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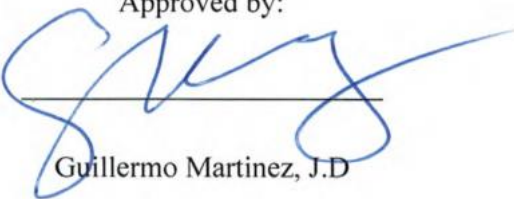
The Effect of CSR Campaigns on the Consumer Behaviour of Gen Zers

By Aijalyn Gonzales

HONORS THESIS

Presented to St. Mary's University In Fulfilment of the Requirements for
The Honors Scholar Program

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Abstract

As consumers become increasingly attuned to the practices of companies and their impact on society and the environment at large, Corporate Social Responsibility (CSR) has gradually become a major consideration for marketers. While it is believed that a demographic cohort growing in purchasing power and prominence, Generation Z, is the most sensitive to the perceived-CSR of a brand, some data suggests that their pragmatism and economic considerations may ultimately outweigh their sustainability concerns in a purchase decision.

This research aims to clarify much of the conflicting information about Gen Z's primary considerations when shopping for products, specifically those in image-related industries, through both qualitative and quantitative research methods. Namely, the study asks whether changes in purchase intent are primarily driven the affordability or perceived CSR of a brand. The study will provide applications for firms seeking to approach this complex segment and effectively market their products.

Introduction

Background and Context

As consumers become increasingly attuned to the ethical practices of companies, their professed values, and the stance on current events that are taken through their marketing communications, Corporate Social Responsibility (CSR) has gradually become a major consideration for marketers. A strategic framework referred to as “ESG,” denoting environmental, social, and corporate governance, has followed suit in its relevance, specifically among the stakeholders of corporations who are concerned about risk and growth factors. This phenomenon has truly changed the business landscape in visible and extraordinary ways.

According to Andrew Winston of *Harvard Business Review*, “virtually all of the world’s largest companies now issue a sustainability report and set goals; more than 2,000 companies have set a science-based carbon target; and about one-third of Europe’s largest public companies have pledged to reach net zero by 2050. On the social side of the agenda, companies have been expanding diversity and inclusion efforts, committing funds to fight racial inequity, and speaking out on societal issues they used to avoid.” It is in light of these figures that Winston declares a business model centred on social responsibility to be the new mainstream.

Now, whether every corporation who adopts such a model is genuinely concerned for equality and the environment has yet to be seen. So long as consumers appear interested in their initiatives, it is in the interest of businesses to invest resources in them. This is only intensified by the fact that the perceived-CSR of a company is thought to be a source of competitive advantage among certain industries and consumer groups, the implication of which is intriguing: Could the choice between relatively similar products truly boil down to

whether brands of interest maintain a comparable social concern to that of the consumer, and whether that concern is evident in their marketing?

To answer questions such as this, marketing literature has evolved in its complexity and abundance over the past few decades, providing valuable insights to marketers seeking to foster greater brand equity and understand the changing needs of their target market. Be that as it may, the discussion largely fails to address a generation whose purchase behaviour and preferences are still evolving, and ought to be a fundamental concern for marketers everywhere.

Problem Statement

Generation Z, the demographic cohort proceeding Millennials and preceding Alpha, comprises the individuals born in the mid-1990s to early 2010s. The consensus on Gen Z's sensitivity to CSR-campaigns, especially in comparison to their economic considerations, is conflicting. According to a study published in 2021 by Deloitte, "as consumers, [Gen Zers] *often stop or initiate relationships* based on how companies treat the environment, protect personal data and position themselves on social and political issues." This insight would imply that this group is sensitive to perceived CSR to the extent that it directly affects their choice of buying or not buying a product from a certain brand. Yet, the Society for Human Resource Management's Andrew Deichler, reports that "fewer than half of Generation Z and Millennial respondents see business as having a positive impact on society," and because of this pragmatism, "economic considerations are the primary driver of young people's decisions about where to work" rather than an organization's contribution to society. Deichler adds that members of this group reportedly find CSR promises to be "lacklustre," which indicates a sort of immunity to perceived CSR and magnetism to price differentiation when it comes to their purchase decisions.

The contradictory information regarding this cohort and dissonance between what Gen Z as consumers value and what decisions they ultimately make constitutes the problem this research seeks to address. I seek to gauge this in the context of image-related products, for which, when it comes to CSR, there is also a lack of study but strong theoretical implications.

Research Question

When it comes to Gen Z, do brands in image-related industries drive positive changes in purchase intent through CSR campaigns or price differentiation?

Relevance and Importance of the Research

This research will be of value to marketers in especially expressive (image-related) industries who are targeting younger generations, specifically Gen Z. It will help organizations better understand the purchase behaviour of this complex segment and manage their expectations for CSR campaigns and advertising expenditures in the future.

In particular, the results will indicate whether young consumers prioritize the perceived-CSR of an organization over affordability, and how this affects their professed purchase intent.

Literature review

In 2009, Rafael Currás Pérez of the University of Valencia published his research paper, *Effects of Perceived Identity Based on Corporate Social Responsibility: The Role of Consumer Identification with the Company*, in *Corporate Reputation Review*. The contextual framework for the study, which Pérez comprehensively established in the introduction and accompanying literature review, does not significantly differ from that which is perceived in the business environment today. Indeed, the rapid and widespread adoption of explicit CSR¹ initiatives and compliance to CSR-related regulations has been continuously observed across companies regardless of their industry, business structure, or size. The use of cause-related marketing as a positioning strategy, Pérez attests, is particularly necessitated by the increased consideration of an organization's social commitment by prospective consumers. Generating a favorable perception via strategic marketing communications has consequently become a means of competitive differentiation in the current business landscape (177).

Thus, a stream of literature concerning this phenomena's influence on consumer behavior had emerged with varied and inconclusive results: in some cases, CSR had a positive effect on buying intent whereas, in others, the factor was ultimately irrelevant to the purchase decision. Considering the increasingly symbolic nature of consumption and circulating research which illuminated the cognitive effects of C-C identification.² Pérez sought to contribute substantive work that focused primarily on "the mediating role of

¹ Corporate Social Responsibility, or CSR, as defined by the Harvard Business School, "is the idea that a business has a responsibility to the society that exists around it."

² Consumer-company (C-C) identification is "the primary psychological substrate for the kind of deep, committed, and meaningful relationships that marketers are increasingly seeking to build with their customers (Bhattacharya).

consumer identification with a company in the effect of corporate social responsibility (CSR)-based perceived identity on consumer *behavior*.” (178) His methodology is effectively justified by the proven implications of social identity theory (SIT) on marketing and C-C identification, a notion which “conveniently integrates the four key links between the company and the consumer,” namely: shared values, personality, objectives, and satisfaction of needs (179).

An empirical study employing a structural equation model tested “CSR-based C-C identification through the mediating effect of attitude and affective commitment”, measuring both their direct and indirect influence on purchase intent. The results provide verification of the proposed hypotheses that the consumer’s perception of corporate social responsibility generates identification with the company, which, in-turn, positively influences affective commitment and attitude toward the company. It is only through these mediating variables (i.e., indirectly) that a behavioral response such as purchase intent is impacted (186).

As compelling as the findings of this study are, Pérez concedes to some crucial limitations to his research: research context: only one brand and industry (insurance) were evaluated by the sample who completed the survey; and sociocultural context: the sample included individuals from one market (Spain). Pérez suggests extending the research to include more self-expressive industries such as cosmetics, and markets with greater CSR-adoption, such as Anglo-Saxons. Further, he suggests broadening the study to account for an individual’s degree of involvement within a social cause, as this factor is indicative of greater sensitivity of purchase behavior to perceptions of corporate social identity.

More recently (2016-2017), Aristides I. Ferreira and Inês Ribeiro joined the discussion concerning the influence of CSR on purchase intent with their study, *Are you willing to pay the price? The impact of corporate social (ir)responsibility on consumer*

behavior towards national and foreign brands, featured in the Journal of Consumer Behavior. Acknowledging the complexity and fragmentation of the literature concerning CSR's influence on the purchase decision, particularly the variable results which have been observed across different industries and brands, the authors sought to investigate another unique variable that they suspected to play a considerable role in the equation: a brand's country of origin (COO).

According to the text, an inherent consequence of globalization is the increasing tension between national and foreign brands that both seek to establish a competitive advantage in their respective industries. Two of the most prominent means of doing so happen to be through CSR and price differentiation (63). Ferreira and Ribeiro's research thus examined whether consumer behavior, specifically purchase intent and willingness to pay, was moderated by the variable of COO, a notion congruent with the concepts of *out vs in-group favoritism* and identity constructed through social comparison, as expounded upon in social identity theory.

The results of their empirical study validated both proposed hypotheses, one which proffered COO as a moderator between CSR/CSIR and *purchase intention*, and the other which suggested COO acts as a moderator between CSR/CSIR and *willingness to pay*. Ultimately, "participants tended to have higher purchase intention and were willing to pay more for [products] produced by a national brand with CSR practices (compared with a foreign brand with CSR practices). On the other hand, participants showed less purchase intention and were willing to pay less for [products] from a national brand with CSIR practices (compared with a foreign brand with the same CSIR practices)" (68).

Although the study contributes to the literature in numerous ways, providing significant managerial considerations for marketing managers and extending the social

identity theory as a theoretical framework, the authors acknowledge that several limitations exist. Namely, the small sample size, as well as the finite sociocultural context of the sample, hinder the external validity and conclusiveness of the results. Among the addition of numerous variables, the authors suggest replicating the study in other cultural contexts to improve its applicability. Less importantly, they propose using fictitious brand stimuli to control for previous brand exposure and familiarity that could influence the results (Ferreira 69).

During the same year, Alan Abitbola and Sun Young Leeb published a study with similar objectives. However, they measured the effect of CSR on a different aspect of consumer behavior- stakeholder engagement- with a concentration on marketing messages shared within the social media space (specifically Facebook). Initially, engagement does not appear to be a pertinent factor in the purchase decision. However, according to the authors, “stakeholder engagement,” which they define as “the process of gauging stakeholders’ needs and interests,” “is crucial for the successful implementation of corporate social responsibility (CSR) activities” (796). Therefore, especially considering the relevance of the research’s target companies, sample population, and overall methodology, this paper appears to be the most beneficial to my own objectives despite not evaluating purchase intent as a variable.

The authors draw attention, moreover, to a factor of considerable interest to marketers in the current business era. Increasingly, companies have adopted social networking sites as their preferred channel of marketing communication, especially when sharing information about CSR initiatives, as it provides the opportunity for gathering feedback from and initiating conversations with stakeholders directly (Abitbol 802). That being said, the authors sought to understand the effectiveness of different messaging strategies (topic and dialogic) used on CSR-dedicated Facebook pages in generating engagement with the public. One

conclusion of this study was that in cases of topical messaging strategies, “company-cause fit produced more public engagement.” The literature defines the factor of company-cause fit as a congruency between a company’s mission or business model and their chosen CSR-messaging or initiative and is important to consider in all research done on the subject. Among other theoretical implications, *Messages on CSR-dedicated Facebook pages: What works and what doesn’t* demonstrate that when it comes to the perception of a CSR-message and its influence on behavior, “how a message was presented seemed to be more important than what was being said.”

Likewise, the 2021 study, *Impact of Perceived CSR on Brand Equity through Brand Admiration and Customer Advocacy Behavior: Moderating Role of Brand Attitude and Customer Loyalty* explores the positive impact of perceived CSR on brand equity considering consumer emotion and advocacy behavior. Referencing the literature which supports that “various emotional factors... boost brand loyalty,” the authors highlight a choice few which demand further research. Brand attitude³, firstly, when shaped by positive CSR perception, strengthens purchase intention. Customer advocacy behavior, which can be defined as the act of generating positive word of mouth for a brand, has a similar yet derivative effect on customer loyalty. Finally, brand admiration⁴ is “aroused by relating CSR to different organizational outputs,” and thus this factor needs to be leveraged to increase the purchase intention of consumers, according to the text (Mahmood 178).

³ “Favorable or unfavorable evaluation of an individual for a specific brand or product on the market.” Kotler et al. (1996)

⁴ “The degree to which customers have salient, personal connections with the brand, emanating from trust in, love of, and respect for the brand.” Park et al. (2016)

Through an adapted quantitative research method focused on a sample of 364 customers of five food production companies, the authors examined the “sequential mediating role” of brand admiration and customer advocacy behavior, as well as the moderating effect of brand attitude and customer loyalty. They found that the variables each played a significant and positive role, whether as mediators between perceived-CSR and brand equity, or moderators in the process. Although the study did not explore the direct effect of such variables on purchase intentions, brand equity and loyalty tend to be positive indicators of buying behavior (178) and thus the study provides applicable insights into my research question. Once again, however, the limitations that exist relate to the sociocultural context of the sample (Pakistani), niche industry (food production), as well as methodological considerations.

Finally, a paper published by researchers Mimmy Ly & Sophie Vigre entitled *Changing attitudes towards fast-fashion - A qualitative study of Swedish Generation Z and their increased ecological conscience provides direction for my objectives and methodology by illuminating the behavior and express statements of a demographic which is relatively “new” in terms of study and rising in their importance to marketers.* The authors establish the cognitive dissonance of their sample by underlining their observation that Gen Z is “said to be a finely tuned ecologically conscious generation, whilst [simultaneously] being frequent shoppers of fast-fashion.” Despite criticism for the lack of sustainability of the fast-fashion industry, the actual behavior of consumers (namely their refusal to consume unethical yet affordable brands and willingness to purchase sustainable but expensive brands) from this segment was not altered. This phenomenon, according to the text, was due in part to unawareness of the specific practices that should be of concern to them (58).

Ultimately, the ecologically ethical practices of a particular company were “something they compromised for price, whilst price was not such a sensitive subject regarding ethical fashion.” The results of the qualitative study draw attention to the need for further examination of both this generation and self-expressive brands such as fashion.

In conclusion, the literature concerning CSR and its effects on consumer behavior and cognitive perceptions has become increasingly complex. Results vary according to the specific variables being studied, samples chosen, target companies/industries measured, and the sociocultural context of the research. This demonstrates the need for further study on this topic, despite the abundance of discussion available to marketers. In particular, younger generations within America have yet to be explored in more depth, especially with regard to brands and industries that are the most sensitive to perceptions of CSR and C-C identification like beauty and fashion (image-related products). My research will attempt to contribute to this gap in the literature.

Research Methodology

Research design

The descriptive and exploratory research conducted focused on primary data collection through four focus group discussions (for qualitative data) and a survey (for quantitative data). The survey followed the experimental structure of “factorial design,” and was developed on the *Qualtrics* electronic platform. In both components of research, the variables of interest were:

- Independent Variables: Perceived CSR and Price Differentiation/Affordability
- Dependent Variable: Expressed Purchase Intent

Each focus group session used an alternating moderator that guided the conversation. 4-8 participants representative of the Generation Z cohort were invited from among the campus community to discuss their shopping experience as a group, with questions ranging from general to increasingly specific. See the insights from these discussions in the “Focus Group Summary” section.

Regarding quantitative data, the questionnaire was administered to a considerably larger group of participants. A stratified and then random sample of 122 students was drawn and included students from the university and individuals from the surrounding community alike, so long as they identified with the demographic cohort under examination. Sourcing methods were simple invitations to participate in the study via the channels of social media, email, and SMS.

Factorial Design of Questionnaire

The following notations were used in the initial design of the survey:

- O = Observation or measurement, dependent variable
- X = Exposure of the experimental units (independent variables)

- EG= Experimental group
- CG = Control group
- R = randomly assign participants to group

Thus, the assignment of respondents to a certain group was as follows:

- CG R O0 - no price differentiation or perceived CSR
- EG1 R X1 O1 - perceived CSR, no price differentiation
- EG2 R X2 O2 -no perceived CSR, price differentiation
- EG3 X1+X2 O3 - price differentiation, perceived CSR

What this entails, practically, was that respondents of the survey were randomly assigned to one of the groups (control, experimental 1, experimental 2, or experimental 3), to gauge the impact of the variables on their expressed purchase intent. All participants, regardless of assignment, were first asked “screener questions,” as well as “warm-up questions,” which included whether they were (1) part of the cohort of interest, (2) shopped for image-related products in the past year, as well as (3) what specific products they shopped for, and (4) how much time they spent on pre-purchase research, respectively.

A “randomized” question block was configured via the Qualtrics software so that each respondent was then arbitrarily shown *one* version of a hypothetical shopping scenario. For example, the control group (for which there would be no indication of CSR or price differentiation) would have been asked to rate their likelihood of purchasing a product given these conditions:

“Say there is an upcoming event that you must attend. You are required to wear professional attire so start shopping for a suit or dress. You happen to find a premium quality one that is appropriate for the event, fits your style, and is within your budget- albeit at the higher end of the spectrum. How likely would you be to purchase this item?”

The wording across variations of this probe seeks to eliminate individual differences in preference by constraining the respondent to a situation in which they are *required* to purchase professional attire for *a social event*, and thus simultaneously measures how their purchase intent would be impacted by perceived CSR and/or price differentiation in the context of an image-related product. For the experimental groups, additional verbiage to account for perceived-CSR and price differentiation of the brand of interest during the shopping experience was introduced. Exemplifying the former, “You notice that it is made by a brand who is well-known for being ‘sustainable’, meaning that their products are produced in an eco-friendly and ethical way.”

After completion of this randomized question block, all respondents were asked “classifying questions,” specifically indicating their gender and employment status, to provide demographic information relevant to consumer behavior.

Practical Considerations

Obviously, the sample size of the questionnaire (in total, 122) is relatively small. The size of this sample is therefore supplemented by the focus group component of the research design to provide more insight into the cohort.

Focus Group Discussion Summary

Research Question

When it comes to Gen Z, do brands in image-related industries drive positive changes in purchase intent through CSR campaigns or price differentiation?

This question was assessed through questions that relate to the shopping experiences of the respondents, with discussion points regarding the factors they consider when making a purchase. One of the four focus groups' transcript is included in this paper.

Executive Summary

This series of focus group discussions found that for many members of Generation Z, specifically college students, affordability was the primary consideration when purchasing a product or choosing a brand to purchase from.

Hypotheses Development

The exploratory, qualitative research resulted in the development of the following hypotheses which we will further explore in descriptive, quantitative research.

- H1: When shopping for image-related products, Gen Z consumers' purchase intent is driven by the perceived CSR of brands of interest.
- H2: When shopping for image-related products, Gen Z consumers' purchase intent is driven by value considerations.
- H0: Gen Z consumers' purchase intent is not primarily driven by either of these two variables.

Methodology and Participant Profile

The focus group discussions, which took place between September 26th, 2022, and September 29th, 2022, randomly recruited participants from the University with the qualification that they belonged to the cohort in question.

Their demographics, thus, were college students (education level), aged 19-25 years old, whose ethnicities ranged from Hispanic/Latinx to Caucasian. In terms of employment, some of the participants reported working, whereas many shared that they did not during the academic year. A vast majority of participants were female- however, this was unintentional. No incentives were provided to the participants, and volunteers joined merely upon hearing the purpose (marketing research) of the experiment.

The focus groups were conducted in the Commons of the Library to provide familiarity with the environment by which participants could feel comfortable, as well as quietude. Each session lasted between 15 to 25 minutes long.

The discussions followed general guidelines for focus groups as outlined in *Marketing Research, 13th Edition* by V. Kumar, Robert P. Leone, David A. Aaker, and George S. Day.

Some strategies employed by the moderators to gather more in-depth responses included:

- *False termination*: announcing that the discussion has concluded and inviting last-minute, and often more meaningful responses from participants that encourage further discussion.
- *Devil's advocate*: expressing extreme viewpoints that provoke reactions from respondents and keep the conversation moving forward in a lively manner.
- *Chain reaction*: building a cumulative effect by encouraging each member of the focus group to comment on a previous response.

Introduction for *Focus Group Discussion*: “Good morning, everyone, thank you for coming to this focus group discussion. My name is X, and I will be the moderator today. Our conversation will be focused on your experiences shopping for image-related products. This would include things such as clothing, makeup, cars, and goods of that nature. We are curious to hear about how you choose between brands whose products are functionally similar.”

Summary of Findings:

Across all four focus group sessions, the participants tended to speak about fashion and car buying the most. Their responses illuminated the fact that price is a primary consideration for college students with limited financial resources. Knowledge of CSR and ethicality exists but does not influence their purchase intent to the degree that affordability concerns do.

Essentially, members were aware, to some degree, that the brands they tended to buy from were not sustainable and engaged in some unethical business practices. However, due to the “current economy,” “not working” during the academic year, and the “complicated” nature of CSR, it was most convenient to purchase from fast-fashion or environmentally harmful companies that fit their budget. Some respondents expressed that although they would like to buy from sustainable brands, finding out which products were ultimately ethically sourced and produced was a hassle. Others cited fluctuations in what was “in-style” as the reason for buying from cheap and unethical brands, as they viewed their purchase as short-term.

Moreover, there was a consistent correlation between “expensive” and “sustainable” in the discussions, meaning many individuals associated higher-priced brands with better standards in terms of production. For overall higher-priced purchases such as cars,

respondents shared that price would be the *only* consideration, as eco-friendly options were out of the realm of financial feasibility.

Suggestions for mitigating this issue included an online platform by which this cohort could locate information regarding different brands' CSR and price range easily and compare alternatives, reducing the inconvenience of independent brand research that their lifestyles could not afford.

Results and Analysis

The survey data was analysed through Microsoft Excel software to measure the relationship between the dependent variable (expressed purchase intent) and independent variables (perceived-CSR and affordability/price-differentiation) through multivariate regression. In order to quantify purchase intent as a dependent variable, the “likelihood” scale from the questionnaire was converted to a numeric scale of 1-5 for the purposes of the analysis. Likewise, the “IF” function in Excel was utilized to convert the results of the various randomized question blocks (CG, EG1, EG2, EG3) to numeric “dummy variables,” with the control group acting as the baseline.

As might be expected, several “observations” had to be eliminated due to the respondent’s partial completion of the survey, so only 116 responses were included in the final model. Further, only using the variables of interest in the initial regression resulted in entirely insignificant P-Values and a disappointing Adjusted R Square, so other fields were converted to variables as well, and their interactions explored, to achieve a slightly more powerful predictive model. The results of this fine-tuning were intriguing, and rather unexpected.

The coefficients of the variables of interest, CSR and price-differentiation, 0.89 and 0.27 respectively, imply that in a purchase decision, both factors have a positive impact on a consumer’s expressed purchase intent. CSR’s impact on purchase intent is slightly higher than affordability, according to such values. However, “the p-value for each term tests the null hypothesis that the coefficient is equal to zero (no effect), [and]... larger [than 0.05 p-values suggest] that changes in the predictor are not associated with changes in the response,” according to Minitab. Thus, in a P-test, these coefficients (Table 1) are not significantly supportive of either of the hypotheses, and we must accept the null hypothesis.

However, the data is not without its implications on the research question- specifically, considering the interaction between CSR and *employment* (a factor relevant to the consumer's price sensitivity). The variable that shows their interactive impact is significant and negative. Given the fact that the response scale for the employment status question is, in order, "employed/working full time, employed/working part time, not currently employed/working," a larger "value" of employment means less working. Therefore, this result suggests that *Gen-Zers who work full-time value CSR more than those who work only part-time and those who are unemployed*. For the former group, the data supports the notion that an increase in perceived CSR would result in an increase in purchase intent.

This interpretation agrees with what virtually *all* the focus group discussions brought to light: the desire of Gen-Z individuals to make purchase decisions in accord with their social and environmental concerns, but frequent lack of economic resources to support such decisions. Considering only 16.95% of respondents reported working full-time (Exhibit 1), this means that, assuming the sample is representative of the population, the majority of Gen Z consumers would be similarly sensitive to price considerations due to not working full-time.

Another insight that was drawn from both the questionnaire data and the focus groups alike is that Gen Z consumers don't invest as much time in their pre-purchase decisions as would be expected, and the information generally sought out during their research is mostly product reviews- as opposed to the sustainability of a brand of interest, for example. 40.83% of respondents reported spending "a moderate amount of time" on their research (Exhibit 2), and 29.24%- roughly a third of respondents- reported that the information they sought was related to reviews and consumer opinions. Only 14.44% said they seek out information about sustainability. In light of the focus group discussions, this likely reflects the consensus among

the cohort that CSR is a complicated matter, and finding digestible and credible information about a company is too difficult.

Table 1: Regression Results and Summary

<i>Regression Statistics</i>	
Multiple R	0.354564685
R Square	0.125716116
Adjusted R Square	0.060349096
Standard Error	1.160359345
Observations	116

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
<i>Intercept</i>	2.63665706	0.881222173	2.99204575	0.00344068
<i>CSR</i>	0.888765794	0.757151054	1.17382891	0.24306969
<i>Price Diff/Affordability</i>	0.270639807	0.312840206	0.86510558	0.38891629
<i>CSR*Price-Diff</i>	0.46171957	0.455915117	1.01273143	0.31347307
<i>Image Buy Freq</i>	0.313097449	0.14953048	2.09387041	0.03863405
<i>Time on research</i>	0.04874411	0.133711249	0.36454756	0.71616863
<i>Gender</i>	0.083006653	0.178443689	0.46517002	0.64275503
<i>Employment</i>	0.060749085	0.23654204	0.25682152	0.79780974
<i>CSR*Employ</i>	-0.668691548	0.336439902	-1.9875513	0.04941631

Exhibit 1: Employment Status

Please indicate your employment status.

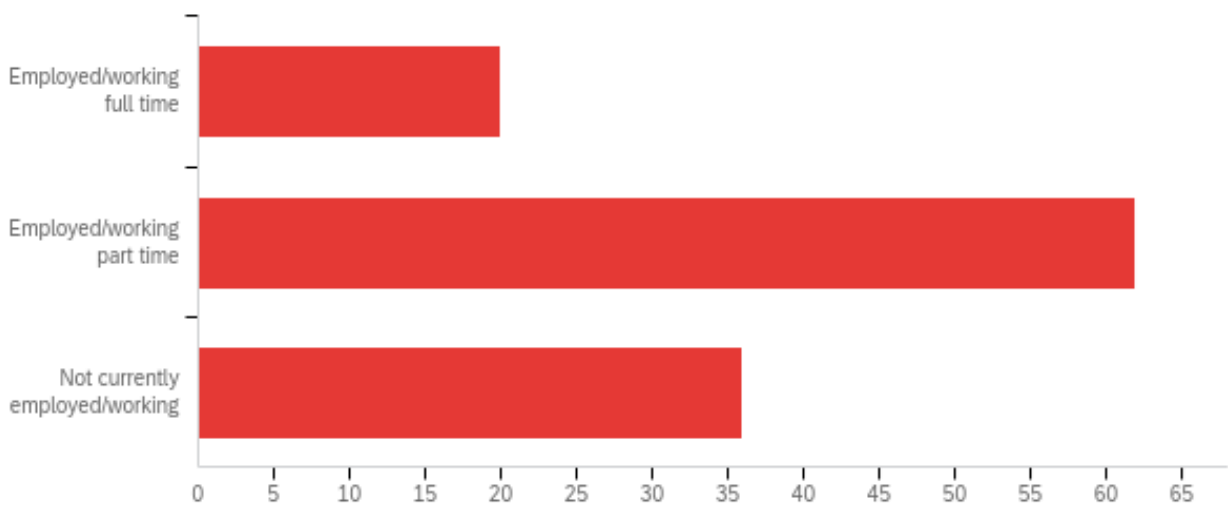


Exhibit 2: Time on Research (Pre-Purchase)

How much time do you invest on this "research" before making a purchase?

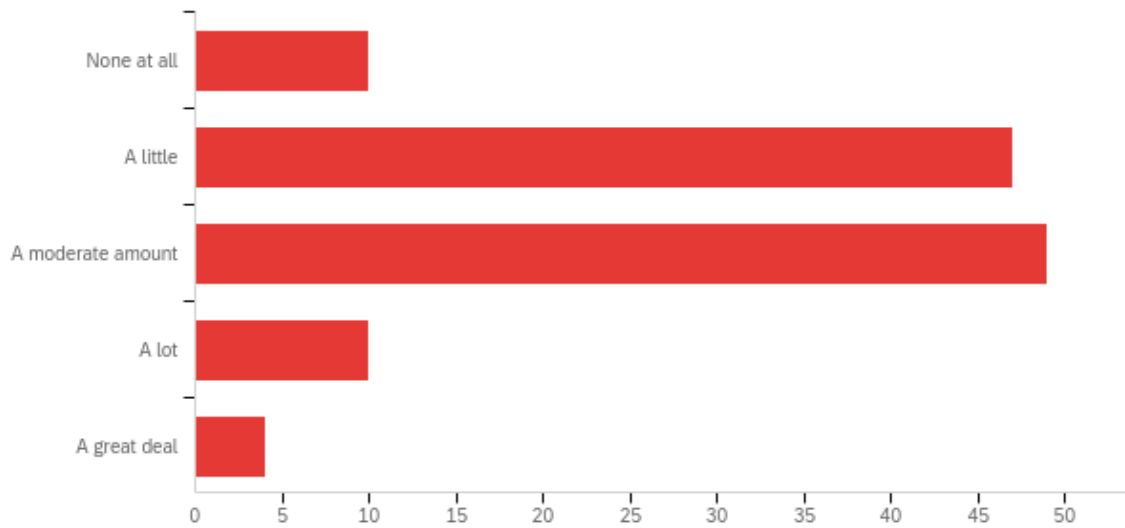
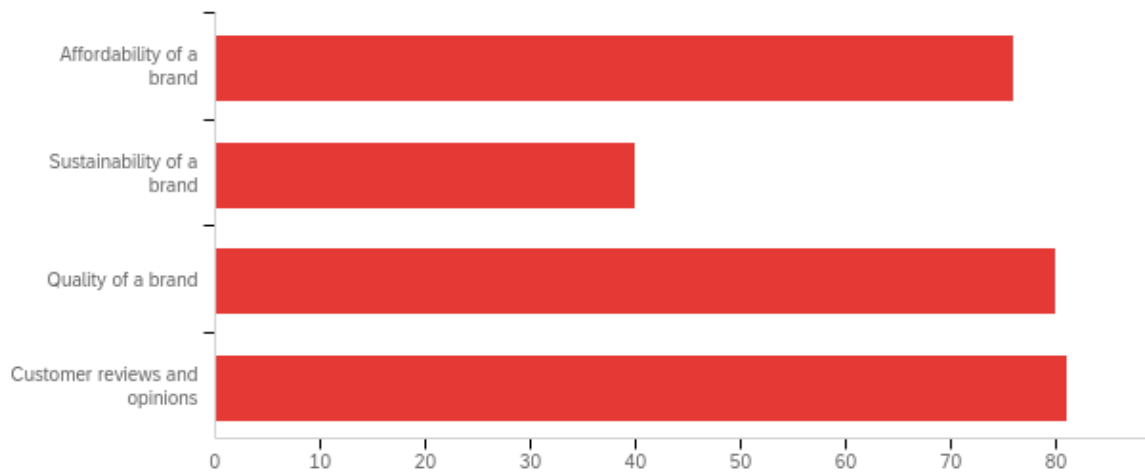


Exhibit 3: Information Sought Out During Research

What sort of information do you seek out in this research?



Limitations of the Research

Notwithstanding, the research has its limitations and validity issues, as well as methodological considerations which must be addressed. Firstly, the factorial design of the questionnaire implies that respondents had no way of comparing one product which, for example, was branded as eco-friendly, with one that is simply the “value” option. Participants

expressed purchase intent based solely on their consideration of the *individual* product. This does not realistically simulate the shopping experience, in which all decisions are made via comparison of alternatives.

Secondly, the sample was sourced from a limited geographic location (San Antonio), the vast majority of which were college students from the University. Thus, the shopping habits of respondents as reflected in the data are not confidently representative of the entire population of Gen Z consumers.

Statistically, only 0.06 of the variation in expressed purchase intent can be explained by the independent variables, and the Standard Error of 1.16 suggests that 95% of the predicted values for purchase intent are accurate within two Standard Deviations (2.32)- see Table 1. This implies ambiguity, and as purchase intent is already a very difficult-to-quantify variable, there is much room for improvement in terms of experimentation: a larger sample that is more geographically dispersed, more demographically diverse, and a questionnaire design that simulates a more realistic shopping experience. Given such improvements, especially considering the T-Statistic for the model, coefficients of significance can be expected for the variables of interest.

Practical Implications

Nevertheless, the findings from this study are still useful to inform marketing decisions targeting the Generation Z cohort (specifically those attending college and with limited financial resources) in the future. By obtaining insights directly from participants via focus group discussions and quantifying these insights through the survey, the study has applicability in a variety of marketing processes, especially in image-related industries.

Conclusion

In this study, the conflicting research on Generation Z consumers' sensitivity to CSR-related marketing and price considerations was explored, specifically for image-related products. Through the analysis of a series of focus group discussions and electronic survey, the conclusion was made that Gen Z individuals' purchase intent is influenced by statements of sustainability and ethicality only to the extent that the brand or product's price is still within their budget. Considering most respondents identified as currently working part-time or not working at all, their primary concerns when shopping were of the fiscal nature.

Nevertheless, participants still expressed a longing to make purchase decisions in accordance with their growing concerns for the environment and society, especially when it comes to image-related products. Given Gen Z's association of socially responsible business with expensiveness, however, the data and findings suggest that they simply lack the economic resources to make such decisions. Thus, if marketers are trying to target this cohort through their social/environment efforts and statements, they should only do so to the extent that it doesn't affect their products' affordability.

Moreover, brands should aim to make such statements easily accessible and understandable to these young consumers, who rarely seek out information themselves and may not fully understand the implications of it.

Focus Group Discussion 1 Transcript

Below are the discussion questions actually asked (as opposed to planned) and the notable responses for each.

1. “Please introduce yourself and talk a little about your experience shopping for goods such as clothes, cars, or makeup.”
 1. K: “Student at St. Mary’s, junior, studying economics... Personally, it depends on whether or not I’ve heard good things. If I’m looking to go shopping or invest in something, I don’t typically look to the image or the history of the company, I look to *result*. Unless I have an emotional attachment to the product, or the image being produced by the product, I wouldn’t make a purchase based off image.”
 2. M: “Also a junior at St. Mary’s studying history. For me, as a woman, the media does play a large role in what I look for, but I mostly look for what looks good on my body type- per se. And then a big thing for me is I don’t work during the school year, so *price* is a big thing as well.”
 3. A: “I’m a senior, global studies major with a minor in marketing and I will say that- a recent purchase for me is, I got a car, and some things I was looking at were *price*, durability, style, making sure that it is a good company- in regards to the safety features of the car- gas, and also the mileage was a big component into how I purchased my car.”
 4. AP: “I’m an accounting, data, and analytics major, I’m a fifth year. I feel like the people around me play a big role. If I hear good things about a specific car dealership or a car, or even like shopping, I would ask someone ‘Oh, what stores do like to you shop at? Why do like them?’ and then kind of like take it from there before going in blindly and trying something.”

5. AF: “Freshman. I think the main thing I look at is *price*, if I think it’s cute and it’s cheap, then I’ll buy it. The one exception is if it fits me really well, I’ll be willing to spend more money on it.”
 6. B: “I’m a finance and risk management major, and I would say something that I look at is the *sustainability* of the clothes, and the *CSR of the company*, cause I find that’s extremely important. I really don’t want to buy into fast fashion, so that’s a big thing for me, and also the way it fits me as well because I know some brands are really different. Especially with vanity sizing, *sometimes it is hard to find affordable, but ethically sourced clothing.*”
 7. S: “I am a senior biology major. I personally don’t go out of my way to go shopping. I don’t really necessarily find a lot of the stuff that fits me and when I do, it’s normally overpriced and I don’t want to buy it. I’ll normally get stuff that fits me, and I rewear it for three years. If I buy stuff, it’s because I know it’s a good brand, I know it’s gonna last me, and it’s usually expensive.”
2. Chain reaction: “B talked a little bit about ethically sourced products and sustainability, CSR, we are curious about that. Do you consider a brand’s sustainability and social efforts when making a purchase, for those who didn’t speak on that specifically?”
1. A: “I necessarily don’t look at it. I know what I like, and I usually buy stuff that is cheap, like fast fashion, which is not [as] sustainable as what I like. But it is a lot cheaper than sustainability, so I go for what’s on sale.”
 2. S: “Is that like SHEIN and H&M? I learned about them when I was a kid, or when I was in high school, that they didn’t have the best working conditions as far as employees. That turned me off, and I never bought anything from H&M or SHEIN. From an ethical standpoint, I think it’s crazy that some

people do think about that in terms of fashion, and then go buy an Apple product or some other big-brand product that's also being mass produced with terrible working conditions. If I learn about it, and I know about it, I won't go out of my way to buy it. Besides, online shopping doesn't work out for me anyway."

3. "Would you all agree- on either side? As college students, would you say you have the mentality where you look at this information and thus opt to not buy it, or consider price the more important factor?"
 1. B: "I would say price, personally, even though I would prefer to buy *sustainably* or what not, I'm not working during the school year and have to buy things that are cheaper so I *can* have feasible business clothes. I can't afford to go buy \$100 pants. So I *try* to buy sustainable, but sometimes it's just not feasible as a college student in the current economy."
 2. K: "Personally, I do work during the school year, but I'm funding a car payment, tuition- so price is huge. I mean I work in fashion, so if I could get the clothes with a discount, I'll buy it because I can afford it."
 3. M: "I think the sustainability aspect is so complicated, and just not knowing and not having the resources to learn."
 4. "If a certain article gets released about the company being not ethical, I'll think about it for a few weeks and think, 'Oh, I don't wanna shop there.' But then after a while, you're probably gonna forget about it and go back to being like 'Oh! Those are only \$20!' It's not a super big impact for a long-term purchase."
 5. A: "I think if sustainable brands were cheaper, we would be purchasing from them, but because sustainable brands tend to be more expensive because they

produce better quality clothing, it's a big turn-off for college students who mostly don't work and if we do, we get paid like minimum wage."

6. AF: "It's also hard because of how in and out of style things go. You could buy a skirt, and in two years it's out of style, and if you spent a lot on it only to not reach for it as much as you would the prior year... it's hard because fast fashion is cheap and is usually on-trend whereas sustainable brands are more business-based, and that might be good when you're out of college wearing the same thing to your job all the time, but when you're in college, you're more influenced by what's in-style."
4. False termination: "Well, I think we're coming to the end of our discussion, everyone's had good insights but are there any last-minute ideas?"
 1. S: "I have an idea- I feel like we should *know more about ways we could buy cheaper clothing* that is reused, one of which is thrifting. I know of a lot of stores that sell brand clothing that is recycled, so thrift stores and consignment stores have lower-priced but better quality clothing that people are just not wearing or doesn't fit. I would sell my clothes a lot as a kid, I knew it was good quality but just didn't fit. That's a better contribution to others, so people should know of ways like pop-up shops, that help recycle things."
 2. AF: "Also if there was a way of knowing what clothes are sustainable and how much they cost, like a way that would stay updated... if you are on a college campus, you know what's fast fashion and that it's affordable. But if there were sites that showed you the information on what's sustainable and what's not-"
 3. "There are sites."
 4. AF: "There are?"

5. S: "But you see, you don't know that."
 6. AF: "They're just not very known, so finding a way to better market that. And they're usually not accurate so you have to do research, cause some sites will say a brand's sustainable when they're not."
 7. "Also sometimes when things are more expensive, they're not sustainable. It's profit margin or just higher quality, but maybe the business and labor practices are not... It's so complicated, we could go on forever about what's right in every single decision and it's almost not possible."
 8. "It's a balance. There are some brands like SHEIN who obviously use horrible labor practices so they're super cheap, but there are also brands who are like middle-road, they don't do everything horrible but have good prices. It's a judgment call and based on what's important for you. If it's child labor, you're going to look at what brands don't practice that, or sustainable materials, you'll look at what things are important for yourself on those websites."
5. Chain reaction: "On that note, we talked a lot about fashion, but you mentioned buying a car. As the overall purchase becomes more expensive in general, how do you rate the importance of sustainability *then*? Say an eco-friendly car. Is there a point where those other factors decrease in importance to you?"
1. K: "There definitely is a sense of equilibrium. I would love to have an eco-friendly car at a reasonable price, but because the technology required to produce that leads to a higher cost of production, higher price so for me personally at this stage in my life- I would love to own nice things and have good justification for owning those things but, price is the main determinant for me right now."

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