ ⑦		Very often
28. I am familiar with the interests and guidelines of Fair Trade.			
Strongly disagree	① ② ③ ④ ⑤ ⑥ ⑦		Strongly agree
29. The Fair Trade initiative is important to me.			
Strongly disagree	① ② ③ ④ ⑤ ⑥ ⑦		Strongly agree
30. The Fair Trade initiative has no credibility.			
Strongly disagree	① ② ③ ④ ⑤ ⑥ ⑦		Strongly agree
31. How much importance do you place on Corporate Social Responsibility, which refers to a company's intention to mind and support social, ecological and economic issues?			
Not important at all	① ② ③ ④ ⑤ ⑥ ⑦		Very important

32. Which importance would you assign to the following aspects of Corporate Social Responsibility?

Not important Very important

- | | | | | | | | |
|--|---|---|---|---|---|---|---|
| a. Environment and climate protection | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| b. Sustainable products (environmentally compatible, biological...) | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| c. Social commitment and charity activities | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| d. Employee development (Educational training, health care, pension fund...) | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |

At the end please fill in some demographic data for statistical purpose.

Age _____	Gender ☐ Female ☐ Male	Marital status ☐ Single ☐ Married ☐ Divorced	Monthly income (money at your disposal before deduction of all living costs) ☐ EUR 0 – 299 ☐ EUR 300 – 599 ☐ EUR 600 – 899 ☐ EUR 900 – 1.199 ☐ EUR 1.200 – 1.499 ☐ more than EUR 1.500
Highest completed level of education ☐ High school diploma (<i>Matura</i>) ☐ University degree			

Thank you for your participation!

Appendix E: Data Analyses

Genuine Concern Attribution (Relationship: CSR and Brand Attitude)

Regression 1

Predictor Variables: Genuine Concern Attribution, Positive CSR and Negative CSR

Dependent Variable: **Brand Attitude**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.482	.232	.212	1.01927	1.906

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	4.212	.160		26.362	.000		
Positive CSR	.258	.222	.109	1.159	.249	.740	1.351
Negative CSR	-.983	.233	-.392	-4.220	.000	.755	1.325
Genuine Concern Attribution	.152	.065	.192	2.349	.020	.978	1.022

* Unstandardized ** Standardized

Regression 2

Predictor Variables: Genuine Concern Attribution, Positive CSR and Negative CSR,

Interaction term 1 (GCA*Positive CSR), Interaction term 2 (GCA*Negative CSR)

Dependent Variable: **Brand Attitude**

R	R Square	Adjusted R ²	SE of the Estimate	Durbin-Watson
.487	.237	.204	1.02438	1.902

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	4.197	.162		25.951	.000		
Positive CSR	.255	.224	.108	1.138	.257	.736	1.359
Negative CSR	-.969	.235	-.386	-4.115	.000	.746	1.341
Genuine Concern Attribution	.223	.112	.282	1.997	.048	.331	3.023
GCA * Positive CSR	-.135	.150	-.111	-.902	.369	.435	2.299
GCA * Negative CSR	-.059	.174	-.036	-.338	.736	.585	1.710

* Unstandardized ** Standardized

Genuine Concern Attribution (Relationship: CSR and Willingness to Pay)

Regression 1

Predictor Variables: Genuine Concern Attribution, Positive CSR and Negative CSR

Dependent Variable: **Willingness to Pay**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.261	.068	.044	5.39517	1.761

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	6.524	.846		7.714	.000		
Positive CSR	.968	1.177	.085	.822	.413	.740	1.351
Negative CSR	-2.061	1.233	-.171	-1.671	.097	.755	1.325
Genuine Concern Attribution	.579	.343	.152	1.691	.093	.978	1.022

* Unstandardized ** Standardized

Regression 2

Predictor Variables: Genuine Concern Attribution, Positive CSR and Negative CSR,

Interaction term 1 (GCA*Positive CSR), Interaction term 2 (GCA*Negative CSR)

Dependent Variable: **Willingness to Pay**

R	R Square	Adjusted R ²	SE of the Estimate	Durbin-Watson
.264	.070	.030	5.43664	1.769

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	6.487	.858		7.558	.000		
Positive CSR	1.004	1.189	.088	.844	.400	.736	1.359
Negative CSR	-2.001	1.250	-.166	-1.601	.112	.746	1.341
Genuine Concern	.755	.594	.198	1.273	.206	.331	3.023
GCA * Positive CSR	-.179	.796	-.031	-.225	.822	.435	2.299
GCA * Negative CSR	-.420	.924	-.053	-.455	.650	.585	1.710

* Unstandardized ** Standardized

Support of the CSR Domain (Relationship: CSR and Brand Attitude)

Regression 1

Predictor Variables: Support of CSR Involvement, Positive CSR and Negative CSR

Dependent Variable: **Brand Attitude**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.438	.192	.171	1.03683	1.992

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	4.246	.162		26.132	.000		
Positive CSR	.144	.227	.061	.635	.527	.745	1.343
Negative CSR	-1.002	.237	-.404	-4.228	.000	.757	1.321
Support of CSR Domain	-.011	.081	-.011	-.132	.895	.981	1.019

* Unstandardized ** Standardized

Regression 2

Predictor Variables: Genuine Concern Attribution, Positive CSR and Negative CSR,

Interaction term 1 (GCA*CSR Support), Interaction term 2 (GCA*CSR Support)

Dependent Variable: **Brand Attitude**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.469	.220	.186	1.02751	2.069

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	4.249	.162		26.209	.000		
Positive CSR	.177	.226	.075	.785	.434	.740	1.352
Negative CSR	-.990	.236	-.399	-4.192	.000	.749	1.335
Support of CSR Domain	-.031	.141	-.032	-.220	.826	.317	3.155
CSR Support * Positive CSR	.196	.190	.128	1.029	.306	.440	2.274
CSR Support * Negative CSR	-.206	.208	-.112	-.993	.323	.535	1.867

* Unstandardized ** Standardized

Support of the CSR Domain (Relationship: CSR and Willingness to Pay)

Regression 1

Predictor Variables: Support of CSR Domain, Positive CSR and Negative CSR

Dependent Variable: **Willingness to Pay**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.206	.042	.018	5.32669	1.865

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	6.681	.835		8.004	.000		
Positive CSR	.298	1.167	.027	.255	.799	.745	1.343
Negative CSR	-2.149	1.217	-.184	-1.765	.080	.757	1.321
Support of CSR Domain	-.211	.417	-.046	-.506	.614	.981	1.019

* Unstandardized ** Standardized

Regression 2

Predictor Variables: Support of CSR Domain, Positive CSR and Negative CSR,

Interaction term 1 (Positive CSR*CSR Support), Interaction term 2 (Negative CSR*CSR Support)

Dependent Variable: **Willingness to Pay**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.274	.075	.035	5.28096	1.935

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	6.855	.833		8.226	.000		
Positive CSR	.311	1.160	.028	.268	.789	.740	1.352
Negative CSR	-2.320	1.213	-.198	-1.912	.058	.749	1.335
Support of CSR Domain	-1.277	.727	-.280	-1.758	.081	.317	3.155
CSR Support * Positive CSR	1.963	.978	.272	2.008	.047	.440	2.274
CSR Support * Negative CSR	1.021	1.068	.117	.956	.341	.535	1.867

* Unstandardized ** Standardized

CSR as Decision Criteria (Relationship: CSR and Brand Attitude)**Regression 1**

Predictor Variables: CSR as Decision Criteria, Positive CSR and Negative CSR

Dependent Variable: **Brand Attitude**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.444	.197	.177	1.04185	1.962

Model	Coefficients*		Coefficients**		t	Sig.	Collinearity	
	B	SE	Beta				Tolerance	VIF
(Constant)	4.257	.165			25.801	.000		
Positive CSR	.163	.229	.069		.713	.477	.728	1.374
Negative CSR	-1.019	.241	-.406		-4.227	.000	.736	1.358
CSR as Decision Criteria	.023	.050	.040		.470	.639	.959	1.043

* Unstandardized ** Standardized

Regression 2

Predictor Variables: CSR as Decision Criteria, Positive CSR and Negative CSR,
Interaction term 1 (Decision Criteria*Positive CSR), Interaction term 2 (Decision
Criteria*Negative CSR)

Dependent Variable: **Brand Attitude**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.503	.253	.221	1.01385	1.979

Model	Coefficients*		Coefficients**		t	Sig.	Collinearity	
	B	SE	Beta				Tolerance	VIF
(Constant)	4.306	.164			26.294	.000		
Positive CSR	.086	.225	.036		.381	.704	.717	1.394
Negative CSR	-1.018	.236	-.406		-4.310	.000	.726	1.377
CSR as Decision Criteria	.114	.076	.192		1.488	.140	.386	2.590
DC * Positive CSR	-.005	.115	-.004		-.040	.968	.545	1.833
DC * Negative CSR	-.319	.120	-.280		-2.673	.009	.586	1.706

* Unstandardized ** Standardized

CSR as Decision Criteria (Relationship: CSR and Willingness to Pay)

Regression 1

Predictor Variables: CSR as Decision Criteria, Positive CSR and Negative CSR

Dependent Variable: **Willingness to Pay**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.267	.071	.048	5.38511	1.762

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	6.903	.853		8.095	.000		
Positive CSR	.276	1.184	.024	.233	.816	.728	1.374
Negative CSR	-2.488	1.246	-.206	-1.997	.048	.736	1.358
CSR as Decision Criteria	.468	.257	.165	1.820	.071	.959	1.043

* Unstandardized ** Standardized

Regression 2

Predictor Variables: CSR as Decision Criteria, Positive CSR and Negative CSR, Interaction term 1 (Decision Criteria*CSR Support), Interaction term 2 (Decision Criteria*CSR Support)

Dependent Variable: **Willingness to Pay**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.271	.073	.033	5.42615	1.770

Model	Coefficients*		Coefficients**	t	Sig.	Collinearity	
	B	SE	Beta			Tolerance	VIF
(Constant)	6.823	.877		7.784	.000		
Positive CSR	.313	1.202	.027	.260	.795	.717	1.394
Negative CSR	-2.422	1.264	-.201	-1.916	.058	.726	1.377
CSR as Decision Criteria	.323	.409	.114	.791	.431	.386	2.590
DC * Positive CSR	.275	.614	.054	.447	.655	.545	1.833
DC * Negative CSR	.207	.640	.038	.324	.746	.586	1.706

* Unstandardized ** Standardized

Gender (Relationship: CSR and Brand Attitude)

Regression 1

Predictor Variables: Gender, Positive CSR and Negative CSR

Dependent Variable: **Brand Attitude**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.527	.278	.259	.98348	1.948

Model	Coefficients*		Coefficients**		t	Sig.	Collinearity	
	B	SE	Beta				Tolerance	VIF
(Constant)	5.247	.326			16.088	.000		
Positive CSR	.127	.215	.054		.589	.557	.741	1.350
Negative CSR	-1.154	.233	-.461		-4.942	.000	.716	1.397
Gender	-.698	.191	-.296		-3.651	.000	.950	1.052

* Unstandardized ** Standardized

Regression 2

Predictor Variables: Gender, Positive CSR and Negative CSR, Interaction term 1

(Gender*Positive CSR), Interaction term 2 (Gender*Negative CSR)

Dependent Variable: **Brand Attitude**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.533	.284	.253	.98788	1.931

Model	Coefficients*		Coefficients**		t	Sig.	Collinearity	
	B	SE	Beta				Tolerance	VIF
(Constant)	3.962	.221			17.938	.000		
Positive CSR	-.119	.331	-.051		-.358	.721	.316	3.164
Negative CSR	-1.275	.413	-.509		-3.085	.003	.230	4.339
Gender	.475	.312	.201		1.521	.131	.359	2.787
Gender * Positive CSR	.431	.438	.162		.984	.327	.231	4.332
Gender * Negative CSR	.236	.506	.086		.466	.642	.182	5.483

* Unstandardized ** Standardized

Gender (Relationship: CSR and Willingness to Pay)

Regression 1

Predictor Variables: Gender, Positive CSR and Negative CSR

Dependent Variable: **Willingness to Pay**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.238	.057	.032	5.46308	1.788

Model	Coefficients*		Coefficients**		t	Sig.	Collinearity	
	B	SE	Beta				Tolerance	VIF
(Constant)	5.918	1.014			5.837	.000		
Positive CSR	.584	1.197	.051		.488	.626	.741	1.350
Negative CSR	-2.413	1.297	-.198		-1.861	.065	.716	1.397
Gender	1.289	1.062	.112		1.215	.227	.950	1.052

* Unstandardized ** Standardized

Regression 2

Predictor Variables: Gender, Positive CSR and Negative CSR, Interaction term 1

(Gender*Positive CSR), Interaction term 2 (Gender*Negative CSR)

Dependent Variable: **Willingness to Pay**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.251	.063	.022	5.49217	1.793

Model	Coefficients*		Coefficients**		t	Sig.	Collinearity	
	B	SE	Beta				Tolerance	VIF
(Constant)	6.427	1.228			5.233	.000		
Positive CSR	-.641	1.842	-.056		-.348	.729	.316	3.164
Negative CSR	-2.765	2.298	-.227		-1.203	.231	.230	4.339
Gender	.271	1.737	.024		.156	.877	.359	2.787
Gender * Positive CSR	2.129	2.438	.165		.874	.384	.231	4.332
Gender * Negative CSR	.814	2.811	.061		.290	.773	.182	5.483

* Unstandardized ** Standardized

Income (Relationship: CSR and Brand Attitude)

Regression 1

Predictor Variables: Income, Positive CSR and Negative CSR

Dependent Variable: **Willingness to Pay**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.224	.050	.025	5.49247	1.829

Model	Coefficients*		Coefficients**		t	Sig.	Collinearity	
	B	SE	Beta				Tolerance	VIF
(Constant)	6.738	.932			7.231	.000		
Positive CSR	.860	1.201	.075		.716	.475	.754	1.327
Negative CSR	-2.148	1.282	-.177		-1.676	.096	.743	1.345
Income	-.640	1.229	-.048		-.521	.603	.984	1.017

* Unstandardized ** Standardized

Regression 2

Predictor Variables: Gender, Positive CSR and Negative CSR, Interaction term 1 (Gender*Positive CSR), Interaction term 2 (Gender*Negative CSR)

Dependent Variable: **Willingness to Pay**

R	R ²	Adjusted R ²	SE of the Estimate	Durbin-Watson
.232	.054	.012	5.53011	1.803

Model	Coefficients*		Coefficients**		t	Sig.	Collinearity	
	B	SE	Beta				Tolerance	VIF
(Constant)	6.849	1.027			6.669	.000		
Positive CSR	.854	1.398	.074		.611	.543	.564	1.772
Negative CSR	-2.482	1.440	-.204		-1.724	.088	.597	1.675
Income	-1.041	1.958	-.078		-.532	.596	.392	2.548
Income * Positive CSR	-.055	2.791	-.003		-.020	.984	.428	2.334
Income * Negative CSR	1.971	3.312	.071		.595	.553	.582	1.718

* Unstandardized ** Standardized

Appendix F: German Abstract

Die vorliegende Arbeit zielt auf die Untersuchung eines möglichen Zusammenhangs zwischen der sozialen Verantwortung eines Unternehmens – auch bekannt als Corporate Social Responsibility (CSR) – und des daraus resultierenden Konsumentenverhaltens ab, insbesondere darauf, ob durch die soziale Verantwortung/Verantwortungslosigkeit eines Unternehmens die Zahlungsbereitschaft von KundInnen beeinflusst wird.

Obwohl es in diesem Bereich schon zahlreiche Studien gibt, die einen positiven Zusammenhang zwischen der sozialen unternehmerischen Verantwortung und dem Konsumentenverhalten aufzeigen, basierte die Mehrheit dieser Studien auf theoretischen und hypothetischen Befragungen, weshalb nicht ausgeschlossen werden kann, dass die Ergebnisse durch das Phänomen der sozialen Erwünschtheit – wonach Probanden eine dem realen Kaufverhalten nicht entsprechende höhere Sensibilität hinsichtlich CSR demonstrieren – den Einfluss von Corporate Social Responsibility auf die Zahlungsbereitschaft überschätzen.

Unter diesem Gesichtspunkt war das Ziel dieser Arbeit durch eine anreizkompatible Untersuchungsmethode – eine Vickrey Auktion – die tatsächliche individuelle Zahlungsbereitschaft in Abhängigkeit von der sozialen Verträglichkeit des Produkts bzw. des Unternehmens zu erheben, wobei einer Beeinflussung der Ergebnisse durch sozial erwünschtes Verhalten entgegengewirkt werden soll. Denn im Rahmen einer Vickrey Auktion geben die TeilnehmerInnen für das Versteigerungsobjekt ein bindendes Angebot ab. Der/die Teilnehmer/in mit dem höchsten Gebot gewinnt die Auktion wobei der Kaufpreis dem zweithöchsten Gebot entspricht und die Probanden so durch Angabe ihrer tatsächlichen maximalen Zahlungsbereitschaft das für sie beste Ergebnis erzielen.

Den Untersuchungsgegenstand der Vickrey Auktion – die Stichprobe umfasst insgesamt 122 Studenten der Universität Wien – stellte ein USB-Stick eines fiktiven Unternehmens dar, um so bereits vorhandene Assoziationen mit einer bestehenden Marke zu verhindern. Als CSR Stimuli dienten drei manipulierte Zeitungsartikel, die neben dem Ergebnis eines Tests des Vereins für Konsumenteninformation – das im Rahmen der Auktion versteigerte Produkt erhielt hierbei gute Bewertungen – auch

Informationen zur sozialen Verantwortung/Verantwortungslosigkeit des Unternehmens sowie für die Kontrollgruppe keine Informationen zur CSR beinhaltete. Die Ausprägung von CSR bezieht sich dabei auf die faire Entlohnung von Produzenten und ArbeiterInnen in Entwicklungsländern im Rahmen der Fairtrade Standards.

Die Analyse der Studienergebnisse zeigt einen positiven Zusammenhang zwischen der sozialen Verantwortung eines Unternehmens und der Zahlungsbereitschaft von Konsumenten auf, wonach die Zahlungsbereitschaft – im Vergleich zu den Probanden, die keine Information zur CSR des Unternehmens erhielten – im Falle von sozialer Verantwortung höher ist und soziale Verantwortungslosigkeit durch eine niedrigere Zahlungsbereitschaft sanktioniert wird. Somit bestätigen die vorliegenden Ergebnisse zahlreiche empirische Studien, die auf theoretischen Präferenzabfragen basierten. Insbesondere ein negativer Ruf im Hinblick auf CSR schlägt sich auf die Zahlungsbereitschaft nieder, wonach festgestellt wurde, dass der Preisabschlag im Falle von sozialer Verantwortungslosigkeit auf die durchschnittliche Zahlungsbereitschaft der Kontrollgruppe in Relation viel größer ist als der Preisaufschlag bei positiver CSR.

Da der Zusammenhang zwischen CSR und der daraus resultierenden Zahlungsbereitschaft bis dato nicht eindeutig bzw. vollständig erforscht ist, wurden im Rahmen der vorliegenden Arbeit auch ein möglicher Mediatoreffekt der Einstellung gegenüber einer Marke sowie mögliche Moderatoreffekte untersucht. Die Ergebnisse lassen darauf schließen dass die Einstellung gegenüber einer Marke den Einfluss von Informationen über die soziale Verantwortung/Verantwortungslosigkeit eines Unternehmens auf die Zahlungsbereitschaft teilweise mediiert und Konstrukte wie die persönliche Relevanz der vom Unternehmen adressierten CSR Aspekte oder die Wichtigkeit, die der CSR bei der Kaufentscheidung beigemessen wird, diesen Zusammenhang teilweise moderieren.

Appendix G: Curriculum Vitae

PERSONAL DATA

NAME	Sonja Maria Schneeberger, BA
BIRTH DATE/PLACE	22 April 1986/Vorau
CITIZENSHIP	Austria

EDUCATION

SINCE 2009	University of Vienna Master Studies: International Business Administration Major: International Marketing
2006 - 2009	University of Applied Sciences Campus02, Graz Bachelor Studies: Marketing & Sales Major: International Marketing Degree: Bachelor of Arts in Business
2000 - 2005	Commercial Academy, Weiz Major: Information Management & Information Technology Degree: Graduation Diploma qualifying for University Entrance

WORK EXPERIENCE

SINCE 1 JULY 2012	REWE International AG, Wiener Neudorf Food Retailing Position: Junior Communications Manager Department: Corporate Communications
1 OCTOBER 2010 – 30 JUNE 2012	REWE International AG, Wiener Neudorf Food Retailing Position: Communications Assistant (Part Time Employment) Department: Corporate Communications
15 OCTOBER 2009 – 30 JUNE 2010	Wolf Theiss, Vienna Lawyer's Office Position: Evening Assistant (Part Time Employment)
15 OCTOBER 2005 - 15 SEPTEMBER 2006	Pacher & Partner, Graz Lawyer's Office Position: Secretary

INTERNSHIPS

1 JULY - 31 AUGUST 2011	BILLA ITALIA , Milan (Italy) Department: Marketing
1 JULY -- 30 SEPTEMBER 2010	REWE International AG , Wiener Neudorf Department: Corporate Communications
2 FEBRUARY - 15 MAY 2009	SEAT Sociedad Anónima , Barcelona (Spain) Department: Product Communications
1 AUGUST - 30 SEPTEMBER 2008	Mondi Packaging Flexibles , Vienna Department: Marketing (Product Division "Consumer Flexibles")
1 JULY - 31 JULY 2007	Mag. Maier Marketing , Graz Marketing Agency
1 MARCH - 31 MAY 2007	Mag. Maier Marketing , Graz Marketing Agency (Marginal Employment)

ADDITIONAL SKILLS

LANGUAGES	- German (Mother tongue) - English (Fluent in written and spoken) - Spanish (Intermediate) - French (Basic Skills)
EXPERIENCE ABROAD	- Internship in Barcelona, Spain (2009) - Summer School in Beijing/Shanghai, China (2007) - English Language Course in London, England (2006) - French Language Course in Cannes, France (2005) - English Language Course at Malta (2003)
HOBBIES	Snowboarding, Reading, Traveling, Movies, Football