



Vaasan yliopisto  
UNIVERSITY OF VAASA

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**Impact of Corporate Social Responsibility on  
consumers: A case study of Kaufland Česká  
republika v.o.s.**

Master's thesis  
Master's Degree Programme in International Business  
School of marketing and communication

Vaasa 2021

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**UNIVERSITY OF VAASA****School of marketing and communication**

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<b>Title of the Thesis:</b>	Impact of Corporate Social Responsibility on consumers: A case study of Kaufland Česká republika v.o.s.	
<b>Degree:</b>	Master of Science in Economics and Business Administration	
<b>Programme:</b>	Master's Degree Programme in International Business	
<b>Supervisor:</b>	Arto Ojala	
<b>Year:</b>	2021	<b>Number of pages: 117</b>

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**ABSTRACT**

During past years, topics of sustainability and corporate social responsibility (CSR) have noted an increasing interest by the society. As a result, an ever-rising number of organizations are getting engaged in the area of CSR. Existing studies have examined the awareness as well as interest in these phenomena. Moreover, the effects on consumers have been studied as well. However, a complex examination of the phenomenon of CSR and its influences is a scarce research area. Therefore, this research struggles to fill in the research gap and is dedicated to the study of impacts of CSR on consumers while using a perspective of both company and consumers. In order to be able to answer the research question defined, four objectives were identified. The first objective aims to familiarize with the concept of sustainability and CSR. Secondly, to examine the implementation of CSR activities and in addition, when using a case company as an auxiliary tool. Thirdly, to investigate customer's opinions and awareness of CSR policy and activities. The last objective is devoted to the evaluation of the impact of CSR activities on consumers. The empirical part of the study made use of both qualitative and quantitative research methods. The qualitative technique that was chosen was a semi-structured interview. To be more specific, two interviews were conducted, one with the CSR manager of the case company and second one with the CSR project manager of the sister company in Slovakia, offering an international overview of CSR policy and activities. When it comes to the quantitative research, 105 respondents, mainly students were chosen as a sample. All the participants come from the Czech Republic since the case company studied is a Czech subsidiary of the German retail chain. The research conducted confirms that a CSR initiative does have an impact on consumers. However, this impact does not have to be always translated into purchase decisions. When it comes to the specific effects of CSR on consumers, the research suggests firstly an increased reputation and image of the company, secondly increased loyalty to the company, thirdly formation of preference of the company over its competitors and lastly purchase of products made by the company. Additionally, CSR affects a perceived value of the company as well, to be more specific, socially committed companies are more valuable in the eyes of consumers. Nevertheless, it appears that a price, reputation and image of a company as well as a brand itself play a more significant role to consumers than the CSR.

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**KEYWORDS:** Sustainability, Corporate Social Responsibility, CSR, Impact of CSR on consumers

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**Abbreviations**

CSR	Corporate social responsibility
SDG	Sustainable Development Goal

# 1 Introduction

## 1.1 Background of the study

During the last years, people all around the world have started to take an interest in sustainability. According to European Commission, 94% of inhabitants of Europe claimed in 2017 that it was important to protect the environment (European Commission, 2017). When it comes to continents such as North America and Australia and the sustainability issue in 2019, according to Forbes, 77% of people desired to learn more about a sustainable lifestyle and 93% of respondents felt concerned for the environment in general (Ellsmoor, 2019). Furthermore, sustainability represents a significant global trend in terms of consumer markets (Grinstein & Riefler, 2015).

According to Global Survey on Sustainability and the SDGs (2020), people are familiar with the meaning and concept of sustainability. The aim of SDGs (Sustainable Development Goals) is to provide all people with an orientation framework in order to understand the concept of sustainability. Nevertheless, in contrast to awareness of sustainability as a term, less than a half of respondents around the world (to be more specific 49,7%) know what SDGs represent (Global Survey on Sustainability and the SDGs, 2020).

It is obvious, that people are interested in sustainability and they do have an overview of some basics about this concept. However, based on the results of the survey above, people do not understand the connections within the concept since they are not familiar with SDGs which represent a foundation of understanding this issue as a whole. Therefore, it seems important to focus on both sustainability concept and corporate social responsibility (CSR) as those terms are closely linked up.

Consumers pay no longer attention only to a product or service itself, but also to behavior of the producing company. Speaking of consumers and CSR, it is essential to mention Nielsen's report which surveyed 30 thousand consumers in 60 countries of the world. It was found out that 66% of respondents preferred goods from companies that were

socially committed, even when assuming higher prices (Nielsen, 2015). However, sustainability does not touch only consumers but also businesses. Sustainability issues such as climate change might have a significant effect on the survival, growth and performance of companies across industries and even bigger impact on activities which build the core business of a multinational enterprise (Kolk & Pinkse, 2008). As evident, CSR is closely linked to the international business. *“Within the context of International Business, Corporate Social Responsibility (CSR) might be considered a mechanism through which investments made can achieve the full economic benefits as long as there is an agreement to promote social and political stability”* (Gonzales-Perez & Leonard, 2013, p. xiii).

As mentioned above, sustainability and CSR very important roles for many consumers all around the world. However, it is important to take into account a fact, that not all companies do what they actually claim. In addition, there is still a possibility that people do not have the correct understanding of sustainability or CSR as a term.

Without a correct understanding of sustainability and its goals, it is impossible to understand the point of CSR. *“Understanding firms’ CSR behavior across national contexts is of much interest to international business scholars due to its unique connections to the institutional context as well as its connection to the firm’s economic interests”* (Young & Makhija, 2014, p. 692). As evident from the previous sentence, CSR represents an important and widely discussed issue in the field of international business. Moreover, it is significant even for enterprises to be aware of society’s opinions regarding sustainability and the activities in the area of CSR. Only then, companies will be able to satisfy desires of stakeholders as well as be sustainable through a precisely pointed CSR policy.

The matter of sustainability belongs to the most pressing issues of the 21<sup>st</sup> century (Lin & Zheng, 2017). Furthermore, the importance of this topic can be represented by a fact that it does not touch only the generations already living on our planet, but also the future ones. *“Sustainability focuses on meeting the needs of present without*

*compromising the ability of future generations to meet their needs”* (Grant, 2020). In addition, businesses and organizations can also contribute to achieve this goal through their CSR policy and activities.

However, enabling new generations the possibility to meet their needs is not the only reason why companies pay attention to CSR. International business researchers developed a framework suggesting that CSR improves competitive advantages of the company by reducing transaction costs (Ghoul, Guedhami & Kim, 2017). According to a study from Oxford University, over 80% of investors take corporation’s actions into account, the focus is on environmental, social and governance information when considering potential investments (McPherson, 2019). It means that CSR is a promising way to achieve sustainability and become particularly successful in business area.

As mentioned above, CSR policy and activities have a significant impact on consumers when they face making purchase decisions. *“CSR has the ability to have a short-term impact, by encouraging purchase intentions, and a long-term effect, by helping to develop the firm’s reputational capital, which can provide a competitive advantage”* (Bianchi, Bruno & Sarabia-Sanchez, 2019, p. 216). As visible from previous statement, appropriately pointed CSR does not affect only purchase decisions of consumers but also brand image which might increase. It means, CSR touches both consumers and other stakeholders of the company and the corporation itself.

## **1.2 Research gap**

On the grounds of the increasing consumer interest in CSR, it might be interesting to find out, what activities international companies are focused on in the area of CSR. In addition, based on prior studies, there seems to be a relation between CSR and consumers, especially their purchase decision making. According to the research conducted by Nielsen (2015), an implementation of CSR activities increases customers’ interest for the company’s products and services. Additionally, consumers appear to be willing to buy

even more expensive goods in case it is sustainable. Furthermore, a study conducted by Oxford University states, that the most investors take into account corporations' actions in the field of CSR (McPherson, 2019).

As evident from the previous paragraph, appropriately pointed CSR does not affect only purchase decisions of consumers but also the success of the company in business area. CSR may contribute to the increase in brand image as well (Keller & Swaminathan, 2020). It means, a phenomenon of CSR touches both consumers and other stakeholders of the company and the corporation itself.

As mentioned above, CSR has the power to encourage purchase intentions and increase brand reputation which might lead to the attraction of new consumers again. However, it is also important to find out, what CSR activities are actually preferred by consumers. Moreover, even the best CSR policy does not bring the success to the company when not being communicated in a sufficient and appropriate way.

A significant number of companies are being awarded for their effort in the area of CSR. In 2019, according to Forbes, companies such as Lego, Microsoft, Google or The Walt Disney Company represented the most reputable firms for CSR all around the world (Valet, 2019). However, are the successful companies implementing CSR activities, which are being noticed and desired by their consumers? In addition, what concrete effects these activities have on their consumers? it seems essential to examine the actual impact of the CSR on consumers. As already mentioned above, based on the prior studies, there is a link between CSR and consumers.

However, it appears that there are no or rare studies that would examine the issue of CSR and consumers in a complex way as it is. It might be useful to study whether people understand the concept of sustainability and CSR and if they perceive it as significant. Moreover, it may be beneficial to be knowledgeable about the CSR policy and activities of firms, followed by finding out, which of these activities implemented are actually

being appreciated by consumers. Last but not least, it appears essential to examine how exactly those facts affect consumers in practice. Additionally, this study strives for the understanding of the impact of CSR on consumers from both perspectives. Meaning from the perspective of the company as well as consumers themselves.

### **1.3 Research question, objectives and delimitations of the study**

The goal of this section is to determine research question and identify objectives of the research. Lastly, delimitations of the study will be introduced.

#### **1.3.1 Research question**

The topic of sustainability and CSR has become a phenomenon during past years. There were many studies carried out touching these issues, those studies and outcomes will be described in following chapters. When it comes to the impact of CSR on consumers, most authors agree on the findings (as will be discussed later), especially on the fact that CSR does have an effect on consumers.

The primary purpose of this master's thesis is to analyze impact of CSR on consumers. It means, explanatory studies will be used since the research aims at examining connection between two variables (Kontkanen, 2015). In order to be able to do so, it is significant to introduce current CSR policy and activities. Then, it will be feasible to find out what activities are actually appreciated by consumers and how those CSR activities affect them, for instance through their purchase decisions. However, the impact is not touching only purchase decisions, but also perception of the brand and its reputation.

Taking into account points mentioned above, it is important to understand the concept of CSR, have an overview of CSR activities of the company chosen so that the research

pointed at consumers and their feelings about the CSR is relevant and reflective. This leads to the research question as follows:

*“How does corporate social responsibility of a company affect consumers?”*

### **1.3.2 Objectives**

To follow up a research problem, it is essential to set few detailed objectives to indicate steps that must be taken in order to answer the research question properly and fulfil the purpose of this paper. Therefore, objectives for this research paper have been set as follows:

1. *To familiarize with the concept of sustainability and CSR.*
2. *To examine the implementation of CSR activities.*
3. *To investigate customers’ opinions and awareness of CSR policy and activities.*
4. *To evaluate the impact of CSR activities on consumers.*

### **1.3.3 Delimitations of the study**

The theoretical framework of this research paper will be composed of four approaches. The first part will provide readers with an overview of sustainability. It will include an explanation of the term and what it means in practice, why it is important, a brief overview of Sustainable Development Goals and a connection to the CSR and consumers. The aim of this chapter is to introduce a topic of sustainability and to link it to the main issue of this paper – CSR. Therefore, no further descriptions or research techniques regarding sustainability will be presented.

The second part will be dedicated to the CSR. It will contain the definition of CSR, description of main aspects of CSR and the importance of CSR communication towards stakeholders. As evident from the title, this paper will be focused on one stakeholder only – consumers. Therefore, other stakeholders might be mentioned in connection to a complex issue, but they will not be the area of interest otherwise. Additionally, since the paper aims to examine impacts of CSR on consumers, the issue of CSR will not be discussed completely. For instance, main principles of CSR (as voluntariness, systematic and long-run work etc.) as well as arguments in favor and against CSR will not be taken into account.

The third part will be concerned with the impact of CSR on consumers. Therefore, this part will discuss a relation between CSR and consumers' associations and behavior. It will be built on previous studies and appropriate literature. In addition, the impact of CSR on consumers will not be limited to consumers' purchase decisions only. Other effects as for instance brand perception will be considered.

The final part will be focused on the development of hypotheses. Those hypotheses will be based on the review of literature and theoretical background.

## 1.4 Key definitions

**Sustainability** as a term means by definition "*the ability to meet humanity's needs without harming future generations*" (Kotler & Keller, 2012, p. 655). The concept of sustainability consists of three pillars: environmental which concerns our planet, social that focuses on people and economic which is related to profit (Cirella, Goncharuk, lo Storto & Russo, 2020). Companies strive for sustainability achievement through their CSR policy and activities.

**Corporate social responsibility (CSR)** represents one of the major theories of sustainability and firms (Chang, Zhao, Zuo & Zillante, 2017). According to the European

Commission, CSR means “*the responsibility of enterprises for their impact on society*” (European Commission). Furthermore, Carroll’s four-part model defines CSR as a company’s philanthropic, ethical, legal and economic responsibilities to society (Visser, Maten, Pohl & Tolhurst, 2010). CSR includes corporation’s policies, programs and actions that aim to improve well-being in society while extending beyond law requirements and company’s financial interests (Jones, Willness & Glavas, 2017).

## **1.5 Structure of the study**

The first chapter of the master’s thesis is an introduction, followed by second chapter that will focus on the theoretical framework. This part will consist of four sub sections: a short overview of sustainability, a section covering CSR, a part dedicated to the impact of CSR on consumers and lastly, a chapter focusing on the development of hypotheses.

The third chapter will be dedicated to the research methodology of the thesis. It will contain the method of data collection, sample size and target group. In addition, all other significant information related to the research method will be provided in order to increase validity and reliability of the research.

The fourth chapter will represent the most essential part of the master’s thesis. It will contain an introduction of the case company (Kaufland Česká republika, v.o.s.) and an analysis of CSR policy and activities of the chosen company. It will be followed by an outcome of the interview and survey conducted.

The aim of the fifth chapter will be to discuss the theoretical framework together with prior studies and the actual findings obtained by carrying out this study.

Last chapter will be focused on a conclusion of the main points of the master’s thesis and findings of the research will be highlighted. Moreover, the research question will be

answered. Last but not least, limitations of the study and possible suggestions for further future research will be presented.

## 2 Theoretical framework

The theoretical framework will be divided into four parts. Firstly, an issue of sustainability will be introduced. Secondly, a phenomenon of CSR will be examined. The third part will cover the relation between CSR and consumers. The last section will be dedicated to hypotheses.

### 2.1 Sustainability

The issue of sustainability belongs to the most pressing issues of the 21<sup>st</sup> century (Lin & Zheng, 2017). In addition, sustainability represents a significant global trend in terms of consumer markets (Grinstein & Riefler, 2015). But what can be actually understood under the term sustainability? According to Kotler and Keller, sustainability means by definition *“the ability to meet humanity’s needs without harming future generations”* (Kotler & Keller, 2012, p. 655). Furthermore, Costanza defines sustainability as *“a relationship between dynamic human economic systems and larger dynamic, but normally slower-changing ecological systems, in which (a) human life can continue indefinitely, (b) human individual can flourish, and (c) human cultures can develop”* (Chang, Zuo, Zhao, Zillante, Gan & Soebarto, 2017, p. 49).

As evident from the previous paragraph, sustainability might be achieved when there is a balance between needs of humans and preservation of the environment. Therefore, the importance of the topic of sustainability lies in the fact, that it touches not only humans currently living on our planet, but also following generations. Based on the World Summit on Sustainable Development held in 2002, three objectives and requirements have to be achieved in order to accomplish the sustainability. Firstly, poverty must be eradicated since it is labeled as the greatest global challenge. Secondly, patterns of production as well as consumption that are unsustainable must be changed in order to be sustainable. Lastly, natural resources need to be protected and also managed (United Nations, 2002).

According to professor Sachs from Colombia University, *“a shared focus on economic, environmental, and social goals is a hallmark of sustainable development and represents a broad consensus on which the world can build”* (CGMA, 2018, p. 3). It is generally accepted that the CSR is closely linked with a long-term success of business. It reduces risks, saves costs, leads to investing in innovations as well as helps corporations engage with their staff, customers and wider community (CGMA, 2018). Speaking of businesses' relationships with stakeholders, according to PwC sustainability practice, *“sustainability is fast becoming the lens through which a business is judged by its customers, workforce, society, governments and even its investors”* (CGMA, 2018, p. 7). Furthermore, based on the UN Global Compact – Accenture Strategy CEO Study conducted in 2016, managers (CEOs) are aware of the importance of sustainability and its impact not only on their businesses but also the whole industry. Nearly 90% of CEOs claimed that the commitment to sustainability is being translated into actual real impact in their industry (CGMA, 2018). Furthermore, sustainability issues such as climate change might have a significant effect on the survival, growth and performance of companies across industries and even bigger impact on activities which build the core business of a multinational enterprise (Kolk & Pinkse, 2008).

Based on the data provided by European Commission in 2017, 94% of Europeans feel a need to protect the environment (European Commission, 2017). Furthermore, according to Forbes, 93% of respondents coming from North America and Australia felt concerned for the environment in 2019 (Ellsmoor, 2019). Therefore, the matter of sustainability is a global phenomenon than has an effect on people all around the world, especially consumers. According to the report of Nielsen, 66% of respondents preferred goods manufactured by socially committed companies even when assuming higher prices for those products (Nielsen, 2015).

In practice, this might be a way how consumers express their commitment to sustainability – they prefer companies that are socially responsible as well as sustainable products. However, it seems essential to mention that a sustainable product does not mean

green. *“Sustainability is much bigger because it takes into account every dimension of the business environment: social, economic, and cultural, as well as natural”* (McKinsey, 2009). Therefore, *“sustainable products are those products that provide environmental, social and economic benefits while protection public health and environment over their whole life cycle, from the extraction of raw materials until the final disposal”* (Vieira, 2019).

As already mentioned in the introduction, there has been an increasing interest in sustainability during last decades and even more during last years. However, the term sustainability itself was firstly used by H. C. von Carlowitz already centuries ago, to be more specific in 1713. Carlowitz used this term when explaining the *“principle, that you cannot harvest more wood from a forest that it can grow, if you wish to durably preserve the forest”* (Fischler, 2014, p. 14). Many years later, in 1970, M. Friedman dedicates his work to the issue of CSR when publishing an article named *The Social Responsibility of Business is to Increase its Profits*. Additionally, during the same year, Earth Day is held for the first time. Few years later, in 1984, R. E. Freeman publishes *Strategic Management: A Stakeholder Approach*. Thanks to this work, CSR becomes a part of traditional management theory (Corporate Citizenship). In 1987, the Brundtland Report used the term sustainable development (Fischler, 2014). Its definition basically matches the definition of sustainability by Kotler and Keller (2012) mentioned above. In 2015, there is another important milestone related to the history of sustainability – a launch of the United Nations’ Sustainable Development Goals (Corporate Citizenship).

Unfortunately, increased interest in sustainability has led to a phenomenon of greenwashing. Under this term, we can understand an attempt to appear environmentally friendly while doing the very opposite (Kotler & Keller, 2012, p. 655). In other words, focus is on communication of the green activities rather than on the green efforts themselves (McKinsey, 2009). For instance, the car producer Volkswagen represents a classic case of greenwashing. This giant company was cheating emissions tests in order to reduce the level of emissions. Meanwhile, Volkswagen was claiming that their vehicles

consist of low-emissions features. However, in practice, vehicles with those engines were emitting many times more (up to 40x) nitrogen oxide pollutants than the allowed limit (Acaroglu, 2019).

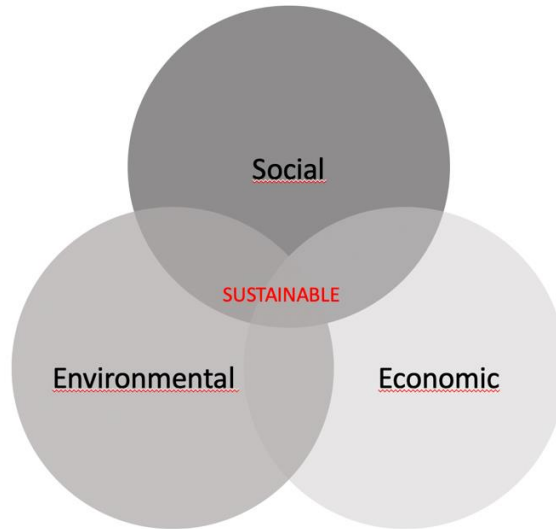
According to Helsinki University of Technology, CSR represents a social dimension of sustainable development. In contrast, Erasmus University defines sustainable development as a basis for CSR (Ebner & Baumgartner, 2008). As can be seen above, the matter of sustainability is closely interlinked with CSR. Moreover, 63 of the 100 largest economic entities worldwide are represented by companies, not countries as could be anticipated. However, this fact results in great expectations and a significant pressure on corporations. Particularly when society considers businesses as the only type of institutions that is capable of meeting the long-term challenges that our world is being faced with (Mc Kinsey, 2009).

### **2.1.1 Pillars of sustainability**

The concept of sustainability consists of three pillars:

- environmental,
- social and
- economic dimensions (Cirella, Goncharuk, Io Storto & Russo, 2020).

As evident from the previous sentence and a *Figure 1*, those three pillars are concerned with our planet, people and profit. In order to be able to achieve the optimum, there is a need to find a balance between those three pillars. Additionally, all dimensions are closely interlinked and one of them cannot be preferred at the expense of the others (Ministry of the Environment of the Czech Republic).



**Figure 1:** Pillars of Sustainability (Own interpretation based on the literature review)

**The first pillar** of sustainability is related to the environmental dimension. This pillar usually wins the most attention since society wishes the environment protection and companies focus on reducing carbon footprints, waste or water usage (Beattie, 2019). According to Morelli (2011), there are five key categories when it comes to the environmental pillar. The first category is focused on societal needs. It means not to produce anything that would require following generations to maintain a vigilance. Furthermore, to design and produce goods and services which make a contribution to a sustainable economy. In addition, to support fair trade and local employment and to prioritize materials according to their impact on environment. The second category is dedicated to the preservation of biodiversity. The main emphasis is on maintaining biodiversity of natural resources and on a use of energy sources that are sustainable as well as on the investments in energy efficiency improvement. The third category is created by a regenerative capacity. The principle is to use renewable resources slower than it takes for them to regenerate and to deplete nonrenewable resources slower than development of their renewable substitutes. The fourth category is focused on reuse and recycle. It means that products should be designed to be reusable and recyclable in order to achieve zero waste and emissions. The last category is dedicated to the constraints of nonrenewable resources and waste generation. A waste generation should not surpass

the time needed for the environment to deal with it. Additionally, it is necessary to use a transportation with the minimal impact on the environment (Morelli, 2011).

**Social pillar** is dedicated to the care of citizens, support of employees, stakeholders and community as a whole. This dimension aims at more responsible benefits and development opportunities for employees or sponsorships and investments in local projects for community (Beattie, 2019). Murphy defines four concepts of social pillar. The first one is represented by an equity meaning that all people should be equal and should have an equal entitlement to clean water, food, employment, education, basic medical care and unpolluted environment. The second concept is an awareness for sustainability that is divided into two groups. A creation of the awareness for sustainability based on documents of United Nations and according to the literature on ecological modernization. A participation represents the third concept and it aims at including as many different groups of people as possible in order to maintain economic sustainability. The last concept is dedicated to social cohesion that is focused on building local educational centers in order to maintain and improve social cohesion (Murphy, 2012).

**The last pillar** focuses on economic aspect of sustainability. It is not about the profit as one could assume but it includes compliance and proper corporate governance (Beattie, 2019). An economic pillar of sustainability represents a process that contributes to the long-term increase of capital of countries. According to Barbier, following factors should be taken into account when carrying out activities: a cost-effectiveness analysis, value of resources used, macroeconomic aspect and conducting a research on sustainability (Barbier, 1987).

### **2.1.2 Sustainable Development Goals (SDGs)**

According to Global Survey on Sustainability and the SDGs, people are familiar with the meaning and concept of sustainability. The aim of SDGs (United Nations Sustainable Development Goals) is to provide all people with an orientation framework in order to

understand the concept of sustainability. Nevertheless, in contrast to awareness of sustainability as a term, a little bit less than a half of respondents around the world (to be more specific 49,7%) know what SDGs represent (Global Survey on Sustainability and the SDGs, 2020). Despite the results presented above, humans do take an interest in SDGs. Based on research conducted by Pricewaterhouse Coopers (PwC), more than three quarters of citizens claimed that they would rather use services and goods of a company that had signed up to the SDGs (CGMA, 2018).

United Nations (UN) strive for a better and sustainable future through sustainable development goals (SDGs). Those goals concern global challenges that we are being faced with such as poverty, climate change, inequality, degradation of the environment or a matter of peace and justice (United Nations). As can be read from the *Figure 2*, there are 17 goals that were adopted by all member states of United Nations in 2015, representing an element of the 2030 Agenda for Sustainable Development that set a 15-year plan in order to achieve those goals (United Nations).



**Figure 2:** United Nations Sustainable Development Goals (United Nations)

Furthermore, the goals particularly relevant to this work will be described more in detail. **The first goal** strives for ending poverty in all its forms and everywhere. *“Globally, the number of people living in extreme poverty declined from 36 per cent in 1990 to 10 per*

*cent in 2015"* (United Nations). However, today's COVID-19 pandemic caused a deceleration of the pace of change. Moreover, it might lead to an increase in the global poverty by 8% of human population. In order to reduce poverty, it is essential to protect all children and other groups that are socially vulnerable (United Nations).

**The third goal** is to ensure healthy lived and promote well-being for everyone nondependent on the age. Until 2019, there have been many improvements in the field of health and well-being, but still not enough to achieve this goal (United Nations, 2020). Even in this area, the COVID-19 pandemic leads to an impossibility to meet the target. Due to this crisis, a large percentage of global population is suffering while the global economy is being destabilized (United Nations).

**The fourth goal** aims to ensure equitable and inclusive quality education and promote learning opportunities for everyone lifelong, Increased access to education is one of the keys to escape poverty. In 2018, there was 260 million children out of school which was a significant progress. However, by April 2020, there was 1.6 billion children and youth out of school due to COVID-19 spread and subsequent restrictions. It is important to mention, that the number of students out of school has never before been so high (United Nations).

**The fifth goal** focuses on achievement of gender equality and empowerment of all girls and women. There have been many achievements in this area, such as higher number of girls in schools, more women in parliament and leader positions, fewer young girls forced into marriage and law reforms in order to advance equality of genders. However, the COVID-19 crisis has negatively affected the progress, especially due to an increase in women's unpaid care work or violence against girls and women (United Nations).

**The eighth goal** strives for a promotion of inclusive, sustained and sustainable economic growth plus productive and full employment and a decent work for everyone. This growth might contribute to the creation of decent jobs for everyone as well as to the

improvement of living standards (United Nations). According to The Sustainable Development Goals Report 2020, there is anticipated to be the biggest unemployment growth since world war II due to COVID-19 crisis (United Nations, 2020).

**The twelfth goal** is to ensure both sustainable production patterns and consumption. *“Should the global population reach 9.6 billion by 2050, the equivalent of almost three planets could be required to provide the natural resources needed to sustain current lifestyles”* (United Nations). When consuming and producing in a sustainable way, a degradation of the environment might decline, resource efficiency increase, and poverty alleviate (United Nations).

**The thirteenth goal** strives for an urgent action to fight climate change and its impacts. 2019 happened to be the second warmest year on record and CO<sub>2</sub> levels with other greenhouse gasses increased to new records (United Nations). Since there has been a significant reduction in human activity due to COVID-19 pandemic, emissions are expected to decline by 6%. However, the trend of increasing emissions is projected to continue as COVID-19 restrictions are lifted (United Nations, 2020).

**The fourteenth goal** is focused on life below the water, particularly on conservation and a sustainable use of the oceans and seas resources (United Nations, 2020). This goal plays a very important role even when it comes to the climate change since oceans are able to absorb almost a one third of carbon dioxide that is produced by humans (United Nations).

**The fifteenth goal** is to protect, promote and restore sustainable use of ecosystems, to manage forests in a sustainable way and to minimize desertification (United Nations, 2020). Nowadays, almost 75% of our planet’s surface has been touched by humans and nearly one million plant and animal species might be faced with extinction (United Nations).

**The sixteenth goal** aims to promote peaceful societies, to build effective institutions and provide everyone with an access to justice. In 2019, the number of people who were being faced with war, conflict and persecution achieved the highest level since being recorded (United Nations, 2020). Another significant current issue is represented by a corruption that mostly appears in police and judiciary (United Nations).

Based on the former CFO for the UN Population Fund S. Gupta, *“any progress on the SDGs in a given country will have a tremendous impact on the business environment. If there is a reduction in poverty in a particular country, you are increasing the consumer base for your product”* (CGMA, 2018, p. 7). This principle works when it comes to education and gender equity as well. When being active in addressing these issues, business will notice a positive effect on their brand reputation (CGMA, 2018).

## **2.2 Corporate social responsibility (CSR)**

CSR is one of the major theories of sustainability and firms (Chang, Zhao, Zuo & Zillante, 2017). According to the European Commission, CSR means *“the responsibility of enterprises for their impact on society”* (European Commission). The World Business Council for Sustainable Development differentiates between CSR, corporate financial responsibility and corporate environmental responsibility. These three responsibilities form the corporate responsibility’s triple bottom line. In contrast, according to European Commission, CSR includes both environmental and social responsibilities (Belz & Peattie, 2012). Therefore, corporations may become socially responsible when integrating consumer, human, environmental, ethical and social rights concerns into their strategy and activities and when following the law (European Commission).

However, the concept of CSR has its critics. Milton Friedman represents a very significant opposition to CSR. In his opinion, corporations have no social responsibility, people only have responsibilities (Friedman, 1970). In addition, Friedman states that CSR means a *“decrease in profits for the sake of a social or environmental end”* (Bosch-Badia,

Montllor-Serrats & Tarrazon, 2013). In contrast, many authors consider CSR as a value driver. International business researchers developed a framework suggesting that CSR improves competitive advantages of the company by reducing transaction costs (Ghoul, Guedhami & Kim, 2017). Furthermore, according to Porter and Kramer (2006), CSR becomes *“a source of opportunity, innovation, and competitive advantage”* (Bosch-Badia, Montllor-Serrats & Tarrazon, 2013). Moreover, CSR has a short-term effect on consumers while encouraging their purchase intentions as well as a long-term impact that is represented by developing a reputation of the firm, which might lead to a creation of competitive advantage (Bianchi, Bruno & Sarabia-Sanchez, 2019). Keeping this thought in mind, CSR contributes to profit maximization through value creation (Bosch-Badia, Montllor-Serrats & Tarrazon, 2013).

Even though the concept of CSR has become profusely discussed and popular only in past decades, the first companies' concerns for the society appeared already centuries ago. *“By the 1920's and early 1930's, business managers begun assuming the responsibility of balancing the maximization of profits with creating and maintaining an equilibrium with the demands of their clients, their labor force, and the community”* (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019, p. 3). During World War II, a society started to see companies as institutions having social responsibilities. During following decade, those responsibilities were specifically defined. In 1953, Bowen – considered the father of CSR – identified social responsibilities of corporations as *“the obligation of businessmen 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”* (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019, p. 4).

In 1979, Carroll identified perhaps the first definition of CSR that is unified. According to Carroll, CSR includes economics, legal, ethical and philanthropical expectations of society towards organizations. In 2006, Porter and Kramer stated that a strategic CSR contributes to an achievement of competitive advantage which leads to the shared value creation. The year 2015 represents a very significant milestone since Sustainable

development goals were adopted and the 2030 Agenda for sustainable development was launched (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019).

*“Understanding firms’ CSR behavior across national contexts is of much interest to international business scholars due to its unique connections to the institutional context as well as its connection to the firm’s economic interests”* (Young & Makhija, 2014, p. 692).

As evident from the previous sentence, CSR represents an important and widely discussed issue in the field of international business which might be supported even by the following citation. *“Within the context of International Business, Corporate Social Responsibility (CSR) might be considered a mechanism through which investments made can achieve the full economic benefits as long as there is an agreement to promote social and political stability”* (Gonzales-Perez & Leonard, 2013, p. xiii).

According to the European Commission, CSR is important for companies as well as society and EU economy. Firstly, CSR provides enterprises with benefits in the area of cost savings, risk management, relationships with customers, access to capital, human resources, ability to innovate, sustainable operations and profit. Secondly, CSR contributes to creation of society that is more cohesive and to transformation of economic system to be sustainable (European Commission).

*“The basic idea behind corporate social responsibility is that of a partnership between the state, the private sector and civil society”* (Büchner, 2012, p. 44). Furthermore, CSR includes two dimensions – external and internal. The external dimension refers to suppliers, business partners, local communities, consumers, environmental issues and human rights. On the other hand, the internal dimension refers to the impacts of production on environment, natural resources management, rights of employees, safety at work and health. Furthermore, companies have a direct influence on core operations and business partners including supply chains. In addition, corporations indirectly influence local communities, the public, media and also governments (Belz & Peattie, 2012).

Additionally, there are two CSR approaches: responsive and strategic. Responsible CSR is dedicated to a being a good corporate citizen and mitigating both potential and existing harms of a company. In contrast, strategic CSR goes beyond responsive approach and is focused on initiatives which provide competitive advantage as well as benefit society (Ng & Tang, 2013).

CSR includes corporation's policies, programs and actions that aim to improve well-being in society while extending beyond law requirements and company's financial interests (Jones, Willness & Glavas, 2017). It follows that to companies, a perception of their CSR by their stakeholders plays a very significant role since it is something beyond the call of duty. In addition, sustainable brands appear to be more profitable than their competition since those companies have 25% higher stock value (Iannuzzi, 2017). All these facts suggest that is crucial for companies to communicate their CSR strategy and actions in an appropriate way.

### **2.2.1 Carroll's pyramid of CSR**

In terms of the nature of CSR, Carroll's four-part model defines CSR as a company's:

- philanthropic,
- ethical,
- legal and
- economic responsibilities to society (Visser, Matten, Pohl & Tolhurst, 2010).



**Figure 3:** Carroll's pyramid of CSR (Own interpretation based on the literature review)

As illustrated by the *Figure 3*, **economic responsibilities** are focused on the importance of a performance which is maximizing earnings as well as a commitment to be as profitable as possible. Additionally, economic responsibilities are concerned with the maintenance of a strong competitive position and a high efficiency of operations. Lastly, it is essential to be consistently profitable in order to be successful (Carroll, 1991).

**Legal responsibilities** include the importance of a performance following law and expectations of government. Moreover, it is crucial to comply with local, state and federal regulations and to be a law-abiding corporation. In order to become a successful company, it is important to fulfill legal obligations. In addition, while providing goods and services, at least minimal legal requirements need to be met (Carroll, 1991).

**Ethical responsibilities** are focused on the importance of a performance following ethical norms and societal mores. Furthermore, it is essential to respect new moral and ethical norms that are adopted by society. Speaking of ethical norms, their integrity needs to be ensured in order to achieve goals of a company. Additionally, a good corporate citizen means doing what is expected ethically or morally (Carroll, 1991). Lastly, *"it is important to recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations"* (Carroll, 1991, p. 41).

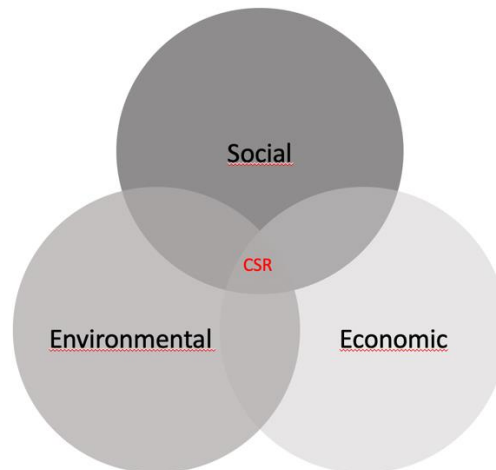
**Philanthropic responsibilities** are concerned with a performance that is consistent with the charitable and philanthropic expectations of society. Moreover, an assistance to the performing and fine arts plays an important role, as well as an assistance to public and private educational institutions. Additionally, managers and even employees should participate in charitable and voluntary activities. Lastly, it is essential to voluntarily assist the projects which increase a quality of life of the community (Carroll, 1991).

CSR is very strong and common in the United States of America while more recent in other countries. Speaking of countries, it is important to mention that there are some regional differences when it comes to CSR levels. The first level is represented by economic responsibilities which are required by society. In many European countries it is the company who is responsible for employees' healthcare or other social support while companies in the USA focus rather on shareholders. The second level is dedicated to legal responsibilities that are also required by society. A state is seen as a key enforcer of law and rules in Europe while being considered with skepticism elsewhere. Ethical responsibilities standing for the third level are expected by society. However, since local ethical values and preferences vary, expectations by society are different as well. The last level is occupied by philanthropic responsibilities that are desired by society. When it comes to philanthropy, significant regional differences can be found. In Europe, the giving is mostly via legal framework while in other countries such as the USA, China or India, society expect the corporation to share its wealth (Wurtz, 2020).

### **2.2.2 Pillars of CSR and socially responsible activities**

The Triple Bottom Line is formed by three basic pillars of CSR:

- economic,
- social and
- environmental.



**Figure 4:** Pillars of CSR (Own interpretation based on literature review)

These three pillars are also called 3P since they are concerned with profit, people and planet as can be seen in the *Figure 4*. Firstly, economic pillar is focused on gaining a profit which enables to implement socially responsible activities. Secondly, social pillar is dedicated especially to employees since they play a key role in company's success. Lastly, environmental pillar is engaged in environmental protection (Kunz, 2012).

**Economic pillar** includes activities such as ethical behavior of a company, namely combating corruption and other abusive practices. Another example might be an ethical code accepted by management and integrated into the corporate operations. Additionally, it is important to communicate with the stakeholders and to be transparent, for instance via publishing financial reports as well as reports on CSR. Businesses need to take a responsible approach towards consumers, such as conducting surveys, getting feedbacks, activities coming under customer service and decreasing number of claims since the effective claim resolving falls under CSR as well. Moreover, corporations should be responsible also when it comes to suppliers. It is essential to obtain a feedback, follow agreements, build relationships with responsible companies and pay in time. In addition, responsible corporations have to take into account expectations and interests of owners and shareholders and inform them about the affairs within an organization. Finally, businesses should invest in socially responsible subjects meaning paying attention to the impact on society and environment and not only to financial state (Petříková, 2008).

**Social pillar** is concerned with many activities, for instance work-life balance. Companies should provide their employees with flexible working hours, home office, consultancy or corporate kindergarten. Outplacement represents another socially responsible activity since the aim is to help employees in case that they have been dismissed by supporting them while searching for a new job or offering them retraining courses. Training together with development of employees belong to socially responsible activities as well. Speaking of employees, companies should provide them with adequate wages and benefits as well as the opportunity to self-educate. Additionally, socially responsible corporations respect equal job opportunities when it comes to age, sex, religion, sexual orientation or nationality and combat discrimination. Furthermore, it is significant to respect human rights and provide employees with safety and health protection (Kunz, 2012). However, CSR might aim at the local community too. It can be in a form of donation or sponsoring. Additionally, philanthropy represents a responsible activity - a voluntary help to local community by employees within their working hours. Lastly, corporations may support local projects, cooperate with schools or support Fair Trade products (Petříková, 2008).

**Environmental pillar** focuses on the environmental protection within the corporation as well as with regards to surroundings. One of the most important activities which might be included is a decrease in negative effects on the environment together with natural resources saving, especially saving of energy. Additionally, environmental policy itself plays a key role in company's operations in an environmentally friendly way, for instance when producing environmentally friendly goods. Speaking of production, corporations should sort and recycle the waste as well as use recycled materials (Petříková, 2008). Furthermore, it is crucial to use ecological transportation or precisely planned logistic in order to reduce a traffic load. Moreover, socially responsible organizations take ecological impact into consideration when investing or purchasing equipment. Despite the fact that CSR represents a voluntary concept, there are many standards and norms that regulate and guide the organizations, the most common norms are namely ISO 14001 and EMAS (Kunz, 2012).

According to the survey conducted by McKinsey in 2011, many companies are integrating sustainability concerns into their businesses. They are doing so not only because of their reputation management, but also in order to save energy, retain and motivate their employees and develop green products. Those activities help organizations capture value through return on capital and growth (McKinsey, 2011).

Companies are socially responsible when fulfilling the responsibilities which they have towards the society. More specifically, if they:

- preserve natural resources and use them effectively,
- treat their employees in a fair way while supporting them,
- respect human rights and core labor standards,
- respect interests and rights of consumers,
- ensure that their production along the whole value chain is ecologically and socially responsible,
- contribute to common good,
- invest in education as well as training,
- promote tolerance and cultural diversity within the collective,
- aim at fair competition while preventing corruption,
- are transparent when it comes to their corporate governance (Büchner, 2012).

### **2.2.3 Communication of CSR and reporting**

Companies are often active in initiating CSR programs, but they fail to communicate their activities which leads to loss of potential competitive advantage. *“Without awareness consumers are unable to reward CSR involvement”* (Servaes & Tamayo, 2013). It is essential to inform stakeholders and public about company’s initiative, so that they know what the company is actually doing. Under stakeholders of the corporation, we can understand not only customers, but also suppliers, employees, local communities, government, competitors, shareholders and environmental organizations having an interest in the company (Belz & Peattie, 2012).

In an ideal case, companies communicate with their stakeholders while focusing on values in common and mutual understanding. However, the content of CSR communication should not include only the information about what the company is doing in the field of CSR. It is important to communicate company's CSR values, beliefs or perceptions as well as its CSR programs, initiatives or actions with the explanation of purposes and motivations behind. In addition, corporations need to inform their stakeholders about the implementation of those CSR programs and actions as well as their measurement and record keeping. Lastly, companies need to identify and address issues or concerns of their stakeholders and public and inform them of how those concerns and issues are handled (Tench, Sun & Jones, 2014).

Communication of CSR engagement goes hand in hand with social responsibility marketing. This type of marketing enhances company image that has a power to influence profitability of the company as well as productivity. Companies may use marketing strategies such as recyclable packaging, directing a part of their profit toward charitable organizations or promotions spreading awareness of societal problems and issues. However, it seems to be most effective to use a strategy that links social responsibility to company's core product directly. TOMS brand can represent an example, when for every pair of shoes bought, TOMS donated another pair to a child in need (Investopedia, 2020).

Since there is a significant attention being paid to CSR, many companies started publishing annual **reports** on their good deeds in the area of social and environmental activities. *"By the end of 2011 the website CorporateRegister.com, the world's largest online directory of CSR and sustainability reports, had available over 37 000 reports representing approximately 9000 companies"* (Belz & Peattie, 2012, pp. 33-34). Currently, there are 134 331 reports across 20 898 organizations (Corporate Register, 2021). As presented above, the trend of reporting on CSR engagement has increased over past years. Additionally, speaking of CSR reporting, it is crucial to mention Global Reporting Initiative (GRI) which represents one of the most recognized institutions regarding non-financial reporting (Kašparová & Kunz, 2013). The goal of GRI is to enable companies to

be responsible for their impacts and be transparent, which is “*enabled through the world’s most widely used standards for sustainability reporting – the GRI Standards*” (GRI).

### **2.3 CSR and consumers**

Consumers represent one of the stakeholder groups of a company. Cambridge Dictionary defines consumer as “*a person who buys goods or services for their own use*” (Cambridge Dictionary, 2021). Consumers have a power to control corporations in a certain way and help avoid environmental problems through their purchase decisions. It depends on consumers only which brand they are going to support by buying its goods and services, and their decision contributes to success or failure of the corporation (Crane & Matten, 2010).

When it comes to the consumer perception of CSR, there are 3 types defined. Firstly, consumers consider CSR as a way how companies show an acceptance of their stakeholder responsibilities. This type works on the principle of exchange: a company takes sources from its stakeholders, but it also gives them something in exchange. Secondly, consumers consider the company socially responsible when its activities benefit society. A socially responsible organization gains improved reputation and image which initiates purchase decisions as well as increased success in the market. Lastly, consumers perceive CSR activities only as a marketing trick. It might be caused by the fact that the company contributes less than it claims or attempts to create a distraction from its issues (Öberseder, Schlegelmilch & Murphy, 2013).

Speaking of CSR and its impact on consumers, it is essential to highlight Nielsen’s report which surveyed 30 thousand consumers in 60 countries of the world in 2015. It was found out that 66% of respondents preferred goods from companies that were socially committed, even when assuming higher prices. In contrast, in 2014 it was 55% of participants (Nielsen, 2015). This statistic supports the statement that the number of people

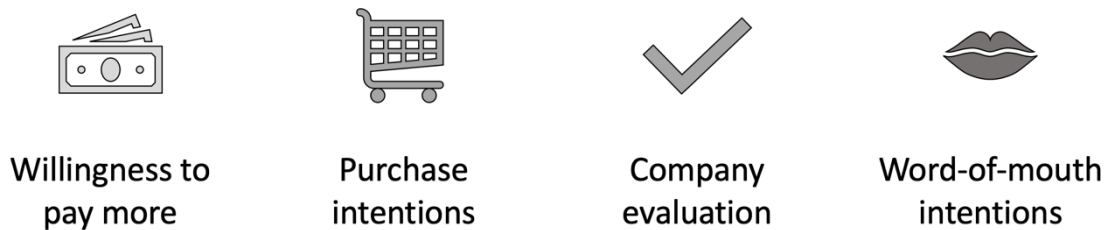
taking interest in sustainability and CSR is increasing. Additionally, it is obvious that CSR does have an effect on consumers.

According to Pelozo and Shang, consumers react better to CSR activities which are related to the specific product since it is products that play a key role in purchase decisions. For instance, when donating to charity, it is more efficient to donate some amount out of each sold product rather than simple donation from the company (Pelozo & Shang, 2011). There are three reasons why consumers might be interested in a purchase of socially responsible brands. Firstly, consumers buy these goods in order to express their own values. Secondly, consumers do so in order to protect or even increase their ego (Smith & Langford, 2009). The third motive can be represented by emotions such as pride, guilt, gratefulness or empathy (Sen, Du & Bhattacharya, 2016).

Based on studies by Environics (1999), Walker (1994) and Brown and Dacin (1997), CSR is strongly interlinked with consumers' purchase behavior. In contrast, another research suggests that although consumers claim they care about ethics, their behavior does not support this statement. For instance, there are only few ethical brands that gained a market share higher than 3%. According to Cone/Roper study (1994), over a half of respondents expressed their willingness to pay more for products made by a responsible company. However, only 20% stated to have actually bought a service or product provided by a responsible company over the past year. When it comes to willingness to switch brands to a responsible company, 68% responded positive. In contrast, almost 80% of participants claimed they would switch brands from an irresponsible company (Patra & Das, 2016). Nevertheless, a research by NYU Stern's Center for Sustainable Business carried out in 2019 showed that consumers do buy sustainable products and that sustainability-marketed goods grew much faster than their rivals' products (Whelan & Kronthal-Sacco, 2019).

Despite the fact that consumers generally react positively to CSR practices, their support varies with every single initiative based on the value it might add for them. Their

response and decision making depends particularly on emotions and price-quality (van Kessel, Schenkel, Semeijn & Ghijsen, 2014). It has been found out that sustainability together with CSR do have an influence on consumer behavior. However, it might not be always translated into purchase behavior.



**Figure 5:** Consumer responses to CSR (Own interpretation based on literature review)

Nevertheless, there are still many positive effects on consumers that arise thanks to CSR. Studies carried out by Smith (2009) as well as Sen and Bhattacharya (2016) agree on four consumer responses to CSR which can be seen in the *Figure 5*, namely: willingness to pay more, purchase intentions, company evaluation and word-of-mouth intentions (van Kessel, Schenkel, Semeijn & Ghijsen, 2014). In addition to those, Smith considers resilience as an additional outcome (Smith, 2009).

According to Beckmann (2007), there is no direct impact of CSR activities on consumers since there are more factors influencing their reaction. Those factors can be consumer's interest in certain socially responsible activities, level of knowledge of consumers and other attributes of the product or brand itself. Additionally, it has been pointed out that consumers notice unethical corporate behavior rather than responsible activities. Furthermore, consumers are more likely to boycott companies that are not responsible rather than support socially responsible ones (Mohr, Webb & Harris, 2001). In contrast, Beckmann claims that consumers appreciate socially responsible companies and it is reflected in an improvement of brand reputation and image (Beckmann, 2007). Moreover, if the company is socially responsible and communicates its activities in an appropriate way, consumers become more loyal and more satisfied (Martínez & Rodríguez del Bosque, 2013).



**Figure 6:** Factors influencing consumer response (Own interpretation based on literature review)

All the factors influencing a consumer's reaction to CSR of a company might be illustrated as in the *Figure 6*.

## 2.4 Hypotheses

Based on the literature review together with theoretical framework, the theoretical hypotheses are developed. The aim of hypotheses is to explain and examine the issue of sustainability, CSR and its impact on consumers. Firstly, hypotheses will be focused on consumer awareness and interest in sustainability, followed by the same concerns about CSR. The last part will be dedicated to the main topic of this study, examination of an impact of CSR on consumers.

The issue of sustainability belongs to the most pressing issues of the 21<sup>st</sup> century (Lin & Zheng, 2017). The importance of this topic lies in the fact that it does not influence only people already living on the Earth but also following generations. Based on the data provided by European Commission in 2017, 94% of Europeans feel a need to protect the environment (European Commission, 2017). Furthermore, according to Forbes, 93% of respondents coming from North America and Australia felt concerned for the environment in 2019 (Ellsmoor, 2019). According to Global Survey on Sustainability and the SDGs, people are familiar with the meaning and concept of sustainability. Nevertheless,

in contrast to awareness of sustainability as a term, a little bit less than a half of respondents around the world (to be more specific 49,7%) know what Sustainable Development Goals represent (Global Survey on Sustainability and the SDGs, 2020). Despite the results presented above, humans do take an interest in SDGs. Based on research conducted by Pricewaterhouse Coopers (PwC), more than three quarters of citizens claimed that they would rather use services and goods of a company that had signed up to the SDGs (CGMA, 2018). Based on the data provided above it can be assumed that:

**Hypothesis 1:** *Consumers are aware of the meaning of sustainability.*

**Hypothesis 2:** *Consumers consider sustainability as an important matter and they take an interest in it.*

Many authors consider CSR as a value driver. According to Porter and Kramer (2006), CSR becomes “*a source of opportunity, innovation, and competitive advantage*” (Bosch-Badia, Montllor-Serrats & Tarrazon, 2013). However, it is crucial to communicate CSR to consumers. “*Without awareness consumers are unable to reward CSR involvement*” (Servaes & Tamayo, 2013). It is essential to inform stakeholders and public about company’s initiative, so that they know what the company is actually doing. Moreover, CSR has a short-term effect on consumers while encouraging their purchase intentions as well as a long-term impact that is represented by developing a reputation of the firm, which might lead to a creation of competitive advantage (Bianchi, Bruno & Sarabia-Sanchez, 2019). Speaking of CSR and consumers, it is essential to highlight Nielsen’s report which surveyed 30 thousand consumers in 60 countries of the world in 2015. It was found out that 66% of respondents preferred goods from companies that were socially committed, even when assuming higher prices. In contrast, in 2014 it was 55% of participants (Nielsen, 2015). Based on the above mentioned it can be presumed that:

**Hypothesis 3:** *Consumers are aware of the meaning of CSR.*

**Hypothesis 4:** *Without an appropriate communication, consumers are not able to reward company's CSR involvement.*

**Hypothesis 5:** *CSR does have an effect on consumers.*

Based on studies by Environics (1999), Walker (1994) and Brown and Dacin (1997), CSR is strongly interlinked with consumers' purchase behavior. According to Cone/Roper study (1994), over a half of respondents expressed their willingness to pay more for products made by a responsible company (Patra & Das, 2016). It has been found out that sustainability together with CSR do have an influence on consumer behavior. However, it might not be always translated into purchase behavior. Studies carried out by Smith (2009) as well as Sen and Bhattacharya (2016) agree on four consumer responses to CSR, namely: willingness to pay more, purchase intentions, company evaluation and word-of-mouth intentions (van Kessel, Schenkel, Semeijn & Ghijzen, 2014). To be more specific, Beckmann claims that consumers appreciate socially responsible companies and it is reflected in an improvement of brand reputation and image (Beckmann, 2007). Therefore, following is proposed:

**Hypothesis 6:** *CSR does not always stimulate purchase decisions.*

**Hypothesis 7:** *Consumers are willing to pay higher prices for products made by socially responsible companies.*

**Hypothesis 8:** *Implementation of CSR activities positively affects company's reputation and image.*

### 3 Research methodology

In this chapter, research methodology of the master's thesis will be described. Firstly, research approach will be introduced. Secondly, the way of data collection and the sample will be covered. Thirdly, analysis of data gained will be elaborated followed by the last part which will be focused on reliability and validity of the research.

#### 3.1 Research approach

This research paper will adopt a deductive approach. This approach is characterized by the literature analysis which helps to identify a clear theoretical position. Those theories and ideas are then tested via data collection. It means, this research will be theory driven (Saunders, Lewis & Thornhill, 2016). The theoretical framework regarding to sustainability, CSR and its impact on consumers will be tested through a collection of data. The research paper will combine analysis of CSR activities of a case firm (Kaufland), consumers' opinions about their suitability and impact on them.

As evident from the title of the master's thesis, a strategy of **case study** will be applied. Case study represents a *“Research strategy that involves empirical investigation of a particular contemporary phenomenon within its real-life context, using multiple sources of evidence”* (Saunders, Lewis & Thornhill, 2016, p. 711). In other words, the case study may refer to a specific person, organization, event etc. This strategy will be used in order to support findings about the phenomenon of CSR via application on a concrete company while using quantitative and qualitative methods of data collection.

There are two basic research methods: qualitative and quantitative. **Qualitative research** processes non-numerical data which are not clear without an interpretation. The data must be processed and analyzed in an appropriate way in order to be transformed into information. The qualitative research result in non-standardized data which need to be classified into categories as general as possible (Saunders, Lewis & Thornhill, 2016).

However, qualitative data are known for their big advantage – they are in-dept and rich (Yin, 2014). In addition, this type of research is focused on understanding human behavior (McLeod, 2019). In other words, qualitative method is focused on what is in mind of consumers (Aaker, Kumar & Day, 2007). Qualitative research is appropriate when answering to the research question that starts with “how” (Yin, 2014).

In contrast, **quantitative research** generates standardized data which implies that the questions need to be expressed easily and clearly (Saunders, Lewis & Thornhill, 2016). This kind of research is concerned with the establishment of laws of social phenomenon. Additionally, it is considered to be objective and the purpose of research is to test a theory and whether support it or reject (McLeod, 2019).

In order to be able to collect relevant and complex data, both quantitative and qualitative methods will be used, their combination is called mixed methods research. To be more specific, the design of this research will be sequential mixes methods research. It means that one method will be followed by another one which brings a possibility to elaborate on the initial findings. In this case, a sequential exploratory research design will be applied (Saunders, Lewis & Thornhill, 2016).



**Figure 7:** Sequential exploratory research design (Own interpretation based on the literature review)

At first, a qualitative method of research will be used and followed by quantitative technique, as evident from the *Figure 7*.

The qualitative method which will be applied in this paper is a **semi-structured interview**. There are three types of interviews: structured, semi-structured and unstructured

interviews. In comparison to a structured interview, a semi-structured interview is non-standardized, and the researcher prepares a list of themes and key questions which need to be covered. The main advantage of this type of interview is the fact that it is rather flexible, but the data gained are still organized and therefore comparable (Eriksson & Kovalainen, 2008). Additionally, thanks to the open structure, unexpected facts might appear (Aaker, Kumar & Day, 2007).

There will be two semi-structured interviews conducted, the first one with the CSR manager of Kaufland Česká republika and the second one with CSR project manager of Kaufland Slovenská republika (subsidiary in Slovakia). The purpose of these interviews is to investigate CSR policy and activities of Kaufland in depth from an international angle and to examine Kaufland's point of view on the impact of their CSR on their consumers. Since one of the objectives defined for this work is an examination of CSR policy and activities, this technique chosen will ensure richer information than simple checking secondary data. The interview questions outline can be found in the *appendix 1*.

Furthermore, this study will use the quantitative method as well. The technique chosen for this research paper is a **survey**, to be more specific an online questionnaire. Survey strategies using questionnaires enable to obtain standardized data from a large number of respondents. In addition, the outcomes are easily comparable. Questionnaires are often used when examining attitudes and opinions of respondents in order to identify and describe a phenomenon as well as the relationship between variables (Saunders, Lewis & Thornhill, 2016). The online version will ensure a fast data collection as well as convenience for participants (Aaker, Kumar & Day, 2007).

The goal of this particular survey is to examine consumers' opinions and awareness of sustainability and CSR in general together with CSR activities of a chosen company – Kaufland. Moreover, the questionnaire will aim to identify the relationship between CSR and consumers, to be more specific the effect of CSR activities (see *appendix 2*). This technique enables to obtain a consumer perspective on sustainability, CSR and its

impact on them and therefore it creates a nice contrary to a company's viewpoint gained via semi-structured interviews. In addition, survey will be conducted after the interviews that will create an opportunity to react to the previous data collection technique.

### 3.2 Data collection and sample

Kaufland has been chosen since it represents a significant retailer both in the Czech Republic and other European countries. Moreover, this company has been awarded many times for its sustainable approach and CSR activities. Additionally, the author has been connected by her former HR manager with the CSR manager of Kaufland Česká republika. This personal link might influence the interviewee to be more willing to provide information which may result in the ability to collect data easier. The CSR manager of Kaufland Česká republika has also enabled another interview with CSR project manager of Kaufland in Slovakia. The second interview aims to compare the matter of CSR activities and their impact on consumers between Czech Republic and Slovakia from the company's perspective.

**Table 1:** Sample of the qualitative study

	Position in Kaufland's subsidiary	Country
Interviewee no. 1	CSR manager	Czech Republic
Interviewee no. 2	CSR project manager	Slovakia

As mentioned above, semi-structured interviews will be followed by an online questionnaire. The aim is to win at least 100 respondents and their insights when it comes to sustainability, CSR and its effect on them. Since the survey will be in a form of the online questionnaire, it is essential to select a sample using the internet. Based on the interview with the CSR manager of Kaufland Česká republika, it is rather younger people who perceive CSR as an important issue. Additionally, it is believed that younger generations are interested in matters of sustainability and CSR more than older population (Berthiaume,

2020). Therefore, those 100 participants will be young adults, particularly students since there is a higher probability that they will be aware of terms and concepts of sustainability and CSR. This basic knowledge is essential in order to be able to examine the impact of CSR on consumers. In addition, those participants will be from the Czech Republic only since the case company Kaufland Česká republika, v.o.s. is a Czech subsidiary. All the answers will be collected in few days in the beginning of April 2021.

### **3.3 Data analysis**

The purpose of data analysis is to provide a systematic interpretation of the phenomenon studied. When it comes to the analysis of qualitative data, there are four steps that need to be taken: coding, sorting, synthesizing and theorizing. Firstly, it is significant to read the answers carefully and start highlighting important information in the text. It is also helpful to write down some comments or short descriptions next to the answers. Then, descriptive codes need to be defined when avoiding any interpretations or speculations. This step is followed by interpretive coding that represents a meaning interpretation of the group of descriptive codes named clusters. Based on the interpretation of clusters, key themes need to be identified (Rabetino, 2020). In other words, the procedure consists of: *“becoming familiar with your data; coding your data; searching for themes and recognising relationships; refining themes and testing propositions”* (Saunders, Lewis & Thornhill, 2016, p. 580). The master’s thesis will follow this procedure while analyzing qualitative data gained during those two interviews.

In terms of the analysis of quantitative data, nowadays, there are many online survey tools such as SurveyMonkey, Survio or even Google Forms that allow researchers to design the questionnaire, save data automatically and analyze the data within this tool or download the data to analysis software such as IBM SPSS Statistics. Computer based data analysis is recommended when having over 30 respondents (Saunders, Lewis & Thornhill, 2016). Taking into consideration all the factors influencing the execution of questionnaire such as COVID-19 pandemic or the fact that students use technologies

and internet on daily basis, an online survey tool will be applied in this study, to be more specific Google Forms.

### **3.4 Reliability and validity**

When it comes to research in general, its quality is judged based on the reliability and validity (Silverman, 2016). These two factors play a significant role in the natural sciences as well as quantitative research in the social sciences. Regarding qualitative research, their role is uncertain since it represents an issue that is discussed among researchers (Saunders, Lewis & Thornhill, 2016). However, an overwhelming majority of studies consider reliability and validity relevant, independently on research type.

#### **3.4.1 Reliability**

Reliability by definition means *“the extent to which data collection technique or techniques will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from the raw data”* (Saunders, Lewis & Thornhill, 2016, p. 726). As evident from the previous sentence, reliability is concerned with consistency and replication. It is focused on researcher’s ability to replicate a former research design and ability to accomplish the same findings. In case these two points are achieved, the research would be regarded as reliable (Sachdeva, 2009).

Reliability can be internal or external. Internal reliability is related to ensuring consistency while conducting a research. This might be accomplished when using more researchers to conduct interviews and analyze data. A single researcher may ensure internal reliability by coding, analyzing and interpreting data consistently (Saunders, Lewis & Thornhill, 2016). In contrast, external reliability examines whether the techniques of

data collection and data analysis would bring the same outcomes in case they would be used by a different researcher (Sekaran, 1992).

In order to ensure a reliable and valid research, there is a need to pay attention to threats to reliability. There are four common mistakes, two on the participant's side and other two touching the researcher. When it comes to participants, it is important to avoid participant error and participant bias. Participant error might occur when choosing a sensitive time for the survey, for example right before lunch. On the other hand, participant bias refers to anything that leads to a false response. For instance, when conducting an interview in public place, it is possible that the interviewee will answer falsely positive out of fear that his / her anonymity will not be preserved. However, there are two threats that are related to researcher as well: researcher error and researcher bias. Researcher error is represented by a false interpretation of outcomes by researcher due to tiredness or insufficient preparation. In contrast, researcher bias stands for the situation when researcher's own point of view affects interpretation of responses of participants (Saunders, Lewis & Thornhill, 2016).

In order to prevent mistakes and ensure reliability of the study, a detailed description of the research methodology was provided, including research approach, data collection methods, a way of sample selection as well as data analysis procedure. To reduce potential participant error, interviews were conducted after mutual agreement on a concrete time. In addition, respondents participating in the online survey chose the date and time of submitting their answers completely on their own. In order to prevent participant bias, both interviewees and respondents of the survey were informed about confidentiality during the whole study process.

Researcher error was reduced by a planned structure of questions before interviews as well as survey. Additionally, all the questions were consulted with several people in order to be able to improve and test them. Speaking of researcher bias, answers provided by interviewees and survey respondents were clear and unequivocal which helped

reduce potential misinterpretation due to own viewpoint by researcher. Moreover, all data collection techniques were applied in Czech, which is a native language of the author, survey participants and one interviewee. However, second interviewee comes from Slovakia and both Slovak culture and language are very similar to Czech which avoided cultural bias.

### **3.4.2 Validity**

*“In essence, validity refers to the appropriateness of the measures used, accuracy of the analysis of the results and generalisability of the findings”* (Saunders, Lewis & Thornhill, 2016, p. 202). In other words, in valid research a measurement instrument used measures exactly what it is supposed to measure according to the research design (Rajala). Therefore, validity is concerned with three issues. Firstly, whether the measures used in the research are appropriate for the purpose intended. Secondly, whether the analysis of findings and the relationships is accurate. Last point is focused on meaning of the research findings, what they represent and if their generalizability claimed corresponds with reality (Saunders, Lewis & Thornhill, 2016).

Analogously to reliability, validity might be also divided into external and internal. External validity is focused on the question whether findings of the research can be generalized to other appropriate groups or settings (Sachdeva, 2009). The possibility to apply research outcomes obtained in one department to other departments within a company might represent an externally valid study (Saunders, Lewis & Thornhill, 2016). In contrast, internal validity is ensured when the research accurately illustrates a causal relationship between two variables (Sachdeva, 2009). For instance, in case of a survey based on questionnaire, internal validity is established when a set of questions may be shown statistically to be linked to an analytical factor or outcome (Saunders, Lewis & Thornhill, 2016).

In order to ensure validity of the research, questions used in online survey were developed after a proper review of already existing studies touching the issues of sustainability and corporate CSR. Furthermore, the exact direct quotations of respondents and interviewees were used to increase the validity. In this work, validity might be endangered due to a small number of participants. However, the author strived for reducing this threat by using both quantitative and qualitative methods.

Nevertheless, there are more potential factors that might affect the reliability and validity of the research. It is significant to mention that the author lacks previous experience in carrying out scientific and elaborated research as well as conducting an interview. This fact might lead to missing important questions or wrongly formulated ones.

## 4 Empirical findings

In this chapter, the case company Kaufland Česká republika, v.o.s. will be briefly introduced. The aim of this section is not to investigate the company in detail but to provide basic information about its existence. Moreover, the CSR policy and activities of the chosen company will be described. Afterwards, findings of the interviews will be presented while divided into sub parts based on hypotheses which were developed in the theoretical framework. Lastly, findings of the survey will be introduced.

### 4.1 Background of the case company

Kaufland Česká republika v.o.s. is a subsidiary of German retail chain Kaufland and belongs to the most popular retailers even in the Czech Republic. Kaufland together with Lidl fall under the Schwarz Group which is active in over 30 countries worldwide (Schwarz Dienstleistung, 2020). The history of Kaufland reaches to the year of 1930 when Josef Schwarz was managing the company as Lidl & Schwarz KG. In 1998, the very first store in the Czech Republic was open. An interesting fact is that it was not in the capital city (Prague) but in a smaller town nearby Prague. In 2006, Kaufland was present already in Germany, Czech Republic, Slovakia, Croatia, Poland, Romania and Bulgaria. In 2018, Kaufland celebrated 20 years in the Czech Republic with 100 stores and 50 years in Europe with 1000 stores. Kaufland uses the same logo which can be seen in the *Figure 8* in all the countries with its presence (Kaufland).



**Figure 8:** Logo of Kaufland (Kaufland)

As already mentioned above, Kaufland Česká republika v.o.s. runs Kaufland retail company in the Czech Republic since 1998. This company is, of course, focused on the same activities as the parent company. Kaufland chain operates supermarkets and other grocery stores (EMIS, 2020).

The company is being awarded in the field of sustainability and CSR (for instance in November 2020) which makes this company ideal for the case study (Kaufland, 2020). Kaufland Česká republika v.o.s. engages in sustainable development as well as the environment protection or social responsibility (Kaufland). Concrete CSR activities of this company will be discussed based on information provided on the website of this corporation and an interview conducted with the CSR manager of Kaufland Česká republika v.o.s. In addition, there will be a second interview conducted with the CSR project manager of Kaufland Slovenská republika, v.o.s. which is a subsidiary in Slovakia. This interview will enable a brief comparison of CSR policy and activities between Kaufland in the Czech Republic and Slovakia.

## **4.2 Case study**

The case study is focused on the analysis of CSR policy and activities of a chosen company – Kaufland Česká republika, v.o.s. The policy and activities will be introduced based on the information provided by official Kaufland websites, CSR report of Schwarz Group where Kaufland belongs and data obtained from the interview with the CSR manager of Kaufland Česká republika. In order to offer an international overview, information from the second interview with the CSR project manager of Kaufland Slovenská republika regarding the CSR policy and activities in Slovakia will be presented as well.

When it comes to the CSR policy of Kaufland, according to the CSR manager of Kaufland Česká republika, the CSR team on the international level consists of specialists in sustainability reporting, sustainable products, certificates, CSR communication or social projects. In case of the Czech subsidiary, the form of CSR engagement is consulted with

a manager of energy, waste manager, specialists in technical purchasing or managers of private labels. According to the CSR project manager of Kaufland Slovenská republika, CSR team in Slovakia consists of two people. However, representatives of all areas of the company are present in the internal CSR-project team. When it comes to the purchasing of sustainable products, a project manager is involved in the CSR issue as well.

Based on the sustainability report of Schwarz Group, CSR of Kaufland is primarily concerned with the sustainable development goal (SDG) 12 that is dedicated to responsible production and consumption (Schwarz Dienstleistung, 2020). This initiative appears to be appropriate especially since the area of the business's activity is retail. Additionally, according to the first interviewee, all the subsidiaries have a high degree of independence in terms of the implementation of CSR activities.

*“Each country implements internationally determined activities – for example implementation of durable reusable bags, removal of lids from private label yoghurts and respects CSR strategy within which may implement projects specific for that country”*. (Interviewee no. 1)

From the interviewee's no. 1 point of view, this policy has both advantages and disadvantages. Unified CSR strategy and the possibility to share experience with colleagues from other countries represent a positive side. In contrast, it is not easy to implement activities since there are many regulations which demand a lot of administrative work. Based on the interviewee no. 2, the biggest advantage of the Kaufland's CSR policy is a fact, that the company has an international presence which results in a synergetic effect and therefore, the initiatives are more efficient. This thought seems to be accurate due to the ability to scale.

As evident from the interviewee's no. 1 statement, each country implements the CSR activities individually. However, this independence brings responsibilities such as making a decision which concrete activity will be implemented. According to the interviewee

no. 1, following factors are assessed when making the decision: impact, feasibility of implementation, economic efficiency and attainability. Based on the opinion of the first interviewee, Kaufland Česká republika, v.o.s. represents a socially responsible company thanks to a number of CSR activities.

*“We reduce emissions, water consumption or electrical energy. We use modern technology, build stores with a minimal burden on the environment and offer products with certificates of sustainability. We support electromobility, reduce the amount of plastic waste and actively and on a long-term basis support significant non-profit organizations or community life in the Czech Republic.”* (Interviewee no. 1)

According to the second interviewee, Kaufland Slovenská republika, v.o.s. is primarily focused on three main CSR areas: healthy nutrition, employees and homeland. Furthermore, Kaufland’s subsidiary in Slovakia might be also considered a socially responsible firm.

*“Kaufland is engaged in all the areas which are touching the company – ecology, social responsibility, human rights, compliance etc. The firm sets objectives and monitors the progress. Many activities are typical and expected from our industry – nutrition help and donation of groceries, increase in a number of healthy and sustainable products, environmentally friendly packaging, combating food waste and natural resources saving etc.”* (Interviewee no. 2)

Furthermore, Kaufland Česká republika was awarded for its engagement in sustainability and CSR in November 2020. In the survey TOP Odpovědná firma 2020 (meaning TOP responsible company 2020) Kaufland ended up in top 25 companies (Maierl, 2020).

Kaufland Česká republika, v.o.s. is active in all the pillars of CSR. Therefore, consumers together with other stakeholders might notice operations in environmental, social and

economic sphere. Since the main focus of this work is on the impact of CSR on consumers, only the most significant and communicated activities will be introduced.

#### **4.2.1 Environmental pillar**

As mentioned above, the whole Schwarz Group is primarily focused on the SDG 12 that is concerned with the responsible production and consumption. In this area, Schwarz Group strives for procurement process that is sustainable for the most essential raw materials, such as cocoa, flowers and plants, cotton, fish and fish products. In addition, chemicals in the production of their own brands are about to be used in a healthy and environmentally friendly way particularly referring to the production of textiles, shoes, fruit, vegetables, flower and plants range. Moreover, Schwarz is committed to recycle, reuse and recover the waste volume as well as empower and support employees to act sustainably (Schwarz Dienstleistung, 2020).

In addition, Schwarz Group developed an international complex strategy called REset Plastic which consists of five areas of activities: waste reduction, design, recycling, liquidation and research. Firstly, whenever it is possible and sustainable, Schwarz Group abandons use of plastics. Secondly, products are designed to be recyclable. Thirdly, the company collects, sorts and recycles as well as helps remove plastic waste out of the environment. Lastly, Schwarz Group strives for finding new and innovative solutions which is why it invests in research and development. In addition to that, they educate society about recycling and preserving of resources (Kaufland).

Kaufland besides other things combats wastage and use of plastic. In case some parts of packaging are not necessary since they do not protect the product from external influences or do not preserve freshness, they get left out. Firstly, unnecessary packaging material is being reduced and in case it is needed, it gets examined whether it is possible to replace it with its ecological version. Secondly, recycled PET granulate is used for new PET bottles as well as the production of packaging of Kaufland's private labels. Thirdly,

as already mentioned, a number of plastics is being both reduced and recycled. Thanks to reusing of materials, a process of sustainable waste liquidation is supported. Fourthly, solid microplastics which are often used in cosmetics are able to land in the ocean through our washbasins. This is the reason why since 2013 Kaufland has abandoned the use of solid microplastics in their drugstore goods (Kaufland).

As a follow-up to the plastic strategy of Schwarz Group, Kaufland implemented durable reusable bag. The aim is to inspire customers to replace disposable plastic bags with the bags that are reusable and do not harm the environment. The durable reusable bag is provided with a fabric label for affixing a label with weight and price and it can be washed at 30 degrees (Kaufland).

Speaking of plastic reduction, Kaufland removed plastic lids from the yoghurts produced by their private labels. Thanks to this measure, the company claims to save circa nine tons of plastic just when counting their one product line only. However, there is an alternative for customers who appreciate the plastic lid. Kaufland offers a durable reusable lid which can be reused for yoghurts of 9,5 cm in average. The lid is washable, dishwasher safe and harmless to health (Kaufland).

All the Kaufland stores in the Czech Republic which have been built since 2013 include a recuperation equipment that uses the waste heat produced by cooling equipment to heat the stores. Moreover, the energetical and ecological demand of cooling is being decreased as well. Thanks to this type of stores, Kaufland contributes to an energy saving as well as CO<sub>2</sub> emissions saving (Kaufland). This activity might be assigned to the SDG 13 that is focused on climate action alike the previous paragraphs.

It is also important to mention that Kaufland supports electromobility by installing fast charging stations for electric cars. Since 2012, Kaufland has been building those stations in cooperation with ČEZ company (Czech electrical energy provider). In addition to that,

company electric cars are becoming popular among employees. Currently, Kaufland owns two Volkswagen e-Golf vehicles and two BMW i3 cars (Kaufland).

In the beginning of 2021, Kaufland started implementing recyclable receipts. These receipts are made of special blue paper and contain no chemical additives. Moreover, they are 100% recyclable like regular paper. This thermo paper is water and oil resistant which makes information on the receipt durable. Since March 2021, recyclable receipts have been gradually installed with the aim to have it implemented in all the stores in the Czech Republic by July of 2021 (Maierl, 2021).

Since the end of 2017, all the employees of the Czech Kaufland subsidiary have received new uniforms which come from the sustainable production. All blouses, t-shirts and shirts are certificated by GOTS and Fairtrade. These quality marks suggest a high percentage of natural fibers and their Fairtrade origin (Kaufland).

Another environmental activity touches life below the water which is covered by SDG 14. Kaufland engages in sustainable fishery including MSC certificate. Sustainable fishery aims to monitorable and sustainable fishery all around the world in order to preserve fish population for both currently living and future generations. For example, their private label of fish fingers or herring fillets obtained MSC certificate. Consumers might notice this fact thanks to the label on packaging (Kaufland).

Palm oil plays an essential role in the food industry since it contributes to the right consistency of products. However, its manufacture causes deforestation of large tropical rainforests, particularly in Malaysia and Indonesia. The destruction of these forests results not only in regional but also global negative impacts on the environment. Kaufland reduces use of palm oil in their private label K-Classic. In case the consistency of the product is not important, for example French fries or chips, other oils such as sunflower oil are used. In contrast, when there is a need to use palm oil, those oils are purchased

from producers with a certification that it does not origin in plundered forests but only responsible forestry (Kaufland). This initiative touches in particular SDG 12 and 13.

However, Kaufland focuses its initiatives even on the matters which directly touch the countries with its presence. Since 2020, Kaufland stores have been provided with insect hotels (outdoor space) which aims at the support of biodiversity. The project's objective is to preserve the diversity of animal species since the importance of the insect in the city environment. These insect hotels are made of wood and are provided with the signs that educate children (Maierl, 2020). This initiative might be linked to the SDG 15.

#### **4.2.2 Social pillar**

The company takes legal responsibilities into consideration as well. Since Kaufland is in a close contact with stakeholders such as consumers, employees or business partners on a daily basis, all the parties mentioned strive for the respect and promotion of all human rights. Fair business practices and good working and living conditions are particularly important for the company. A statement regarding the respect of human rights is unified within the whole Schwarz Group (Kaufland). This initiative might be linked to SDG 16 or even 5.

Kaufland is aware of its philanthropic responsibilities and became a partner of Debra which is an organization helping people who suffer from butterfly wing disease. The partnership lies in financing summer and autumn relaxation-therapeutic camps for patients and their close relatives. In addition, Kaufland donates money for expensive bandages and salves. Additionally, the company is a general partner of project Dr. Klaun which is organized by non-profit organization Chance 4 Children. The initiative is dedicated to trained clowns who cheer up children in 7 hospitals across the Czech Republic (Kaufland).

Furthermore, the company cooperates with the Loono organization while supporting its employees as well. Kaufland donates a financial amount to this organization for every use of Multisport card by its employees. Therefore, this initiative is also concerned with a well-being and healthy lifestyle of employees. The non-profit organization Loono educates public about the prevention of oncological and cardiovascular diseases. Financial support enables a purchase of new educational models and, in particular, organizing workshops for high school and university students since they belong to the most endangered groups, especially when it comes to oncological diseases of genitalia (Kaufland). Activities in this are touching SGD 3 and possibly also 4.

One of the most visible activities within social sphere is the cooperation with Centrum Paraple. This non-profit organization helps people who have been paralyzed after spinal cord injury handle this difficult situation and start living again. Kaufland has been a partner since 2013 and helps through the beneficial Run for Paraple. During the last run, 30 employees of Kaufland run for a good cause and since Kaufland became a main partner of the event, it donated a significant amount to buy a hand bike (Kaufland).

Last but not least, the company cooperates with elementary and high schools. Since 2012, Kaufland has been providing schools with professional lectures by Kaufland employees, excursions in Kaufland stores and logistics centers, barbecue during sport or cultural events of schools as well as workshops on the matter of healthy breakfast (Kaufland). This activity corresponds to SDG 4 and 3.

#### **4.2.3 Economic pillar**

When it comes to the economic sphere of CSR, Kaufland is committed to fair business practices via Supply Chain Initiative. Therefore, some chocolate products in the portfolio are labeled by the logo of Fairtrade Cocoa Program. It means that this raw material is bought at a fair price. Thanks to this program, producers are able to improve living

conditions of their employees, it prevents child labor as well as it contributes to the environmental protection (Kaufland).

In addition, speaking of a fair business practices, it is crucial to mention the fact that Kaufland has implemented a code of ethics. This document is unified for the whole Schwarz Group (Kaufland). This initiative might be linked to the SDG 8 dedicated to decent work and economic growth.

As already introduced in the section of environmental activities, Kaufland provides its employees with sustainable uniforms. All the uniforms are provided with a company logo which prevents employees from keeping the old ones and they are obliged to return them. The used clothing gets recycled and further distributed to charitable organizations. Thanks to this initiative, Kaufland is taking responsibility for environment and helps people in need at the same time (Kaufland). This activity may be connected to SDGs concerned with the environment (SDG 12 and 13) as well as SDG focused on economic pillar (SDG 1 and 3).

When it comes to rainforests, Kaufland offers products with a certificate of Rainforest Alliance Certified. This label suggests that ingredients used which are coming from rainforests (citruses, bananas, cacao or tea) are being planted responsibly in the area of ecological, social and economic requirements. The non-profit organization is focused on the protection of diversity as well as rights and wellbeing of workers, their families and local communities in producing countries (Kaufland). This initiative might correspond to SDG 15 focused on life on land and three dedicated to well-being and good health.

Last but not least, Kaufland supports local suppliers. When it comes to the fruit and vegetables, there are 50 around local suppliers in Kaufland's portfolio. Furthermore, pastry is purchased from regional bakeries (Kaufland). This initiative may be linked to the SDG 1 focusing on no poverty and SDG 8.

### **4.3 Findings of interviews and survey**

As already mentioned above, findings of the two interviews will be divided into sub sections based on the topic of interests and hypotheses. Therefore, to start off, an issue of sustainability and CSR will be examined. Afterwards, an impact of CSR activities on consumers will be studied while focusing on the phenomenon in general as well as the case company's effect on consumers in the Czech Republic. Additionally, a short international overview will be provided thanks to the data obtained from the Kaufland's subsidiary in Slovakia. The second part will be dedicated to findings of the survey which will be introduced following the structure of topics and hypothesis as well.

#### **4.3.1 Qualitative research**

Qualitative research method (semi-structured interviews) touched sustainability (even though very briefly), CSR and the impact of CSR on consumers from the perspective of the case company and its sister company in Slovakia.

##### **4.3.1.1 Sustainability**

Since the main focus of the interviews was put on the CSR, concrete CSR activities of the case company Kaufland Česká republika, v.o.s. and the impact of CSR on consumers, the matter of sustainability was touched only briefly.

According to the interviewee no. 1, consumers in the Czech Republic are aware of the sustainability issue. Additionally, interviewee no. 1 believes that consumers find sustainability important. Based on the second interview, consumers in Slovakia are also aware and interested in sustainability. Moreover, this phenomenon does not touch only Slovakia and the Czech Republic.

*“The interest in socially responsible and sustainable topics is ever increasing. This trend is observable in all countries where Kaufland is present.”* (Interviewee no. 2)

Based on the first interview, it is difficult to answer the question whether consumers are interested in sustainable products or not since the consumer base is wide. It depends on every single consumer's preferences individually.

*“In general, however, we noticed very positive responses to, for instance, our durable reusable bag which offers the possibility to reuse this bag for fruit / vegetables instead of disposable ones. People suffering from food intolerance appreciate our wide portfolio.”* (Interviewee no. 1)

According to the second interviewee, based on the surveys focused on purchase behavior, the most important factors are price, quality and origin of the product in this very order. However, it does not mean that consumers are not interested in sustainable goods in Slovakia.

*“...We are able to observe that the interest in sustainable products is increasing thanks to education of consumers in the field of sustainability topics. To us, it is important to offer our consumers sustainable products at favorable prices.”* (Interviewee no. 2)

#### **4.3.1.2 Corporate social responsibility (CSR)**

Based on the first interview, Kaufland Česká republika represents a socially responsible company since there are many CSR activities implemented. Based on the second interview, Kaufland Slovenská republika is considered to be socially responsible as well since the company is engaged in all the areas that are being touched: ecology, human rights, social responsibility or compliance.

*“It is not just a phrase but a concrete set of activities which leads to, for instance, emissions savings or savings of electricity and water.” (Interviewee no. 1)*

According to the interviewee no. 1, Kaufland monitors CSR of competitors in retail not only in the Czech Republic, but also abroad. Additionally, based on the interviewee's no. 1 opinion, Kaufland Česká republika belongs to the top three retail companies in terms of sustainability and corporate social responsibility. Based on the second interview, Kaufland in Slovakia also pays an attention to its competitors. Despite the fact, that there is a clearly defined own CSR strategy with ambitious objectives, the company appreciates the potential inspiration by the competition.

However, consumers play even more important role when it comes to the success of the company. Kaufland is aware of the current phenomenon of CSR and sustainability.

*“In my opinion, an ever-increasing number of consumers are aware of the importance of responsible approach. After all, my friends and I prefer purchases in companies where there is a significant emphasis on corporate social responsibility. I anticipate that the approach of companies to corporate social responsibility will play more and more important role in purchase decision making of consumers or perception of the company among job applicants.” (Interviewee no. 1)*

*“The interest in socially responsible and sustainable topics is ever increasing. This trend is observable in all countries where Kaufland is present. In Slovakia, this interest is evident for instance from sustainable products, issues related to the plastic waste or products manufactured in Slovakia.” (Interviewee no. 2)*

The company is aware of the importance of communication of its CSR activities. Kaufland Česká republika, v.o.s. uses multiple communication channels in order to inform its consumers together with other stakeholders.

*“..., we present chosen activities through our social networks, press releases, PR advertising, customer fliers, ambassadors or non-profit partners”* (Interviewee no. 1)

Kaufland’s subsidiary in Slovakia uses the same communication channels such as social networks or fliers. In addition, another external as well as internal channels are being made use of, such as television, newsletters and magazines or intranet.

*“We recently published our first report on sustainability in which we described all to us important areas in detail and we set the objectives for the near future.”* (Interviewee no. 2)

In the Czech Republic, Kaufland has not released the first report on sustainability yet. According to the interviewee no. 1, the report is already finished but it needs to get approved by the German parent company first. The approval should be obtained by the end of April 2021. Therefore, it was not feasible to gather more information from this source.

#### **4.3.1.3 Impact of corporate social responsibility (CSR) on consumers**

When it comes to the impact of CSR of Kaufland on consumers in the Czech Republic, interviewee no. 1 was not able to provide the author with any significant data due to confidentiality. However, it got mentioned that in general, the importance of CSR is taken into consideration rather by younger people. In contrast, to the question what impact the CSR activities of Kaufland in Slovakia have on consumers, interviewee no. 2 responded that the impact on consumers is not the priority when it comes to an implementation of activities.

*“In case of CSR projects and activities, we do not determine them according to the impact on consumers but the impact on the environment or community in which we are present in. It is not right to measure CSR and its effect since the point is no marketing but a change to better.”* (Interviewee no. 2)

Nevertheless, Kaufland is aware of the fact, that CSR might have an influence on consumers and takes appropriate steps. Both Czech and Slovak subsidiaries monitor customer reactions to their CSR initiative.

*“We conduct regular customer research, we monitor responses of the consumers’ reactions on social networks, we receive feedbacks from our acquaintances.”* (Interviewee no. 1)

*“Through the customer feedback which we obtain via customer service, social networks etc. we are able to observe the consumer interest in topics that are interesting and important to them.”* (Interviewee no. 2)

When it comes to the consumer reactions to CSR initiatives of Kaufland Česká republika, there are some activities which are particularly appreciated. In case of the Slovak subsidiary, the outcome of the interview in terms of the most popular activities is rather general.

*“We perceive a great interest in ecological activities connected to for example installation of insect hotels or reduction of plastic waste amount. People using the electric cars appreciate ever expanding amount of our stores provided with fast charging stations. I personally think that people are aware of the consequences of the human activity in relation to the health of our planet and the importance of its preservation for future generations.”* (Interviewee no. 1)

*“It is mostly the projects which the consumers are directly engaged in and therefore, they have an opportunity to help or influence the situation otherwise (food collection, support of communities etc.).”* (Interviewee no. 2)

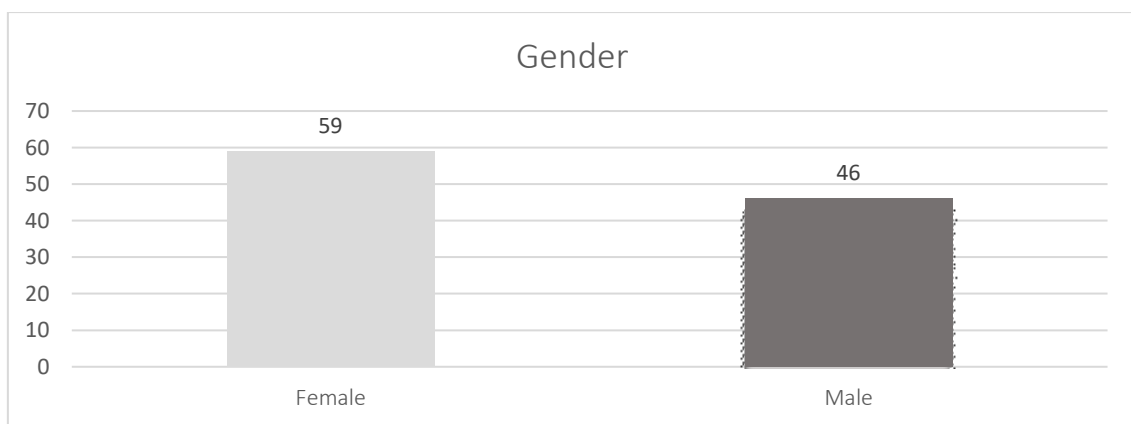
### 4.3.2 Quantitative research

Quantitative research method, to be more specific an online survey, was dedicated to the same topics as the qualitative one: sustainability, CSR and the impact of CSR on consumers from the perspective of consumers. Additionally, few demographic questions were used in order to familiarize with the background of participants. As mentioned in the chapter related to the methodology, the survey aimed at obtaining at least 100 answers. This objective was achieved by gaining 105 respondents.

#### 4.3.2.1 Demographic questions

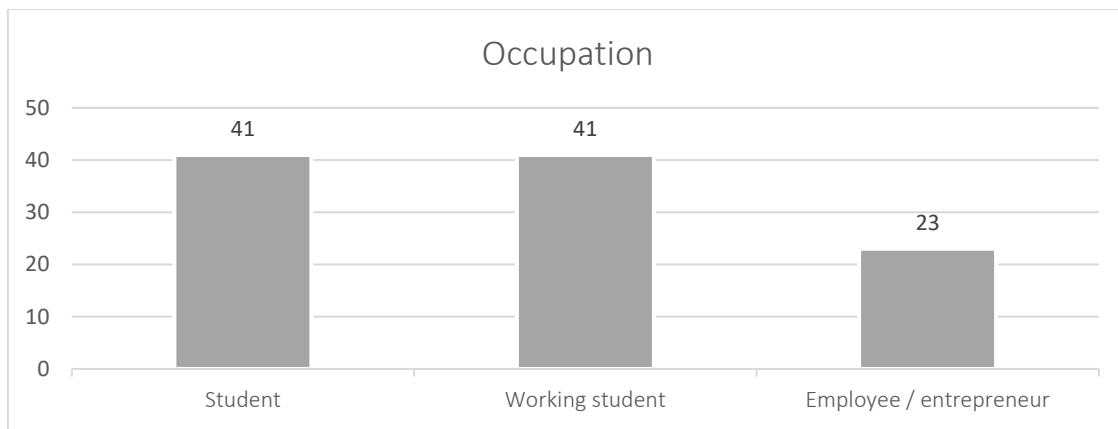
There were three demographic questions included in the survey. The goal was to gain an overview of the participants and potential links behind their answers.

Firstly, sex of the respondents was examined. The outcome shows that the proportion of both genders was nearly equal: 59 females and 46 males, as can be seen in the *Figure 9*. When expressed using the percentage, 56% females and 44% males participated in the survey. Therefore, the gender of participants should not play a significant role in terms of the results.



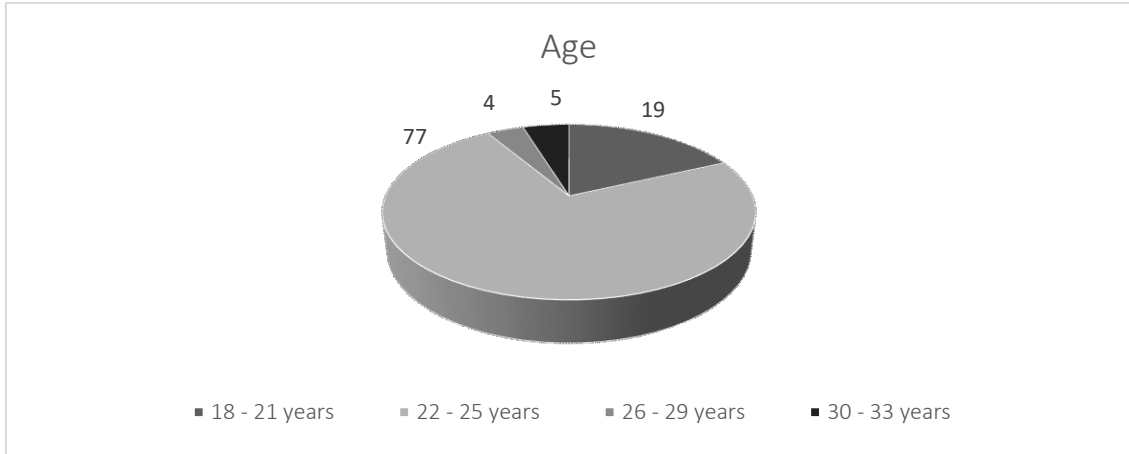
**Figure 9:** Gender

Secondly, as mentioned in the methodology, sample chosen for this research was composed of young people, especially students in order to assure a higher probability of respondent's awareness of issues studied. Since the web link for the online survey was sent into student groups on Facebook, the sample consists of mostly students, absolvents or people who prematurely terminated their studies. As evident from the *Figure 10*, there are two groups with equal results: students and working students. The third group which is represented by employees or entrepreneurs occurred less. In total, 82 out of 105 participants were students.



**Figure 10:** Occupation

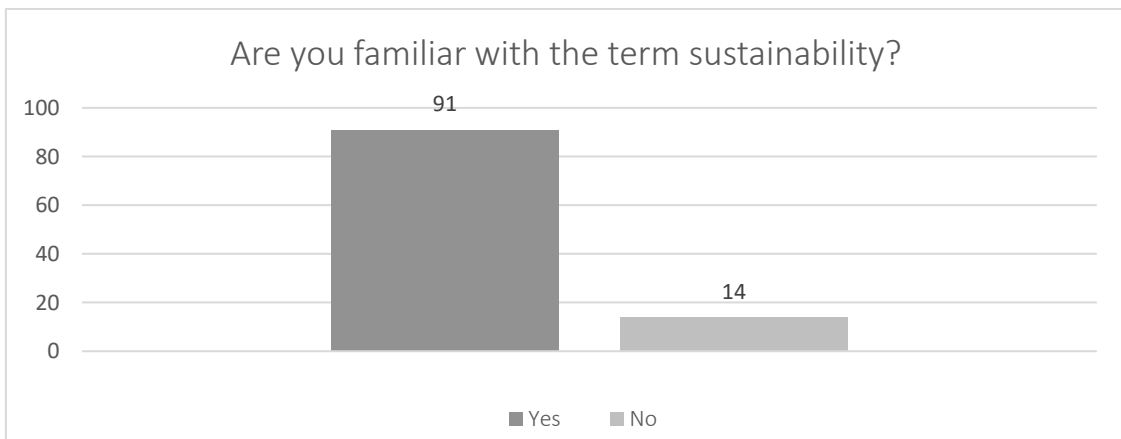
The last question related to the demography was concerned with the age of respondents. Since the sample was represented especially by students, the options in the survey were modified in order to cover this age group in particular. As can be read from the *Figure 11*, majority of participants (73%) is of age between 22 and 25 years, followed by the group of 18 – 21 years (18%). Respondents older than 26 years account for 9 people out of 105.



**Figure 11: Age**

#### 4.3.2.2 Sustainability

Firstly, respondents were asked whether they know what the term sustainability means. As evident from the *Figure 12*, a significant majority (nearly 87%) of participants are familiar with this issue. Only 14 people out of 105 claimed that they do not know this term. As already mentioned, the fact that the respondents were mostly students might have affected the results since they are the group most likely to be aware of the term and issue of sustainability.



**Figure 12: Awareness of the meaning of sustainability**

In order to be certain that the respondents truly know the meaning, an open question followed in case that participants chose “yes” option. In following questions, respondents were asked to write down what the term sustainability means. When it comes to their answers, few participants confused sustainability with the CSR since those two terms are closely linked. Moreover, about half of the answers were related rather to the environment than the general meaning of sustainability, which is also understandable since the sustainability touches the environment substantially. However, in general, a significant majority of participants answered correctly. Some of the apt reactions were described as follows:

*“Functioning without having an impact on future generations.”*

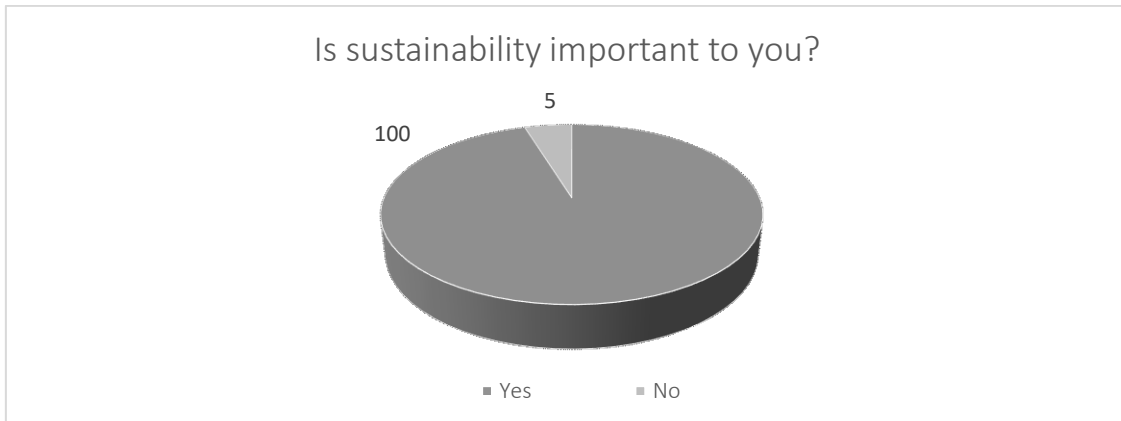
*“An attempt to preserve our planet as well as the ecosystems.”*

*“Social and economic development of the society with impacts on the environment to such an extent as to preserve it at least in the state that is now, so with favorable living conditions.”*

*“We strive for a production of goods that, for instance, do not contain plastics, are environmentally friendly and we try to live in a way that does not burden the planet.”*

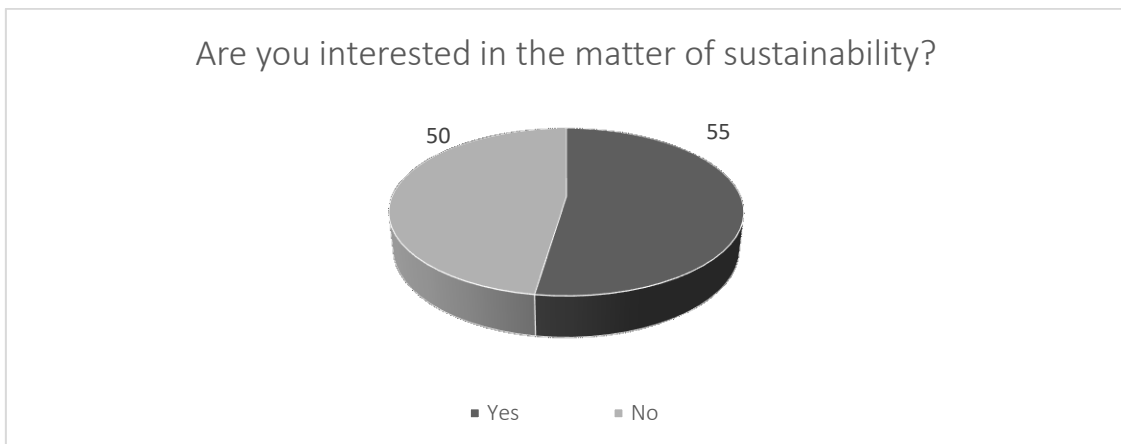
*“To act in a way that the resources are preserved even for following generations without decreasing the quality of their life under the level of the quality of our lives.”*

Next question was concerned with the consumer perception of sustainability. Additionally, it was followed by a definition of sustainability for those who did not know the meaning before in order to receive relevant responses. Only 5 respondents out of 105 (nearly 5%) claimed that the issue of sustainability is not important as visible in the *Figure 13*. Based on the answers, consumers appear to be aware of the importance of sustainability.



**Figure 13:** Importance of sustainability

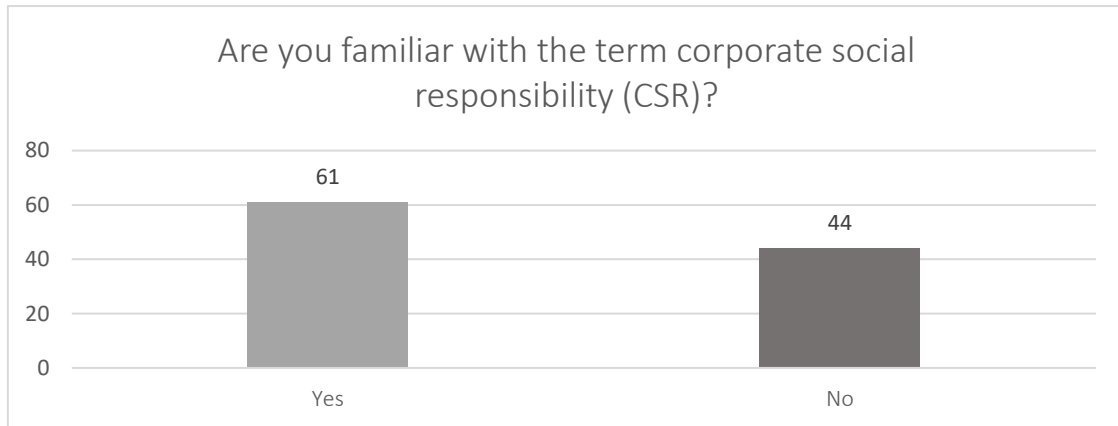
The last question related to the sustainability examined consumer interest in sustainability. As evident from the *Figure 14*, there is no clear answer since the two opposing sides achieved nearly the same percentage. Nevertheless, 55 participants (circa 52%) claimed that they are interested in the matter of sustainability while 50 respondents (almost 48%) are not. This outcome suggests that even though consumers are aware of the importance of sustainability, it does not mean that they take an interest in it and want to be active in this field.



**Figure 14:** Interest in sustainability

### 4.3.2.3 Corporate social responsibility (CSR)

Firstly, respondents were asked whether they know what CSR means. As can be read from the *Figure 15*, a modest majority of participants (58%) claimed that they are familiarized with the meaning of the CSR while 44 people out of 105 (42%) are not. This outcome implies that consumers are more aware of the meaning of sustainability than CSR.



**Figure 15:** Awareness of the meaning of CSR

Similarly to the section dedicated to the sustainability, the second question concerned only participants who chose “yes” in the previous question. In order to find out whether people truly know that CSR means, respondents were asked to write down the meaning of CSR. In this section, almost all 61 participants answered the question correctly. In contrast to the meaning of sustainability, people were aware of the fact that CSR is not focused only on the environment. Some of the accurate responses were described as follows:

*“A certain company commitment to behave responsibly in its business area when it comes to different aspects (social, economic, environmental sphere).”*

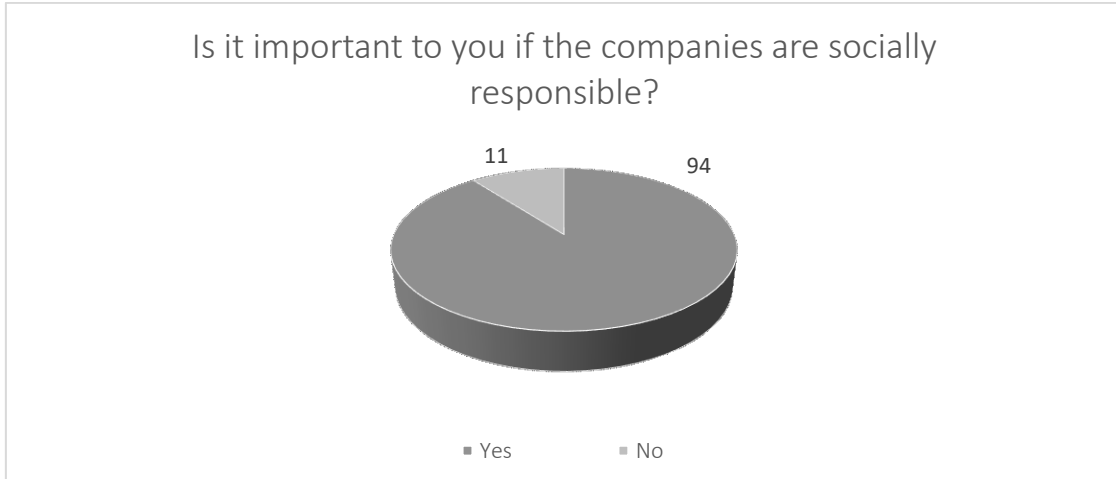
*“A company tries to support a local community, use local source of labor, support and develop the region where the company is present in without being mainly interested in increasing profits... it is some kind of voluntary commitment of the company to do good.”*

*“A company acts responsibly towards its stakeholders and the environment. The company, besides its legal obligations, does something extra.”*

*“An integration of sustainability into the company’s structure.”*

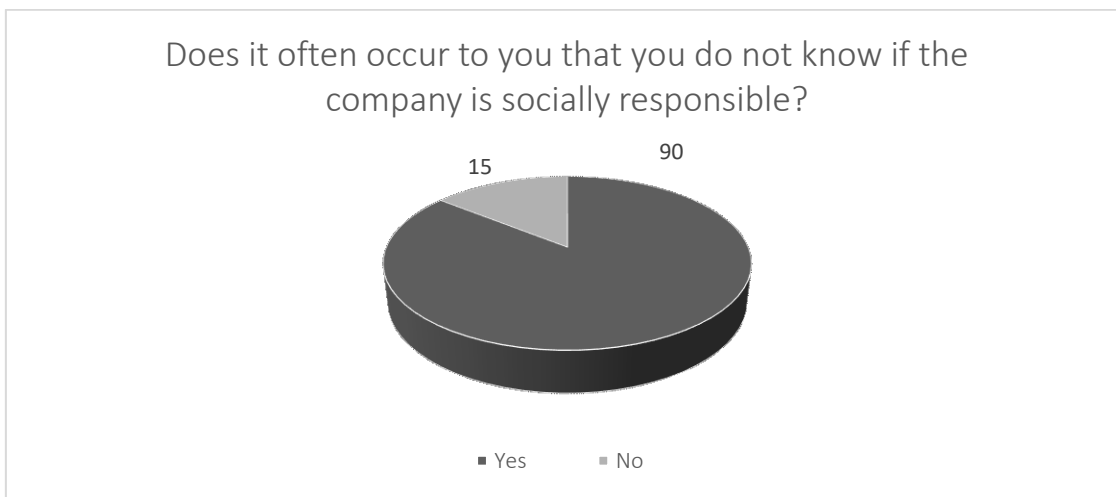
*“It is the responsibility towards stakeholders – people who are directly affected by a company’s activities. It might be society as well. For instance, it is the impact of a company on the environment, community, towards its employees etc.”*

The third question was focused on the consumer opinion on the importance of CSR. In order to be sure that all participants understand this term correctly, few examples of CSR activities were presented. As evident from the *Figure 16*, 94 respondents out of 105 (nearly 90%) claimed that it is important to them that the company is socially responsible. Only 10% (11 participants) stated that the socially responsible behavior of the company does not play an important role for them. As evident, even though consumers claim that they are not aware of the term CSR, they do find the CSR engagement important when examples are presented. This might appear to be a contradiction – participants stated that CSR is important, but they do not know the meaning. However, the question related to the importance of CSR was followed by few concrete examples of CSR activities in order to gain relevant results. As obvious from the previous sentences, 44 respondents were not familiar with the meaning of CSR, but after the explanation, only 11 participants claimed that the CSR engagement is not important to them. This finding highlights the importance of increase in CSR awareness.



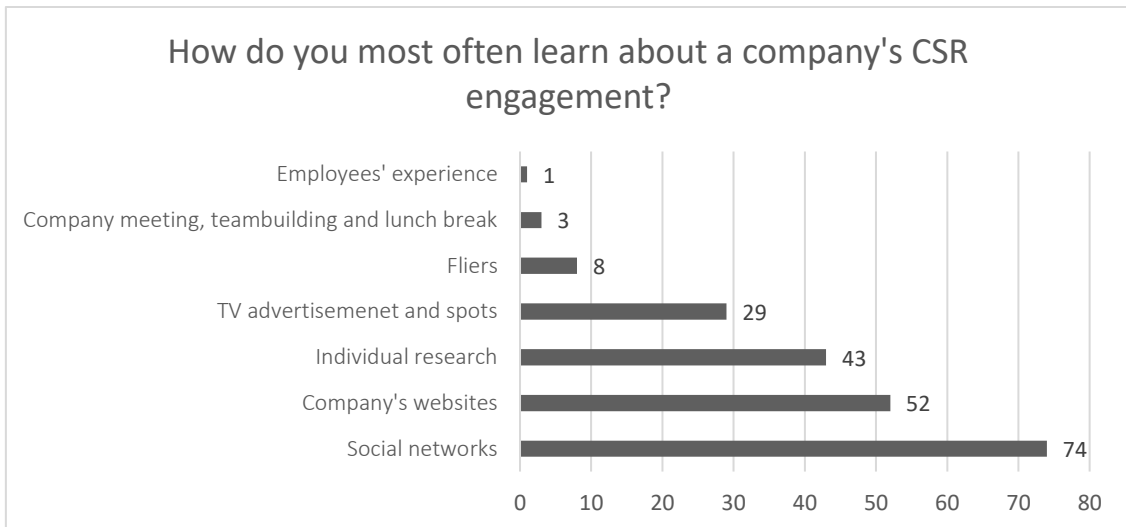
**Figure 16:** Importance of the CSR

The next question was dedicated to the CSR communication. To be more specific, if it occurs often that the consumers are not aware of the CSR engagement of a certain organization and therefore, they do not know whether the company is socially responsible or not. As the *Figure 17* shows, an overwhelming majority (nearly 86%) claimed that they are often not aware of the CSR engagement of the certain firm. In contrast, 15 respondents out of 105 have an opposite opinion. This finding highlights the importance of companies' CSR communication. Without a proper communication, in most cases consumers are not aware of activities that a company implements.



**Figure 17:** Awareness of the company's CSR engagement

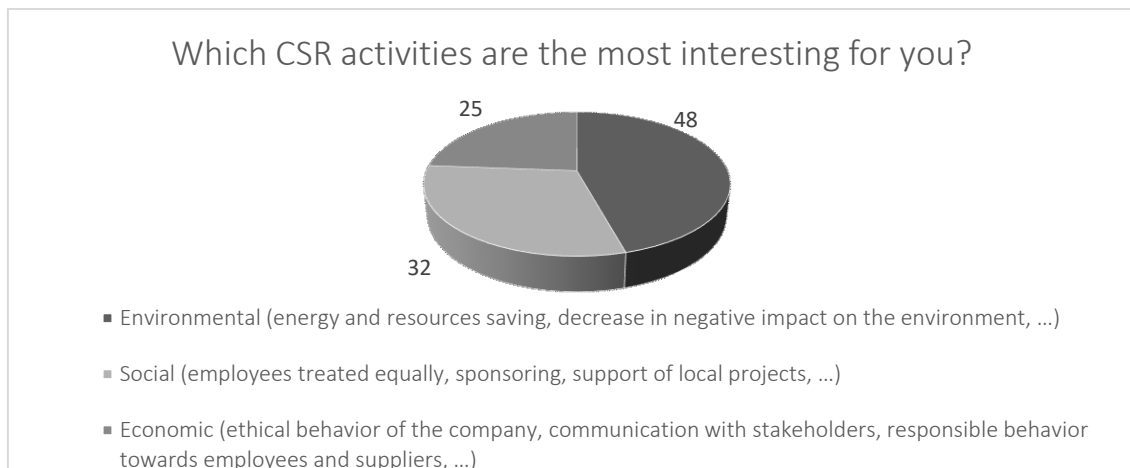
The fifth question was similarly to the previous one concerned with the CSR communication. The aim of this particular question was to examine which communications channels are efficient the most when it comes to the CSR activities. Respondents were given the possibility to choose more than one option. As evident from the *Figure 18*, consumers are aware of the CSR activities especially thanks to the social networks which are represented by nearly 71%. Social networks are followed by companies' websites (nearly 50%), individual searching for information (41%) or TV advertisement and spots (nearly 28%). Additionally, participants were provided with an ability to add another response. One of the consumers mentioned employees' experience as the most often source of information regarding the company's CSR activities. Furthermore, three respondents chose the option of a company meeting, teambuilding and lunch break. As the results suggest, social networks in particular create a great environment for communication between a company and consumers, not only in terms of the CSR engagement.



**Figure 18:** The most effective communication channels

The last question of the CSR section was dedicated to the concrete activities. Consumers were asked to choose one of the pillars which they are most interested in. In order to obtain relevant data, few activities were assigned to each pillar as an example. As the *Figure 19* illustrates, nearly one half of people (closely 46%) are interested in the environmental activities. Social activities are attractive for around 30% of participants and

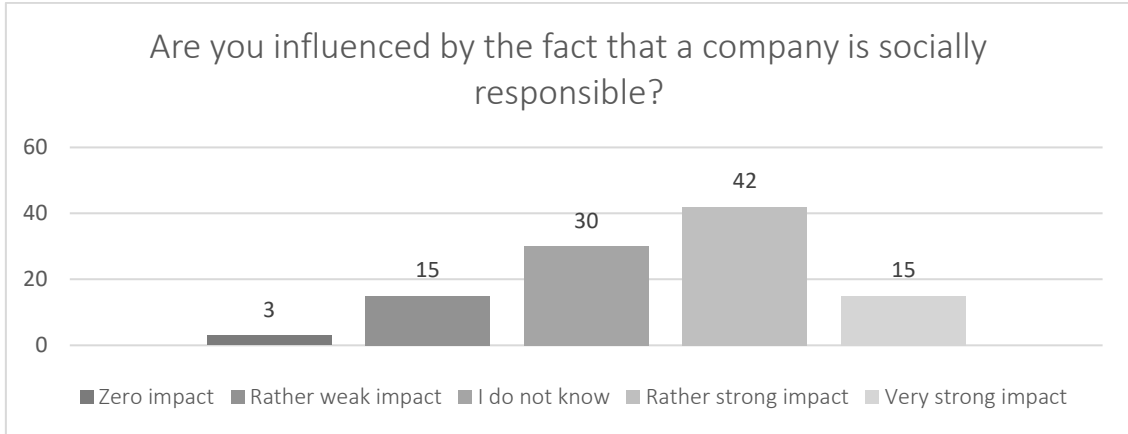
economic activities are interesting for closely 24% of consumers. Furthermore, when consumers were asked to describe a meaning of sustainability in previous questions, they often referred to the environmental issues. This outcome supports the claim that consumers appreciate especially environmental activities.



**Figure 19:** Most interesting CSR activities

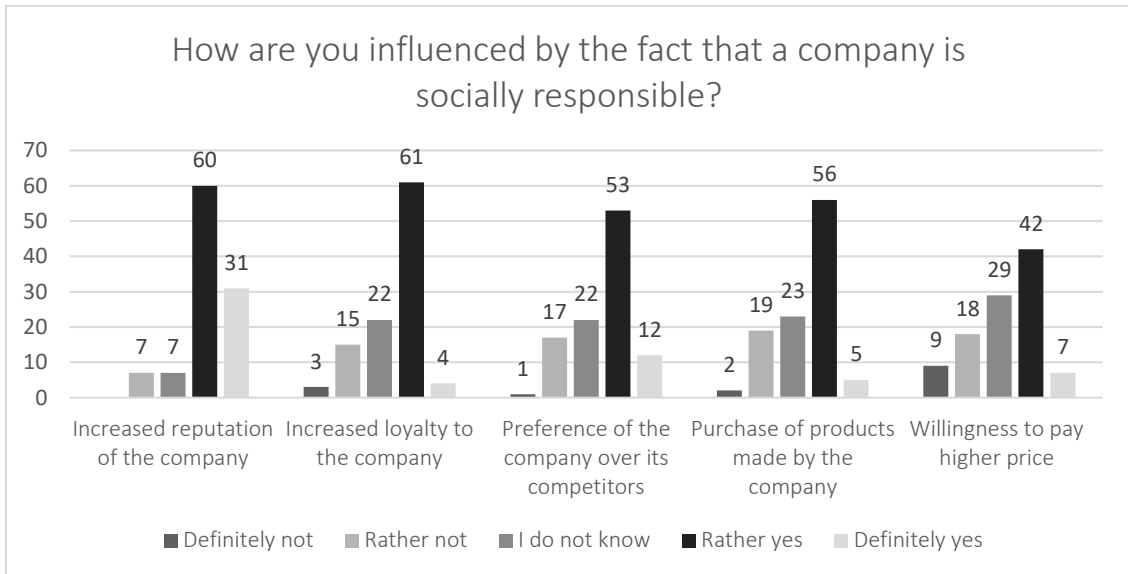
#### 4.3.2.4 Impact of corporate social responsibility (CSR) on consumers

Firstly, it was examined whether the CSR engagement affects the consumers or not. Respondents were asked to choose one of the options provided, starting from zero impact to the strong impact. As evident from the *Figure 20*, majority of participants (about 54%) is influenced by the CSR engagement. Nearly 29% of consumers are neutral when it comes to the attitude towards socially responsible companies. In addition, approximately 17% of participants are not affected by the CSR initiatives. This question strived for the understanding of consumer perception in terms of the effect of CSR on them. As presented above, majority of participants are influenced by the CSR engagement or have rather neutral opinion. Moreover, the results support the claim that consumers find the CSR engagement important since they admit that they are affected by the activities in this area.



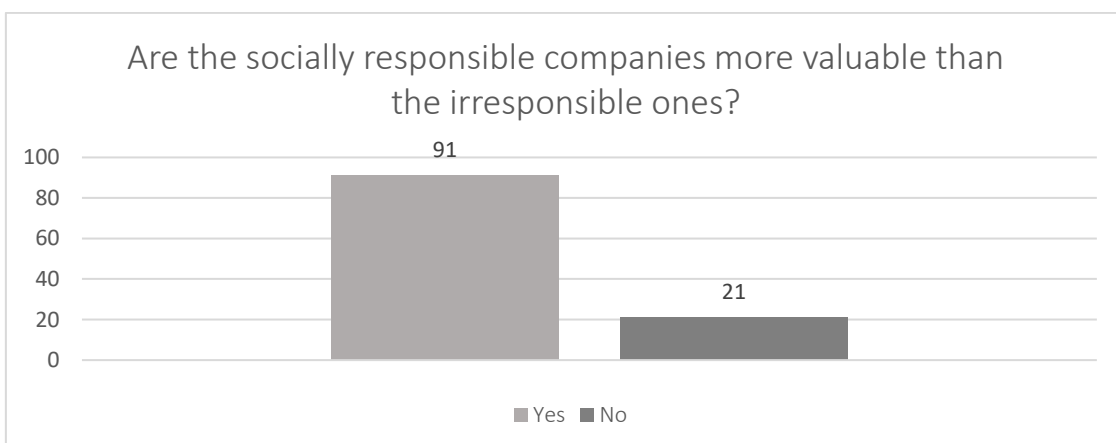
**Figure 20:** Examination whether consumers are influenced by the CSR

To follow up the first question, respondents were supposed to describe how concretely they are affected by the fact that a company is socially responsible. There were five options provided. By each option, participants were supposed to decide how true or false the statement (option) is. As the *Figure 21* suggests, vast majority (91 respondents) increases the perception of a brand reputation. When it comes to the rise in loyalty to the company, 61 participants are rather in favor and 22 people expressed their neutrality. Thirdly, 65 consumers tend to prefer the company over its competition while 22 participants are neutral. 61 respondents purchase products by the company, 23 people do not know if they would be affected in this area and 21 participants would not be influenced in terms of purchase decisions. Lastly, 49 respondents are willing to pay a higher price, 29 consumers do not know; and 27 participants would not pay more for the product made by a socially responsible company. As the findings demonstrate, consumers responded mostly positively which implies that the CSR engagement truly affects the consumers and moreover, it influences them in multiple areas.



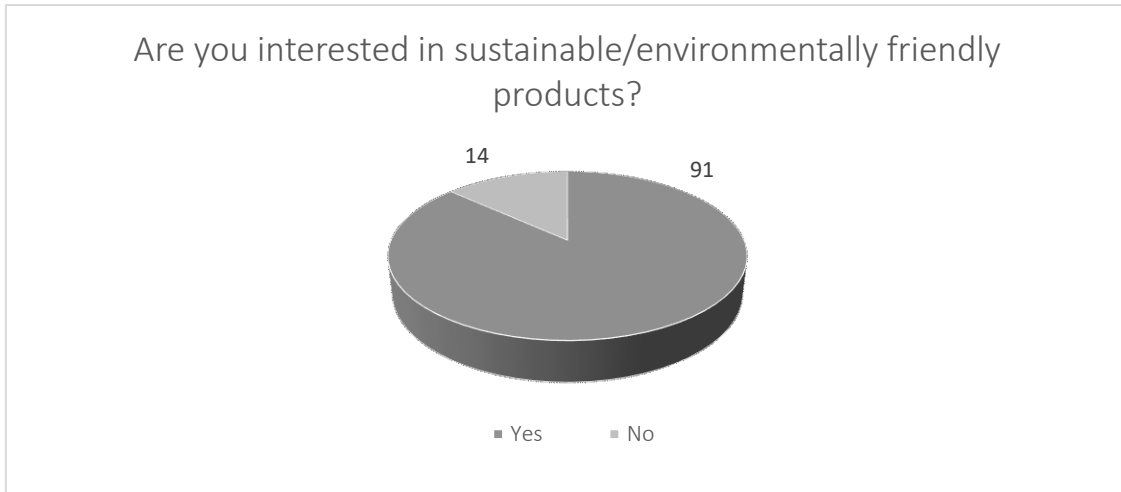
**Figure 21:** Impact of CSR on consumers

The aim of the third question was to identify whether socially responsible companies are perceived as more valuable than the irresponsible ones. As evident from the *Figure 22*, according to the vast majority (80%, 84 participants), socially responsible companies are more valuable than organizations that are not engaged in the CSR. This finding supports the claim that consumers find important that a company is socially responsible. Additionally, it stresses the importance of CSR engagement since it affects the success of the business through the perceived value of a company.



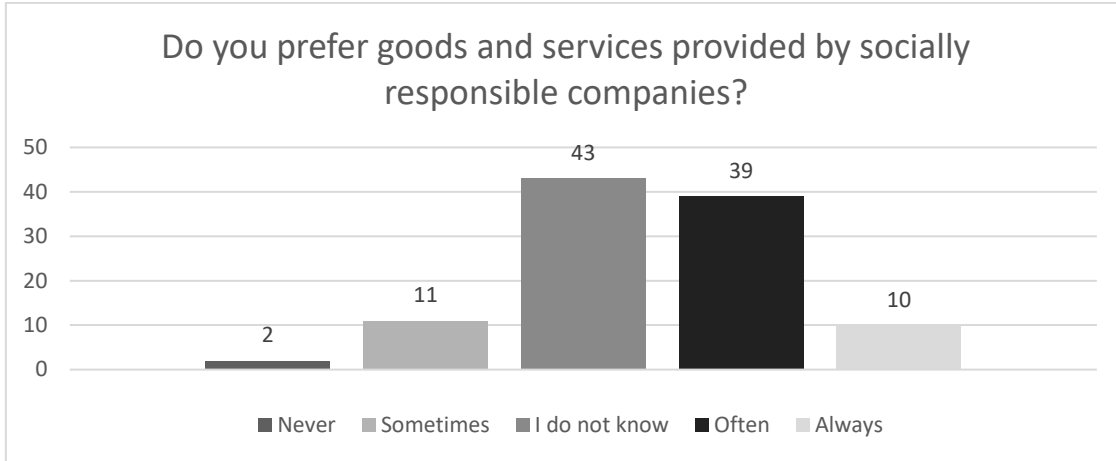
**Figure 22:** Perceived value of socially responsible companies

Thereafter, an interest in sustainable and environmentally friendly products was studied. As can be seen in the *Figure 23*, almost all respondents (91 out of 105) claimed that they are interested in products which are sustainable or environmentally friendly. This result supports the claim that consumers are interested in the issue of sustainability indeed.



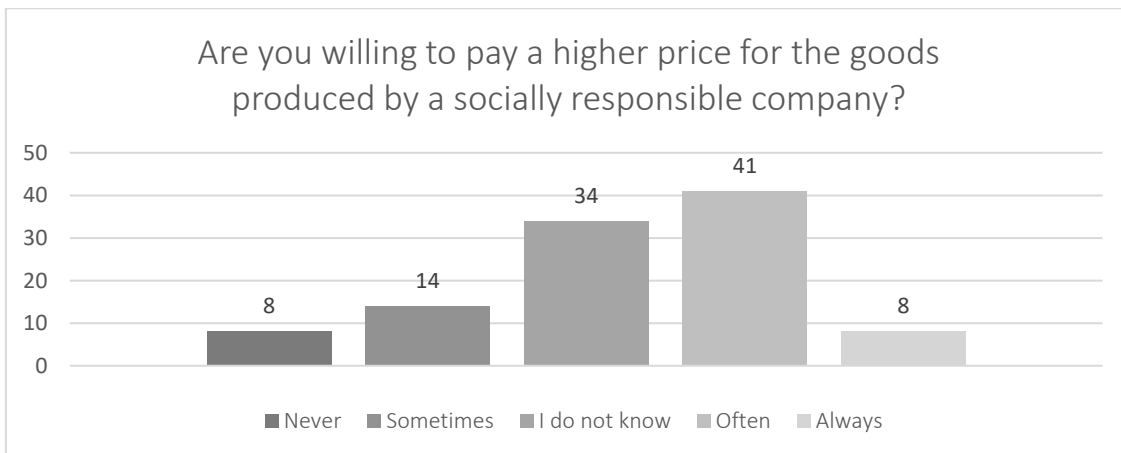
**Figure 23:** Interest in sustainable/environmentally friendly products

The aim of the next question was to define whether consumers prefer products and services provided by socially responsible companies over their irresponsible competition. As the *Figure 24* shows, 49 respondents stated that they do prefer companies that implement the CSR while 43 people have a neutral attitude. As evident, consumers tend to prefer socially responsible companies. Furthermore, this fact highlights the importance of the CSR communication again.



**Figure 24:** Preference of socially responsible companies

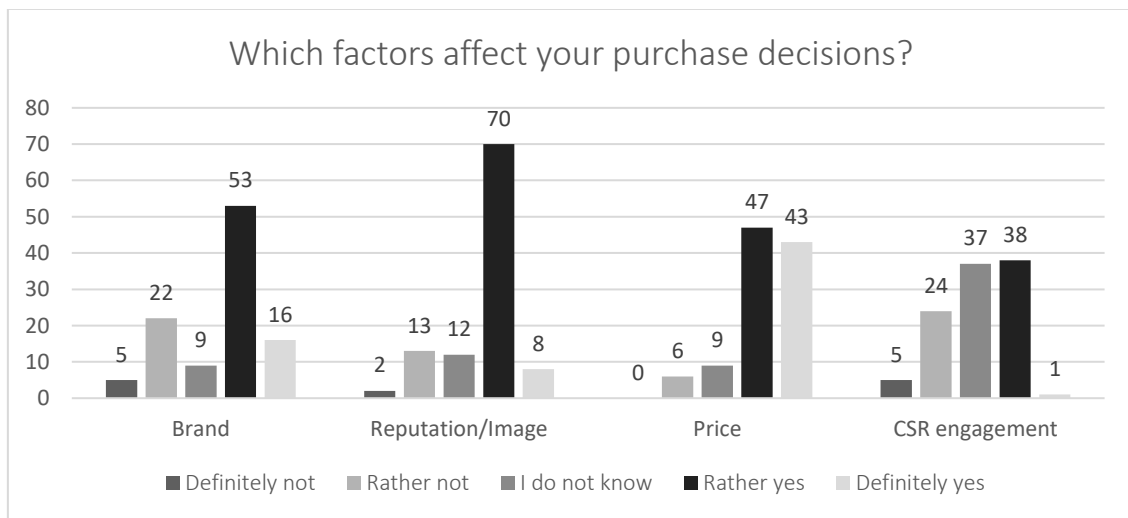
Then, willingness to pay a higher price for products made by a socially responsible company was examined. As the *Figure 25* illustrates, 22 people state their opinion rather negative, 34 people is neutral; and 49 people would pay more if the goods is produced by a socially responsible company. This result supports the claim that consumers find CSR engagement important as well as the interest in sustainable / environmentally friendly products that are often more expensive than the regular goods.



**Figure 25:** Willingness to pay a higher price

The last question related to the impact of the CSR on consumers in general was focused on the factors influencing purchase behavior of consumers. Participants were given four options and they were supposed to evaluate each of them. As obvious from the *Figure*

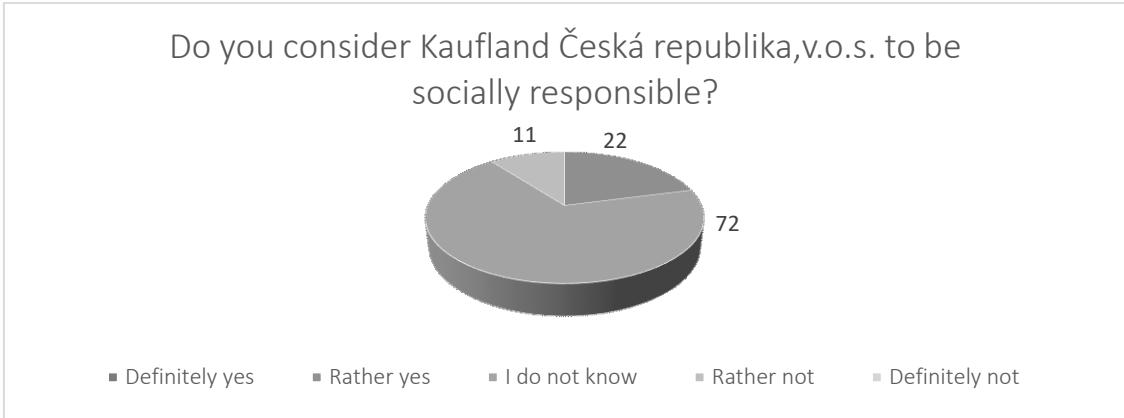
26, consumers are mostly influenced by the price, followed by the reputation/image of the brand and brand itself. When it comes to engagement of the company in the CSR, 39 respondents answered in favor while 29 participants do not take into account the CSR while making purchase decisions. As the results show, CSR is not the only factor influencing the consumers. Moreover, CSR engagement appears to be the least significant element while making purchase decisions. However, more respondents answered in favor of the CSR that may suggest that CSR does have an effect on purchase behavior, although rather moderate.



**Figure 26:** Factors influencing purchase decisions

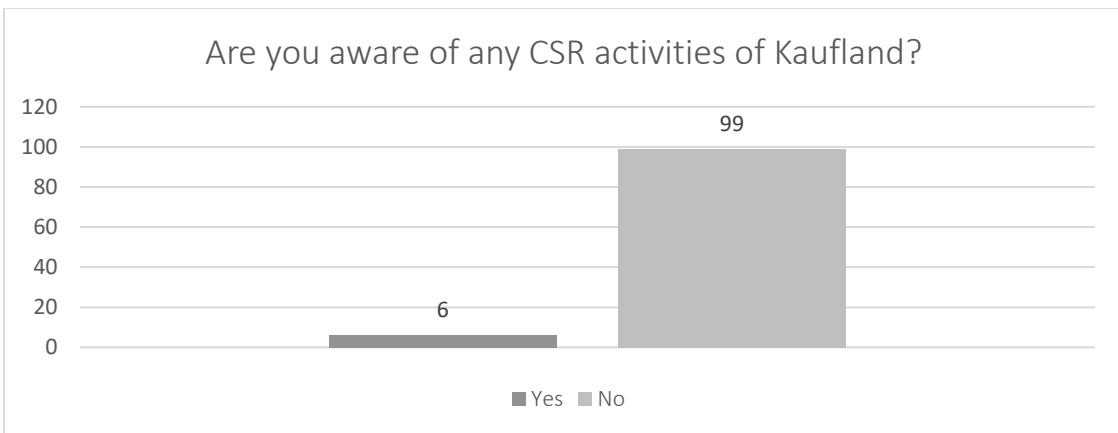
#### 4.3.2.5 CSR and Kaufland Česká republika, v.o.s.

The survey was also focused on the examination of the relationship between CSR and consumers in the Czech Republic since the case company is a Czech subsidiary. Firstly, respondents were asked whether they consider Kaufland Česká republika, v.o.s. as a socially responsible company. As evident from the *Figure 27*, majority of participants (72 out of 105) did not know. In addition, there was no one who would be definitely in favor or definitely against this idea. It might be caused by a lack of consumer knowledge in terms of CSR or insufficient and inappropriate CSR communication towards the consumers.



**Figure 27:** Perception of the case company in terms of CSR

Secondly, respondents were asked if they are aware of any CSR activities of Kaufland. As the *Figure 28* illustrates, almost no one knows CSR initiatives of Kaufland Česká republika. Only 6 participants out of 105 answered positively. This finding unequivocally demonstrates that the CSR communication of the case company might not be sufficient and appropriate.



**Figure 28:** Awareness of the case company's CSR activities

To follow up the previous concern, two additional questions were requested to the participants who chose “yes” in the previous response. Firstly, they were supposed to name the concrete CSR activities of Kaufland which they know. The answers did not touch only the environmental issues which suggests that people are aware of various activities even though majority might prefer ecological matters. Reactions were as follows:

*“They cooperate with various sustainable brands, they have their own code of ethics.”*

*“Receipts made of recycled paper.”*

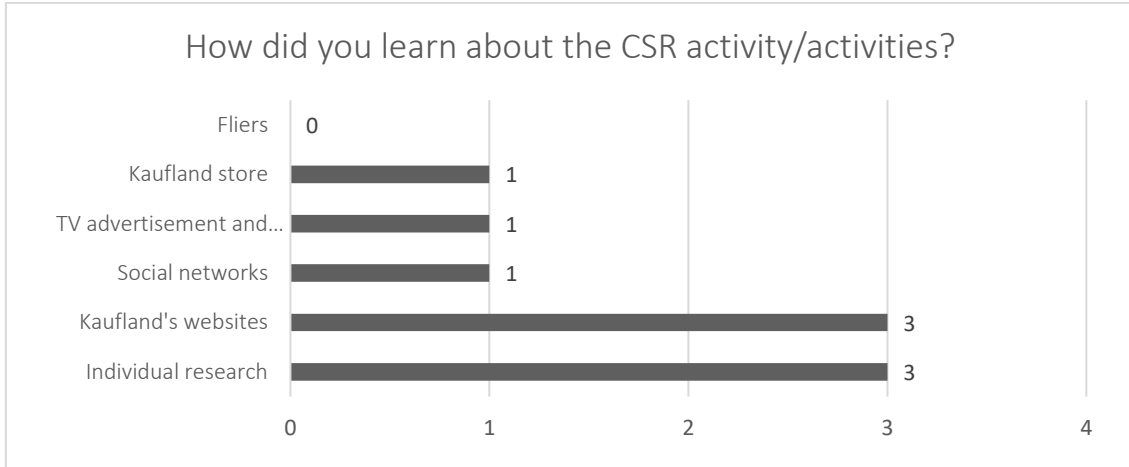
*“An attempt to eliminate products including palm oil, fairtrade cacao program, rainforest alliance certified.”*

*“They donated over 100 defibrillators.”*

*“Own bags for fruit and vegetables.”*

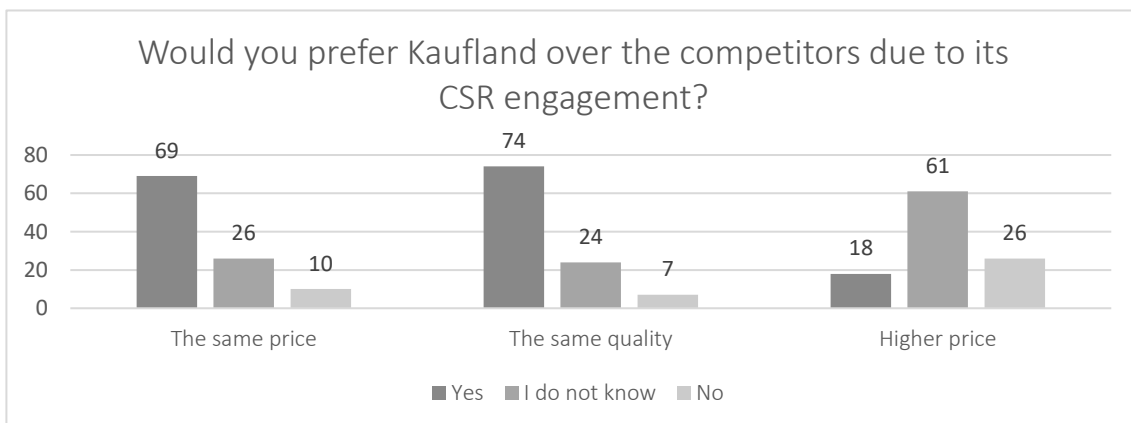
*“They donate to charity.”*

Secondly, participants said how they learned about the activity/activities. They were given the same options as in the section dedicated to the CSR in general including an opportunity to choose more than one possibility. Additionally, they were allowed to add any other option on their own. As can be read from the *Figure 29*, three people out of 6 did the research on their own or got familiar with the CSR activities thanks to Kaufland’s websites. One respondent chose social networks and one person TV advertisement and spots. Moreover, one participant added a new option – Kaufland store. This outcome supports the above-mentioned idea about a need to inform consumers more efficiently about the CSR initiatives. Additionally, social networks highlighted by consumers in previous sections were used by only one respondent out of 6. This discovery may imply a small number of followers or a poorly executed communication in terms of social networks.



**Figure 29:** Sources of CSR initiatives

The very last question was dedicated to all 105 participants again. The main concern was if consumers would prefer Kaufland over its competition due to the CSR engagement. As evident from the *Figure 30*, in case that the price is the same, 69 participants would prefer Kaufland. If the quality is the same, 74 respondents would be in Kaufland's favor. Lastly, in case the price would be higher, majority (61) would be indifferent while 26 participants would not prefer Kaufland. The findings suggest that the price is still a very important factor when it comes to choosing a brand. However, CSR initiative does have an effect on consumers as well since they would prefer goods by socially responsible companies over the competition if the prices and quality are identical.



**Figure 30:** Consumer preference of Kaufland

## 5 Discussion

The primary purpose of this research was to analyze impact of CSR on consumers. The objectives of the thesis were to introduce concepts of sustainability and CSR, study implementation of CSR activities, investigate consumer's opinions and awareness of CSR and finally, evaluate the impact of CSR on consumers. Moreover, the implementation of CSR activities was also examined through the case study. Overall, the main focus of this research was to answer the research question *"How does corporate social responsibility of a company affect consumers?"*.

This chapter aims to discuss findings presented in the previous section that was dedicated to the empirical part of the research and draw a comparison between those outcomes and hypotheses developed from the theoretical framework. Thanks to this comparison, it will be possible to decide whether to support previously defined hypotheses or not.

**Hypothesis 1:** *Consumers are aware of the meaning of sustainability.*

Sustainability represents one of the most pressing matters of the 21<sup>st</sup> century (Lin & Zheng, 2017). The previous studies carried out by the European Commission (2007) or presented by Global Survey on Sustainability and the SDGs (2020) as well as Forbes (2019) suggest that consumers are aware of sustainability issue, they consider it important and they take an interest in it.

The outcomes of the qualitative research (interviews conducted) as well as the quantitative research (survey) are in line with previous research in terms of the term awareness. Therefore, hypothesis 1 is supported from both company's perspective and perspective of the consumers.

**Hypothesis 2:** *Consumers consider sustainability as an important matter and they take an interest in it.*

As mentioned above, the previous studies carried out by the European Commission (2007) or presented by Global Survey on Sustainability and the SDGs (2020) as well as Forbes (2019) suggest that consumers are aware of sustainability issue, they consider it significant and they are interested in it. Moreover, consumers are believed to prefer products made by socially committed companies (Nielsen, 2015). As a follow up, according to Pricewaterhouse Coopers (PwC), consumers prefer goods and services provided by a company that had signed up to the SDGs (CGMA, 2018).

Findings of both interviews imply that consumers find sustainability important and interesting that corresponds to the previous works. In contrast, outcomes of the survey confirm the assumption that sustainability plays an important role for the consumers. However, they are rather negative when it comes to the interest in sustainability, even though the difference was only 4%. This outcome implies a disagreement with research conducted before. However, when it comes to the sustainable or environmentally friendly products, the vast majority expressed their interest which suggests an interest in sustainability issue, hence it is in line with the previous studies as well. This might be caused by a lack of knowledge when it comes to the sustainability and what it includes. On the other hand, these products represent only a part of the complex issue which might imply that consumers are not interested in sustainability as a whole, but they do care about individual components. Having considered all individual findings and percentual differences between two opposing results, hypothesis 2 is rather supported.

**Hypothesis 3:** *Consumers are aware of the meaning of CSR.*

Already during the World War II, a society perceived that companies have social responsibilities (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019). Nowadays, consumers pay no longer attention only to a product or service itself but also behavior of the producing

company. In terms of CSR and consumers, it is essential to highlight Nielsen's report which surveyed 30 thousand consumers in 60 countries of the world in 2015. It was found out that 66% of respondents preferred goods from companies that were socially committed, even when assuming higher prices. In contrast, in 2014 it was 55% of participants (Nielsen, 2015). Since the previous literature and studies highlight the interest in sustainability as well as CSR, it is implied that consumers are actually aware of the meaning of CSR and what it represents.

The outcome of the qualitative method corresponds to claims mentioned above. In other words, the qualitative study confirms that consumers are familiar with CSR. Furthermore, consumers find the issue of CSR important as well as interesting. The quantitative study is in line with the previous studies as well as the qualitative method despite the fact that the difference between consumers who are familiar with the term and who are not was rather slight. Additionally, consumers confirmed an assumption that the CSR engagement of the company plays an important role for them. Therefore, hypothesis 3 is rather supported.

**Hypothesis 4:** *Without an appropriate communication, consumers are not able to reward company's CSR involvement.*

According to Porter and Kramer (2006), CSR becomes "*a source of opportunity, innovation, and competitive advantage*" (Bosch-Badia, Montllor-Serrats & Tarrazon, 2013). However, it is crucial to communicate CSR to consumers. "*Without awareness consumers are unable to reward CSR involvement*" (Servaes & Tamayo, 2013). It is essential to inform stakeholders and public about company's initiative, so that they know what the company is actually doing.

The results of qualitative study are in line with the theoretical framework. Companies are aware of the importance of communication of CSR activities and take steps in this area such as informing stakeholders via social networks or publishing sustainability

reports. The quantitative research examined this phenomenon in more detail and came to an identical conclusion. In most cases, consumers are not aware of the company's CSR engagement nor concrete CSR activities that are implemented. Findings of the survey prove what was discovered above – the communication of CSR activities plays a very significant role and when it is not done properly, consumers are not aware of what company actually does in this field. Therefore, hypothesis 4 is supported.

**Hypothesis 5:** *CSR does have an effect on consumers.*

CSR is believed to have a short-term effect on consumers while encouraging their purchase intentions as well as a long-term impact that is represented by developing a reputation of the firm, which might lead to a creation of competitive advantage (Bianchi, Bruno & Sarabia-Sanchez, 2019). Additionally, consumers prefer goods from companies that are socially committed, even when assuming higher prices (Nielsen, 2015). There are multiple positive effects of CSR engagement on consumers. Studies carried out by Smith (2009) as well as Sen and Bhattacharya (2016) agree on four consumer responses to CSR, namely: willingness to pay more, purchase intentions, company evaluation and word-of-mouth intentions (van Kessel, Schenkel, Semeijn & Ghijsen, 2014).

Unfortunately, qualitative study was unable to obtain any insights on this matter since both interviewees were not allowed to provide information related to the impact of their CSR engagement on consumers. However, a fact that consumer reactions to the CSR initiative are being monitored indicates a link between CSR engagement of the company and consumers. Findings of the quantitative research rather confirm what has been stated in the theoretical framework. The fact that a company is socially responsible does have an influence on consumers, even though it was claimed by only slightly more than a half of respondents. Moreover, consumers would prefer socially responsible company over its competitors in case the price and quality would be kept on the same level. This claim demonstrates that consumers are affected by CSR initiatives and is in line with the

previous studies. Having considered all the individual outcomes, hypothesis 5 is rather supported.

**Hypothesis 6:** *CSR does not always stimulate purchase decisions.*

The studies by Environics (1999), Walker (1994) and Brown and Dacin (1997) suggest that the CSR is strongly interlinked with consumer purchase behavior. In contrast, another research states that although consumers claim they are interested in ethics, their behavior does not support this statement. According to Cone/Roper study (1994), over a half of respondents expressed their willingness to pay more for products made by a responsible company. However, only 20% stated to have actually bought a service or product provided by a responsible company over the past year. It has been found out that sustainability as well as CSR influence consumer behavior. Nevertheless, as mentioned above, it may not always lead to a purchase decision (van Kessel, Schenkel, Se-meijn & Ghijsen, 2014).

Similarly to the previous proposition, no significant data were obtained from the interviews due to the confidentiality issue. However, quantitative research was able to gain valuable insights. It has been confirmed by consumers that the fact that a company is socially responsible influences them in multiple ways. Consumers claimed that the reputation of the company would increase as well as the loyalty of consumers. Furthermore, participants would prefer socially responsible company over its competitors. When it comes to purchase behavior, consumers would rather purchase products made by responsible companies. These findings are in line with previous studies and papers.

In addition, factors influencing purchase decisions in general were studied by the quantitative research. Consumers are mostly influenced by the price, followed by reputation/image and brand itself. The impact of CSR initiative is rather unclear since consumers were basically neutral. The outcomes confirm the hypothesis developed based on the theoretical framework. It means although consumers are affected by the CSR of a

company, it does not always result in an actual purchase. It may appear that the hypothesis could be rejected since the research proved that the CSR engagement is rather translated into purchase decisions. However, the proposition includes the word “always” which was definitely not in compliance with the results. Therefore, hypothesis 6 is supported.

**Hypothesis 7:** *Consumers are willing to pay higher prices for products made by socially responsible companies.*

As mentioned above, Environics (1999), Walker (1994) or Brown and Dacin (1997) suggested a connection between CSR and consumer purchase behavior. Furthermore, according to Smith (2009) or Sen and Bhattacharya (2016), consumers are believed to be willing to pay more for products made by a responsible company. However, only a part of them actually bought a service or product provided by a responsible company over the past year based on the Cone/Roper study (1994). Nevertheless, a research by NYU Stern’s Center for Sustainable Business carried out in 2019 showed that consumers do buy sustainable products (Whelan & Kronthal-Sacco, 2019). Furthermore, Nielsen’s report confirms the claim that consumers prefer socially responsible companies even when assuming higher prices (Nielsen, 2015).

Unfortunately, similarly to the previous hypotheses, no significant data were obtained from the interviews due to the confidentiality issue. Nevertheless, the proposition got studied in detail by the survey conducted. The link between consumer willingness to pay a higher price and CSR engagement was studied using three differently formulated questions. The first two questions rather supported the positive correlation since the largest groups were represented by positive answers that is in line with previous studies. The last question related to this topic showed rather neutrality of consumers that might indicate a disagreement between the findings and the theoretical framework. However, this might have been caused by the fact that people are not aware of the case company’s CSR engagement. Therefore, the answers may have been a little distorted by the

consumer confusion whether the company actually is socially responsible or not. Having considered all individual outcomes, hypothesis 7 is rather supported since the main focus of the study is the phenomenon of CSR in general and not CSR engagement of a certain company. Additionally, the responds related to the case company's engagement and higher prices were mostly neutral followed by positive reactions.

**Hypothesis 8:** *Implementation of CSR activities positively affects company's reputation and image.*

CSR is believed to have a short-term impact on consumers through encouraging their purchase intentions as well as a long-term effect that is represented by developing a reputation of the firm, which might result in a creation of competitive advantage (Bianchi, Bruno & Sarabia-Sanchez, 2019). Beckmann claims that consumers appreciate socially responsible companies and it is reflected in an improvement of brand reputation and image (Beckmann, 2007). In addition, sustainable brands appear to be more profitable than their competition since those companies have 25% higher stock value (Iannuzzi, 2017). Moreover, if the company is socially responsible and communicates its activities in an appropriate way, consumers become more loyal and more satisfied (Martínez & Rodríguez del Bosque, 2013).

Similarly to all questions dedicated to the impact of CSR on consumers, interviewees were not allowed to provide any information due to confidentiality issue. However, quantitative study managed to examine this problem through two questions. Both questions agreed on the assumption that CSR positively influences company's reputation and image. According to consumers, reputation of the company increases with the CSR engagement. In addition, socially responsible companies are perceived to be more valuable than the irresponsible ones. Hence, outcomes of this research are in line with previous studies and papers. Therefore, hypothesis 8 is supported.

The evaluation of comparison of the theoretical framework represented by the hypotheses and empirical findings can be summarized as follows (see *Table 2*).

**Table 2:** Evaluation of hypotheses

Number	Hypothesis	Supported / not supported
1	<i>Consumers are aware of the meaning of sustainability.</i>	Supported
2	<i>Consumers consider sustainability as an important matter and they take an interest in it.</i>	Rather supported
3	<i>Consumers are aware of the meaning of CSR.</i>	Rather supported
4	<i>Without an appropriate communication, consumers are not able to reward company's CSR involvement.</i>	Supported
5	<i>CSR does have an effect on consumers.</i>	Rather supported
6	<i>CSR does not always stimulate purchase decisions.</i>	Supported
7	<i>Consumers are willing to pay higher prices for products made by socially responsible companies.</i>	Rather supported
8	<i>Implementation of CSR activities positively affects company's reputation and image.</i>	Supported

## 6 Conclusions

The aim of the last chapter is to present outcomes of the study and answer the research question. The research question defined for this master's thesis was as follows: "*How does corporate social responsibility of a company affect consumers?*". Furthermore, the theoretical contribution as well as managerial implications of the study will be discussed. Lastly, limitations of the research will be clarified and future research directions concerning the CSR and consumers will be suggested.

### 6.1 Theoretical contribution and answering the research question

This study is dedicated to the phenomena of sustainability and CSR. To be more specific, it examines an impact of CSR engagement on consumers from both a company's point of view and perspective of consumers.

Based on the European Commission and Global Survey on Sustainability and the SDGs, a society is aware of the importance of sustainability and consumers do take an interest in this matter (European Commission, 2017 and Global Survey on Sustainability and the SDGs, 2020). This research confirmed the assumption that consumers are familiar with the meaning of sustainability. When it comes to the perceived importance of the sustainability issue, consumers are aware of the fact that sustainability plays an important role in our lives. However, there is no clear statement regarding consumer interest in the phenomenon of sustainability. This study shows that even though more respondents do not take an interest in sustainability, they are interested in sustainable or environmentally friendly products. This might be caused by a lack of knowledge when it comes to the sustainability and what it includes. On the other hand, these products represent only a part of the complex issue which might imply that consumers are not interested in sustainability as a whole, but they do care about individual components.

The phenomenon of CSR has its critics such as Friedman (1970) and supporters such as Porter and Kramer (2006). According to the last two authors, CSR might become a competitive advantage (Bosch-Badia, Montllor-Serrats & Tarrazon, 2013). Furthermore, based on the Nielsen's report, 66% respondents prefer goods from companies that are socially responsible (Nielsen, 2015). However, consumers need to be well informed about the CSR engagement in order to be able to reward a company's involvement (Servaes & Tamayo, 2013). Previous studies also imply that the CSR initiative does have an effect on consumers. CSR is expected to have a short-term effect on consumers while encouraging their purchase intentions as well as a long-term impact that is represented by developing a reputation of the firm, which might lead to a creation of competitive advantage (Bianchi, Bruno & Sarabia-Sanchez, 2019). This research rather confirmed that consumers are aware of the CSR since more participants answered positively. In addition, findings of the study prove what was claimed above – the communication of CSR activities plays a very significant role and when it is not done properly, consumers are not aware of what company actually does in this field. Furthermore, consumers rather agree that the CSR engagement of a company does affect them. Moreover, respondents prefer socially responsible company over its competitors when keeping the price and quality on the same level. However, when it came to the higher price, majority of people were neutral. This suggests that CSR in general does have an impact on consumers, but it is incomparable to the influence of the price for instance.

Based on studies by Environics (1999), Walker (1994) and Brown and Dacin (1997), CSR is strongly interlinked with consumers' purchase behavior. According to Cone/Roper study (1994) as well as Nielsen's report, respondents are willingness to pay more for products made by a responsible company (Patra & Das, 2016 and Nielsen, 2015). However, it might not be always translated into purchase behavior. Studies carried out by Smith (2009) or Sen and Bhattacharya (2016) agree on four consumer responses to CSR, namely: willingness to pay more, purchase intentions, company evaluation and word-of-mouth intentions (van Kessel, Schenkel, Semeijn & Ghijzen, 2014). Additionally, Beckmann claims that consumers appreciate socially responsible companies and it can be

reflected through the increase of brand reputation and image (Beckmann, 2007). Previous studies also suggest increased loyalty and satisfaction of consumers (Martínez & Rodríguez del Bosque, 2013).

The research shows that due to the CSR engagement, the reputation of the company would increase as well as the loyalty of consumers. Furthermore, participants would prefer socially responsible company over its competitors. When it comes to purchase behavior, more than a half would purchase products made by responsible companies. However, slightly more participants would not be willing to pay higher price due to CSR engagement of the company. The results of the quantitative research show that a slightly more than a half of respondents would purchase products made by a socially responsible company. Moreover, examining the factors affecting purchase decisions, consumers were rather in favor or neutral when it came to the CSR initiative. These outcomes imply an agreement with previous studies when it comes to purchase decisions. Purchase behavior is affected by the phenomenon of CSR, but it is not a direct impact.

Speaking of willingness to pay more, it was found out that consumers are rather willing to pay a higher price for the products made by a socially responsible company which supports the previous studies. However, when addressing this issue in a different formulation, a slightly less than a half of respondents would pay more. Therefore, willingness to pay a higher price due to CSR engagement is not unequivocal even though the research rather supports the previous study. This research also examined a connection between CSR and company's reputation and image. It was found out that reputation of the company increases with the CSR engagement that is in an agreement with previous studies. In addition, socially responsible companies are perceived to be more valuable than the irresponsible ones.

The research conducted confirms that a CSR initiative does have an impact on consumers. However, this impact does not have to be always translated into purchase decisions. When it comes to the specific effects of CSR on consumers, the research suggests firstly

an increased reputation and image of the company, secondly increased loyalty to the company, thirdly formation of preference of the company over its competitors and lastly purchase of products made by the company. Additionally, CSR affects a perceived value of the company as well, to be more specific, socially committed companies are more valuable in the eyes of consumers. However, as the data presented above imply, CSR engagement is not the only factor influencing consumers. Price, reputation and image of a company as well as a brand itself play a more significant role for consumers than the CSR.

## **6.2 Managerial implications**

This research was devoted to an understanding of how CSR affects consumers. Since the CSR represent a widely discussed topic with an ever-increasing importance in the eyes of consumers, there are some outcomes which managers in this field might find useful.

Firstly, as both the previous studies and this research suggest, CSR is a phenomenon gaining more and more awareness and importance when it comes to the international business and business in general. Consumers started taking an interest in the matters of sustainability and CSR which implies a response required by the companies. It appears that even though CSR is a voluntary commitment, nowadays, it is becoming a necessity. In order to be able to satisfy consumer needs and desires, companies should implement socially responsible activities. As the research shows, consumers rather prefer goods and services provided by a socially responsible company. In addition, there is an interest in sustainable and environmentally friendly products. These consumer requirements should be taken into consideration while developing products as well as services.

Secondly, similarly to the findings of the qualitative research, quantitative study also confirmed that the majority of consumers are interested in the environmental pillar. Therefore, when implementing CSR activities, it seems to be useful to strive for a preservation of the environment. In case a company implements activities that are close to the

beliefs of consumers, there is a higher probability of consumer reward towards the company. As this research demonstrates, consumer opinions and reward might play a crucial role in the business area.

Moreover, the CSR engagement itself is not sufficient. Based on the previous studies as well as this study, communication of CSR initiative plays an extremely important role. Without an appropriate communication, consumers are not aware of company's engagement and they are not able to reward it. Furthermore, as the case study implies, even communicating the CSR does not guarantee that consumers will be familiar with activities that the company is implementing. The research showed that consumers familiarize themselves with the CSR initiative particularly through social networks. However, according to the interviews, the case company uses social networks in order to inform its consumers. This fact suggests an issue in communication of the CSR engagement. When using social networks, companies have to strive for having as many followers as possible in order to be able to inform them. Furthermore, a content of the message needs to be clear so that consumers understand what the company is actually doing and what benefits it brings. Last but not least, it seems essential to monitor consumer reactions and receive feedback even in the area of CSR in order to implement the best CSR policy and activities possible.

### **6.3 Limitations and future research directions**

There are some limitations to the study which need to be acknowledged when it comes to the interpretation of results. Firstly, this work applied many reports which provided the author with current data and statistics. However, this fact might be considered a limitation since there is a potential threat of some political influences behind the outcomes.

Secondly, due to the utilization of both qualitative and quantitative research methods, it became rather difficult to interpret the findings. In addition, survey consisted of more

questions related to the one topic (only formulated differently or in a different context) in order to obtain relevant data. However, it sometimes occurred that the answers to those questions were opposing and therefore, conclusion of the outcomes was complicated. Nevertheless, the reason behind the application of the combination of both methods is an effort to examine the phenomenon of CSR from both consumer and company's perspective.

As a follow up to the previous point, research techniques used also caused some limitations to the study. Both semi-structured interviews were eventually conducted in the form of written answers due to the workload and preferences of the interviewees. Nevertheless, this situation resulted in rather short reactions and additionally, some questions were not answered at all. Unfortunately, this difficulty was also connected to the confidentiality issue, since none of the interviewees was allowed to provide the author with significant data related to the consumer research. Therefore, the impact of CSR on consumers was not elaboratively studied using the qualitative technique. When it comes to the quantitative research method, as mentioned above, some interpretation issues arose when asking more questions regarding one issue.

Last but not least, sample of the quantitative study counted 105 respondents. However, those participants were particularly students and all of them come from the Czech Republic since the case company which was also examined is a Czech subsidiary. Moreover, speaking of qualitative research, only two interviews were conducted. The sample sizes and its composition negatively affect the possibility to generalize the results. Nevertheless, the purpose of this research was not to provide general results but offer deeper insights in order to understand how CSR influences consumers. However, thanks to the sample chosen for the quantitative research, it was feasible to increase the probability of consumer knowledge and obtain valuable and relevant responses.

The limitations discussed above might suggest a potential direction of future research. A perspective of the company was examined through the interviews which

unfortunately did not provide information that were expected as well as needed. Therefore, future research may focus on the company's perspective when it comes to the impact of CSR on consumers. In contrast, point of view of consumers was studied using the quantitative research method only. It might be interesting to conduct interviews with consumers in order to obtain in-depth insides on the matter and better understand their opinions. Additionally, a future study might strive for its generalization while choosing a more diverse sample. Another possibility would be to study what specific activities consumers appreciate the most and not only which pillar of CSR is most attractive to them. Moreover, it may be interesting to find a connection between a concrete CSR activity and concrete effects on consumers. Last but not least, future studies could be focused on a specific industry in order to offer more relevant data regarding the specific field.

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## Appendices

### Appendix 1. Interview questions outline

- I. General questions
  - a. Why did you decide to occupy with the CSR?
  - b. How large is your CSR team? And in comparison to the teams abroad?
  - c. Do you monitor CSR of your competition? In your opinion, how do you stand compared to your competitors?
  
- II. Kaufland Česká republika/Slovenská republika
  - a. Do you consider Kaufland Česká republika/Slovenská republika to be socially responsible? Why?
  - b. What advantages and disadvantages can you see when it comes to your CSR policy? Is there anything that might be improved?
  - c. Do you inform your partners and consumers about your CSR activities? How? How often? What is the content?
  - d. Kaufland Česká republika/Slovenská republika has a wide variety of interest in the area of CSR. How do you make decisions when choosing which activity will be implemented?
  - e. How do your CSR activities stand compared to the CSR activities of Kaufland in other countries?
  - f. Does Kaufland have a uniform policy?
    - i. Schwarz Group is primarily focused on SDG 12. Does the rest of CSR activities and their implementation depend on each country individually?
  
- III. Impact of CSR on consumers
  - a. In your opinion, are the consumers aware and interested in sustainability and corporate social responsibility?

- b. Are your consumers interested in sustainable (or at least environmentally friendly) products? Which products most often? Are consumers willing to pay a higher price for these products? What is their share in sales?
- c. Do you monitor the effects of your CSR activities on consumers? How?
- d. What impacts do they have? Increased sales? Better reputation of the company?
  - i. Which factors have an influence? Does it depend on the age, social group?
- e. Which CSR activities of Kaufland Česká republika/Slovenská republika appear to be the most interesting for consumers? What is the reason for it?

## Appendix 2. Questionnaire

Hello,

I am a student of Prague University of Economics and Business. I would like to ask you for few minutes of your time for completing this questionnaire related to my master's thesis. The survey is focused on the impact of corporate social responsibility (CSR) on consumers. The questionnaire should not take more than 7 minutes to complete and all answers are anonymous.

Thank you very much in advance!

- I. Sustainability
  - a. Are you familiar with the term sustainability?
    - Yes
    - No
  - b. If yes: In your opinion, what does the term sustainability mean?
  - c. Is sustainability important to you? (The ability to meet basic needs without compromising the ability to meet the needs of future generations.)
    - Yes
    - No
  - d. Are you interested in the matter of sustainability?
    - Yes
    - No
- II. Corporate social responsibility (CSR)
  - a. Are you familiar with the term corporate social responsibility (CSR)?
    - Yes
    - No

- b. If yes: In your opinion, what does the term social corporate responsibility (CSR) mean?
- c. Is it important to you if the companies are socially responsible (environmentally friendly, decent to employees, donations to charity)?
- Yes
  - No
- d. Does it often occur to you that you do not know if the company is socially responsible?
- Yes
  - No
- e. How do you most often learn about a company's CSR engagement?
- Individual research
  - Company's websites
  - Social networks
  - Fliers
  - TV advertisement and spots
  - Other – specify
- f. Which CSR activities are the most interesting for you?
- Environmental (energy and resources saving, decrease in negative impact on the environment, ...)
  - Social (employees treated equally, sponsoring, support of local projects, ...)
  - Economic (ethical behavior of the company, communication with the stakeholders, responsible behavior towards employees and suppliers, ...)

III. Impact of CSR on consumers

a. Are you influenced by the fact that a company is socially responsible?

Zero influence                   Strong influence

b. How are you influenced by the fact that a company is socially responsible?

Definitely not   *Rather not*   I do not know   *Rather yes*   Definitely yes

Increased reputation of the company                   

Increased loyalty to the company                   

Preference of the company over its competitors                   

Purchase of products made by the company                   

Willingness to pay higher price                   

c. Are the socially responsible companies more valuable than the irresponsible ones?

Yes

No

d. Are you interested in sustainable/environmentally friendly products?

Yes

No

e. Do you prefer goods and services provided by socially responsible companies?

Never                        Always

f. Are you willing to pay a higher price for the goods produced by a socially responsible company?

Never                        Always

g. Which factors affect your purchase decisions?

	Definitely not	<i>Rather not</i>	I do not know	<i>Rather yes</i>	Definitely yes
Brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reputation/image	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
CSR engagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

IV. CSR and Kaufland Česká republika,v.o.s.

a. Do you consider Kaufland Česká republika,v.o.s. to be socially responsible?

- Definitely yes
- Rather yes
- I do not know
- Rather not
- Definitely not

b. Are you aware of any CSR activities of Kaufland?

- Yes

- No

c. If yes: Which concrete CSR activities of Kaufland do you recall?

d. If yes: How did you learn about the CSR activity/activities of Kaufland?

- Individual research
- Company's websites
- Social networks
- Fliers
- TV advertisement and spot
- Other – specify

e. Would you prefer Kaufland over the competitors due to its CSR engagement?

	Yes	I do not know	No
When price is the same	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When quality is the same	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When price is higher	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### V. Demographic questions

a. You are

- Male
- Female
- Other

b. You are

- Student
- Working student

- Employee/entrepreneur
- Other

c. Your age

- 18 – 21 years old
- 22 – 25 years old
- 26 – 29 years old
- 30 – 33 years old