Using a Laddering Approach to Understand Consumers Opinions on Corporate CSR and Sustainability Activities

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Abstract

This thesis builds upon the emerging area of corporate social responsibility (CSR) research termed Materiality Analysis, and examines in-depth interviews, to determine if there is the possibility of a set of universal ethical principles guiding stakeholder's opinions of corporate social responsibility activities. An in-depth literature review exploring the current state of sustainability and corporate social responsibility in the business world, greenwashing and the consumer, and ethical theories were conducted. From this literature review, we were able to identify seven ethical principles which may guide consumers underlying opinions: (1) Show respect to people, (2) Tell the truth, (3) Do-good social responsibility, (4) Practice participation, not paternalism, (5) Always act when you have the responsibility to do so, (6) Obey the law and (7) Act in the interest of the common good. The meaning of these principles will be discussed and operationalized later in the paper and will be used to guide our research. The analysis was completed by administering 20 semi-structured, in-depth laddering interviews where participants were probed on their opinions about corporate social responsibility, using two different companies in different industries, providing a total of 40 data sets. Participants were probed to elicit value-level associations from attributes and consequences of different corporate social responsibility activities. Next, a means-end chain analysis was conducted to create an implication matrix tracking the various direct and indirect links between associations, and finally, a hierarchical value map was created to map the most commonly elicited association paths among participants. From this analysis, we determined six primary ethical principles which were underlying participants' opinions on corporate social responsibility activities, which are mentioned above. The two most identified principles were (1) Show respect to people and (2) Tell the truth. Based on our findings, we suggest conducting further research to identify the impact of industry and culture on the results, explore how consumers make purchase decisions based on a company's corporate social responsibility, and how brands are marketing corporate social responsibility/sustainability branding. The country in which participants are in has a large impact on their moral and ethical values, and therefore should be addressed in future research.

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1. CHAPTER 1 - Introduction

Climate change is one of the leading threats to the long-term survivability of the earth, which has led to the societal focus shifting towards sustainability. Recent years have seen a stark increase in record-breaking climate-change-related disasters, and now more than ever, consumers are both educated and engaged in the discussion regarding global sustainability (Thompson, 2020). With an increased focus on sustainability, companies are facing new pressures by both internal and external stakeholders to increase their responsibility and commitment towards the long-term vitality of the human race. Because of this, the business world is now at an important crossroads facing the intersectionality of climate change as well as monumental, political and societal shifts. The shareholder approach is losing value within this era and the stakeholder approach is gaining importance. The stakeholder view recognizes that everything is interrelated; businesses live within communities and business networks. Business as usual is no longer an option within this ever-changing environment, and sustainability is where growth now lies (Bridges & Eubank, 2020).

For a business to be successful within the stakeholder view, sustainability must be part of the core identity of the firm and dictate all aspects of the corporate value chain (Leisinger, 2015). As Biedenbach & Manzhynski (2016) state, the increasing attention towards sustainability has prompted managers to adopt a larger focus on sustainability initiatives and policies. There has been a shift in the managerial outlook, as corporate social responsibility (CSR) moves from a function of a firm to a core value that touches all areas of strategy. A global survey involving executives and managers across industries found that 70 percent of respondents' companies had added sustainability to their agendas (Kiron et al., 2012). Fortune 100's most admired companies participated in a survey that expressed commitment to ethics was 5% higher than the group without a commitment. This validates the fact that there has been a shift in the environment and that stakeholders value ethical businesses that incorporate and promote their CSR activities (Curtis & Reddy, 2017). The more integrated your business's CSR is in the branding and marketing of your company, the more important it is to select appropriate initiatives that resonate with your consumers. It is also key to ensure that your initiatives do not insight consumer skepticism and that your business is truly incorporating these values into its operations (Lii, 2012).

As marketers incorporate sustainability into the brand values, there can be an uptick in the market growth and value of a business (Curtis & Reddy, 2017)

This study will aim to examine the basic principles that stakeholders use when they evaluate a company's sustainability efforts and will look to answer the question:

RQ: Is there a set of universal ethical principles that guide consumer thoughts about a business's CSR practices?

We will build upon the materiality analysis approach—an emerging analysis method allowing for the categorization and prioritization of sustainability aspects in terms of both stakeholders' perceived importance, and the organization's perceived importance of the activity (Ranangen et al., 2018). This study has both theoretical and practical implications. In terms of theory, it advances scholarship by expanding the CSR literature, examining the basic principles that stakeholders assess when evaluating a company's sustainability efforts. Practically, the results hold implications for decision-makers when they are designing and implementing CSR strategies in which they hope to have a positive outcome with their stakeholders. It also provides insight into the minds of stakeholders and their opinions towards different business activities that take place. Following that, the rise of the ethical consumer and the effects of greenwashing will be explored, as well as the exploration of the psychology behind ethical decision-making.

This paper will go through a series of steps in order to sufficiently answer the research question at hand. To begin, a literature review will be conducted to better understand the theory surrounding this topic. Subjects such as CSR and Sustainability, Sustainable Development Goals, Materiality Analysis, the rise of the ethical and green consumer, and greenwashing will be examined. Secondly, we look to determine the ethical concepts that will be used throughout this research. Ethics will be defined, and the dominant theory, morals and themes will be chosen. There are 10 ethical principles that define our research. Next, this paper will guide the reader through a means-end chain model and in-depth interview technique by Reynolds and Gutman, called laddering (1988). Laddering requires a specific methodology and through this, we have conducted 20 in-depth interviews. These interviews were then analyzed through content analysis, implication matrixes and the hierarchical value map (HVM). The choice of interview questions and techniques as well as research ethics will be discussed. Finally, a qualitative analysis of the interviews will be examined. This analysis seeks to understand the ranking of specific CSR activities, the ethical code analysis, as well as the applications and future research that this paper has created.

2. CHAPTER 2 - Theoretical Background

2.1 BACKGROUND ON THE INTEGRATION OF CSR AND BUSINESS

2.1.1 CSR and Sustainability

Over the past few decades, CSR has become a topic that is important not only to public entities such as government but to all areas of business. There are many definitions of CSR. To emphasize the philanthropic responsibility of business, corporate social responsibility can be defined as a "commitment to improve community well-being through discretionary business practices and contributions of corporate resources" (Kotler and Lee, 2005). Firms have made their CSR efforts more explicit and innovative realizing that public engagement is crucial for success. The stakeholder theory rings true, and businesses are forced to look beyond shareholders. CSR is a key tool within marketing and branding that not only affects stakeholder perception but profit. CSR initiatives are one way that a company can increase its reputation. The development of a good reputation can be seen as an investment for firms as a good reputation allows organizations to charge premium prices, enjoy increased customer loyalty, increased customer identification as well as attracting human and capital assets (Lii, 2012).

There are many reasons as to why there has been increased importance on CSR and sustainability. Having sustainability at the strategic forefront of a business expands opportunities for new ideas and greater profit (Bridges & Eubank, 2020). Public engagement is so important to companies because they are either needed to support a program or are its ultimate target audience (Lee et al, 2019). The alignment between a firm's corporate identity and its CSR practices is also important. These identities allow them to be differentiated and recognized amongst other corporations. Establishing an identity allows a firm to maintain credibility and legitimacy, for the internal members of an organization as well as the external stakeholders. Identity refers to the "central, distinguishing traits of a corporation that are expressed through communicative practices" (Wong & Dhanesh, 2017). The way that companies present themselves externally includes key marketing and branding techniques such as logos, slogans, typography, and other forms of design as well as the organizational and distinct characteristics that represent its values, commitment to social activities and internal culture (Wong & Dhanesh, 2017). CSR is one activity that can strengthen corporate identity. Balmer et al. (2007) introduced the concept of ethical corporate identity – an idea that connects corporate identity, ethics and CSR. Firms must avoid

'cherry-picking' sustainability goals perceived to be well aligned with current priorities and ignoring those that do not align well (Ranangen, et al., 2018).

Stakeholders build their knowledge of firms on two basic company dimensions. The first association is the corporate ability (CA) which focuses on the delivery and products and services. The second is the CSR association, which refers to the delivery of social, moral and ethical responsibilities (Brown and Dacin, 1997; Pomering and Johnson, 2009). This is of great importance because stakeholders are more likely to identify the company through CSR associations rather than CA associations. After all, they believe it shows the true values of a firm. Hildebrand et al. (2011) state that "CSR appears to be a near-perfect vehicle for the corporate marketing efforts of most companies, done right, it can cause important stakeholders of all stripes to form strong and long-lasting identification-based bonds with the company" (p. 1359). From a branding lens, having strong stakeholder CSR identifications are positive for the firm if their CSR is genuine and rooted to deep commitment. If there is a disassociation between the firm and its CSR practices or long-term commitments, it can lead to a disconnection between the firm and its stakeholders (Balmer et al., 2011).

From a marketing and branding perspective, CSR affects a variety of outcomes such as a firm's reputation, product evaluations, purchase intentions and market value. Sustainability is a key to company success and can be used as a marketing tool to build a company's reputation. It is important to understand the stakeholders who may be put off by a firm's environmental and social practices and to legitimately try to counteract those concerns (Curtis & Reddy, 2017). Younger stakeholders understand the world we live in and expect more from businesses (Bridges & Eubank, 2020). Sustainability can lead to success because consumers have increased loyalty towards businesses that have sustainable practices, and increased transparency can lead to increased profitability. Increased profitability comes from three main channels: creating a competitive advantage with brand innovation and recreation, building trust and loyal consumers and finally developing market opportunities for the firm (Curtis & Reddy, 2017).

Firms work with a customer-centred approach and aim to manage relationships to benefit all stakeholders and increase financial performance. Sanclemente-Téllez discusses many definitions of marketing, most notably the Kolter and Keller's 2016 definition in which they mention the concept of 'holistic marketing.' Holistic marketing is defined as a "holistic marketing concept based on the development, design, and implementation of marketing programs, processes,

and activities that recognize their breadth and interdependencies." Holistic marketing acknowledges that everything matters in marketing and that a broad and integrated perspective must often be applied. Holistic marketing focuses on four key areas: relationship, integrated, internal and performance marketing. Being able to understand the financial and non-financial benefits is considered performance marketing, looking beyond sales to examine the impact that marketing has (e.g., customer satisfaction) and the legal, ethical, social and environmental effects of marketing, also known as socially responsible marketing (2017). Specifically, it has become part of marketing strategies because of its ability to strengthen corporate identity (Hildebrand et al., 2011; Powell, 2011).

CSR can also enhance the connection between organizations and their stakeholders, but firms face challenges when the core values of CSR are at odds with the core values of the firm. For example, in the luxury consumer goods industry, it may be contradictory for a company to boast amazing working conditions when that industry is not commonly associated with those traits or has a bad reputation in association with human rights concerns (Wong & Dhanesh, 2017). Effective branding strategies for both external and employee stakeholders that promote sustainability initiatives such as awareness, knowledge and commitment toward the company brand can increase profit (Biedenbach & Manzhynsk, 2016). CSR allows a consumer to identify with a particular firm, which brings forward the idea of "consumer-company (C-C) identification". C-C identification is defined as "the degree to which a consumer's self-definition overlaps with that same consumer's perceived traits of a firm." This is important because once there is a greater personal identification with the firm, a consumer is more likely to support it. Lii found that the public perceives CSR practices differently, depending on their corporate reputation. If a firm was already seen in a favourable light, CSR practices are seen as a "mutually beneficial activity" rather than a self-interested one (2012).

2.2.2 Sustainability Activities and Goals

Using the term sustainability to define business practices emerged in the 1990s – a time when there was a shift away from Milton Friedman's idea of a shareholder-value-only. Today, we are in a stakeholder value environment, where consumers are much more aware of their purchases and the social responsibility of businesses. John Elkington coined the term the "Triple Bottom Line" (TBL), which states that companies should reflect on three areas of the business when trying to assess their performance: social, environmental and economic. This was important to the field of

sustainability for two reasons. It prompted the shift from the shareholders to the stakeholder view, re-evaluating the value creation for these stakeholders and changed accounting practices that would allow for the assessment of social and environmental aspects to include elements such as integrated reporting, materiality, impact measurement and investing. Overall, this was significant because it shifted the view of sustainability as an individual function, to the belief that it was a core function of a business and its success (Bridges & Eubank, 2020).

A good way of quantifying the sustainable goals that a company may want to focus on is the Sustainable Development Goals (SDGs) that were introduced by the United Nations. In 1987 the World Commission on Environment and Development (WCED) defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." This characterizes sustainability as the maximization of goals across environmental, economic and social systems. Although the sustainable development goals were developed for countries, they can easily be extrapolated to provide guidelines for any firm. This guide is not linear, and it is natural to have trade-offs between goals as there is not one approach or framework to explain how these trade-offs should be made. All systems need to be accounted for and maximizing the sustainability of one system does not benefit the other systems, therefore the systems must be balanced throughout trade-offs between the systems (Barbier & Burgess, 2017).

In 2015, the United Nations Member States adopted the 2030 Agenda for Sustainable Development, at the core of this, are the 17 Sustainable Development Goals which provide a blueprint for developed and developing countries. "The goals and targets will stimulate action over the next 15 years in areas for critical importance for humanity and the planet" (UN 2015, p. 5). The SDGs aim to end poverty and other deprivations, paying special attention to strategies that will push forward these goals, such as education and economic growth with an emphasis on environmental sustainability issues (The 17 Goals, 2021). The SDGs are intrinsically linked and therefore there must be integration between them to have success (Barbier & Burgess, 2017). The goals are as follows:

- Goal 1. End poverty in all its forms everywhere
- Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Goal 3. Ensure healthy lives and promote well-being for all at all ages

- Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Goal 5. Achieve gender equality and empower all women and girls
- Goal 6. Ensure availability and sustainable management of water and sanitation for all
- Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Goal 10. Reduce inequality within and among countries
- Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable
- Goal 12. Ensure sustainable consumption and production patterns
- Goal 13. Take urgent action to combat climate change and its impacts*
- Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

The SDGs are a historic agreement, but for the 2030 Agenda for Sustainable Development to become a reality, there must be a strong commitment from countries around the world. The SDGs help to break down complex sustainability issues for businesses and stakeholders (Bridges & Eubank, 2020). They also provide clear, comprehensive, universally supported, and promoted standards – allowing them to be used as a framework (Bridges & Eubank, 2020). Companies, especially those who have an international presence or those that set standards for certain markets,

must go further than "business as usual" and match the changes that society is undergoing. Companies must buy into and build strategies that work in tandem with freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility. There must be a leadership shift towards these goals that present a slower return on investment (Leisinger, 2015). The United Nations (UN) also highlights the need for all stakeholders, including businesses, to have solidarity on the goals in order to achieve them (Transforming our World, 2021).

It is important to understand how a company selects which of the social responsibility goals they pursue, as well as understanding which of these goals and efforts are valued by the stakeholders of a company. Sustainable thinking must penetrate the entire corporate value chain and their learning needs be communicated to stakeholders with both their successes and failures. Although the United Nations 17 Sustainable Development Goals are meant to act as guideposts for countries, they can also be used for firms.

Ranangen, et al. point out that it is difficult for organizations to identify and prioritize organizational activities that meet sustainable development goals (2018). Although there has been an increase in sustainable integration within managerial practices, firms and managers still struggle. Managers continue to be skeptical as there may not always be a clear-cut line towards competitive advantage and internal and external stakeholder perceptions may be misaligned (Biedenbach & Manzhynsk, 2016). There are many tools, guidelines and initiatives that need to be considered in the planning, working, and reporting of sustainable development and the more goals that a firm has, the more complicated the situation is. Firms often have to focus on stakeholders that they create value for, making it difficult to think about goals that do not fit (Ranangen, et al., 2018).

To assist in the identification process, companies should aim to relate their internal goals to external goals. Sustainability efforts can be improved by creating a high degree of awareness amongst employees, who are an important part of the puzzle as they implement new processes (Biedenbach & Manzhynsk, 2016). Companies may also participate in sustainability reporting, but due to the lack of standardization, it is difficult to compare different organizations (Ranangen, et al., 2018). Another and more comparable way to assess a company's sustainability practices is through a materiality analysis.

2.3.3 Materiality Analysis

Stakeholder theory and sustainability management are two concepts that are fundamentally linked. Stakeholder theory posits that a firms' objectives should be to manage its relationships with and create value for all stakeholders—the individuals with whom the organization shares a mutually beneficial relationship, wherein the stakeholders are dependent on the organization to fulfill personal goals, and where the organization depends on the stakeholders to subsist (Horisch et al., 2014). Common examples of stakeholders of a company include the shareholders, employees, the government, consumers, local community, workers' unions, suppliers, etc. This theory contrasts with the widely debated shareholder theory, wherein shareholders are assumed to have absolute rights over a company, and thus the goal of the business from the shareholder viewpoint is to maximize shareholder's economic benefit (Freeman et al, 2004). Stakeholder theory is complicated by fact that each organization has numerous stakeholders each with different needs, goals, expectations, and influence—eliminating the ability to satisfy each expectation. An organization's management of its stakeholders, therefore, requires identifying the importance and relevance of each stakeholder to different business activities, finding mutual interests between different stakeholders, and effectively communicating efforts to fulfill these expectations for each stakeholder (Horisch et al., 2014). This connection between stakeholder theory and CSR tells us that it is critical for an organization to appropriately interpret stakeholders' expectations for sustainability activities and prioritize these sustainability goals in a manner that maximizes both short-term and long-term expectations of stakeholders.

Materiality analysis is a methodology that companies use to classify sustainability activities on a spectrum organized by level of importance, based on both the importance to stakeholders and its influence on the organization's success (Ranangen et al., 2018). It alleviates many of the challenges that organizations face by prioritizing the issues most important to both the business and its various stakeholders, allowing for more effective selection and implementation of CSR activities. This methodology is further used to construct strategic communication efforts to increase transparency and inform stakeholders as to which sustainability aspects the company is contributing to—often in the form of sustainability reports (Ranangen et al., 2018). Materiality analysis assesses each aspect of sustainability on its "significance to stakeholders" and its "significance to the organization" (Ranangen et al., 2018). The initial steps to be taken during a sustainability reporting initiative are identification, prioritization, and validation (Hsu et al, 2013).

The first stage of the materiality analysis is the identification and prioritization of a company's stakeholders—these stakeholders can be identified using various attributes including dependency, tension, influence, drive, and responsibility. They should be categorized according to their power, legitimacy, and urgency (Hsu et al, 2013). This first stage also requires the identification of all relevant issues. Many organizations will use the following guidelines to identify all relevant sustainability issues: "the ISO 26000 Social Responsibility Guideline Standard, UN Global Compact 10 principles, SA8000, Series AA1000, and Sullivan's Global Principles" (Hsu et al, 2013). Stage 2 requires prioritizing the issues that were identified in stage 1 by their significance—the materiality analysis. Internal and external criteria are determined which allows for the identification of the issues that both propel strategy and performance, and that is most important to the stakeholders. The final stage is validation, which sees organizations evaluating the scope, boundary and timeliness of the material issues selected during the second stage (Hsu et al, 2013).

Ranangen et al. (2018) outlines four different approaches to conducting a materiality analysis. The first approach was developed by Hsu et al. (2013) and utilizes both failure modes and effects (FMEA) analysis and analytic network process to construct the materiality analysis. This method selected three FMEA indices: occurrence (O), utilizing the percentage of concerned stakeholders; the "likelihood of being detected (D), the level of concern among stakeholders; and severity (S), which is quantified from the impact of issues on the strategic communication objective" (Hsu et al., 2013). Each index is subsequently weighted using an analytic network process, from which the company can then calculate a risk priority number for each issue. This method is particularly useful when looking to select *which* issues to include in sustainability reporting, using a quantitative approach (Hsu et al, 2013). FMEA is a two-stage analysis, with the identification of potential failures, all assigned an O, D, or S value in the first stage, followed by specific recommendations to correct these failures in the second (Hsu et al, 2013). In this analysis, the risk and opportunity of each issue are assessed, which allows companies to create a system that can identify the potential failure modes. Hsu et al, (2013) incorporate the analytic hierarchy process (AHP) or the analytic network process (ANP) to apply a weight to each criterion, to differentiate each criterion based on importance (Hsu et al, 2013). We will first discuss the occurrence index in FMEA. As previously stated, occurrence looks at the percentage of concerned stakeholders. Issues

that have a high percentage of concerned stakeholders (over 80%) are shown to have a high probability of failure (Hsu et al, 2013).

With increased stakeholder attention towards specific issues, the disclosure of information often leaves stakeholders unsatisfied (Hsu et al, 2013). The likelihood of detection requires creating a detection index based on the "likelihood of stakeholder detection in terms of their level of concern or their interest in issues" (Hsu et al, 2013). This index is generated using design reviews, testing, and quality control measures. Research shows that issues garnering high levels of stakeholder concern/interest have a high likelihood of detecting the failure of effective communication (Hsu et al, 2013). The final evaluation criteria of FMEA are severity, and it is used to measure the impact of issues of strategic communication. A severity index is created which is used to measure "the seriousness of the effects of failure mode" (Hsu et al, 2013). When sustainability reporting does not adequately satisfy stakeholder needs, it is considered a failure to achieve strategic engagement objectives. The severity index looks at the impact of an issue on these strategic engagement objectives. When an issue has a high influence on strategic engagement objectives, the result will be serious effects (Hsu et al, 2013).

ANP was used to assign a weighting to each item in the analysis. To determine the weighting, three key stakeholders (managers from human resources, public relations, and social responsibility commitment) were instructed to assign weights to each of the criteria. The final step is to take the results from the FMEA analysis, and the ANP to calculate a risk priority number (RPN). From this, the materiality analysis formula can be applied. The formula given by Hsu et al (2013) is as follows:

$$\text{Materiality Issue} - \text{RPN} = W_{(O1)} \times S_{(O1)} + W_{(D1)} \times S_{(D1)} + W_{(S1)} \times S_{(S1)}$$

$W_{(O1)}$: weight of percentage of concerned stakeholders

$S_{(O1)}$: score of percentage of concerned stakeholders

$W_{(D1)}$: weight of level of stakeholder concern

$S_{(D1)}$: score of level of stakeholder concern

$W_{(S1)}$: weight impact of the issue on strategic engagement objective

$S_{(S1)}$: score of impact of the issue on strategic engagement objective

A second model called the "fuzzy analytic hierarchy process" (AHP) method was proposed by Calabrese et al. (2016), and addressed inherent subjectivity associated with materiality analysis, completeness and resource limitations that exist within small and medium-sized enterprises (SMEs). It makes use of the GRI (Global Reporting Initiative) guidelines, multi-criteria decision-making (MCDM), and fuzzy linguistic variables (Calabrese et al., 2016). The GRI is a set of guidelines illustrating the global standard for sustainability reporting (Hsu et al, 2013). The G4 framework of the GRI categorizes sustainability into three categories: economic, environmental, social (categorized into the following sub-categories: labour practices and decent work, society, product responsibility, and human rights) (Hsu et al, 2013). This materiality analysis method has high accuracy and is particularly useful for materiality analysis in SMEs, as it applies to organizations of any size, in any sector. The AHP method utilizes both qualitative and quantitative measures in its evaluation. The use of qualitative measures is particularly useful when evaluating social issues, specifically ethical concerns. To handle these subjective, qualitative assessments, AHP is combined with fuzzy numbers, creating the fuzzy AHP method; a multi-criteria decision-making (MCDM) method (Calabrese et al, 2016). This method takes linguistic judgements and changes them into triangular fuzzy numbers (TFNs), and then inputs the TFNs into fuzzy pair-wise comparison matrices (Calabrese et al, 2016). These comparison matrices are used to determine the weights of the various items.

In this assessment, materiality analysis is organized into three hierarchies based on the G4 Guidelines, and each hierarchy is assigned a goal. The economic goal is to assess the importance of economic GRI items. These can come directly from the company's economic activities, as well as the indirect economic effects on the company's stakeholders. Calabrese et al (2016), state that "the goal of the environmental hierarchy is to assess the level of significance of the GRI aspects and indicators of the environmental category". It aims to determine what GRI aspects reflect the environmental impacts and performance of the company (ex. gas emissions, water consumption, material disposal, protection of biodiversity, waste removal [recycling], sustainable transportation methods, and energy consumption) (Calabrese et al, 2016). Finally, the social hierarchy is used to assess which GRI aspects reflect the social impacts of the company (ex. human rights, consumer health and safety, work practices, and public policy) (Calabrese et al, 2016). After the hierarchical structures are determined, the three key stakeholders then use a pair-wise comparison to assess the importance of the items using linguistic terms 'equally', 'weakly more', 'moderately more',

'strongly more', or 'extremely more important'. These linguistic judgements are converted into TFNs, which are converted into weightings using a comparison matrix in order to determine material items (Calabrese et al, 2016).

The third model proposed by Calabrese et al. (2015) can be applied to any stakeholder, however, is particularly effective at providing insight on customers. The specific focus on customers makes this model an effective tool for determining marketing communication and branding strategies. This model utilizes customer feedback, which is classified into three aspects of CSR commitment: 'Disclosed Commitment' (DC), the CSR commitment disclosed by the company through the use of websites and sustainability reports, assessed using the GRI's Sustainability Reporting Guidelines and content analysis; 'Required Commitment' (RC), the CSR commitment expected/demanded from the customers; and 'Perceived Commitment' (PC), the CSR commitment perceived by the customers, both assessed using customer feedback (Calabrese et al., 2015). This CSR model is used to construct a CSR customer matrix. This matrix allows for the analysis of customer feedback based on demographics, allowing the organization to differentiate its CSR initiatives, correct already existing CSR initiatives, or execute new initiatives (Calabrese et al., 2015).

The CSR model is broken down into three phases. The first phase assesses the disclosure of the company's CSR activities. If CSR disclosure is misaligned with the customer's expectations of CSR activities and perceptions of the company, then the CSR commitment of the company is considered inadequate (Calabrese et al, 2015). This model also uses the Global Reporting Initiative items. The model then uses content analysis to identify patterns in the company-disclosed CSR activities. These items are assigned a value based on the company's claimed commitment to that item by expert coders who have specific expertise in CSR. These coders must discuss any discrepancies found, and measure intercoder reliability: the extent to which multiple coders achieve the same findings (Calabrese et al, 2015). The second phase assesses the required commitment and perceived commitment from customer feedback. Customer feedback is collected using a Likert-scale questionnaire. The participants are ideally recruited using either random or stratified sampling (Calabrese et al, 2015). The final phase is called customer CSR feedback classification and requires creating a CSR customer matrix. This allows for the comparison of both prior phases: DC, RC, and PC. From the CSR customer matrix, six customer typologies are classified: customers who are "disappointed, skeptical, wooed, caught, deluded and demanding"

(Calabrese et al, 2015). From these typologies, the company can adapt its CSR reporting to better meet the expectations of their customers (or stakeholders), and increase customer perception of CSR activities. The conclusions that can be drawn from each of the typologies proposed by Calabrese et al (2015) are as follows:

Disappointed: Disclosed CSR efforts did not meet customer demands

Skeptical: Disclosed CSR efforts met or exceeded customer demands, but did not satisfy customers, leading to lower customer perception than the reported CSR

Wooed: Disclosed CSR efforts met or exceeded customer expectations, exceeded customer perceptions, and the customer is satisfied by the company's CSR activities

Caught: Disclosed CSR is equal or higher to customer demands, and customer perception is high. Customer expectations are met or exceeded, and they are satisfied with the company's CSR activities

Deluded: Disclosed CSR is lower than customer demand, but customer perception is met or exceeded. Customer perception is equal to or greater than their expectations, and the company is known as a socially responsible company

Demanding: Disclosed CSR is lower than the required commitment, and the customer's perception is met or exceeded. Customer perception is lower than their expectations

The fourth model proposed by Font et al. (2016) used the GRI G4 to categorize sustainability issues as either 'immaterial' or 'material' from the view of different stakeholders, and then compared the issues that stakeholders viewed as material to what the company/industry was currently communicating to its stakeholders. This comparison was then used to determine if what the organization is reporting about its CSR matches what its stakeholders are expecting/demanding. This model was used to conduct a materiality analysis in the cruise industry. 63 CSR indicators were identified based on previous research on the cruise industry and CSR. Using these indicators, an online, 'forced choice' six-point Likert-scale questionnaire (omitting middle point answers) was developed. The indicators were sorted into four sections determining them to be management indicators, performance indicators, and hard or soft indicators (Font et al, 2016). The questionnaire used the same three questions for each indicator, focusing on the relevance, stakeholder influence (the influence that the respondent holds as a stakeholder to the

company), and reasons for the company to report the indicator. This method requires experts from the specific industry to analyze a company to evaluate materiality. T-tests were used to determine the statistical significance of the indicators, and the most material indicators were determined using two criteria: the statistical significance of the mean was very high (in this case, five), and if "the value of five was included in the 95% confidence interval" (Font et al, 2016). Using these two criteria, it was determined which indicators were material, which were somewhat material, and which were immaterial. This method allows the researcher to differentiate what is material to different types of stakeholders. This particular study had access to industry-wide information on CSR indicators and was, therefore, able to compare their analysis to that of the broader cruise industry to determine what stage of CSR engagement the entire industry is in (Font et al, 2016).

Table 1: Materiality Analysis Methods

Method	Researchers	Forms of analysis	Key Elements of Method	Benefits
FMEA model	Hsu et al, 2013	FMEA, ANP, Risk Priority Number, Materiality analysis formula	Determines the likelihood that strategic sustainability reporting will fail to satisfy stakeholders, assesses the risk of communicating each issue, and creates recommendations to correct these failures	Useful when trying to determine *which* CSR issues to communicate to stakeholders in the company's sustainability reporting
Fuzzy Analytic Hierarchy Process	Calabrese et al, 2016	MCDM, fuzzy linguistic variables, triangular fuzzy numbers, fuzzy pair-wide comparison matrices, both qualitative and quantitative measures	Breaks materiality analysis into three hierarchies: economic goals, environmental goals, and social goals. Results in a comparison matrix used to determine material items	Highly accurate, can be used on any size organization (including SMEs). Addresses subjectivity often seen in materiality analyses, completeness, and resource limitations within SMEs

CSR model	Calabrese et al, 2015	CSR customer matrix, Likert-scale questionnaire, expert coders from the CSR industry	Customer feedback is broken down into 'disclosed commitment' (DC) from the company, 'required commitment' (RC) expected from the customer, and 'perceived commitment' (PC) by the customer. Results in a CSR customer matrix which allows a company to compare and analyze the customer/stakeholder feedback by demographic	Can be applied to any stakeholder, but is highly effective when evaluating customers. Uses direct customer/stakeholder feedback. Highly useful in marketing communication and branding strategies. The differentiation of demographics allows a company to differentiate CSR initiatives
Industry-specific analysis	Font et al, 2016	'Forced choice' 6-point Likert-scale questionnaire, industry experts to evaluate materiality, parametric tests	Categorizes different CSR issues as material, somewhat material, or immaterial; differentiated by stakeholder group	Allows for a direct comparison of the difference in expectations of stakeholder groups. Can be used to compare a company to the entire industry, and to determine what stage an industry is in with regards to effective CSR communication (i.e., early stages, late stages)

Table 1 gives a broad overview of the key differentiators between the different materiality analysis methods.

2.4.4 The Rise of the Green and Ethical Consumer

There has been a rise in green consumers, which has forced companies to focus more on CSR and corporate environmental performance (Nyilasy et al., 2014). The Ethical Consumers Report

showed that in general, consumers are turning to more ethical options in their consumption behaviours (2018). Businesses must be conscious and manage the consumer more than ever before, not only do they have higher expectations for corporations, but they also possess an amplified consumer voice on social media. The idea of consumer ethics is embedded in a business context and concerns all industries and players, influenced by business culture and practices. Consumer ethics is divided into two subsections: the first is principles and standards that make up consumers' ethical choices and the second is the implications of consumers' beliefs. If a business wants to positively influence consumer ethics, it can take charge of its ethical consumer practices (Lo et al, 2020).

There is no one size fits all solutions to the problem of unsustainable consumption, and for change to occur both society and individuals must modify behaviours. Consumers can act as agents of environmental change by adopting certain social practices, such as being more conscious about purchasing sustainable and ethical products (Halder et al., 2020). As we go through this "ethical era" more consumers are becoming aware of the ethical implications of the products that they buy – they are concerned about the effects on them as well as the world as a whole. If the consumer chooses, they can convert their societal concerns into purchasing behaviour (Davies et al, 2012). Haws et al mentions 'green consumption values', which attempts to understand how much value a consumer places on conserving the environment when consuming, this differs from person to person and is dependent on many factors (2014).

One of the most widely used and understood frameworks for understanding ethical decision-making is the Hunt-Vitell model (1986,1993). Consumers are a large part of the business process, and it is important to understand the thinking, key judgements and behaviour of consumers, identifying the aspects of an individual's moral philosophy and ethical ideologies. Some of the preliminary research on consumer ethics occurred through Vitell and Muncy's 1990s study, in which they developed the consumer ethics scale. They discovered that consumers acted differently depending on the kind of ethical issues and situations that they were faced with. There were four different dimensions of ethical issues that they focused on: illegal activities, passively benefiting at the seller's expense, actively benefiting from questionable, but legal practices and no harm activities. This helped businesses to understand their consumers purchasing behaviours. More recently, a fifth dimension, "doing good" has been added and highlights actions such as buying a recycled product. The following will discuss different ways in which individuals may base their

ethical decisions, as well as focus on the concept of 'greenwashing', a practice that corporations must avoid in order to preserve trust.

Although there is global momentum for 'green consumption' it is also critical to understand how national cultural values and consumer ethical ideologies are significant. Halder et al found that cultural collectivism does affect green consumption values. Long-term orientation values of planning and tradition are studied. Planning had a positive effect on predicting green consumption, while traditional values were negative (Halder et al., 2020). Managers must pay special attention to promote environmentally friendly consumption to those consumers who have high collectivistic and future-oriented values. A collectivist culture, defined by Hofstede in 1980, places value on the greater good for their family or organization and is less goal-oriented. Collectivism affects moral reasoning and behaviour, and consumers are more likely to follow social and group norms. An example of pro-environmental behaviours and collectivism would be an increased willingness to pay for green products. Culture plays a large role in consumption; it is defined as "the collective programming of the mind that distinguishes the members of one group or category from another. "It has been shown that culture plays a bigger role in values and ethical decision making than nationality, but more developed countries are more likely to pay attention (Halder et al., 2020).

Vitell et al looked for a different way to understand ethical consumption and explored the relationship between "spirituality and consumer's ethical predisposition", as well as individual moral identity. As we understand, and as functionalist theory reverberates, spirituality and religion are two of the most influential things on an individual because of the multifaceted and holistic approach. It affects moral standards, beliefs, judgements, attitudes and actions. Moral identity can be described as one's self-concept of how you organize yourself around a set of moral traits. Some of these traits may include compassion, fairness, generosity and honesty – people then use these internalized traits to make decisions. The study done by Vitell et al indicated that the more religious, spiritual and the more they internalized moral identity, the more ethical they would be (2016). The idea of connecting religiosity and consumer ethics and behaviour was also studied in 1993 by Hunt and Vitell. They concluded that religion was a source of morality and that they used the boundaries of religion to determine whether actions were ethical. People with higher moral identity and spirituality would have greater levels of commitment towards ethical beliefs. This implied that businesses need to identify consumers that have stronger consumer ethics, to help predict their behaviour (1993).

Although there has been an increase in the consumption of ethical products, and both small and multinational businesses have begun to align their practices with more ethical strategies to increase activity, it is also important to understand the discrepancies that exist in the reporting of ethical decision-making which affects business practices. Ethical consumption is defined by Govind et al as "the purchase of a product that takes into consideration a particular ethical issue and is chosen freely by the individual consumer" (p. 1197, 2019). This definition highlights the fact that the consumer must freely make the decision. There is a gap between consumer's attitudes towards ethical products and their purchasing behaviour and although consumers are free to make their own decisions, businesses that deviate from ethics may face consequences such as boycotts or consumers not wanting to pay a premium price (Govind et al, 2019). We are still at the point where the type of product matters, and although consumers are aware of ethics and value ethical production more highly than ever before, Davies et al found that commodity products are held to a higher degree of ethics than luxury goods (2012).

Generally, consumers want to reward ethical firms, but this requires businesses to do the work. If corporations stray from this ethical decision-making, it can elicit negative feelings towards a business. Although firms that promote their CSR with hopes of a monetary reward and consumers are looking to take part in ethical consumption, few do, creating a gap. There are two explanations for this gap: the first is that consumers are more likely to give socially desirable answers regarding the topic of ethics, and the second is a selection bias that more ethical consumers are more likely to have done the survey (Govind et al, 2019). The following section of this theoretical analysis will examine greenwashing, which may be another possible explanation as to why there is a gap between consumer's feelings and actions (Govind et al, 2019).

2.5.5 Greenwashing
Marketing and branding have a significant effect on how corporations interact with consumers, and how their products are perceived. As noted above, many different aspects may affect a consumer's perception of a company and its CSR initiatives. Corporations engage in CSR and more specifically, greenwashing and green marketing for three main reasons: the emergence of green customer segments, greening of stakeholder groups (e.g., consumers, owners and stockholders) and the increased focus on responsible business development. Consumers have become more skeptical of firms, as corporations make promises to make more environmentally friendly choices but fail to act. One of the best examples of businesses not practicing what they

preach is the British Petroleum (BP) U.S. Gulf Spill crisis. This example highlights how firm performance can affect how a consumer perceives a business. In this case, negative firm performance provided information to the consumers that they were not true to their statements that preached environmentalism and created a scenario in which distrust was fueled. British Petroleum publicized themselves as an environmental champion through their marketing and advertising but, in 2010 BP contributed to one of the worst oil spills in recent history. After the disaster occurred their advertising and marketing strayed away from environmental stewardship and has concentrated on their corporate successes. BP learned a very important lesson from this disaster, if firms are underperforming, green advertising can come at a risk to the company as "consumers may react in a skeptical way to such contradictions between talk and action" (Nyilasy et al, 2014). The marketing and advertising tactic of greenwashing is something that should be avoided at all costs as it has been shown to do more harm than good and is the most consequential when messaging does not align with their actions. Roderick defines greenwashing as the term used for businesses that talk about sustainability and have packaging and promotions that may incorporate something about sustainability, but do not follow through in actual business practices (2017).

Attribution theory can explain the effect that greenwashing has on consumers. It is a theory that has been used in the past to help explain the effects of marketing and advertising that specifically involved consumer skepticism. Firms use CSR to communicate their "corporate character" and develop support for their business. But consumers can have negative reactions to these initiatives if they perceive the company's CSR to be egotistical or stakeholder driven. The higher the perceived deception that the consumer has, the lower the credibility of the organization, brand and decreased intention to the product being advertised. Therefore, although there are benefits to green advertising, companies need to uphold their promises, and if they cannot do so, it may be better to not partake in such activities for consumer protection to be upheld (Nyilasy et al, 2014).

A good case study for the positive use of green marketing and increasing the sustainability of products comes from Unilever's 'Sustainable Living' brands. These brands have grown at a rate 50% faster than the rest of the business. For Unilever, increased sustainability means brands reducing their environmental footprint and increasing their positive social impact. Some brands leading the way in growth, showing that sustainability is positive for business are Lifebuoy, Ben & Jerry's, Dove and Hellman's. The Sustainable Living Plan increased completion, spurs

innovation, strengthens the supply chain, reduces risks, lowers costs and builds trust within their business – ultimately creating value for shareholders. Unilever's commissioned research on consumer's purchasing habits and behaviours showed that over half of all consumers already buy or are wanting to buy sustainability (Roderick, 2017).

Nyilasy adds to Roderick's definition by defining greenwashing as "intentionally misleading or deceiving consumers with false claims about a firms' environmental practices and impact" (2014). Both definitions highlight deception by businesses to their consumer. Corporations are conflicted. Advertising is one of the most common ways for businesses to communicate their green initiatives, but it does not always translate into positive consumer brand attitudes. Although the emphasis on sustainability has become mainstream and has taken the forefront with many consumers, organizations that claim to be sustainable are held more accountable than those that do not claim to be more environmentally conscious. Greenwashing is very significant to marketing because it affects the company's bottom line, but if it is disingenuous, can lead to ethical harms and negative effects on the corporation. Therefore, businesses actually may become more skeptical to participate in green marketing and sustainable practices (Nyilasy et al, 2014).

2.2 ETHICAL CONCEPT AND PRINCIPLE DEVELOPMENT

2.2.1 A Psychological Perspective on Ethical Decision-Making

When determining the CSR initiatives that a company will undertake, the ultimate goal is, as stakeholder theory states, to find a balance that allows the company to provide the most value possible to all stakeholders. To achieve this goal, it is important to understand the motives underlying each stakeholder's expected CSR activities. CSR expectations are influenced by various moral and ethical principles. Moral psychology explores the cognitive processes involved with ethical decision-making.

In order to answer our research question of, 'Is there a set of universal ethical principles that guide consumer's thoughts about a business's CSR practices?' we must understand from a basic psychological level, how morals play into their decision making. A common framework for assessing ethical decision-making is the four-component analysis proposed by James Rest (Traviño et al, 2006). This framework explores four cognitive processes present when making an ethical decision: moral awareness, moral judgement, moral motivation, and moral behaviour. Moral awareness (also called moral issue identification) is the first stage of ethical-

decision making wherein an individual first identifies a moral issue within a particular context/situation, or that a moral principle pertains to the context/situation (Traviño et al, 2006). Literature on moral awareness can be categorized into two different approaches. The first states that moral awareness is dependent on one's ethical/moral sensitivity: a person's ability to recognize that a decision to be made has ethical content. The second approach looks at moral intensity—"magnitude of consequences, concentration of effect, probability of effect, temporal immediacy, social consensus, and proximity" (Traviño et al, 2006). When an issue has high moral intensity, social cognition theories suggest that the issue captures the attention of the individual and will lead to a high rate of identification of moral issues (Traviño et al, 2006). Research on cognition and attention also suggests that individuals will be more aware/attentive to a moral issue based on their cognitive predispositions. For example, people with a utilitarian view, focusing on the ends versus those who hold primarily formalist views, focusing on the means (Traviño et al, 2006).

The second cognitive process is moral judgement, wherein an individual evaluates the situation and determines if an action is right or wrong. The primary theory used when studying moral judgement, although often criticized for its inflexible progression through stages, is cognitive moral development theory, proposed by Kohlberg (Traviño et al, 2006). This theory proposes that one's ethical reasoning becomes increasingly advanced as one progresses through six stages of moral judgment, where each builds on the last. The stages, from the lowest stage of moral judgement to the highest are as follows:

Lowest stages:

1. Preconventional stages: one determines right from wrong based on obedience, authority, and avoidance of punishment (stage 1), or exchange in relationships (stage 2).

Middle stages:

2. Conventional level: states moral judgement is based on the "expectations of significant others (stage 3), or rules and laws (stage 4)".

Highest stages:

3. Principled: the individual uses autonomous judgement to evaluate "universally held principles of justice and rights" (Traviño et al, 2006).

Most adults are in the conventional stages, using the expectations of significant individuals, rules and laws to guide moral judgement. Less than 20% of adults in America are in the principled stages, and the final stage is considered to be solely theoretical. This means that most adults' moral judgement is highly manipulated by contextual/external variables including culture, the behaviour of peers, reward systems and climate (Traviño et al, 2006). Research studying cognitive moral development and business ethics from a cross-cultural perspective has shown that types of moral reasoning are consistent cross-culturally and can therefore be considered universal.

The third cognitive process is moral motivation—the degree to which an individual is motivated to act morally and take responsibility for moral outcomes (Traviño et al, 2006). Research shows that there is often a disconnect between accurate moral judgement/moral reasoning, and the intention to follow through with completing the moral act. In other terms, while people can reason as to what the moral act in a particular context is, they often feel no obligation to act according to moral reasoning. Conversely, moral reasoning is not always a prerequisite for moral behaviour, and often moral intuition is shown to take over. The intuitionist theory states that intuitive and non-reasoned moral responses can be elicited in people in certain situations (Traviño et al, 2006).

Research links moral agency to the concept of one's moral identity. Moral identity is studied from 2 perspectives: character perspective, and social-cognitive perspective (Shao et al, 2008). The character perspective shows moral identity as a reflection of the degree to which being a moral person is integral to one's sense of self. Individuals with strong moral identity will possess values such as being an honest or good person—values that are central to their self-identity. An individual with weak moral identity will not hold the same values as central to their notion of self. The stronger someone's desires for moral characteristics (kindness, honesty, etc.), the stronger their conviction towards the moral behaviour (Shao et al, 2008). Two other components of the character perspective are whether the individual perceives themselves to be responsible for acting on their moral judgment, and the tendency for humans to strive for consistency, therefore leading an individual to act in a way that is consistent with their self-notion of morality (Shao et al, 2008).

The final cognitive process is moral behaviour which is greatly affected by intrinsic and extrinsic factors. People who can connect their behaviour to its outcomes, people with strong impulse control, determination and the ability to self-regulate are more likely to act upon the moral

behaviour (Traviño et al, 2006). Extrinsic contexts related to business can also have a strong effect on this likelihood of participating in the behaviour. Examples of this include pressures from one's job to act unethically, role conflict, the presence of rewards/incentives to act in an unethical manner, an organizations ethical climate (shared ethical reasoning), the behaviour of colleagues, and the openness to speak about ethics in the workplace can all affect one's moral behaviour (Traviño et al, 2006).

Understanding the theories behind ethical decision making will allow researchers to better interpret how and why participants answer questions in specific ways. This is especially true because this paper addresses a research question that involves ethics. It is now understood that their responses may be influenced by others in society, culture or region that they reside in and social desirability bias (how a participant feels they should be answering).

2.2.2 Ethical Principles

This study will aim to identify the normative principles that stakeholders use when they evaluate the CSR activities of a company, as a means of identifying why certain stakeholders score high on one activity and low on another in a materiality analysis. Ethics is a term derived from the Greek word *ethos* meaning habit. Aristotle, the Greek philosopher thought that the ethical person is one who has virtuous habits. Such habits include course, honour, good temper truthfulness and justice. These can be learned through education and practice and in turn, so can ethical behaviour (Encyclopedia of Business and Finance, 2021).

Every action that a firm takes, reflects upon them and consumers are noticing. It is important to understand the universal ethical principles that collectively guide their actions. This list is non-inclusive but includes the elements that are believed to be the most important for business decisions. James O'Toole, a professor at the University of Southern California introduced the idea of stakeholder symmetry. This ethical practice starts with the definition of the various stakeholders in an issue, looking at the stakes they hold and the positive and negative effects of actions on these stakeholders. This process does not give a solution but allows decision-makers to examine the implications of their actions (Langhorne, 2016). Relevant literature suggests nine principles that may be involved in this decision-making.

2.2.2.1 Universalism (Respect for Others)

The first principle is to show respect for other people; the behaviour that we display to the world is mutually reciprocal and it is thought that the more respect that you show, the more that you will receive, as Peter Drucker said, "Courtesy is the lubricant that makes organizations work" (Langhorne, 2016). The Ethics Centre explores two aspects of respect. Respect. The first, respect (lite) which entails being considerate, polite and mindful, and the second respect (full) which is defined as respect the intrinsic dignity of all other people, it is part of the property of being a person. Needless to say, these two ideas are connected, and when contentious issues arise, it is important to go to the idea of the intrinsic dignity of others. This principle is related to the ethical theory of universalism. From a broad viewpoint, this theory is about humane consideration for others. Universalism shows that consideration needs to be made to respect the welfare and risks of all individuals ("Ethical principles", n.d.). This requires practicing fairness, compassion, cooperation, spiritual respect, humility, and respect for others ("Ethical principles", n.d.). From a business perspective, this is important on the competitive front and for consumers who may not agree with the product. It lets companies know why they should listen to others and refrain from bullying or oppressing others who do not agree (The Ethics Centre, 2017). Universalistic behaviours underpin the leadership of the world's most ethical companies, which have been shown to set a high standard by embodying universal principles in the way that they conduct their business. Limitations of this theory are that in practice, universalism in business may not always be realistic or possible and often requires self-sacrifice ("Ethical principles", n.d.).

2.2.2.2 Act when you have the responsibility to do so ('Do no harm')

The second principle is to always act when you have the responsibility to do so. One of the causes of unethical behaviour is the diffusion of responsibility, Lord Acton said, "All that is necessary for evil to prevail is for good men to do nothing" (Langhorne, 2016). Peter Drucker also explored this concept as the "ethics of social responsibility." These ethics for the greater good stated that if someone was in power, they have a higher duty as their behaviour can benefit others and sometimes actions, such as lying, may have to be taken (Cohen, 2010). Diffusion of responsibility is a psychological phenomenon that shows that people are less likely to act on an action or decide because they believe that someone else will do so first. This phenomenon is only exacerbated when there are more parties—the more people present, the less likely that any

individual will act (McCombs, 2021). At its core, this principle is about the lack of responsibility that individuals feel to act ethically. Diffusion of responsibility shows us that it is imperative to determine who the responsible party is. When applying this principle to business, the term 'externalities' is relevant. Firms create negative externalities when their operations cause negative by-products that do not affect the firm but rather negatively affect society at large (Porter & Kramer, 2011). A common example of a negative externality is pollution created by a business or working with an overseas manufacturer that practices child labour or forced labour. Often there are governmentally imposed taxes and penalties to help offset these negative externalities and force companies to take responsibility, but increasingly companies are choosing to participate in CSR activities to mitigate these externalities. This belief that companies should 'clean up their own mess' is often referred to as "do no harm" social responsibility—the process of lessening a firms' negative externalities (Crilly et al, 2016).

2.2.2.3 Virtue Ethics (Do-good Social Responsibility)

The third principle is do-good social responsibility. This principle is the opposite of the 'do no harm' principle in that rather than attenuating negative externalities, a company is focused on creating positive externalities (i.e., donating to charity). These CSR actions are often highly visible, and as such can positively affect a firm's reputation and ease of doing business (Minor & Morgan, 2011). This principle is closely related to virtue ethics. Virtue ethics posits that ethical behaviour is guided by a person's good character—their values and motives ("Ethical principles", n.d.). Altruism is a form of pro-social behaviour that plays a large part in virtue ethics. Altruistic behaviour occurs when the *intent* of the behaviour is entirely to benefit others, without expectation of personal gain and often at the expense of the person engaging in the altruistic behaviour (Soosai-Nathan et al, 2013). The essence of virtue ethics is that a morally good person will act in a morally correct way. When this principle is applied to CSR, it results in 'do good' CSR activities. These CSR activities are focused on doing good things because you are a good person (Minor & Morgan, 2011). 'Do good' CSR activities have been shown to limit the liability of foreignness for a company operating in a foreign market and ensure a company against reputation risk by helping to ensure that a company's good reputation will be upheld during a scandal or negative public relations event (Crilly et al, 2016), (Minor & Morgan, 2011).

2.2.2.4 Virtue ethics ('Tell the truth')

The fourth principle is, to tell the truth, which becomes more complicated as it is examined. A common saying is to "do not tell untruths", which come in the form of commission and omission (Langhorne, 2016). This principle is also closely related to virtue ethics which tells us that one of the key character traits of virtue ethics is being truthful. In leadership, possessing good character by not only believing in acting morally but by demonstrating these trustworthy values serves as a guide to all others in the institution to follow. It is important to tell the truth to employees, clients, vendors, prospective employees and the public. If there is the feeling of deception in an action, one should not do it because it may break the trust that someone has. In almost all circumstances, honesty is the answer. Once a business has adopted this truth principle in all areas of the business, most ethical issues tend to disappear. Looking at specific areas of business such as advertising and product representation. Consumers need to understand the distortions that may be present in advertising, and if they do not this violates the truth principle. The same thing applies to packaging, the goal should be to not deceive the consumer in any way in order to abide by the truth principal (Howard, 1992).

2.2.2.5 Practice participation, not paternalism

The fifth principle is practice participation, not paternalism. This an important concept for management when thinking about engagement and doing things with people, not to people (Langhorne, 2016). Business paternalism can be defined as people in places of authority restricting the freedoms and responsibility of those subordinate to them. Businesses may interpret this as restricting their actions to only their specific business, and politics will determine what is socially acceptable for their business (Crossley, 1999). Letting employees be part of the decision-making process improves employees' sense of ownership, information quality and preserves the executive prerogative (Langhorne, 2016).

2.2.2.6 Rights, Moral & Legal Entitlement ('Obey the law')

The sixth principle is to obey the law, again it is a simple principle until it is examined. The law is complex because it is almost unknowable and ever-changing – even in similar situations, attorneys may be giving different advice (Langhorne, 2016). This principle can be

linked to "telling the truth" because it usually requires individuals to lie or refuse to give reference in order to remain innocent (Howard, 1992). This principle is related to both legal and more rights in ethics. Moral rights are universal globally and include the right to life and the right to not be enslaved. The Universal Declaration of Human Rights outlines many of these moral rights. This ethical theory describes legal rights as the right to freedom of speech, freedom of belief, etc. Often these rights are determined by a particular legal system, in Canada an example of this is the Charter of Rights and Freedoms ("Ethical principles", n.d.). Laws for businesses consist of a set of norms and behaviours that a company must follow – and if it is not followed it may elicit punishment. The law possesses the opportunity to take part in both ethical and unethical behaviour.

At its core, business is about making and selling products and exchanging goods and services, which is a constant cycle of fulfilling contracts (Encyclopedia of Business and Finance, 2021). Howard also examines the idea of secrets, if a firm chooses not to disclose something, it is their right if they are doing so without deception, but it may prevent genuine relationships from being formed (1992). Another example of a business implication would be in advertising – it is illegal to falsely advertise or sell illegal products and therefore businesses must constantly examine their practices. Firms must also be aware of employment laws – whether they are a small family-run business or a multinational business operating in many countries, specific steps must be taken at all stages to ensure that everything is done correctly. Protecting the environment and the idea of environmentalism has also been integrated into the legal system and is a topic that must be considered (Encyclopedia of Business and Finance, 2021). It is important to note that every area of business is touched and influenced by law – firms must be aware of this and consult professionals to ensure that they are abiding by the legal guidelines that have been set out.

2.2.2.7 Utilitarianism ('The common good')

The seventh principle is 'the common good'. The common good is a utilitarianism principle dictating that decision-makers look past their self-interest to determine how their decision will affect the environment (cultural, social, physical) that they reside in, and to choose the behaviour that benefits the common good of all ("Ethical principles", n.d.). Utilitarianism is an ethical theory often described by the term, 'the ends justify the means.' This posits that the moral action will give the greatest good to the greatest number of people ("Ethical principles", n.d.). These theories are widely used by corporations, governments, and citizens; however, they do come with limitations.

There is no set definition of what the common good is, and it can be difficult to measure out the costs and benefits, especially when multiple parties have differing opinions on what determines the common good. In individualistic societies such as North America, most people find it innately difficult to put aside their self-interests to benefit the common good. In practice, these theories are most beneficial when there is resource scarcity and conflict between the priorities of different parties ("Ethical principles", n.d.).

2.2.2.8 Justice Ethics

Justice ethics is a principle focused on punishment and retribution. It is guided by four main assumptions:

1. "All individuals should be treated equally": Is it fair?
2. Justice is served when each person has equal opportunities to both societies' opportunities and burdens: Is it right?
3. Fair decision-making practices should be in place and practiced: Who gets harmed?
4. Those who have harmed others are punished, and those who have been harmed are compensated: Who must pay for the consequences?

Following a justice ethics principle can help to avoid scandals such as the BP oil spill. Where the limitations lie is in deciding who is in the right, who was harmed and who did the harmful action ("Ethical principles", n.d.).

2.2.2.9 Ethical Relativism

The final principle is ethical relativism. This principle is referred to as a self-interest principle and may explain when stakeholders place importance on CSR activities as a self-serving action, rather than a moral action (for example, making charitable donations solely to increase public perception). It states that when judging an individual's behaviour, the person's values and self-interest are the only relevant considerations. Ethical relativism is tightly linked to cultural norms and behaviours ("Ethical principles", n.d.). With this ideology, if a person's culture consists of norms wherein child labour is both accepted and considered morally right, then that is accepted and moral behaviour. This can cause issues when a country, for example, the USA where cultural norms dictate that child labour is immoral and illegal, conducts business in a country where this is

a common practice. In this case, 'do as the Romans do' is not widely accepted and may lead to disastrous effects on the reputation of a company.

Table 2: Ethical Theories

Principle	Explanation	Business Implications
Utilitarianism	The greatest good for the greatest number of people.	Utilitarianism principles are beneficial when a corporation is dealing with scarce resources and conflicting priorities. Consumers expect a business to make decisions that benefit others and not just themselves.
Universalism	Humane consideration for every party involved—the needs and welfare of all parties involved are considered.	May not be realistic for all situations. Important for guiding the leadership of a company. Consumers and other stakeholders expect companies to take into account the welfare and rights of every person affected by a decision.
Rights	Legal & moral rights: Legal rights are rights guaranteed to a member of society, ex. The Canadian Charter of Rights and Freedoms Moral rights (also known as human rights) are universal rights guaranteed to someone based solely on the fact that they are a person, ex. The right to not be enslaved	Moral and legal rights are important considerations in every area of business and are critical to closely follow when conducting business. Customers, shareholders, government and other stakeholders expect a company to abide by all legal and human rights when operating. Times, when this theory is relevant, includes when a company is manufacturing in foreign countries with different labour laws to those in the home country, and when advertising and producing a product.
Justice	Four major guidelines to this principle: 1) everyone should be treated equally	It is difficult to determine who is right and wrong, who is harmed, and who is the party causing the harm.

	2) justice is served when each person has equal opportunities to both societies' opportunities and burdens 3) fair decision-making practices should be in place 4) those who have harmed others are punished, and those who have been harmed are compensated.	Important considerations to take when examining a moral dilemma. Stakeholders expect companies to practice and contribute to fairness and equality, and that companies provide retribution when harm is done.
Virtue Ethics	Ethical behaviour is driven by an individual's unique moral character; altruistic behaviours.	This principle is related to universalism and has implications on leadership style in business. Stakeholders expect companies to engage in CSR activities for the purpose of doing good for the world and society that they operate in, without other ulterior motives.
Ethical Relativism	A principle that is widely practiced, not preached. A self-serving principle. It states that only an individual's or a group's self-interest is considered when judging their behaviour. Cultural norms dictate many ethical behaviours in this principle.	Can explain important implications on business practices when companies conduct business in foreign countries where moral standards differ from the home country. Explains self-interest when conducting CSR activities. Stakeholders expect companies to follow moral business practices when operating in countries with different moral and cultural norms.

Table 2 summarizes the ethical theories that may be underlying stakeholders unconscious decision-making

Table 3: Ethical Principles

Principal	Explanation	Business Implications
Show Respect for People	"Treat others as you want to be treated" and the idea of lite and full respect.	Important to know how to react to both competitors and consumers who do not agree with your business, products etc. Consumers expect businesses to act with respect both at home and internationally.
Tell the truth	Doing your best to not deceive others in any way.	Truth-telling must be an important moral standard throughout the business. Is applicable in areas of business such as advertising and product representation. Businesses have a responsibility to tell their consumers about their product, service and or business practices. If businesses are caught lying, consumers may boycott a product or lose respect for a brand.
Do-good social responsibility	A form of virtue ethics where CSR activities are driven by a desire to proactively create positive externalities (ex. donating to charity).	Highly effective at creating a positive reputation for a company. Do-good CSR can reduce a firm's liability of foreignness and protect a firm's reputation during a scandal. Consumers are looking for businesses who are proactively creating positive outcomes – there is a responsibility to leave something better than they found it or do good in an area of the world in which they operate.
Practice participation, not paternalism	Doing things with people, not to them.	Stakeholders, specifically employees, expect business leaders to create a positive environment where they are not constantly under subordination. Must allow

		employees to feel a sense of ownership within their work, try to avoid elite paternalism.
Always act when you have the responsibility to do so	Diffusion of responsibility often means that individuals are not acting when they have the responsibility to do so. It is therefore important to determine who is responsible for what action. One way of ensuring this is for firms to adopt a 'do no harm' or 'clean up your own mess' philosophy, where each firm is responsible for mitigating their negative externalities.	CSR activities can be used as a 'reputation insurance' for companies. When firms participate in 'do no harm' CSR (ex. Spending more money on a supplier that does not practice child labour), the firm's reputation has shown to be more protected in times of PR crisis (for example, the BP oil spill or the Toyota accelerator scandal). 'Do no harm' CSR activities increase the chances of the public perceiving a scandal as bad luck/a mistake rather than negligence (Minor & Morgan, 2011). It is seen as the responsibility of businesses to step up and take action to reduce their negative externalities.
Obey the law	Businesses must try to follow the set of required norms and behaviours that have been set out for them within business law.	Law touches every area of business and should be an important consideration at every point in decision making and strategy. Whether it is the basis of business and contract law, advertising laws or employment law. Although obvious, customers view it as the firm's responsibility to obey the law. Whether that is in a product, product ingredients or part of the operation procedure, companies that do not follow the law will be reprimanded.
The Common Good	Looks at both the 'means' and the 'ends' of an action. Ethical decisions must be made regardless of self-	Businesses must consider the impacts on broader society when making decisions. This principle is difficult to

	interest, focusing on the good of the broader society, rather than the good of an individual.	implement in individualistic and capitalistic societies. Stakeholders expect that companies will make decisions based on what is good for the broader society that they operate in.

Table 3 lays out some of the basic universal ethical principle's stakeholders evoke when determining the level of importance to different CSR activities.

3. Chapter 3 - Methodology

In this chapter, we will explain our chosen research design, methodology, and data collection. This section will show the methods that will answer the research question 'Is there a set of universal ethical principles that guide consumer's thoughts about businesses' CSR practices?' Understanding the methods that were used has a major impact on the analysis that this paper has. We will discuss the design and method of our research; data collection and semi structured interviews and the means end chains model. This will be followed by an in-depth discussion on laddering as well as the procedure that was followed for the in-depth interviews that took place.

3.1 METHODS

3.1.1 Design and Method

We have chosen to explore our research question using an inductive research approach. As aforementioned in the theory section consumers do have ethics and there are materiality analysis parameters in place, but it is important to understand how these entities fit together. There is currently no theory that exists to specifically address this question and therefore we must perform inductive research. This research approach will allow us to understand both the context and the meanings of respondent's answers—using inductive research we will begin to establish a 'why' when evaluating consumers' perceptions of CSR initiatives. Although the research best fits into the inductive category, it is not purely inductive, since we have identified the seven major ethical principles that we will be funnelling the answers into. The existence of a pre-determined set of ethical principles indicates a deductive approach. However, as the purpose of this research is not to measure each individual principle in the form of a hypothesis, but rather identify if participants mention these principles without a prompt or the knowledge of these principles, we have determined the method best fits an inductive approach. The reason that this still fits into the inductive approach is because we are following the inductive pattern of observation; observing a pattern in a sample from the population and developing a theory that can be generalized to a population. When doing the analysis, we are still looking for patterns in order to understand which of the ethical principles is most important to consumers, and if there is the emergence of principles not previously identified.

Following a comprehensive literature analysis, we have identified seven theoretical principles that we believe may be underlying consumers' opinions on CSR initiatives. These principles are as follows: 'Show respect for people', 'Tell the truth", "Do-good social responsibility", Practice participation, not paternalism", "Always act when you have the responsibility to do so", "Obey the law", and "The common good". In this study, we will be testing participant's responses against these chosen principles, as well as looking to identify if respondents generated additional principles. This study, which attempts to evaluate the basic principles that stakeholders use when they evaluate a company's sustainability efforts is explanatory, as we look to evaluate the relationship between them. We have chosen to collect qualitative data through cross-sectional interviews to better understand stakeholders and their thought processes (Saunders, Lewis, and Thornhill, 2009).

For an explanatory study, interviews may be used to understand the relationship between two variables. These interviews will be semi-structured to follow the laddering technique that will be discussed below. Semi-structured interviews are 'non-standardized' and referred to as qualitative research interviews. The researcher will have access to a list of questions and themes that should be covered, but they can omit questions due to specific organizational contexts if necessary and can change the order to increase conversation flow. The researcher also has options to add questions if they feel as if the respondent needs more cues or needs additional prompts to get to the core of the question, which will be key to the laddering interview technique that this research will follow. Data was recorded via audio-recording and note-taking, and consent by the respondents was given verbally (Saunders, Lewis, and Thornhill, 2009).

Qualitative research interviews are advantageous to an explanatory study for many reasons. The first is the researcher may be able to infer causal relationships and understand the reason for the respondent's attitudes and opinions. Secondly, managers and participants may be more likely to agree to the interview when it is seen as interesting and relevant and allows for reflection. Next, we address the nature of the questions. There will be a large number of questions to answer, and they will be both complex and open-ended. Finally, the length of the interview is taken into consideration. It is important to be clear about the time needed for the interview to allow participants to be able to answer or decline all questions (Saunders, Lewis and Thornhill, 2009).

3.2 DATA COLLECTION AND INTERVIEWS

The data was collected for this research using 'non-standardized' qualitative research interviews.

3.2.1 Semi-structured in-depth interviews

A semi-structured in-depth interview allows us as the researcher's flexibility in omitting, adding or modifying questions based on the context of the interview and the flow of the conversation (Saunders, Lewis and Thornhill, 2009). The interview was separated into two sections; in the first, participants were asked numerous questions about the oil and gas company BP. The second section consisted of the same general questions asked about Patagonia, a company in the fashion and retail industry. By interviewing participants about two different companies in vastly different industries, we were able to double the amount of data collected, while simultaneously increasing the breadth of data created as the oil and fashion industries evoke different issues and require participants to discuss a wider range of sustainability initiatives and situational contexts. To reduce interviewer bias and ensure our questions were directed towards obtaining the correct information needed to answer our research question, we developed an interview guide to follow during interviewing. The interview guide can be found in Figure 3 in the appendix. Due to the international landscape in 2021, all interviews were synchronous and conducted via the internet and intranet-mediated (electronic) interviews (Saunders, Lewis and Thornhill, 2009). Following participant consent, interviews were audio-recorded to ensure the interviewer was able to actively listen to the respondent and follow up with high-quality probing and follow-up questions. Interviews were anonymized and transcribed using Descript transcription software. The interviews were conducted using a Means-End Chain Model and a laddering technique.

3.2.2 Means-End Chain Model

In this study, we conducted interviews using the Means-End Chain Model. Developed by Gutman and Reynolds, the Means-End Chain Model provides a conceptual model allowing researchers to link consumers' values to their behaviour (Gutman, 1982). The Means-End model can begin to be understood by dissecting its name. Means are things, either objects or actions that consumers engage with and ends are states of being that are valued by these consumers (ex. happiness) (Gutman, 1982). Means-End Chain, therefore, looks at how a 'means' (ex. purchase of

a product or choice of CSR activity) leads to valued end states. Gutman's Means-End Chain Model, described in his 1982 article, is based on two primary and two secondary assumptions: 1) people's choice patterns are largely guided by their values, and 2) to reduce the complexity of choice that consumers have (in this case, focused on the choice between different products) they group the different choices into 'sets' or 'classes' (in Gutman's article, referring to both product categories i.e. toothpaste and product function categories i.e. fresh breath, which will lead to valued states including physical attractiveness) (Gutman, 1982). The first secondary assumption is that all consumer actions have consequences, and the second is that "consumers learn to associate particular consequences with particular actions" (Gutman, 1982). Two key terms used in Means-End Chain Models are values and consequences.

Consequences

Consequences are defined by Gutman (1982) as the desirable or undesirable physiological or psychological results that happen to a consumer either directly or indirectly, as a result of that consumer's particular behaviour. Some actions can have desirable consequences immediately and undesirable consequences later, or vice versa. Some may have only an immediate desirable consequence and no undesirable later. One of the most important logics underlying this model is that consumers will seek out the actions that give them desirable consequences while minimizing/avoiding undesirable consequences (Gutman 1982). It is the consumer's values that determine how desirable or undesirable any given consequence is. When choosing between products (in our study, CSR activities), the consumers need to learn which products/actions have attributes that will produce certain consequences.

Product-Use Situation

Gutman (1982) explains a situational concept which he calls 'Product-Use Situation'. This aspect of the model looks at the different situations where consumers are using products (a consumption situation) and states that over time, consumers will learn which choice in any situation will produce which consequences. He also states that "consumers evaluate product-use situations in terms of their potential impact over time" (Gutman, 1982). In other words, the situation determines the importance of certain consequences. A person who follows a strict diet and exercise regime may only purchase and consume a chocolate cake on special occasions—a situational decision that was evaluated against different consequences. On this special occasion,

the undesirable long-term consequences of eating cake were less important to the consumer than the short-term desirable consequence of eating cake.

3.2.3 Procedure

Respondents to our study were given in-depth interviews where they were asked numerous questions for the Means-End Chain analysis. Next, they were asked the following questions for each CSR activity: what words come to your mind when you think of [BP or Patagonia], the occasions in which companies should engage in each activity, how much time/money they should allocate to each activity, and why they should engage in each activity. As stated in Gutman's 1984 article, the final question in this set will begin the laddering process by beginning to have the respondents consider consequences and outcomes. The rest of the interview will proceed with probing using 'why' questions, from both consequences to attributes, and from consequences to values. 'Why' questions can include asking the respondent "'Why is this important to you?', 'What does it mean to you?', 'What is the meaning of this product having this attribute?'" (Hawley, 2009). Laddering is an interview technique often used in qualitative marketing research to explore consumer's values and behaviours and is the central technique used in a Means-End Model (Modesto Veludo-de-Oliveira et al., 2006). Three techniques are implemented when using a laddering interview technique: triadic sorting, preference-consumption differences, and differences by occasion. We will explain these techniques further when discussing the laddering technique (Modesto Veludo-de-Oliveira et al., 2006).

3.2.4 The Laddering Technique

Laddering is a useful technique when looking to understanding behaviours during qualitative research, more specifically, it is used in marketing research to understand an individual's opinions, attitudes, and beliefs. It is recommended that researchers approach the customer value according to the Means-End Theory (Modesto Veludo-de-Oliveira, Akemi Ikeda & Cortez Campomar, 2006). Reynolds and Gutman define laddering as (1988):

Laddering refers to an in-depth, one-on-one interviewing technique used to develop an understanding of how consumers translate the attributes of products into meaningful associations with respect to self, following Means-End Theory.

For the purposes of our study, as we are not looking at specific product attributes, our 'products' will refer to individual CSR activities. According to the Means-End Theory, it is possible to link a value chain hierarchy sequentially, from product attributes to consequences of product use to an individual's values, which forms a 'ladder'. Laddering provides a set of guidelines for both conducting interviews and for analyzing the data you receive (Modesto Veludo-de-Oliveira, Akemi Ikeda & Cortez Campomar, 2006). The first step is to ask the respondent about the characteristics that may describe or distinguish brands or products. According to Reynolds and Gutman, this can be done in three ways. The first is "triadic sorting", where three brands or objects are presented, and the respondent is asked to assess differences and similarities between them. The second is "preference-consumption differences" in which the respondent is asked why one brand is preferable to the other. The last technique is "differences by occasion", where the respondents are inserted into a context of consumption and asked about the features that occurred during this consumption (1988). In our research, we adapted the 'differences by occasion' method in order to evoke a particular context of consumption—in our scenario, a context whereby a company has a greater responsibility to allocate more time/money to one specific CSR activity. The second step is moving from product to user characteristics, why are certain aspects an important characteristic of that product or service. There is a repetitive action taken until they have reached the level of values (Reynolds and Gutman, 1988).

Certain steps should be taken to analyze the data once it has been collected. The first phase is data reduction, in which data is separated into the basic elements, which requires a review of the data. The second step is a content analysis of the elements that have been selected from part one. Next, is the summation of relationships through the indexing of content codes in an implication matrix. Finally, a "Hierarchical Value Map" is constructed to show the relationships between the elements that were identified in step one (Modesto Veludo-de-Oliveira, Akemi Ikeda & Cortez Campomar, 2006).

Two types of laddering exist. The first is "soft laddering" in which the researcher must be highly skilled, the second is "hard laddering" which is a variation of soft laddering. Hard laddering requires less technique from the interviewer and greater structure throughout the interview, Grunert and Grunert (1995) describe it as:

Hard laddering refers to interviews and data collection techniques where the respondent is forced to produce ladders one by one, and to give answers in such a way that the sequence of the answers reflects increasing levels of abstraction.

Hard laddering allows for efficiency in data collection and is typically used in data collection that does not involve personal interviews. If the respondent's level of knowledge about the subject, the soft laddering technique should be used so the interviewer can ask appropriate questions. The soft approach has more redundant data, which enables the respondent to build meaning into their answers and allows the researcher to code the answers more accurately (Modesto Veludo-de-Oliveira, Akemi Ikeda & Cortez Campomar, 2006).

As laddering is not a commonly used interviewing technique, some challenges can be related to his technique. To begin, the interviews may be time-consuming and expensive – because the questions can become repetitive, the respondent may lose interest and it may be hard to find people who are willing to be interviewed. The data analysis after the interview is also very time-consuming. The second issue is obtaining false answers as respondents may want to appear intelligent and respectable, answering in a way that justifies their behaviours and tries to present a positive front to the interviewer. This will be explored more deeply in the social desirability bias section of the paper. Thirdly, we address researcher bias. The order selection in the Means-End Chain is important and depends on the researcher. The researcher must make sure to separate attributes, consequences, and values – and to make sure the content is analyzed correctly. Lastly, an oversimplification of results must be addressed. Because a chain of linking elements must be made, there may be interesting elements of interviews that are looked over because they do not fit with the pattern that has been established. Although there are some barriers to laddering, it can be beneficial in understanding how behaviour can contribute to research in marketing (Modesto Veludo-de-Oliveira, Akemi Ikeda & Cortez Campomar, 2006).

3.2.5 Sample Size and Participants

Our sample size was chosen to represent a full set of cases in a way that was meaningful in answering our research question, but also reasonable given the limitations and time constraints (Becker, 1998). Due to COVID-19, we were limited to the physical access of participants and conducted our interviews via Zoom. Although this may have affected our ability to gain trust with the participants quickly, we made sure to reassure them that there were no incorrect answers and

that we were just looking for their opinion (Saunders et all., 2019). There were a few layers of criteria that we wanted to select when choosing our participants. We wanted approximately half to be students, and a half to be in the workforce, as well, we aimed for a 50/50 split between males and females.

Guest et al., determined that 12 in-depth interviews when you are looking to understand commonalities within a homogenous group, as data saturation had occurred after this point. Due to the nature of our interviews and given the fact that we asked participants about their opinions and perceptions, rather than external facts, these shared experiences comprise of truths that are present in the data (2006). As Graves stated "Lack of widespread agreement among respondents makes it impossible to specify the 'correct' cultural belief (p.169, 2002). We assumed a certain degree of structure within our interviews, with the same questions being asked, achieving data saturation within a sample size. Because our goal was to describe a shared perception, belief or behaviour among a homogenous group, an interview sample size of at least 12 would suffice. We are able to assume sample homogeneity because of the purposive samples (sample was chosen based on certain criteria) (Guest et al., 2006). Saunders et al. argue that when doing a non-probability sample for semi-structured in-depth interviews, a sample size of 25-30 is a reasonable number (2019). Therefore, we chose to conduct 20 interviews that were coded from 001-020.

This interview method required purposeful, sampling. This non-probability sampling can also be referred to as judgmental sampling because we chose samples based on our judgement. This was possible because of our small sample size with a focus on a particular theme and allowed us to gain information-rich responses with theoretical insight. Although we wanted variation between jobs and gender, the group was homogenous in the sense that they were all avid consumers within Canada and the United States. We contacted our participants via an open call on social media, as well as contacted distant associates who would not be heavily impacted by the social desirability bias. Access did impact our ability to select a more representative sample, but we were still able to gain cognitive access. Our selection of participants was limited due to COVID-19 (Saunders et al. 2019).

Table 4: Interview Participant Data and their Roles

Identifier	Age	Gender	Role	Geographic Area	Word Count
001	25	Female	Student	Ontario	5,655
002	23	Female	Student & Coordinator at an Innovation Hub	Ontario	6,069
003	24	Male	Entrepreneur	Ontario	5,767
004	56	Female	Artist & Interior Designer	Ontario	4,104
005	25	Female	Executive Assistant & Office Coordinator	Ontario	4,507
006	24	Female	Student & Asset Management & Associate Consultant	British Columbia	4,819
007	22	Male	Student	Ontario	3,081
008	56	Male	CEO & Managing Partner	Ontario	5,713
009	26	Male	General Manager	Ontario	3,889
010	21	Male	Student	Ontario	4,131
011	22	Male	Student	Ontario, grew up in India	6,066
012	26	Female	Starup Tech Consultant	Ontario	4,391
013	37	Male	CPA	Ontario	3,925
014	23	Female	Cost Analyst	Ontario	5,138
015	25	Female	Teacher	Ontario	5,266
016	25	Female	Occupational Therapist	Ontario	4,751
017	24	Female	Consulting Senior Analyst	Midwest United States	3,072
018	24	Female	Student, environmental engieering	Ontario	3,041
019	21	Female	Student, studying business	Ontario	6,757
020	24	Male	Student	Ontario	3,050
Total		20			93,192

Table 4 shows the interviewed particpants and their roles.

3.3 CHOICE OF INTERVIEW QUESTIONS

As we will discuss in the research ethics section, the interview environment was created so that the participants did not feel threatened and were able to be as introspective as possible. These questions were asked to each of the 20 respondents, in respect to both BP and Patagonia. Due to the laddering technique, there were follow up questions that consisted of statements such as "Why do you feel that way?", "Could you expand on that?", and "Why is that important to you?". These were asked until the respondent got to the "value" part of the ladder or did not have anything left to answer. In reference to Figure 3, you will see the outline that each interview followed. It is important to note that questions were the exact same for both sample companies of BP and Patagonia, and therefore will only be explained once. The only exception to this is the question "Do you feel as though CSR activities are industry dependent?" This was asked during the first half of the interview when discussing BP, to avoid biases once the participant understood that there were different activities between industries.

Our main goal was to understand how the respondent sees the world - "where the world is the product domain comprised of relevant actors, behaviors and contexts" (Reynolds and Gutman, 1988). The subsequent section will seek to explain the reasoning behind each question that was included in our in-depth one-on-one interview. Both our research question and the article by

Veludo-de-Oliveria et al. aided in deciding which questions were to be asked in order to best understand the consumer's view of the world and their underlying values (2015).

1. *What words come to your mind when you think of BP (or Patagonia) and/or the oil and gas (or fashion and retail) industry?*

   This question aimed to get a baseline understanding for how much respondents knew about the specific industry and allowed us to collect attributes without bias. If participants were not familiar with the companies specifically, they were encouraged to answer the questions for the oil and gas industry or the fashion and retail industry respectively. The second purpose of this question was for the participant to begin to think about the characteristics of each company, each industry, and to trigger possible associations between the company and its attributes that they would then be asked about in the next question.

2. *What kind of CSR activities would you expect that a company such as BP (or Patagonia) would be engaged in? → Why? Probe?*

   Again, this question aimed to get a baseline understanding about the depth of information that participants had about CSR activities. This allowed us to collect more attributes. Using the age-regression contrast probe was important here, where we encouraged respondents to think back to situations in which there were negative events that the companies may have been involved in. When participants were having a difficult time answering the probes, negative laddering, in which the participant is asked "What would/could happen if this company *did not* engage in this CSR activity?" was used. Often, the use of negative laddering was enough to shift their thinking towards the right direction and allowed participants to vocalize their value-level answers with increased ease. This was the question in which we were able to complete the majority of the laddering. Once participants stated the types of CSR activities they think the company should be engaging in, they were probed about each activity one by one, asking 'Why is it important that they are engaging in this activity?" and other similar probes, until respondents moved through the entire ladder from attributes through to consequences, and eventually values. Not all respondents were able to finish a ladder for every activity they mentioned, but the overwhelming majority of participants were able to move to the value-level associations with ease.

3. *In what instances do you think that BP (or Patagonia) should put more resources into* _____ *[CSR activity]? → Why? Probe. –do you think this requires more time and resources than normal? Should that require more transparency?*

This was a question in which it was difficult for people to answer. The goal of this question was to get the respondent to think about specific instances (e.g., oil spills, factory fires, etc.) and understand their thoughts surrounding continuous or circumstantial CSR. Here we tried our best to evoke a situational context for the consumer, while not giving them any clear answers, we encouraged them to think of crises' that may have happened or negative impacts that a company may have. This question allowed us to get both consequences and values from the respondents. Many participants also were not able to give a number that related to the proportion of resources that should be used by companies, but felt that if it was a larger company, they should do more, and that their activities should not bankrupt them. The aspect of transparency was also considered, and participants were able to give their opinion as to *why* that held importance to them.

4. *Repeat for 1 or 2 key CSR activities listed previously.*

If there were specific CSR activities listed, we would repeat the probe for question three multiple times. This allowed us to gain further insights into each activity (if possible) and created the possibility for additional ladders.

5. *What do you think this means to consumers when a company such as BP (or Patagonia) engages in* _____ *CSR activities? → What does this mean for the company? Will customers be more willing to engage with companies doing this/would you be more willing to buy if you knew the company was doing this?*

This was a value driven question. We were seeking to understand the respondent's values within a marketing and advertising lens. Having a better understanding of what it is that consumers value from certain CSR activities, how that makes them feel about the company, and how that affects their buying habits is very important in the application of this research. If companies know that certain values are important to consumers, but none of them are going to change their purchasing behaviour based on a company displaying these same values, then there might be less incentive to market/fund CSR activities based on these values, and vice versa.

6. *Is this something that depends on the industry that a company is in? → Why? Probe.*

This is the only question that was asked within the first company (BP) and not in the second. We decided to have it in the first interview in order to reduce the bias that could be present after we talk about different CSR activities for a different company in the second half of the interview.

7. **Give respondents the list of CSR activities*

During this period, participants were given the lists of CSR activities that the companies actively engaged in. Giving them actual CSR activities allowed them to better understand the company's action and the activities it was engaged in, rather than speculating. See Figures 4 and 5.

8. *Please rank the CSR activities that BP (or Patagonia) is engaged in based on highest priority to lowest priority → Can you further expand on why you ranked them in this order?*

After reading the CSR activities that the companies were engaged in, we asked all the participants to rank (1 being the highest priority and five or six being of lowest priority) what was important to them as a consumer. They were encouraged to understand that there was no wrong answer and that ranking the activities did not mean that other activities would not be included anymore. After the ranking was complete, we asked participants to explain why they ranked the activities in this way, and if possible, tried to get them to another value-level association.

9. *Do you believe that BP (or Patagonia) is engaging in enough/the right CSR activities? → Why? Probe.*

The final question related to question eight, and built off the respondents being able to see the list of CSR activities that a particular company was engaged in. The majority of respondents did not feel as though there were any activities that should be added. If any, some respondents stated that they would like specific reference of things such as directly donating the indigenous populations listed within the activities done for improving people's lives. Here we came back to a problem area for many participants. In question 2, respondents may have had a limited view of the possible CSR activities a company can be involved in. By the end of the interview, we wanted the participants to be able to add any additional information, after being exposed to the CSR activities.

The one response to this question which was echoed by many respondents was that what is listed on these CSR reports looks great, however, many were skeptical that companies were actually following through on the promises listed in this CSR report, and would have liked more concrete numbers/actionable items.

3.4 RESEARCH ETHICS

To make sure that the data collection was up to the ethical guidelines, some major considerations were taken during the planning and interview process. First and foremost, it was essential that the interviews did not cause the individual or corporation harm, because we are using the names of companies within our interviews. This is the concept of non-maleficence and is a cornerstone ethical issue because data collection during an interview can invoke stress (Saunders, Louis and Thornhill, 2019). During the interview, an environment that was non-threatening was created, in order for the participants to become introspective. They were ensured that there were no right and wrong answers multiple times during the interview, as well as at the beginning of the session. As researchers, we showed ourselves simply as facilitators, and the respondents were the experts. Creating this sense of involvement, and letting the respondent know that some of the questions may seem obvious or redundant, allows the researcher to be seen as vulnerable (Reynolds and Gutman, 1988). Due to the limitations of COVID-19, all interviews were conducted via Zoom, once the participant was on Zoom, they were asked for their verbal consent to record and were assured that once the interview was over, the video data would be deleted, and the audio would be kept for transcription purposes after. The data that was provided was then encrypted with the codes right away (e.g., 001-020), to ensure anonymity. Access to the data was also limited to the researchers involved with this project. After the audio files were used to transcribe the interviews, the audio files were deleted to ensure that there is no connection or identifying information that connects the participant to their data (Saunders, Louis, and Thornhill, 2019).

As described above, each participant was assumed an identification number that was used within the dataset. The names of the participants were only available to the researchers involved. To ensure data protection and privacy, we followed the Norwegian Guidelines from the Norwegian Centre for Research Data. This means that certain precautions, such as storing the keys and data in different areas, were taken. The interviewees were also reminded that this interview is completely voluntary and were made aware that they were able to leave at any time. They also

understood their ability to skip over questions that made them uncomfortable and ask questions during the interview. For the researcher to maintain objectivity, they used the interview outline and only asked laddering questions that were seen as "useful", or an extension of the previous questions asked. See Figure 3 in the appendix which outlines the data collection process as well as details about respondent's privacy (Saunders, Louis, and Thornhill, 2019).

3.5 RELIABILITY AND VALIDITY

The concepts of reliability and validity are two important steps of the research design and by emphasizing these concepts, we hope to reduce the possibility of getting the answer wrong. In order to avoid logic leaps and false assumptions during this study, we wanted to make sure that all elements of our research process were evaluated. Reliability has two different aspects. The first is internal reliability, which refers to ensuring consistency, and the second is external reliability which refers to data collection and the production of consistent findings.

Reliability refers to "the extent to which your data collection techniques or analysis procedures will yield consistent findings" (Saunders et al., 2019, .156). It is assessed by three questions:

1. Will the measures yield the same results on other occasions?

2. Will similar observations be reached by other observers?

3. Is there transparency in how sense was made from the raw data?

Reliability is very important when conducting interviews as we much make sure that the sample is representative. The first is the subject or participant error, which describes different results occurring depending on the timing of the interview or the day of the week. This was avoided by allowing the respondents to choose an interview time that was best for them. We kept the interview technique consistent, by having them all on Zoom and going through the same script with each participant. The second is the subject or participant bias which examines the phenomenon of people saying what others want to hear. This was avoided by ensuring anonymity and making sure that the researchers reviewed each other's work to avoid bias. Having a very structured subset of interview questions that we rarely strayed from allowed us to reduce the threats to reliability and observer error. Finally, we addressed observer bias – this was done through the exact transcription of the data, and when creating the ladders, using the exact words that the respondents said in order to try to mitigate the interpretation of replies (Saunders, 2019).

Validity refers to "whether the findings are really about what they appear to be about" (Saunders et al., 2019, .157). Validity also has an internal and external aspect. Internal validity refers to when the research accurately demonstrates a causal relationship. External validity examines the concept of being able to apply the research findings to other groups and settings. This was still a large concern for this research but was mitigated by using two different case studies within the interview. Because of the nature of interviews, especially semi-structured and in-depth interviews, there are questions about the strength of the reliability and dependability. Although our interviews were semi-structured due to the laddering technique, the generic questions of the interview remain consistent, which reduces the treat to external and internal validity. But because of the nature of this exploratory paper, the internal validity is limited, and the accuracy of this model should be reviewed.

3.5.1 Social Desirability Bias

The social desirability bias (SDB) can change the results of marketing research and should be taken seriously. SDB may occur when marketing researchers are conducting research activities and discover that some respondents have given answers that differ from their attitudes, values or behaviours. Respondents may change their answers for "impression management (to look better to others), self-deception (to feel good about themselves) or identity definition". Impression management is most prevalent when researchers directly interact with subjects, in situations such as face-to-face interviews, while the other sources may appear in all surveys. At its core, SDB can stem from social norms that suggest that positive or negative answers to surveys are preferred. Opportunities to reduce and identify the social desirability bias that may be present in an interview are important (Larson, 2019). It is important to identify SDB because it may "attenuate, inflate or moderate variable relationships depending on the measures being used", this is important for marketing and branding. After all, they rely on self-reported measures (Fisher & Katz, 2000).

SDB is usually not a factor that is controlled for in data collection, although it may be listed as a limitation of the research. SDB effects are not always unwelcomed and therefore shouldn't always be controlled for. SDB measures may be inherently related to the construct of interest and the association between the two may provide evidence of validity (Fisher & Katz, 2000). In order to reduce the bias that may exist there are four courses of action to take: "try to directly reduce the

bias, try to understand its causes and indirectly reduce it, try to prove it is not a significant problem or try to control its effects" (Larson, 2019).

There are both direct and indirect ways of trying to control bias. Direct ways of controlling the bias may consist of actions such as the researcher claiming to be using a lie detector, disguising the survey's purpose or adding lines that encourage honesty in the survey. Indirect ways of controlling the SDB include using a survey with respondent anonymity, modifying questions to neutralize answers, playing background music that can add environmental complexity or asking them to remember a set of numbers to increase the cognitive overload (Larson, 2019).

4. CHAPTER 4 – Analysis

Our analysis aimed to break down and analyze the research question: Is there a set of universal ethical principles that guide consumer's thoughts about businesses' CSR practices? The purpose of our analysis was to first break down each of the 40 data sub-sets that were gathered through in-depth interviews. These in-depth interviews used the laddering technique to understand the core ethical values that they hold as a consumer, and how that affects their perceptions about CSR activities. The content analysis aimed to break down long transcripts into palatable information, which was then used for laddering. After our ladders were created, codes were assigned to each of the participant's answers. These answers were then categorized into larger subject areas, that were specific, but aimed to encapsulate different answers that were given. By sorting the codes into subjects, we were able to quantify answers, giving us a deeper understanding of the underlying connection between the codes, and how they worked together to form biases and preferences. The implication matrix and HVM aim to give a qualitative view of the data collected.

4.1 CONTENT ANALYSIS

The first step of the analysis is to record an entire set of ladders, which were categorized items as (A) attribute, (C) consequence or (V) value (please view table 9 that gives examples for each of the ten values). This was done through the transcripts of our 20 interviews. After they were complete, a set of summary codes was created. Table 6 provides the summary of content codes for our study. Numbers were assigned to each of our codes and represented in the implication matrix, Table 7.

4.2 IMPLICATION MATRIX

The implication matrix is a square matrix that shows the number of times each element leads to every other element. Within the matrix, there are two types of relationships shown. Direct elements in which one element leads to another without any intervention, and indirectly, in which there is an intervention occurring. These numbers are expressed in fractional form, with the direct relations on the left, and the indirect on the right (Saaka et al., 2004). Thus, if you look at the implication matrix, Table 7, "damaging land" (code 001) leads to "lucrative companies" (004) three times directly, and zero times indirectly. Therefore, when you see higher values within this

matrix, it can be assumed that that element was mentioned more frequently than an element that only has zero or one in the corresponding box.

4.3 THE HIERARCHAL VALUE MAP (HVM) PRINCIPAL + HIERARCHICAL MAP

A hierarchical value map (HVM) is a visual diagram that depicts the significant relationships from the implication matrix using a series of 'chains' (Saaka, Sidon, & Blake, 2004). The hierarchical value map is able to map the dominant paths the respondents follow from attributes through consequences to values. Therefore, what the HVM relays, is what are the dominant relationships that were identified by multiple participants? The HVM was created from the data in the implication matrix. An appropriate cut-off value needed to be determined, and for our study, we chose a cut-off value of three. The cut-off value represents the minimum number of links between two variables that must be present for that value to be put on the HVM (Saaka, Sidon, & Blake, 2004). It is important to determine a cut-off level of an appropriate level. If the cut-off value is too high you may lose too much of the meaning of the data, resulting in far too broad results. Contrary to that, if the cut-off value is too low you risk losing the ability to appropriately derive valuable meaning from the data. For our data set, it was determined that using a cut-off value of 2 resulted in far too many chains, with too many links in the chains, whereby the HVM was unable to valuably condense and summarize the most important parts of the data. Therefore, we chose the cut-off value of three, which allowed us to determine the most important relationships, without losing too much meaning within the data.

To create the HVM we began at row 001 on the implication matrix and moved across the row until we reached a code with a direct relationship count at three or above, which was code 004 (lucrative companies). This means that participants directly associated the damaging land code with the lucrative companies' code three times. Next, we went to row 003, and moved along the row until the next significant direct relation with a value of three or more was determined. This was code 011, the attribute negative environmental impact—this created the next link in the chain. We continued this pattern, starting next at row 011 to determine the next significant direct relationship until the chain was completed with the value level of 027, the common good. We then continued making these chains, starting next at row 002, and following the same procedure for each attribute until we had six completed chains. These chains represented each of the relationships that were most commonly discussed by participants in the interviews. An example of the first

HVM chain can be seen in Figure 1. Finally, these chains were connected to form a Hierarchical Value Map, shown in Figure 2. which shows a visual representation of the dominant relationships evoked by participants of the study.
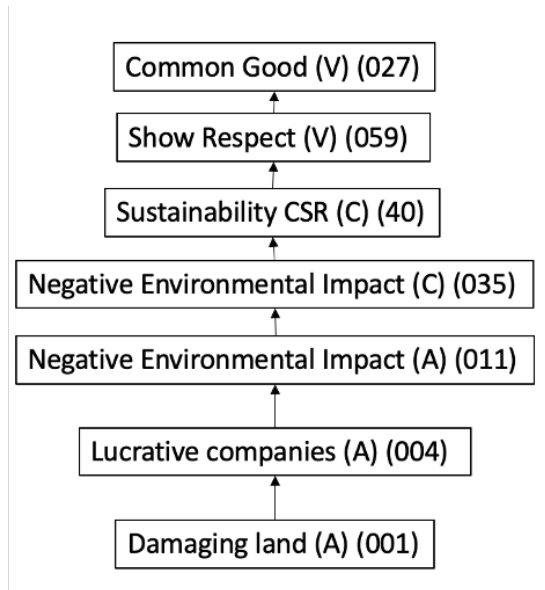
Figure 1: HVM Chain

Figure 1 exemplifies HVM Chain Created from aggregate data in the Implication Matrix.
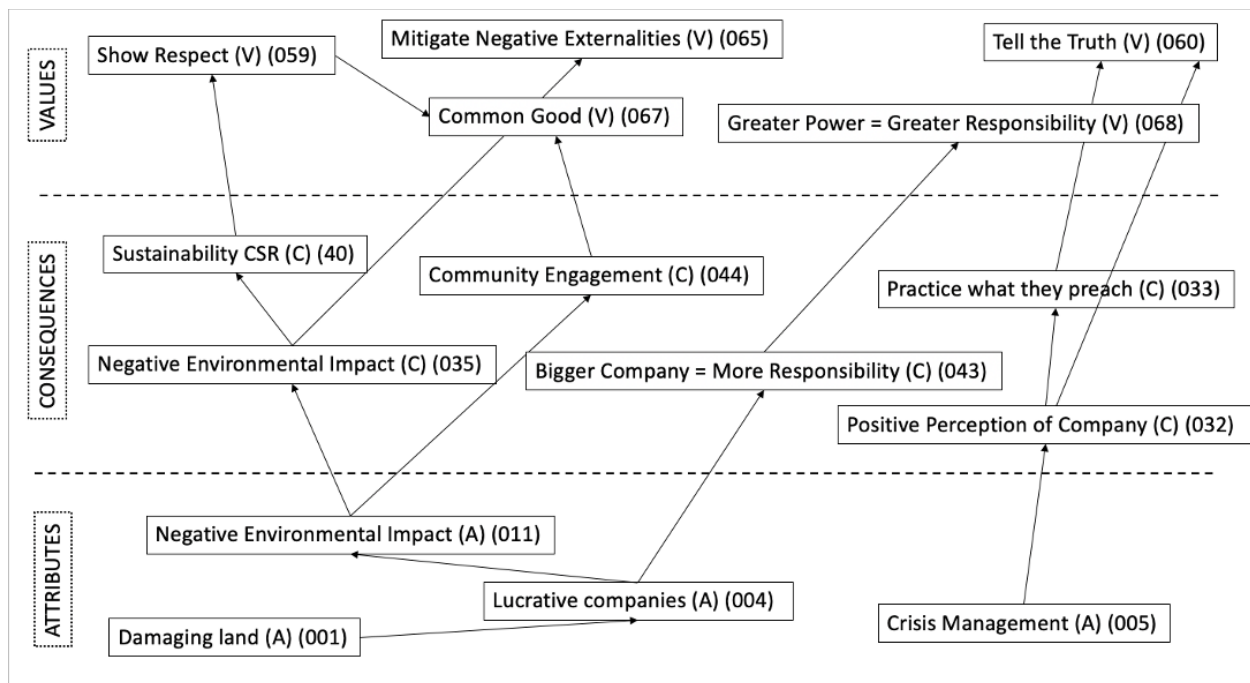
Figure 2: Hierarchical Value Map

Figure 2 is the Hierarchical Value Map of consumer expectations for CSR activities.

In total, five values had a significant level of direct relations within ladders to be included in the HVM. These values are show respect, the common good, mitigate negative externalities, greater power = greater responsibility, and tell the truth. The attribute 'damaging land' was most often evoked in reference to damaging indigenous lands, creating pipelines, and destruction of communities surrounding the company's operations. The code lucrative companies encompasses attributes such as large, well-known companies, popular, powerful, old, big. The attribute of negative environmental impact included attributes stating that companies are causing pollution, depletion of natural resources, climate change, capitalizing on earth's resources, an increase of natural disasters, large carbon footprint, causing waste, etc. Finally, the last attribute on the HVM, crisis management, encompasses attributes such as oil spill, lack of company planning, company crisis, controversial, and poor reputation from past scandals.

For the key consequences on the HVM, 'sustainability CSR' encompasses responsible material sourcing, companies should work to create a green future, sustainable business practices, investing in renewable energy, energy efficiency, net-zero, etc. The consequence of 'negative environmental impact' included statements from the ladders such as water contamination, destruction of the earth, have to burn plastic, irreversible damage, wildlife at risk, extraction of natural resources, and contributes to waste problem. Community engagement is the code for social CSR, positive economic activity, re-build community, give back to the community, provide clean water, help with the community's current needs. 'Bigger company = bigger responsibility' is a code that covers statements including donation of profit to CSR activities, need to be aware of the impact they're making, can afford to help with humanitarian efforts, contribute what is feasible, and have greater influence and greater footprint. Positive perception of company talks about how environmentally friendly practices look better, company is branded as sustainable, consumers want to purchase because they believe the company is sustainable and helps with reputation. Finally, the last consequence on the HVM, 'practice what they preach', was created to summarize statements including overpromising and underperforming, and customers want companies with strong values.

4.4 DETERMINING DOMINANT PERCEPTUAL PATHWAYS

Having plotted all the elements from the laddering on the implication matrix, it was important to sum up the number of direct and indirect relations for each element that existed. Table

8 represents the sums of the direct and indirect relations for each element. The "to" column represents the sum of the code on the x-axis, where the "from" column represents the sum of the code on the y-axis. Numbers to the left of the colon represent direct relationships, which was determined when analyzing the ladder. If an element is directly related to another, there are no other attributes, consequences, or values between them. If an element is indirectly related, it was part of the same ladder, but other elements were in between. The value codes begin at 059, and from that, code "060 - Tell the Truth" appears to have the most elements leading from it, with a count of 26:56. It is also important to note that code "059 - Show Respect" was only one indirect relationship away, with a count of 26:55. This means that the values of 'Tell the truth', and 'do-good social responsibility' may be the core values in terms of importance to consumers and their views on corporate CSR.

4.5 CSR RANKINGS

In the final question of the laddering interview, participants were shown two lists of CSR activities that BP and Patagonia are reporting to be engaged in. From there, participants were asked to rank these activities from highest priority to lowest priority. The individual rankings were tallied up, and while there were some individual differences, there were common elements that emerged from these rankings. The most common priority ranking for BP was as follows:

1- Most important: Getting to net zero emissions

Caring for our planet

Improving people's lives

Safe, fair, legal and humane working conditions (note: seven people voted for this to be highest priority and five voted for lowest priority) *

5 – Least important: Humanitarian efforts

There are a few important takeaways from this data. The first two most commonly ranked highest priority activities are getting to net zero emissions and caring for our planet. These are both environmental initiatives aimed at reducing BP's emissions/environmental damage, and at helping the planet's biodiversity, oceans, etc. When asked to explain why they put these highest, many respondents indicated that they were most important because the nature of BP's operations means

that they are causing an extreme amount of damage to the environment. Others also included that getting to net zero emissions will have the greatest and most direct positive impact, so BP should focus most of their issues on that activity. Humanitarian efforts were consistently placed at the lowest priority, with many participants stating that it was not BP's responsibility to donate things such as free fuel to emergency vehicles, and that the government or another entity could do that. Finally, the activity which had the weakest consensus among participants was safe, fair, legal and humane working conditions. Some participants (5) ranked it at the lowest priority, stating that it should not even fall under the definition of CSR; it is something companies should engage in no matter what, and often they were surprised to see that companies even report this activity as CSR. On the other hand, using the same logic, many participants (7) ranked this activity first, stating that it should not be a part of CSR, but ensuring not only the safety but the overall well-being of their employees should always be the most important aspect.

Patagonia's rankings are as follows:

1 – Most important: Safe, fair, legal and humane working conditions (8)

                                       Ethical material sourcing (6)

                                         Sustainable fashion (6)

                                         Sustainable facilities (8)

                                         Environmental conservation (14)

6 – Least important: Environmental activist groups (15)

Interestingly, safe, fair, legal and humane working conditions were consistently ranked in one of the highest three priority spots, (eight, six and five votes, respectively), with no participants ranking this activity in one of the lowest three priority levels. Participants in this section still stated that this CSR activity should not be considered CSR and should be something that is inherently part of the business, however, many pointed out the fact that the fashion industry historically has a bad history of abusing workers' rights, underpaying workers, and using child labour. Interestingly, environmental conservation and environmental activist groups were overwhelmingly voted in the last two priority levels. What respondents typically explained was that Patagonia is not directly damaging the earth in a way that BP is, and therefore conservation,

and working with environmental activist groups is not as important. What was more important to participants, however, was the environmental damage that is indirectly caused as a result of an unsustainable product creating a large waste problem, material sourcing and ensuring materials used are of sustainable fibres, and the dyes are not polluting rivers, as well as the direct damage to the ozone that the warehouses are contributing to from their operations. Consistent with this, it was shown that participants ranked sustainable fashion, ethical material sourcing, and sustainable facilities interchangeably among the highest rankings. What this shows us for both BP and Patagonia, is that when asked to rank a priority level for CSR activities, participants consistently put the activities where each company is contributing directly to, as the highest priority. Why safe, fair, legal and humane working conditions were consistently ranked highest for Patagonia, and frequently put lower for BP, is likely that participants had a more direct link between Patagonia and abuse of workers' rights, making it more important for Patagonia to engage in this activity than BP, as historically, although it is a dangerous profession, there is less of a linkage between BP and abuse of workers' rights, and workers on oil rigs are typically paid very high salaries.

4.6 ANALYZING THE ETHICAL VALUE CODES

4.6.1 Show Respect for People:

The first principle 'Show Respect for People', also known as universalism, had the highest frequency out of the ten codes with 23 ladders associated. This code encapsulates the idea that the world is mutually reciprocal and the more respect you show, the more you will receive. Broadly, this principle can be defined as universalism, and discusses the human consideration for others in terms of both the welfare and risks that people may be taking, "Or if you see a shirt was made in Thailand, you expect the person made it safely and that they are getting a fair wage for the work that they put in." (Participant, 007). Companies must practice including fairness, compassion and respect. Universalist principles underline the most ethical companies, which is why it is important to consider when thinking about the materiality of specific CSR activities.

Most significantly, attributes that participants associated respect with were workers' rights, and safe, fair, and legal working conditions. This included attributes such as: fair wages, worker equity, more compensation for more dangerous jobs, and work life balance. Most importantly, it was emphasized that workers safety should be the top priority, especially when companies are very successful and large. Participants felt that if jobs were more dangerous, they should be

compensated accordingly – especially in situations such as an oil rig, where there was a higher probability of death. Interestingly, it was mentioned that industries that are male dominated should enforce gender equality within the workplace.

One of the dominant consequences that emerged was Universal and Continuous CSR Activities which meant that consumers felt that CSR activities were not dependent on the size of the company, or the industry that the company was in. It is important for companies to show 'respect' for the environment and communities by participating in CSR – and that working conditions should be similar across nations due to their success. Which included respecting indigenous land. Adjacent to the attribute of workers' rights and safe, fair and legal working conditions, came the enforcement of these conditions by companies. It was very important in the participants' eyes to have this, and many didn't even view this aspect of the respect value to be CSR – and considered it an essential part of running a business. Human rights were also a consequence that was mentioned, participants associated showing respect for people with human rights. This included ensuring that communities were not left with health issues after companies left sites and making sure to reduce water contamination.

Looking more specifically at the values, participants felt as though companies should uphold ethics, no matter what country they are in – especially if they are operating in developing countries, as participant 002 stated, "I think CSR is about holding or amplifying the ethics that you as a company believe in." It was also important for companies to hone their CSR activities to match the communities that they are in, as damage differs depending on the industry and location. It is seen as important to respect the locations and people that you work with, and for companies to uphold human rights whenever possible. Participants also felt that if they were closer to the industry in terms of increased buying power, for example because Patagonia is a clothing industry, it was more important for that industry to have good CSR initiatives.

4.6.2 Tell the Truth:

The second principle, virtue ethics or 'tell the truth', has the second highest frequency out of the ten principles, with 20 ladders associated. This principle emphasizes the importance of truth telling, by leadership in a company as well as in everyday activities, such as advertising. It is important for companies not to break the trust that consumers have, because it is hard to regain. More deeply, consumers do not want to be deceived in any way, as their buying choices have the potential to unconsciously reflect their values - "corporations should really be responsible for

informing people what they're buying and the impact of what they're buying." (Participant 005). It is important to note that this principle was second highest in frequency for both the number of ladders as well as the Summary of the Implication Matrix summarizing the number of direct and indirect ladders, which can be found on Table 8. This means that telling the truth is a very strong core value that consumers hold when looking to evaluate a company's CSR.

Looking at the consequences, some participants felt as though bigger companies had more responsibilities to tell the truth – especially when products were extremely integrated into society. More precisely, it was important to consumers that if a company was branded to be sustainable or was seen as promoting environmental CSR, there was a greater onus on the company to tell the truth about the effects they had on the environment. As participant 001 stated "Today, consumers actually care about what companies' value instead of exactly what they do." Building upon this environmental CSR, waste-reduction was brought up. Consumers felt that companies should be truthful about the lifetime of their products, and that because one of the sample companies was Patagonia, it was noted that if a company is preaching sustainability, they should be concerned with not only waste reduction, but the responsible sourcing of materials used. One of the most significant consequences was increased transparency. Participants felt that companies should be more transparent in all aspects of their business, avoiding greenwashing at all costs. Although consumers felt as though it was important to be transparent, it was not beneficial to companies to speak about transparency without having good practices to fall back on. "I think just transparency. Being more transparent with what their ecological footprint is accountability, just, having a way for people to trust that they are. Following through with these promises. So, I don't know if these are just promises that they've made or things that they're actively carrying out and doing currently." (Participant 009). Participants would have a greater distrust of the company if the values of the company and their actions did not align and wanted to buy from companies that matched their internal values. As participant 006 stated "I think it's [CSR] more successful when it's aligned with the company's image and values as a whole."

The values of the tell the truth principle stemmed from companies doing what they say they are going to do, and not waste any resources, especially those that are non-renewable. Along with increased transparency, came accountability. Situationally, crisis management came up, and in these situations, CSR was an important step, but not the only steps that needed to be taken. "I think from honesty, you can build things like promise keeping. You can build loyalty from your

customer base. I think it's honesty. Also, the notion of fairness." (Participant 010) For the participants, it was key that companies were accountable for the damage that occurred, and then do their best to mitigate it "they should do their best to lead with transparency and accountability", and in step with this, avoid disasters in the future (Participant 009).

4.6.3 Do-good social Responsibility:

The concept of 'do-good social responsibility' can be more broadly defined as virtue ethics. Although this concept only had eight ladders associated with it, it contained the second highest sum on Table 8 that summarized the amount of direct and indirect ladders associated. Virtue ethics strives to proactively create positive externalities, such as donating to charities. Companies hope that by creating these positive externalities, they will attract consumers who believe they are responsible, give them a good reputation in crisis situations and reduce their liability of foreignness in new countries or regions.

The do-good social responsibility value was driven by the consequence that companies have a responsibility to the communities that they work in and should be looking to create a "greener future." When populations, especially those that are disproportionately affected, such as indigenous populations, companies should be proactive in protecting them. Participant 007 examined the ability of oil and gas companies to be positively proactive proactivity:

> I think if anything, the CSR activities would just be potentially researching responsible alternatives too. Attempting to adapt for the environmental future. This isn't going to last forever for gas and oil companies. So, if they're at least using their CSR to try to move forward and find a new way to become profitable without hurting the environment, then that would probably be positive.

Lucrative industries, such as oil and gas, should be donating some of their profits to CSR activities whether that be social or environmental because they are depleting the world's natural resources. These activities not only create positive externalities to communities, but also positive perceptions about the company overall. Social CSR was defined by the participants as giving either time (volunteering) or money, in either a pre-emptive or post-disaster situation. This is described well by Participant 013:

> I think charitable donations are important for any large company. Just like optically, to make them look like they're doing something with their money, especially like BP or an oil company, which you know, is quite profitable and makes quite a bit of money. It's, it's good to see. I think in the eyes of a consumer, it looks

good that they're turning their money into something that can benefit other parts of the world or other areas that aren't just like oil and gas.

Looking at the values, it was important to participants that companies give opportunities to people such as eliminating inequalities, financial and volunteering – especially when the company is doing well.

4.6.4 Practice participation not paternalism:

The concept of 'practicing participation, not paternalism' is concerned with the idea of doing things with people and not to them and is especially important for managers making business decisions that affect employees or communities that they may interact with. This principle recorded the second lowest frequency with a count of eight. This may be because it is a vague principle, and during analysis, it was difficult to determine specific ladders that would fit.

The attributes that defined these ladders were sporadic. But, looking at the consequences that were present, it was clear that workers safety was key. Participants also felt that it was important for companies to participate in the education of the consumer and the employee about circumstances that may affect them. Participant 002, explained their thoughts on education:

> I think it's also a little bit of their job to educate the population. I feel like the oil and gas industry, unless you're in that industry, you have no idea what happens unless you specifically involve yourself. If you have stocks invested, then obviously you're going to educate yourself closely. But I think a lot of those companies. Should educate the public us to like what decisions are making and why more publicly, because that's communication that you don't really get as like a day-to-day consumer. And you just said, obviously you need oil and gas, but you don't ever really hear the repercussions of that or anything that they're doing to mitigate that.

Other consequences that were meaningful included the destruction of the earth, and why it is so core for companies to educate people on where products come from. The term "license to operate" was used and referenced the obstacles a company may face if they do not have the support of the community. Here is how, participant 020 answered the question "Why is it so important for BP to be engaging in CSR activities surrounding local fishing and wildlife?"

> Well, I know in mining and oil and gas, there's often this word used to license to operate. So, the kind of idea that you can only operate if you have the support of the community. And I think that BP one: needs to get support and two: needs to regain support because I still think they haven't fully recovered from that spill. I know it's been a really long time since that spill, but whenever I hear BP, the first thing that comes to my mind is incidents in the Gulf of Mexico.

If there is disaster relief taking place, it is important to gain the support of communities and try to get them on board with the actions you are taking.

4.6.5 Act When You Have the Responsibility To

Prior research into possible ethical principles revealed a principle which we termed "Act when you have the responsibility to", which is based off of the psychological diffusion of responsibility phenomenon. This principle logically requires the identification of a responsible party, and then requires that the responsible party acts on a certain CSR activity. During the interviewing phase it became apparent that interviewees were frequently discussing the need for companies to engage in CSR when they have the 'responsibility' to. However, we noticed that participants often made the specific distinction between three different types of 'responsibility' we previously discussed within this principle, as well as a fourth, new type of 'responsibility'. When conducting a content analysis of our transcribed interviews, we determined it would improve the richness of the collected data by splitting 'Act when you have the responsibility to" into four subsequent sections: 'Do no harm', 'Clean up your own mess', 'Mitigate negative externalities', and 'Greater power = greater responsibility' which we will describe in detail below.

4.6.5.1 Do No Harm

Do no harm is classified as requiring the responsible party to *avoid* causing *any* harm at all costs. Do no harm had the lowest frequency of appearances in ladders when compared to the other three principles under 'Act when you have the responsibility to". In total, do no harm was referenced in eight ladders, tied with 'Do-good social responsibility' for the second lowest ladder frequency. A likely reason for this is that many participants noted how, for example, BP's product and operations are inextricably linked within our society and daily life, so much so that it would be impossible to cease any harm from their operations. While some participants did mention that they would like to see BP completely stop their operations --

> "It's just like with my environmentalist perspective, all their things about 'we're caring for the planet', I'm like, inherently what you do is terrible for the planet. Like we can't be looking at oil, like we need to be looking at things that are more sustainable, so it's like, I want to put them out of a job (Participant 016)",

they did also acknowledge that this was not currently feasible. Other participants spoke about do not harm in terms of ensuring they are not contributing to any *additional* harm --

They were the ones causing the damage. So, it's not a save the world. It's a do no harm view where we know what we're doing isn't maybe the best for the world, but as we do that, let's not do additional damage (Participant 008).

Participants also evoked the do no harm principle by discussing the importance of using past mistakes (often referring to the BP Deepwater Horizons Oil Spill), to avoid causing the same harm in the future:

I think of BP, just because of historical reasons, just because of situations that they've encountered in the past and how they'd handled those situations. It was more reactive than proactive. They didn't have a clear plan in place to deal with something like that. [It's important for BP to do CSR activities after the oil spill] to show that they realize that things did not go the way that they were supposed to, and they can prevent something like this in the future (Participant 017).

4.6.5.2 Clean Up Your Own Mess

Clean up your own mess principle was classified as it being a company's responsibility to directly clean-up/fix the damage that they cause from their operations. Frequently, participants were referring to rebuilding communities that were damaged from oil operations, cleaning up the ocean and ecosystem damage following an oil spill, working on community beautification initiatives, and paying remediations for damage caused. Clean up your own mess was referenced in 14 ladders and had a total of 17 direct relations and 42 indirect relations with other codes. Interestingly, the ladders composing the clean up your own mess principle did not reach the required cut-off value to be included in the final Hierarchy Value Map, showing that different participants followed seemingly different perceptual pathways when eliciting the clean up your own mess principle. Participants often made statements such as "Actions have consequences, and it's important to clean-up the consequences of your actions (Participant 011), and they need to *counteract* the damage that they are causing. One participant made the following analogy when referring to the importance of companies cleaning up their own mess:

Well, it's sort of like manners. If I hurt someone in a way, I want to do what I can to make it better, to like, to show that I still care about this person, or if I'm responsible for, I don't know, burning someone's house down. Somebody was held responsible for that, and someone's held liable for that. People should right their wrongs (Participant 016).

One participant, who studies environmental engineering at the post-graduate level, discussed the incidence of fracking in the oil and gas industry, whereby companies are ruining land beyond just cosmetic. They are damaging the hydrogeology far beneath land, compromising clean water and increasing the frequency of earthquakes. This participant stated that they should

pay for remediations to property once they are done mining on it; "they are the ones that ruined the property, so they need to pay to fix it up". Participant 011 summed this concept up nicely by stating

> The nature of their business is such that they're exploiting a natural resource beyond how much it should be exploited. Although they make claims that they're not, and there have been independent studies in my opinion, proving that they are exploiting and beyond what they should be. They're also not very careful about the standards that they're holding themselves at in terms of sustainability of using that resource.   There's nothing wrong with getting oil out of the ground. What's wrong is getting so much of it out and then processing it in an unsustainable manner. So that's why it becomes important for them to show CSR as after cleaning up, they're cleaning up the actions of their consequences and the consequences of their actions basically.

4.6.5.3 Mitigate Negative Externalities

Mitigate negative externalities was tied for the most frequently mentioned 'Act when you have the responsibility to do so principle' and tied for second overall most frequently mentioned principles. This principle had a sum total of 19 direct relations, and 53 indirect relations with the other codes, and had connections significant enough to be placed on the hierarchy value map. Mitigate negative externalities is similar to the do no harm principle, in that participants frequently acknowledged that the harm caused by many companies is necessary for our society to function, however the importance and responsibility lies on those companies who are causing any harm from their operations (negative externalities), to put CSR resources towards *minimizing, reducing,* and *severely limiting* the amount of harm that they are causing. Numerous participants made the connection between Patagonia, and the large amounts of waste that is caused by the fashion industry. They often stated that since Patagonia is creating an unsustainable product, they need to be responsible for enabling the movement of the product through different stages of its life cycle (i.e., through recycling programs), so that they are reducing their contribution to the waste problem. Participant 011, spoke about the importance of recycling programs:

> Something that the industry definitely needs to engage in is recycling programs, which is very important to get back the material which has been thrown out because they end up at landfills, and if they're made out of like, rayon or polyester or stuff like that, that stuff doesn't deteriorate as easy. And so, users end up burning it and you end up burning it, it's bad for the environment.

Another participant discussed how it is important for BP to conduct environmental impact studies at their sites, because the activities they partake in are not easily reversible and the negative impact will be felt for many generations. Due to this, they need to be aware of their impact and

conduct these studies in order to mitigate the risk, so they are not causing damage from their activities. Participant 013 addressed the importance of mitigating environmental impact:

> Well, I guess for BP specifically, like they're in oil and gas, right, so they do a lot of oil and gas exploration. So, my expectation would be, you know, they're going to be drilling a well or doing some sort of like offshore activity. That they're doing the appropriate studies ahead of time scientific studies like environmental impact studies. And then also engaging with whatever jurisdiction it is, the local people to ensure that their activities aren't going to have a detrimental impact. And then, and then after that, you know, once they were, you know, to go into the production phase, I would expect that there would be ongoing monitoring activities and that there would be that continual engagement.

4.6.5.4 Greater Power = Greater Responsibility

Greater Power = Greater Responsibility is the fourth 'Act when you have the responsibility to do so' principle and was a principle that was not originally theorized in our literature review. This principle had a sum total of 24 direct relations, and nine indirect relations. The participant's perceptual links for this principle were significant enough to be including in the HVM. There were an overwhelming number of participants who discussed the need for companies to act when the have responsibility to, but specifically specified that this responsibility comes from a few different things. The first, is the size of the company. Larger companies hold more power (in terms of political power, economic power, and the power to influence manufacturers, etc.), and therefore have the responsibility to use this power for good. A key example of this comes from an interview with participant 013, where they said;

> Because different companies have, you know, this depends on the size of the company, right? So, I don't think you can expect much from like, somebody starting a small business to worry about corporate social responsibility. Whereas on the other hand, you have some of these really large companies like multinational companies that have a much larger footprint. And they have a much larger influence. So, in that case, I think, you know, with greater size and greater influence and greater power becomes greater responsibility.

Participant 004 had a similar sentiment, stating "everyone should try and do their best, but then the bigger companies actually have a greater responsibility because of the scale of the damage".

Within this first characteristic is the notion that large companies (in particular, Patagonia), have greater influence over manufacturers, and therefore a responsibility to use their influence to positively affect the power balance between manufacturers and smaller companies. Participant 012 stated that

> They're quite a large company, so they'll have a lot of pull in terms of like, if, you know, they want to manufacture at a factory, but the factory doesn't want to implement these safe workplace rules,

whatever, they have that sway because they're such a big company in order to influence the factories. I think it's important just to make it more mainstream, like, I think it's important from two standpoints one, because like if big companies are advocating for this, then it's more likely to happen. And two, because for smaller companies, like for somebody who doesn't have that power of Patagonia, it can be really expensive for them to find ethical manufacturers. So, it just makes it so that smaller companies are able to find ethical manufacturers more easily and more cheaply and therefore consumers as a whole have a cheaper, but also more ethical clothing option.

Participant 014 also evoked a similar concept, but when referring to Patagonia's responsibility as a large company to set an industry standard in terms of recycling programs and waste reduction, and noted that this standard has already started to take hold as other companies have begun implementing similar buy-back and product repair programs that Patagonia uses.

The second primary factor that participants referenced was that due to how lucrative large companies tend to be, they have the monetary ability, and therefore obligation that smaller companies do not have, to donate money towards CSR. Participant 006 stated that:

There's certainly small companies that can have a lot of impact. But it does depend a little bit on profitability and what's financially viable. So, I think I would probably expect as a consumer that a large company would be dedicating more in terms of like absolute dollars to that type of initiative.

The third and final primary reason that participants gave for Greater Power = Greater Responsibility was that these companies have a responsibility to do CSR wherever their expertise lies/where they are able to make the greatest impact. Participant 020 referenced this when asked if the industry should influence types of CSR activities by saying, "Yes. Because you probably have more expertise in a certain area. Like if you're an oil company and you're used to drilling oil wells, it's probably not that difficult to then start drilling regular wells for water." To conclude, the Greater Power = Greater Responsibility principle was created due to the large number of participants stating that as a company becomes larger, so does their economic effect, political effect, influence over industry standards (which trickles down to benefit smaller companies and the world as a whole), and their ability to make a larger positive impact. Due to the effects seen with greater size, comes the greater responsibility to act.

4.6.6 Obey the law:

Principle 8, 'Obey the Law", had the lowest frequency out of the ten ethical principles, with only two ladders leading to it. This principle had the least ladders associated with it, with a frequency of only two. The law is constantly changing and differs between locations, and for

different industries. Therefore, it is difficult for consumers to define what is right and wrong within different areas of the world or, a company's wrong doings may be hidden until they are exposed. Another reason for the low count of this principle, may be the lack of association between a company's CSR activities and legality. Consumers may assume that a company is following the law within different regions, that this practice is a 'given' at any time, even though it is something that should always be considered. "When companies [they] fulfill their duties, I would say that, knowing that the company that you're using is law abiding, they create respect for others within the company. They, I think these are all, they all build from honesty and transparency." (Participant 010)

Obeying the law was the least frequent value that was mentioned during our qualitative interview. Of the two ladders that were present, the participant felt that it was important for companies to understand their responsibilities to both the stakeholder and the general public. It is seen as valuable to consumers to obey the law, as it builds trust. Consumers want companies whose ethics transcend sectors and can be applied universally.

4.6.7 The Common Good

The Common Good principle was derived from the ethical utilitarianism principle. This principle states that companies look past their own self-interests to engage in activities that will positively benefit the greater good (i.e., environmental, social, humanitarian, etc.); often referred to using the statement 'the greatest good to the greatest number of people'. This principle was frequently referred to by participants, earning it a sum total of 21 direct relations, and 53 indirect relations. The perceptual paths invoked when describing this principle were significant enough to qualify 'The Common Good' on the HVM. Participant 012 evoked the common good principle in the statement,

> I think the most important thing is like, in order to like, Pull the world out of poverty and also to create a more green future. What we really need is people who are educated and who aren't just thinking about where their next meal is going to be. So, if you're like if you can, it's kind of like Maslow's hierarchy of needs, right? If you can go up the pyramid enough that you don't have to just be thinking about like where you're going to eat and whether you're going to die on the job you have a lot more brain capacity, you, or your children to put towards like making a better future. So, it was just like a whole, so make the world a better place.

Participant 013 had a very similar sentiment when discussing Patagonia and humane working conditions,

It's just from a decency perspective, I guess that, you know, you don't want people starving and you don't want people suffering. And I think as well, when you have those situations that they present other problems as well. So, you know, when you have poverty then you probably end up having like a higher crime rate and then there ends up being conflict. And then conflict is a, you know, dispersant of people to different places. So, I think it's in everybody's best interest to do things ethically.

One of the ladders from Participant 015 which classified as 'The Common Good' was as follows:

(A) BP should not just be tailoring initiatives to their industry but also what they think is important to the world or their community right now

(C) If your community really needs an education initiative, or a local charity or women's shelter needs help, companies should branch out their interests to help with that

(V) If something is dire, everyone's efforts should go to helping it

Overall, 'The Common Good' principle was evoked when participants referenced CSR for the purpose of *making the world a better place* or *helping/benefiting everyone.* It is conceivable that participants who evoked this principle view the world as one unit in which all members are responsible for the well-being of all others in the unit.

4.7 ANALYSIS SUMMARY

In the original paper that explained the concept of laddering, Reynolds and Gutman explain how personal values help us to understand the positioning of current and future products. Laddering is seen as a more psychological view and understanding of the marketplace, which is why we are able to identify aspects of consumer behavior that can potentially be affected by this paper Laddering fills the gap between the understanding between the product and the "personally relevant role that it has in the life of a consumer" As discussed above in the methods section, laddering is an in-depth, one-on-one interviewing technique that is used to develop perspectives on how consumers translate the attributes of CSR activities into meaningful associations with respect to self. Most importantly, probes such as "Why is that important to you?" were asked, in order to better understand the dominant perceptual pathways that consumers hold between the attributes and values of an action (1988).

Within this paper, we aimed to answer the research question: Are there universal ethical principles that guide consumer thoughts about businesses CSR practices? Therefore, instead of the traditional outcomes of product attributes and gaining significant insights as to the value of products, we shifted the way in which laddering was strategically used. Throughout this paper,

laddering has been used to understand consumers' perceptions about an action, specifically, past, present and future CSR activities of companies.

Through a set of 20 interviews, participants were able to give insights into our research question, and we were able to derive some insights into their responses. After the interviews and transcription were completed, the first step was to summarize the data, using a content analysis, finding key elements for the attributes, consequences and values. The attributes and values were chosen by the researcher when coding the ladders, and the values were predetermined by the ten ethical values that were chosen. Our codes consisted of many different answers at first. We then created larger subject umbrella's that would encapsulate multiple thoughts. For example, under safe, fair and legal working conditions, we included both fair wages and worker's safety. This was done in order to create and understand dominant perceptual pathways and patterns. Following this, the implication matrix that summarized the relationships between all the codes, allowing us to better understand the connections between these elements was created. From the implication matrix, the hierarchical value map (HVM) was created, in tree diagram form. This HVM displayed the linkages between respondents of the interviews and what they felt were core values (Reynolds and Gutman, 1988).

After the implication matrix was created, 068 different codes were created that each had different subject areas, to see a full list of the codes, please see Table 6. The HVM map listed 16 of the most prominent attributes, consequences and values. The attributes were: negative environmental impact, lucrative companies, crisis management and damaging land. The consequences were: sustainability CSR, community engagement, practice what you preach, negative environmental impact, bigger company = more responsibility. Finally, the values were: show respect, mitigate negative externalities, the common good, greater power = greater responsibility and tell the truth. When looking at the dominant perceptual pathways that were created from our implication matrix the two with the highest scores leading from it were to tell the truth and do good social responsibility. It is important to understand that the HVM and understanding the dominant perceptual pathways are different ways of understanding the same subset of data.

Table 5 synthesizes the information from both the implication matrix and the HVM. There are three values that each principle could've been given: material, intermediate or immaterial. The indication of material on the chart means that this value was important to participants within a

specific analysis. Intermediate means that although some participants placed significance on that principle, it did not stand out as one of the core values. Immaterial means that participants did not place any importance on that principle, and therefore it would not be considered a core value within this analysis.

Telling the truth was the only ethical principle that appeared on both the HVM and the analysis of the dominant perceptual pathways. This concludes that this is the *most* important ethical principle that consumers look at to understand and evaluate a business's CSR activities. This was prominent because it is the value that most closely relates to marketing and advertising. Many consumers felt distrustful towards companies that are participating in CSR and were unsure if they are even being completed or if they are just to "save face". Participants felt that if a company advertised as being a brand that celebrated nature, was sustainable and had a product such as outdoor clothing, they needed to stay true to that on all fronts, including the CSR activities that they were focused on. Participants also felt that if you had certain strengths or capabilities specific to your company, for example, one participant used the example of BP having greater extraction capabilities, and they may be able to use the capability to do something along the lines of building a well. One of the most dominant themes that appeared within this value, was the importance of transparency and how that translated into trust for the company. These insights are critical for companies to take away and integrate into their CSR activities and outreach.

Table 5: Summary of Analysis

Ethical Principle	Materiality (Implication Matrix)	Materiality (HVM)	Actionable Takeaways
Show respect for people	Material	Material	- don't act in a way that is cruel to any living being (human or animal) - provide safe working conditions - provide fair wages - respect human rights
Tell the truth	Material	Material	- ensure actions/advertising are matching values/branding - be transparent with all stakeholders - practice what you preach

Do-good social responsibility	Immaterial	Immaterial	N/A
Practice participation, not paternalism	Immaterial	Immaterial	N/A
Act when you have the responsibility to do so: do no harm	Immaterial	Immaterial	N/A
Act when you have the responsibility to do so: clean up your own mess	Intermediate	Immaterial	- if you cause damage/harm you should be liable to clean it up/pay remediations - address problems that your industry creates - this principle is particularly important after crisis situations (i.e., oil spill) - CSR activities should directly reflect impact - Accountability for actions
Act when you have the responsibility to do so: mitigate negative externalities	Intermediate	Material	- When acting in a way that causes damage/harm of any kind, you have a responsibility to minimize that harm as much as possible - Uphold morals - Provide safe working conditions to reduce employee harm - Learn from past crises to prevent future recurrences
Obey the law	Immaterial	Immaterial	N/A
The common good	Intermediate	Material	- Act in ways that benefit everyone in the community/world, not just the business - Companies' values should be consistent across countries - As a functioning part of society, you have a responsibility to give back to that same society

			- CSR activities should be ingrained, not tied to specific events
Act when you have the responsibility to do so: Greater Power = greater responsibility	Intermediate	Material	- Larger, more powerful companies have a greater responsibility to engage in positive CSR due to increased: 　　-profits 　　-resources 　　-connections 　　-negative externalities - Responsibility to set a positive industry standard for other companies -Contribute where you can have the most impact (i.e., if you drill oil wells, you have the capabilities to be drilling water wells too)

Table 5 describes the analysis of the CSR materiality research.

5. CHAPTER 5 - Discussion

5.1 THEORETICAL IMPLICATIONS

The findings from this research project both help to support and add to existing literature. As stated in our literature review, the threat of climate change has led to a rise in the green and ethical consumer, leading to increased pressure on companies by both internal and external stakeholders to increase the company's responsibility towards the well-being of both people and the planet. This responsibility then translates into a potential loss of both monetary and brand image opportunities. The literature review discussed how including marketing sustainability as a part of the brand's values increases both market growth, the value of the business, and an increase in good reputation. A good reputation means that a company can consequently charge premium prices for their products, and see an increased customer loyalty (Lii, 2012). In this research project, it was found that multiple participants, when interviewed about Patagonia indicated that they are willing to pay higher prices for Patagonia's (and other ethical clothing companies including Lululemon's) clothing because they know that it is sustainably made, and workers' rights are being respected. In particular, they seek out fewer, but more expensive and sustainably made clothing pieces rather than fast-fashion trends. It is important to note, however, that this phenomenon is likely very dependent on an individual's own moral values and awareness of the damage done by the clothing industry. Drawing from our conclusions, it is important that in order for a company to benefit from this increased customer loyalty, brand image, and the ability to charge premium prices, they need to be effectively marketing their positive business practices, so consumers have the information available to them to make a socially conscious purchase decision.

The literature also discussed how disclosure of a company's CSR activities is a key component of CSR. Consumers consider a company's CSR commitment to be inadequate when their CSR disclosure is misaligned with the expected/perceived CSR activities of the company (Calabrese et al, 2015). This was an emergent theme throughout our research. While not directly linked to our research question, during the interviewing and data collection phase it was apparent that the majority of participants stated that they had a mistrust of the companies—often not believing, once having seen the CSR disclosure for each company, that the CSR activities disclosed were actually being completed. As such, many stated that *if* the company was in fact doing everything they disclosed, they would be satisfied, but they did not believe this to be true. The key takeaway from this piece of literature and research finding is that it is imperative that a

company is marketing/disclosing their CSR activities correctly. Particularly in companies where there is already mistrust (i.e., BP), respondents stated they needed to see much more concrete numbers and more detailed plans rather than blanket statements such as 'aim to enhance biodiversity'.

Where this research contributes to the marketing and branding efforts of the company is by giving insight into *how* companies can best market/advertise their CSR activities. The materiality analysis discussed in the literature review is important to determine *what* CSR activities companies should be doing,˜ but our research tells them *why* it's important to the consumers. If a company knows *why* consumers (or other stakeholders, if the research were duplicated using a different stakeholder group), value certain activities over the other, they can speak directly to their consumers own values when advertising, increasing the chances that consumers will resonate with their message, which will hopefully lead to a purchase decision and customer loyalty. A key part of marketing is not just telling a consumer what they should want, but rather speaking to why they should want it—what benefits are consumers deriving from purchasing/using this product over the competition. In essence, consumers have needs (the need to limit the amount of waste they are contributing to, the need to cause as little environmental harm from their own purchasing decisions, the need to be a good person and respect other people), and a company can better choose which CSR activity to undertake if they can understand what need it will fill for the consumer. This is what our research will help companies to accomplish. The results of this study show that consumers will likely not be strongly affected if a company markets their CSR activity as law-abiding, however, if they market their CSR as mitigating negative externalities, consumers may value the latter more. Truth telling in particular was a concept that was highly referenced in the literature review, and this principle was subsequently one of the principles that participants referred to most frequently in the analysis.

The final theoretical implication identified in our research supports the literature stating that it is important that a company's initiatives are in line with their branding and activities, as such that they avoid inciting consumer skepticism (Lii, 2012). If a company is preaching strong environmental initiatives but is found to be harming the environment beyond a reasonable amount needed for their operations, it creates consumer distrust wherein disclosing CSR activities may actually harm the companies' reputation further. In our literature review we identified a case where BP was branding themselves as environmentally conscious, and then through their own negligence

caused one of the largest environmental disasters in history (the Deepwater Horizons oil spill in the Gulf of Mexico), fueling consumers distrust (Nyilasy et al, 2014). Interestingly, this distrust appeared to persist among participants of this study, 11 years later. One participant, when discussing CSR activities for BP/the oil and gas industry specifically stated that she wished she did not know the specific company was BP, because she felt that skewed her perception of their CSR activities negatively. This emphasizes the strong importance of practicing what you preach. Companies whose words and actions are misaligned risk ruining their reputation and igniting long-term distrust of their company when consumers learn of the deception.

5.2 PRACTICAL IMPLICATIONS

Although there are some limitations that occur when using the means-end model, there are many applications of the research that has been conducted in this study. The first is the creation of value-based segmentation. Using the Hierarchical Value Map, population segments can be created, as groups of consumers who have similar personal values are grouped. These segments based on values, may be different from traditional socio-demographic data used to create segments. This is especially applicable to advertising as advertising based on personal values creates greater buyer involvement and loyalty. On the marketing front, laddering may help corporations develop strategies. Ideas that have been uncovered in laddering, for example, understanding that cleaning up your own mess may be a key CSR activity to focus on can be used to reach consumers. Corporations may use these ethical values to see where their points of differentiation are, as laddering is used to help determine the underlying meaning that consumers possess.

Using the ladders created can also be useful. Ladders provide understanding and connections such as why people make certain choices, as well as the strengths and weaknesses of the brand. For example, in our research, it was shown that brands that are more destructive should be doing more to mitigate their negative externalities. Laddering is more personal than the typical survey, and may be able to get to underlying values that a consumer may have. The questions asked in the interviews extended to topics such as universal CSR, which would be applicable to any company looking to better understand the connection between their CSR activities and consumer insights (Saaka et al., 2004).

5.3 LIMITATIONS

There are some limitations of this research that are important to discuss. The first limitation is that in our literature review, we did not identify any previous research using a means-end chain analysis to study consumers associations to CSR (or similar topics). Typically, we found means-end chain analyses were used to study specific products, and their attributes, consequences, and values. As a consequence of this, our 'product', in this case CSR activities tend to be much more complex than typical products, complicating the straightforwardness of the analysis. When discussing CSR activities, there are a lot of nuances, first of all due to the potentially infinite number of attributes a particular activity may have, as well as the great amount of influence that either an industry, specific company, or situation can have on a CSR activity. As such, the analysis was not as straightforward as one for a consumer product may be, and many generalizations had to be made in order to derive meaning from the data.

A second limitation is that culture could have an influence on the results that was unidentified from this research study. Both of the researchers as well as all of the participants are located in North America, and many are in the business field. When sampling, we aimed to include as much variety as possible in terms of industry that the respondents were in, however the majority of respondents were in the business industry. It will be important in the future to replicate this research with people in different countries/cultures, and with different educational/work backgrounds.

As discussed in the methods section, laddering as an interview method can be difficult to do. Participants may be prone to having a social desirability bias. Due to the nature of our research, where we were having participants discuss ethical issues (often, child labour and slave labour was a relevant topic during interviews), we identify that there may be an increased chance with our research for social desirability bias. While we took all necessary steps to reduce this bias, including ensuring full anonymity, the participants' identities and answers were known by the researchers administering the interviews, and therefore may not have felt that full anonymity, and therefore a pressure to answer questions in a socially desirable way. Due to the nature of COVID-19 preventing in-person interviews, it was required to conduct interviews over zoom. This could have either been a benefit or limitation to the study. On the one hand, participants may feel more comfortable answering these questions in their own home rather than a lab. However, the nature

of online interviews leaves researchers with less of a chance to build rapport with the participants, and therefore the participants may not have felt as comfortable.

Another caveat of the laddering process is that some participants had a difficult time reaching value-level associations. The nature of the interview is such that apart from probing questions, the researchers are not able to directly prompt participants to help them reach a value-level association. While probing questions were able to elicit strong ladders from each participant, there were some who were not able to complete some ladders, and as such, important data could be missed due to the inability of the participant to vocalize their associations.

Our study was able to generate a wealth of raw data from interviewing 20 participants, wherein each interview with a singular participant consisted of two interviews, each discussing two different companies in two different industries. Therefore, we were able to collect data on 40 different 'cases' (20 about BP, 20 about Patagonia). Even with this strong sample size, it was very clear that the industry had an effect on participants answers. As such, both a limitation and an opportunity for future research would be to expand questions to other industries as a way of gauging if any new associations emerge. Due to the activities of different industries, it is possible that a different industry not mentioned during the interviews would have elicited different/new ladders or had a greater influence on which principles were determined to be most important.

A final limitation that we have determined from the interviewing process is that participants were not provided a list of possible types of CSR activities. While every participant was aware of CSR prior to the interview, different participants will have different knowledge bases on what is feasible for a company to do/what has been done in the past. Due to this, answers may be limited to a participants' own schemas. The consequence of this is that there may be a CSR activity that a participant would put more importance on than another if they knew that the activity was a possibility.

The next limitation we identified was in how the data was coded during the content analysis. In order to make a subjective decision as to what piece of data qualifies as what code, it is feasible that some variables may be lost in the process. Additionally, due to the complex nature of CSR, and the large variance in attributes or consequences of certain activities, there was the risk that valuable meaning may be lost in the coding process. To reduce the severity of this phenomenon, each researcher did the content analysis separately, and then compared and

contrasted each other's codes, followed by an in-depth discussion on which codes should be combined or altered to best represent the data.

The final limitation we identified occurs when creating the HVM. Currently, there is no data-driven criteria to help researchers determine what an appropriate cut-off level should be when constructing an HVM. Consequently, it is the subjective opinion of the researcher to choose what cut-off value to use. Due to the sheer number of different attributes, it was difficult to make an HVM that encompassed all key data points, because the large number of attributes mean each participant said each attribute less than they would if there were only a small number of attributes relevant to one CSR activity. This means that there was less of a chance that participants would directly link an attribute with a consequence enough times to reach the cut-off value; therefore, valuable insights could be missing. To help overcome this limitation, we ensured coding was done separately and compared to ensure the most consistent interpretation of the data, and we tested multiple cut-off values to determine which levels provide us with the most clearly synthesized results.

5.4 FURTHER RESEARCH

There are several issues that need further investigation, and that were developed through our research which studied consumers attitudes towards company's CSR activities, and trying to understand there was a universal subset of values that was present across industries and company size. Overall, the research that was conducted was meant to be generalizable between industries and events, and future research could focus on more specific circumstances or groups of respondents.

The research shows that there are universal ethics that guide consumers' perceptions. Concepts such as telling the truth and cleaning up your own mess were two ethical principles that were consistently commented on and confirmed that there are some actions that consumers value over others. Because of the nature of CSR activities and the examples that were used (Patagonia and BP) there were limitations to the CSR activities that the respondents were exposed to. We purposely chose one company that was viewed as more ethical and sustainable (Patagonia) and one that was considered to be more harmful (BP). Further research, using different companies, industries and therefore having different CSR activities that were considered would provide different levels of importance. It would be beneficial to conduct a study that examined multiple

industries at once or focused on industries and events that were specifically beneficial or harmful in their practices.

While there is extensive writing on CSR activities, there is a lack of research in consumers' understandings of these CSR activities, and which are more material to them in both their everyday life and buying choices. Further research should be conducted on more specific terms in order to better understand how consumers make choices based on a company's CSR activities. Our research focused on what consumers found universally materially important, but it would be useful to see how specific CSR activities affect specific consumers and their buying behavior.

Another interesting area for further research could be to organize subsets of groups by a certain characteristic, in order to get data that is specific to a company's location, industry or crisis. Due to COVID-19, we were limited in the types of respondents that were available to us. Future research may choose to have a more specific group of respondents, in order to understand what is important for different differentiators such as (job, location, title, gender and age). Different results may come out of different cultures and types of people.

Finally, findings in the research suggest that advertising and the brand image of a company is important to consumers' perceptions about what a company should and should not be doing, and how their actions are received within communities. Brand image, and the perceived impact that they already have in society, played a large role in how consumers evaluated specific CSR activities. There is clearly a link between the brand image that a company has and the CSR activities they do. There is a need for further studies into the particular CSR activities that companies practice and are investing in, their brand image, and consumer perception. Even more specifically, how this relates to psychology, buying habits, advertising and PR. This research did not focus on the amount of advertising and PR that companies do surrounding their CSR activities and how that affects consumer opinions.

6. CHAPTER 6 - Conclusion

This paper began with a literature review, that studied CSR and materiality analyses. CSR has become an important topic for businesses in the past decade and influences firms' strategic actions. We defined CSR as "To emphasize the philanthropic responsibility of business, corporate social responsibility can be defined as a "commitment to improve community well-being through discretionary business practices and contributions of corporate resources" (Kotler and Lee, 2005). It was important to understand that CSR enhances the connection between organizations and their stakeholders. Firms have many ways of determining which CSR activity they will undertake, but one way they may do that is through the Sustainability Activities and goals presented by the UN. This suggests a shift to the stakeholder view, which emphasizes the need to create and re-evaluate the creation of value for stakeholders of a company.

We then moved into the materiality analysis and discussed both stakeholder theory and sustainability management. Today, companies must manage the relationships between stakeholders and individuals who are linked to firms externally, balancing their needs, wants and basic values that a company should have. Four different approaches to materiality analysis are used to classify sustainability activities on a spectrum by the level of importance, based on what stakeholders want as well as the influence on the organization's success (Ranangen et al., 2018). Finally, we addressed the rise of the green and ethical consumer, who have forced companies to focus more on CSR and corporate environmental performance (Nyilasy et al., 2014). Companies should also avoid greenwashing and allow consumers to make decisions based on truthful advertisements.

Next, we developed the ethical concepts and principles that would be used to determine the values within our ladder analysis. By first addressing ethical theory and then defining principles, we made sure that our values were inclusive to make sure that analysis would be possible. Ten different ethical principles were created based on research, and we determined subjects of ethics that would be most important for our study.

Following the explanation of our ethical principles, our methods were broken down. Here, we explore the laddering technique in-depth, as well as the benefits and disadvantages of in-depth interviews. Basic concepts such as research ethics, sampling and specific methodological steps were explained.

Finally, our paper concluded with an analysis. In this section, the analysis of the laddering approach occurred through a content analysis, a means-end chain model, implication matrix, HVM and ranking of the CSR activities. We discovered that some of the most important values for respondents were show respect, mitigate negative externalities, the common good, greater power = greater responsibility, tell the truth and show respect. Tell the truth showed up in both the implication matrix and the HVM, emphasizing the importance of this ethical principle to consumers. Limitations, applications, and future research were also discussed.

This paper continues the knowledge and understanding of materiality analysis as well as the emphasis on marketing and advertising fields for future strategic business decisions. Companies may use the information provided to make concrete business decisions, and positively impact the lives of people across the world. We found that there are ethical principles that are underlying consumers' opinions about CSR activities, and respondents felt that worker's safety was kind and should not even be included in the marketing and branding of a company's CSR activities. This may mitigate the liability of foreignness that companies face in new and emerging economies or marketplaces. This study will help to build upon the materiality analysis approach to understanding which CSR activities are more important than others in the eyes of the consumers.

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8. CHAPTER 8 - Appendices

Table 6: Summary Content Codes for Consumer CSR Materiality Study

Values	Concequences	Attributes
(059) Show Respect	(032) Positive Perception of Company	(001) damaging land
(060) Tell the Truth	(033) Practice what they preach	(002) safe, fair and legal working conditions
(061) Do-Good Social Responsibility	(034) Universal and continuous CSR	(003) waste reduction of companies
(062) Practice Participation not Paternalism	(035) Negative Environmental Impacts	(004) lucrative companies
(063) Do no harm	(036) Poor working conditions	(005) crisis management
(064) Clean up your own mess	(037) Human Rights	(006) company should invest in renewable energy
(065) mitigate negative externalities	(038) Industry Impacts Consumer	(007) products are very integrated into society
(066) Obey the law	(039) Enforcement of safe, fair, legal working conditions	(008) expensive and high quality products
(067) Common Good	(040) Sustainability CSR	(009) mistreatment of animals
(068) Greater Power = Greater Responsibility	(041) Harming Local communities	(010) male dominated industry
	(042) Waste Reduction	(011) negative environemntal impact
	(043) bigger company = more responsibility	(012) responsibility to communities that they work in
	(044) Community Engagement	(013) social CSR activities
	(045) Increased Transparency	(014) Environmental CSR
	(046) Environmental CSR	(015) Increased company transparency
	(047) Prevention of future crises	(016) branded as sustainable/active
	(048) Ethical practices	(017) disruptive to local communities
	(049) profiting off others' pain	(018) politically complex
	(050) Open Source Technology	(019) abandoned projects
	(051) Consumers have low expectations of company	(020) promotes consumerism
	(052) Should be charged carbon Taxes	(021) Mistreatment of employees
	(053) CSR activities should be inward looking	(022) Ethical
	(054) creates a better future for everyone	(023) sustainable
	(055) People look to large companies for leadership	(024) Digitization
	(056) Determining lad allocation	(025) Political CSR
	(057) Industry Specfic CSR	(026) Poor political climate
	(058) Consumers have responsibility to edcuate themselves about products	(027) Breadth of CSR activities
		(028) employees come from all walks of life
		(029) cars
		(030) other companies following in positive footstep
		(031) Environment at the core of their business

Table 7: Implication Matrix

Table 8: Summary of Direct (XX) and Indirect (YY) Relations for Each Element (XX,YY)

Code	To (horizontal sum)	From (vertical sum)
1	13:44	8:04
2	28:00	8:02
3	7:13	3:02
4	27:02	12:06
5	21:52	5:03
6	2:05	2:00
7	5:16	5:01
8	7:21	5:01
9	1:01	0:01
10	3:04	0:00
11	30:06	12:11
12	7:13	4:03
13	16:34	7:01
14	19:22	3:00
15	7:12	1:00
16	6:25	1:00
17	4:13	2:00
18	1:04	0:00
19	1:04	1:00
20	3:08	0:00
21	1:01	0:00
22	1:07	0:00
23	1:05	1:00
24	1:01	0:00
25	1:02	0:00
26	1:01	1:00
27	2:03	0:00
28	1:01	1:00
29	1:04	1:04
30	1:01	1:00
31	1:01	0:00
32	12:08	16:17
33	8:03	7:10
34	7:08	12:05
35	16:16	17:20
36	3:04	4:04
37	7:07	6:03
38	5:05	8:12
39	25:15	23:30
40	22:19	21:29
41	7:13	5:09
42	11:09	11:18
43	12:07	10:13
44	18:09	17:31
45	11:05	11:10
46	8:04	9:15
47	5:03	2:01
48	3:00	2:01
49	2:01	2:09
50	1:00	1:04
51	1:02	1:03
52	1:00	1:01
53	2:00	2:04
54	0:00	0:00
55	1:00	1:01
56	1:02	0:06
57	2:01	2:01
58	1:00	1:01
59	4:01	26:55
60	5:01	26:56
61	0:00	8:20
62	0:00	6:04
63	0:00	8:18
64	2:01	15:41
65	2:00	17:53
66	0:00	1:06
67	2:00	19:53
68	4:01	20:08

Table 9: Set of Ladders for CSR Materiality Study

LADDER 1: show respect for people	LADDER 2: tell the truth	LADDER 3: do-good social responsibility
(V) workers are people and should be treated as such, they do not deserve the bare minimum ↑ (C) fair wages should be enforced ↑ (C) working conditions should be similar across nations ↑ (A) workers should be able to work in safe working conditions (safe working conditions) ↑ (A) workers in foreign factories are often paid only cents per hour (fair wages)	(V) companies that promote themselves as "high end" should make sure their practices reflect that ↑ (C) should be making high quality clothing (creation of durable products) ↑ (C) should be aiming to reduce waste (waste reduction) ↑ (C) want values to match buying habits ↑ (A) branded as sustainable ↑ (A) high-quality products	(V) companies must educate the populations that they touch ↑ (V) cleaning up their mess if they build a pipeline or if there is a spill, being accountable ↑ (C) giving back to the communities they disrupt, should have investments into communities: ↑ (A) Capitalization of earth's resources: ↑ (A) Wealthy industry ↑ (A) disruptive to indigenous lands ↑ (A) Disruptive, especially in Canada
LADDER 4: participation not paternalism	**LADDER 5: do no harm**	**LADDER 6: clean up your own mess**
(V) It's important to regain support of the communities you operate in after an incident such as an oil spill; you need to community to ↑ (C) BP needs to both get community support and regain community support after the spill- ↑ (A) BP has had a devastating oil spill that they haven't fully recovered from ↑ (A) Phrase in the industry "license to operate"; it says that you can only operate if you have support of the community	(V) companies should try to help in any way that they can, especially when they are causing destruction "not do no harm, but do less harm" ↑ (V) should look for the highest degree of human and animal safety ↑ (V) because companies and their product do damage to the earth, we don't want companies to create additional damage on top of what they are already doing ↑ (C) should invest in renewable energy ↑ (C) should be concerned with worker safety ↑ (A) Should be using renewable energies ↑ (A) Oil Spill	(V) It's important to counteract what they're doing to harm the environment (help combat the damage they're doing) ↑ (C) They cause damage to the environment; fossil fuels are bad ↑ (A) They should put CSR resources towards environmental initiatives

LADDER 7: mitigate negative externalities	LADDER 8: obey the law	LADDER 9: common good
(V) If you're creating an unsustainable product, you have the responsibility to enable the movement of it through its life cycle for different users ↑ (C) When you burn these plastics it's harmful to the environment ↑ (C) The clothes are made of plastics that don't deteriorate so it gets burnt (C) If they don't get back the material it will end up at landfills ↑ (C) Important to get back the material from their product to reuse or recycle ↑ (A) They should have recycling programs/use more sustainable fibres	(V) Obey the law ↑ (C) businesses should have transparency and responsibility for their actions, ethics transcend industries ↑ (C) businesses should be making a difference in communities that they work in ↑ (A) should collaborate with other businesses ↑ (A) businesses should be contributing monetarily	(V) Because of the crime, conflict, and displacement, it's in everyone's best interest to do things ethically ↑ C) Poverty leads to higher crime rates, conflict, and great displacement of people ↑ (C) Because workers there tend to be very poor, they need any type of work they can get and are therefore being taken advantage of ↑ (C) We wouldn't tolerate those conditions in North America ↑ (A) There's a lot of abuse in the clothing industry with regards to workers' pay and working conditions where the clothing is produced ↑ (A) Ensuring fair wages and safe working conditions
LADDER 10: greater power = greater responsibility		
(V) With greater size, greater influence, and greater power becomes greater responsibility ↑ (C) Really large, multinational companies have a larger influence and larger footprint ↑ (A) Larger companies have a greater responsibility to engage in CSR activities		

Figure 3: Interview Guide

Study Name: "Stakeholder perceptions of corporate social responsibility activities"

Introduction:

Thank you for agreeing to participate in this study. This study will be conducted for the Norwegian School of Economics. Our research is part of a larger research project chaired by Professor Magne Supphellen of the Norwegian School of Economics, who specializes in Innovation and Entrepreneurship, and Marketing and Brand Management. My name is _____ and I am doing my master's thesis and majoring in Marketing and Brand Management.

I wanted to assure you full anonymity, and your name will not be associated with your data whatsoever. Furthermore, this is a blind study which means that the full purpose and extent of our research will be explained to you directly after the interview is complete, and at that moment please feel free to ask any questions that you may have. Broadly, our research is about consumers' opinions about different companies' CSR activities. We will ask you questions about two different companies, there is no prior knowledge required. Please answer with your honest opinions—there is no right or wrong answer for these questions. Although the questions may seem repetitive, it is encouraged that you reflect and fully answer each question as introspectively as you can. If at any point there is a question that you do not feel comfortable answering, please let me know and we can move on to the next question.

I am just going to ask you a couple preliminary questions to get to know you a bit better. Your responses and identity will be completely anonymous, and no identifying information will be recorded other than audio. We are recording this call for transcription purposes, but the video will be immediately deleted, and only the audio file will be used.

In this study you will hear us referring to the concept of CSR frequently: CSR stands for Corporate Social Responsibility and refers to a company's commitment to manage the social, environmental, and economic effects of its operations responsibly and in line with public expectations.

Demographic Information (Verbally Collect):

- Age

- Gender Identity

- Profession/job title

- Geographic area

Interview Questions:

1. What words come to your mind when you think of BP and/or the oil and gas industry?

2. What kind of CSR activities would you expect that a company such as BP would be engaged in?
   a. Why → Probe

3. In what instances do you think that BP should put more resources into _____ [CSR activity]
   a. Why → Probe –do you think this requires more time and resources than normal
   b. Should that require more transparency

4. **Repeat for 1 or 2 key CSR activities listed previously.**

5. What do you think this means to consumers when a company such as BP engages in _____ CSR activities?

   a. What does this mean for the company? Will customers be more willing to engage with companies doing this/would you be more willing to buy if you knew the company was doing this

6. Is this something that depends on the industry that a company is in?
   a. Why → Probe

7. ***Give respondents the list of CSR activities**

8. Please rank the CSR activities that BP is engaged in based on highest priority to lowest priority
   a. Why → Probe

9. Do you believe that BP is engaging in enough/the right CSR activities?
   a. Why → Probe

Company 2: Clothing/Fast Fashion/Patagonia

Interview Questions:

1. What words come to your mind when you think of Patagonia and/or the clothing/retail industry?

2. What kind of CSR activities would you expect that a company such as Patagonia would be engaged in?
   a. Why → Probe

3. In what instances do you think that Patagonia should put more resources into _____ [CSR activity]
   a. Why → Probe –do you think this requires more time and resources than normal
   b. Should that require more transparency

4. **Repeat for 1 or 2 key CSR activities listed previously.**

5. What do you think this means to consumers when a company such as Patagonia engages in _____ CSR activities?

   a. What does this mean for the company? Will customers be more willing to engage with companies doing this/would you be more willing to buy if you knew the company was doing this

6. ***Give respondents the list of CSR activities**

7. Please rank the CSR activities that Patagonia is engaged in based on highest priority to lowest priority
   a. Why → Probe

8. Do you believe that Patagonia is engaging in enough/the right CSR activities?
   a. Why → Probe

End Interview Debrief:

Thanks again for taking the time to speak with me about BP and Patagonia's CSR activities. I just wanted to debrief with you about the study and what we were exploring.

In society, it is expected that every company has an obligation to engage in corporate social responsibility. With that, each person in any role in society has different expectations on which CSR activities a company should partake in. Our study aims to identify if there are a core set of

universal principles that guide different stakeholders when determining which CSR activities a company should undertake. This interview was therefore searching for the underlying reasons that someone places importance on one CSR activity over another.

We would be happy to answer any questions you may have.

Figure 4: CSR Activity List - BP

[edited for length]

1. **Getting to Net Zero Emissions**
a. Aims to become a net zero company by 2050 or sooner (net zero company broadly means that any activity from a company will result in no net impact on the climate (largely from greenhouse gas emissions): emissions produced by company are balanced with the emissions taken from the atmosphere)
b. Aiming to install methane measurement at oil and gas sites to reduce methane intensity by 50%
c. Aiming to increase proportion of money invested into non-oil and gas business, and eventually decrease amount invested in oil and gas
2. **Improving People's Lives**
a. Working to make clean energy available to underserved areas in various countries (770 million people globally don't have access to electricity)
b. Planning to run education and employability programs to enable people to transition into low carbon jobs –focus on BP employees and locals in the communities where BP is developing renewable energy projects
3. **Safe, fair, legal and humane working conditions:**
a. Aiming to create greater diversity, equity and inclusion among both workers and customers, and increase spending on diverse suppliers to $1 billion
b. Support employees in improving mental and physical health
4. **Caring For Our Planet**
a. Aim to enhance biodiversity/support biodiversity restoration at BP operating sites
b. Aim to become water positive (replacing more freshwater than they consume from their operations)
c. Aim to increase sustainable purchasing/develop a more sustainable supply chain
5. **Humanitarian Efforts**
a. Supplied over 10 million litres of free fuel to emergency service vehicles in UK, also free jet fuel to helicopters used for UK air ambulances

b. Provided emergency food supplies/survival kits to stranded truck drivers & migrant workers in India

c. Provided clean tanked water to community left without access to clean water after Mauritian government closed the borders to Senegal because of Covid

d. Donated 2 million to WHO's Covid solidarity response fund **I don't know if they've done this yet

e. Free delivery of food & convenience goods from some UK retail stores

f. Free fuel in various capacities/places

g. Supporting mental health charity Mind in the UK

h. Donating its supercomputing capability to help scientists in the fight against Covid

Figure 5: CSR Activity List - Patagonia

[edited for length]

1. **Sustainable Fashion (Waste Reduction):**
a. Ironclad Guarantee: "We guarantee everything we make. If you are not satisfied with one of our products at the time you receive it, or if one of our products does not perform to your satisfaction, return it to the store you bought it from or to Patagonia for a **repair**, replacement or refund. Damage due to wear and tear will be repaired at a reasonable charge."
    i. Instead of disposing of unwanted garments or wear and tear items, Patagonia will repair the item so the consumer can continue to use it and less waste is created
2. **Ethical Material Sourcing (Down and Cotton):**
a. Patagonia has "built robust environmental responsibility and animal welfare programs to guide how we make our materials and products".
    i. 64% of our fabrics this season are made with recycled materials
    ii. 100% of our virgin down is certified to the Advanced Global Traceable Down Standard
    iii. 100% of the virgin cotton in our clothes is grown organically
3. **Safe, fair, legal and humane working conditions/fair labour practices:**
a. 82% of their line is Fair Trade Certified Sewn
b. 72,000 + workers are supported by Patagonia's participation in the Fair Trade program.
c. 550+ farmers are part of our Regenerative Organic Pilot Cotton program.
d. Patagonia engaged in a range of due-diligence activities to promote and sustain fair labour practices, safe working conditions and environmental responsibility in the finished-goods factories, farms and mills.
4. **Sustainable Facilities:**
a. Mission to decrease the carbon footprint of owned and operated buildings. The carbon footprint of the facility is only 3% of the total footprint.
    i. As of 2020, 76% of the energy used globally is renewable.

1. Our greenhouse gas emissions footprint for shipping (both inbound and outbound) is around 8 percent of our total emissions footprint.

ii. Composting Facilities are installed at every facility and employees are being trained on zero-waste initiatives.

iii. Water that is used is captured and re-used.

5. **Environmental Conservation:**

a. "Since 1985, we've pledged 1% of sales to the preservation and restoration of the natural environment."

i. $89 million in cash has been awarded to domestic and international grassroots environmental groups.

6. **Environmental Activist Groups:**

a. Has created a 1% for the planet business alliance group in which other companies can join.